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HOUSE OF COMMONS

Monday, May 13, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—CANADIAN WOMEN

Ms. Pauline Jewett (New Westminster-Coquitlam) moved:

That this House, recognizing the continuing economic inequality of Canadian Women, demands that the government incorporate into its forthcoming budget the following initiatives, the:

1. reform of the tax system rather than the introduction of further public spending cuts which impact most adversely on women;

2. provision of job creation and training programs targeted to women, and funding sufficient to enable the Canadian Human Rights Commission to enforce equal pay for work of equal value legislation, and develop an effective enforcement mechanism for affirmative action programs;

3. provision of more transition houses and services for women and children who are victims of family violence; and

4. provision of increased funding to ensure access to quality daycare to meet the urgent needs of Canadian parents and children.

She said: Mr. Speaker, it is interesting that we should have this motion today because, quite coincidentally, today is the day of the annual general meeting of the National Action Committee on the Status of Women. Indeed, we in the New Democratic Party have just come from our meeting with representatives of the National Action Committee.

As Members of the House know, this is a voluntary umbrella organization of 370 women's groups representing over 3 million Canadian women. Their particular concern this year is the continuing economic inequality of women. Indeed, their weekend debates, although covering a number of subjects, did centre on this issue. They called their meeting a Canadian women's economic summit.

• (1110)

One would have hoped that after the Leaders' debates on women's issues, and above all on women's inequality, which were held last summer and after the commitment then made by the Progressive Conservative Party which now forms the Government to taking strong initiatives in removing the economic inequality of women and indeed all the other inequalities that women continue to face in Canadian society, we would have seen more action taken than has been taken. The Government can, however, redeem itself in the forthcoming Budget and indeed it is in the context of the forthcoming Budget that this motion was moved.

Dealing with the specific area of economic inequality, we can look at job creation, job training and job security. In each of those three areas, we see that the Government has not in fact lived up to its promise of giving equal access to women. Dealing with job creation, for example, the Government has allowed for expenditures of $2.2 billion, only 5 per cent of which is targeted toward helping women and in fact toward helping women and youth. That is only $125 million out of $2.2 billion targeted to women and youth.

Regarding the Challenge '85 summer employment program for students, there is no affirmative action requirement that approximately half of that program's funds should go toward job creation for women students. Indeed, when my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), questioned the Minister of State for Youth (Mrs. Champagne) on March 5 of this year regarding why a specific affirmative action plan for women was not embodied in the summer employment program, the Minister of State for Youth replied by saying the following:

—when we were working on "Challenge '85", that there was no need for a quota, that women, young Canadian women would themselves seek their due and take the necessary step to obtain their full share of available summer employment.

That is a revelation on the part of the Minister, and indeed on the part of the Government as I expect she does speak for the Government, indicating that there are no barriers to women seeking employment in either the Challenge '85 program or elsewhere and indicating that women started at the same starting gate as men. I had thought that the outcome of the Leaders' debate and other activities which took place last year would have told the Conservative Government that there is not equal opportunity for women and that women do not start at the same starting gate but start well behind. We have documented that time and time again. If, as the Minister was suggesting we do, we simply let nature take its course, women will not have anything like the same number of jobs from any job-creation program. In other words, there has to be affirmative action to ensure that they will be fairly and equally represented in job-creation programs.

The area of job training is the second area in my initial triad of areas of job creation, job training and job security. The Government did in fact end very arbitrarily the program called "Women Into Non-traditional Occupations". Perhaps it was not a very effective program but it was the beginning of the encouragement of women through apprenticeships in non-traditional occupations, and that program was cut last December. Is there going to be anything in the Budget which will once

again take that kind of affirmative action to enable women to get into non-traditional occupations? Or is the Government once again simply going to leave it to the market-place and to the employer, which have traditionally given and continue today to give men the advantage?

• (1115)

We have recommended that 50 per cent of all federal training places should be allocated to women. The House will recall that we also advocated that 42 per cent of job-creation funds should go to women, as women constitute 42 per cent of the labour force. As well, we advocate that 50 per cent of training programs and retraining programs should be allocated to women, because women constitute one-half of the population. The Government has done nothing to provide that kind of affirmative action for women in job training and retraining programs. Indeed, as I stated previously, the Government has cancelled the one program which existed. Therefore, we call upon the Government, in the coming Budget, to rectify the past and to consider job training and retraining for women in a serious and affirmative way.

The third matter with which I would like to deal is job security. Job security is incredibly relevant today. What is happening—and Air Canada, a Crown corporation, is an example of it—is that employers are cutting back on full-time jobs and the security which goes with those full-time jobs. That is what the CALEA strike is about. In that case a Crown corporation, Air Canada, is attempting to have more of its employees work on a part-time basis or on contract. That will only lead to lower wages, no benefits and, of course, no security.

Why is this particularly important for women? Because women constitute 72 per cent of the part-time workforce. Almost three-quarters of Canadian part-time workers are women. Women will be pushed in increasing numbers into part-time work if the present trend continues. Of course, this is happening in the private sector as well and the Government has shown no interest in taking the initiative which it could to reverse the trend.

In relation to job creation, training and security for women is the whole concept of affirmative action. We had thought, given the statements which were made by the Prime Minister (Mr. Mulroney) last summer, that very strong federal action would have been taken to ensure the hiring and promotion of women to make up for the past disadvantages which women have suffered. I will concede that the Government has done one thing as a result of the Abella report. It has suggested to the private sector that those companies doing business of more than $200,000 a year with the Government establish a plan of action for the hiring and promotion of women. I agree that this is a first step, but they are given three years to work it out and there is no way yet provided by the Government to ensure that they will in fact work out a plan of affirmative action. There are no sanctions upon the companies if they do not work out a plan and no enforcement requiring them to do so. The Government is really basing its policy on blind trust and good luck, as my colleague stated. There must be an enforcement mechanism and this is what we in the New Democratic Party have advocated. We hope that in the Budget itself the Government will recognize not only the principle of affirmative action but some of the costs in financial terms associated with it, and all of the reasons why only affirmative action will ensure women's equality in the work-place.

• (1120)

Equal pay for work of equal value is another concept which has been with us now for almost ten years or more. Again, much was said about it in the election compaign by the Conservatives and, indeed, by all Parties. Here again one small step has been taken, namely, that new guidelines have been established by the Human Rights Commission for enforcing equal pay for work of equal value. However, the onus is still on those who are not getting equal pay for work of equal value to raise cases. It does seem incredible that federal employees have to be the ones to take the initiative to get the federal Government to do something which the governing Party promised it would do on its own. And that remains the case. Employees must take action against their employer. There is no change there.

There is one step which might actually be retrogressive which seems to suggest, under the guidelines of the Human Rights Commission, that the rights of the individual to complain may be removed and only group rights will be recognized. I hope that the Government will take a very serious look at that implication, if that is in fact what is implied.

What is also needed, Mr. Speaker, is adequate funding for the Canadian Human Rights Commission, which is why we have also included this in our motion. If it is going to be the enforcement agency for the provision of equal pay for work of equal value, it has to have sufficient funds, staff and resources to do the job.

There are other areas where the Government could have taken, and could still take in the Budget, steps which would remove some of the inequalities which women face. In small business, for example, everyone recognizes that women have proved to be in many instances successful entrepreneurs. It used to be one in ten successful small business entrepreneurs were women. It is now one in three. So more women are now becoming successful entrepreneurs, and we applaud and commend that development. Many women in small business do not have access to credit on the same grounds as do men. There is a discrimination against women, which has been well documented, in the provision of credit. Women are still seen as not being quite legitimate in the business world.

• (1125)

The Minister of Finance (Mr. Wilson) let the cat out of the bag on March 4 when he was asked by my colleague, the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), why the Government did not include in the Small Businesses Loans Act a concentration on women and particularly their inaccessibility

to credit. The Minister of Finance replied, as reported at page 2691 of *Hansard:*

Mr. Speaker, unlike the Hon. Member's Party, we have great faith in the ability of women to get credit.

That answer, Mr. Speaker, comparable to the one of the Minister of State for Youth and of other Ministers, simply ignores the realities before us.

We have also suggested that the spending cuts which we see, both provincially and federally, impact most adversely on women. If in the Budget the Government taxes more heavily the middle-income groups, denies universality to all, makes no serious efforts to improve the housing situation, does not raise the Guaranteed Income Supplement, and does not provide for genuinely universal health care, women are going to suffer the most. Already 62 per cent of single elderly women are living below the poverty line. It used to be that 42 per cent of families headed by women were living below the poverty line, but in 1983-84 that number increased to 50 per cent.

Is the Government going to address this most serious situation in our society in the forthcoming Budget? Will it also address child care, family violence, and the increased concerns of women's centres? Will it bring about at least some first steps toward the genuine equality of women in the Budget?

[*Translation*]

Mrs. Mailly: Mr. Speaker, I would like to comment on the remarks made by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). While appreciating the fact that the Hon. Member's heart is in the right place, I have always wondered about the element of ambiguity in her approach to the problem of women's economic inequality. Since it is because of their dependence that many women are living in poverty, I cannot understand why the Hon. Member keeps promoting programs, suggestions, principles and a philosophy that tend to increase women's dependence on the State and to maintain them in their traditional status of second class citizens. It is because increasingly, women of my generation and especially, I believe, women in Quebec, are refusing to accept this dependence that people keep wanting to force on us that I decided to run as a candidate for the Progressive Conservative Party, a party that, first of all, respects the value of the individual. I could be, above all, an individual first, and a citizen on equal terms with every one. Second, my party recognized the fact that inequality is above all an economic matter, and a situation that arises from the attitudes of people in society towards minorities, whether these are large minorities, like women, or smaller minorities on the basis of race or creed or colour. Women experience the same unequal treatment suffered by members of these groups. And that is why, Mr. Speaker, I cannot agree when I hear the Hon. Member suggest that women should again start living in ghettos, the ghettos of quotas, for instance, or the ghettos where someone else is going to decide what their priorities should be. I refuse to accept this, and that is why I fail to understand why a woman, who has worked actively all her life to achieve equality for both men and women, keeps coming back with sugestions that would achieve the opposite of what women need.

Finally, Mr. Speaker, I also would like to comment on the fact that the Hon. Member said the Government did not keep its promises. I may refer, for instance, to the amendment to the Indian Act, where native women are given equal rights with native men. There is also the spouse's allowance which has been extended, despite the fact that our economy is in such a deplorable state that it was not possible to do as much as we wanted but in any event, we did it right away. I would also like to mention the amendments to the legislation on prostitution.

I would also like to ask the Hon. Member whether she would agree that the presence of a number of women in Government, in the Cabinet, where six women hold major portfolios, and I am thinking of the Minister of Energy, Mines and Resources (Miss Carney), the Minister of Employment and Immigration (Miss MacDonald), the Minister of State (Finance) (Mrs. McDougall), a first in our history, and also the representation of women in the House of Commons—I wonder whether the Hon. Member would not agree that this active representation by women in Government will accomplish far more for women than constantly wanting to put them in ghettos, asking for quotas and insisting on giving them more money and thus increasing their dependence on the State. If some day they manage to work their way out of constantly depending on men, whether these are husbands, fathers, cousins or brothers, the Hon. Member wants to make them dependent on the State. I therefore would like to ask the Hon. Member how she can reconcile these two considerations?

• (1130)

[*English*]

Ms. Jewett: Mr. Speaker, I have a very brief response. The Hon. Member has not yet realized that the inequality of women puts women in an enormously dependent position. The absence of daycare puts a woman in a dependent position. The absence of maternity leave in many instances puts her in a dependent position. The fact that 62 per cent of elderly women live in a state of poverty puts them in a dependent position.

The whole point of our motion and the purpose of our Party is to ensure that women are not in a dependent position. I must suggest to the Hon. Member that she and the other five women members of the Cabinet, if they are not there already, go over to Room 200 in the West Block to listen to the presentation being made by the National Action Committee on the Status of Women that is addressing the very issues that the Hon. Member raises.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. the Parliamentary Secretary to the Secretary of State.

Mrs. Landry: Among other things, our colleague from New Westminster-Coquitlam (Ms. Jewett) expressed concern about

training for women. I would suggest that, at Regina, our Government did set forth a policy, a labour market development strategy was unveiled and it included training programs targetted to women. The new training programs feature special measures and objectives for women, and we are preparing a professional program designed for women who return to the labour market. Targets have been set for the participation of women in programs geared to labour shortages. That is the only remark I wanted to direct to my colleague, just so she would realize that the Government is very concerned about and actively dealing with training for women.

[*English*]

Ms. Jewett: Mr. Speaker, I was just pointing out that it falls so short of what is needed that it is merely a drop in the bucket. Women will still be extremely unequal when it comes to securing job training and retraining spaces.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am pleased to take part in this debate on the status of women. I am almost tempted to thank my colleague from New Westminster-Coquitlam (Ms. Jewett) for giving the Government an opportunity to show to the House and to all Canadian men and women the active steps we have taken since September 4.

Mr. Speaker, the Secretary of State (Mr. McLean) and Minister responsible for the status of women is now with the National Action Committee on the Status of Women which, as my colleague explained, brings together 300 different associations representing about three million women. Mr. Speaker, it shows that our Government and the Minister do care about women's interests and that consultation remains a priority.

Mr. Speaker, the Government acknowledges that there is more than ample proof that concrete measures must be taken to eradicate the social and economic disparities suffered by Canadian women. A number of recent studies have shed light on the injustices they suffer in practically all sectors of society. Indeed, in a report made public recently concerning a statistical picture of women in Canada, Statistics Canada came up with dismaying figures on the status of Canadian women since 1970. If I may, Mr. Speaker, I should like to quote some of those findings:

> In annual terms, female university graduates earn only $1,600 more than men with secondary education and only $4,000 more than men with less that Grade 9 education. More families than ever depend on a woman's income to make ends meet. Yet women on the labour market continue to be almost exclusively responsible for looking after the children and keeping house. In 1981, roughly 10 per cent of all Canadian households were headed by women, but their average income was 50 per cent lower than those headed by men. Close to half the families whose breadwinner is a woman live below the poverty line.

The report confirms once again that most working women hold low-paid jobs in service industries and office work and that the majority of them work part time, unlike men who earn their living in manufacturing industries and the secondary sector where employment growth is strongest. As a country, we can no longer afford to live in a society where half of the population contributes only part of its potential. We must compensate for all these years during which women were underemployed by embarking on a strategy of women capability development.

• (1140)

Mr. Speaker, that is a responsibility which the federal government assumes very seriously, as it clearly indicated in its Speech from the Throne of last November. As a matter of fact, we have taken concrete measures in this respect. We feel, however, that we could not bring about a profound change within our society without the full cooperation of all our economic partners. With this objective in mind, the government has already started with the provinces and the private sector a series of consultations aimed at initiating the economic recovery which our country needs so badly and reviving the confidence of all Canadians in our system of government.

One of the major objectives of these consultations is to make sure that the recovery benefits all. To this end, we have seen to it that women concerns are fully integrated in the consultative process. As a matter of fact, these concerns were a major item on the agenda of the First Ministers' Conference which was held last February in Regina. A federal-provincial-territorial meeting of the ministers responsible for the status of women had taken place a little earlier to prepare the First Ministers' Conference and determine the issues to be addressed in Regina. The Prime Minister could not have made his stand clearer when he stated in Regina that equity was part and parcel of the economic recovery. I might add that giving women their fair share is not only a matter of justice, but also of economic efficiency.

The federal government did not fail either to put the issues of concern to women on the agenda of the National Economic Conference which took place recently in Ottawa. We were anxious to have women participate as full partners in these important economic discussions with business, union and government representatives. We believe that the integration of women issues to every aspect of policy development is a valuable approach which is already being implemented throughout the government.

I should like to provide a few examples of the way in which this consultation and integration process has brought about legislative changes favourable to women since this government assumed power. Under recently proposed amendments to the Old Age Security Act, all needy widows and widowers who meet the eligibility requirements will be entitled to the spouse's allowance no matter how old their spouses were when they died. Some 85,000 widows and widowers, most of them women, will benefit from this legislation. Under proposed amendments to the Indian Act, discrimination based on sex will be banned from now on. Until now, an Indian woman who married a non-Indian man would lose her status as an Indian

and her right to band memberships. Some 16,000 Indian women have lost their status so far because of this century-old legislation.

Thanks to the adoption of a new legislation, the spouses of deceased veterans, most of them women, will be entitled from now on to an extension of the veterans' disability pensions for one year following the death of their spouses. Previously, payment of the disability pension ceased at the end of the month during which the pensioner's death occurred, thus reducing the surviving spouse's income in a very difficult period.

Canadian mothers who are entitled to day-care allowances under training programs funded by the federal government will see these allowances increased. These changes reflect the importance which the government attaches to the program aimed at facilitating the promotion of women to senior positions. Under amendments to the Labour Code, parents employed in industries under federal jurisdiction will be able to extend their paid maternity leave by as many as 24 weeks of unpaid leave.

Mr. Speaker, the Government's response to the Abella Report should not be ignored. That report, entitled "Equality in Employment", was tabled in the House of Commons last November. It contains the findings of an inquiry on the most efficient and fairest ways of promoting equal opportunities in employment. In her report, Justice Abella provided a penetrating analysis of the unique situation confronting too many women. This Government has responded very quickly to that report. In order to eliminate the systemic discrimination too often faced by women in our society, the Government has decided to require from Crown corporations, federal agencies and suppliers of goods and services to the Federal Government that they have equitable employment practices. To that end, Crown corporations and federal agencies having more than 100 employees shall have to report annually to Parliament on their plans for and progress in equality in employment.

With respect to those firms anxious to get $200,000 government contracts, they will have to adopt equitable employment practices or lose their right to bid for such contracts.

Furthermore, as an employer, the Government will not dodge its responsibilities. Indeed we intend to intensify the implementation of the positive action program. Immediate steps are taken to eliminate the systemic obstacles to employment equality that exist in the Public Service classification methods. That is the gist of this Government's response to the Abella report.

Along the same line, Mr. Speaker, the Government has announced its intention to give women easier access to the labour force while at the same time recognizing their family obligations. The Minister of Justice (Mr. Crosbie) has recently introduced an amendment to the Divorce Act which would among other things strengthen the statutory provisions concerning alimony.

Among the proposed changes, a new mechanism would allow federal and provincial data banks to trace spouses who default on alimony payments. Finally, I would point out that those changes will give the courts authority to garnishee pensions and unemployment insurance benefits wherever the beneficiary defaults on his or her obligations.

In the Throne Speech, the Government undertook to increase its efforts to broaden unemployment opportunities for women within federal agencies, commissions and boards. By ensuring that qualified women have access to jobs involving responsibility and prestige in employment groups that often are non-traditional, the government is setting up an example for business and industry.

I am happy to point out that over the past six months, 23 per cent of all appointees to federal agencies, commissions and boards were women. We are rapidly approaching the 30 per cent goal that was set for the first year of our mandate. Among recent appointments, allow me to mention that of Sylvia Gold as head of the Canadian Advisory Council on the Status of Women. This appointment has been warmly welcomed by women groups from all across Canada, and it also reasserts the Canadian Government's commitment to have this organization turned into a strong and independant body which would not fear on occasion to question Government action in matters relating to the status of women.

Let me recall some of the means with which the Government intends to promote the economic and social equality of women: consulting with women groups; integrating women issues into the Government's decision process; appointing women to federal commissions and boards and important positions in the Public Service; enacting statutes to abolish discrimination against women and to enhance their economic and social status; and finally strengthening the role of the Canadian Advisory Council on the Status of Women.

However, the Federal Government cannot reach its goals in that area without the help and co-operation of the Provinces. Indeed, many sectors of particular interest for women such as education and health come under provincial jurisdiction. The nature and importance of measures to improve the condition of women are not identical in all provinces. It would be impossible to mention the numerous provincial initiatives dealing with the status of women, let alone enumerate the many issues provinces have been unable to deal with up to now.

• (1150)

In order to assist provincial governments ensure equal opportunities for women, the Secretary of State will hold regular meetings with provincial ministers responsible for the status for women. More formally, task groups made up of federal and provincial representatives have been set up to make sure that both levels of government assume their respon-

sibilities with regard to some problems such as battered women and child care.

It is clear that in any speech on the socio-economic equality for women, one cannot overemphasize the importance of federal-provincial interaction. Having said that, the international aspect of the problem should not be overlooked either. The United Nations decade for the promotion of women will be ending this year, 10 years during which Canada has spared no trouble to improve the condition of women within the framework of the United Nations. The decade will reach its climax in July at the United Nations World Conference on Women to be held in Nairobi, Kenya. My government is actively taking part in the planning of that conference which is aimed at reviewing and assessing the progress made and the problems met during the decade and drawing up strategies for the year 2000. The priority of Canada in Nairobi will be to try and achieve positive results by promoting the integration of women's issues in the national and international decision-making process. While the danger of a politicization attempt of the conference is real, we will try to prevent any obvious attempt in that direction. In spite of those difficult circumstances, you can be assured that the vitality and power of the feminist movement throughout the world will be felt this summer in Nairobi. In addition to the official intergovernmental conference, there will be a meeting of non governmental organizations (Forum 85) held in July. Canada knows that the United Nations decade for the promotion of women has been a quite successful period for non governmental organizations, because their concerns became the priority of many national governments and international organizations. We all took advantage of the new spirit of co-operation. Indeed, the government firmly intends to carry on that co-operation so that all our efforts towards social and economic equality for women will materialize.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Outremont.

Mrs. Pépin: Mr. Speaker, I was very glad to hear my colleague say that Canada has made every effort in the last ten years to promote women's equality. To say so is to recognize that the Liberal Party has definitely done something, indeed a great deal for the women of this country.

Naturally, the Hon. Member also said that since the election of the Progressive Conservative Government, maternity leave has been extended by 28 weeks. While I commend the Progressive Conservative Party for having extended maternity leave, I would like to ask the Hon. Member what the Conservative Government intends to do about day-care centres. I know that Mrs. Katy Cook was chairman of a task force on day care. The Minister has the report of this task force in her possession for many months and I would like to know what her Government intends to do about day-care centres since no mention has been made of this matter as yet.

Mrs. Landry: I thank my colleague for Outremont (Mrs. Pépin) on her very relevant question.

In my opinion, access to quality services is essential to ensure the economic security of women and our Government is well aware of it. As the Hon. Member said herself, the Cook report should be tabled soon, and following this report, our Government intends to create a task force to complete the study on day care, and we shall certainly have a recommendation to make in this regard in the very near future. The Hon. Member can be assured that our Government is very sensitive to the fact that women must have such security to go back to work, as this is certainly her concern.

Mrs. Pépin: Mr. Speaker, today is lobbying day for the NAC women's groups. One of the priorities at this time is definitely the day-care system. I have nothing against the fact that the Conservative Government will set up a task force on day care following the report just mentioned. However, in my opinion, before setting up such a task force, it would be very interesting to see Katy Cook's report to know exactly what she recommends. In addition, it might be better to implement Mrs. Katy Cook's recommendations instead of spending money on another task force, because reference of a question to a committee is very often a way to avoid coming to grips with a problem.

Mrs. Landry: Mr. Speaker, the Hon. Member is well aware that when a report is tabled, it is eventually put at the disposal of officials for further study. I think that the Government has every intention to use the Cook report as a basis for its policy, just as it does with all reports, to study it and legislate accordingly. This report will certainly play a major part when the time comes to prepare a legislation.

[*English*]

Mr. Belsher: Mr. Speaker, I find it somewhat surprising today that in this motion we are not dealing with the broader concepts, namely equality, development and peace. In her remarks the Parliamentary Secretary addressed the conference which will be held in Nairobi this summer, sponsored by the United Nations, to end the decade for women. Can the Parliamentary Secretary possibly outline a little more fully what our participation will be in this conference coming up this July?

[*Translation*]

Mrs. Landry: Mr. Speaker, I am very grateful to my colleague the Hon. Member for Fraser Valley East (Mr. Belsher) for his quite relevant question. As I mentioned earlier, I think that the conference held in Nairobi is of utmost importance for women throughout the world, a conference in which Canada will play a very signficant role. I might add that Canada has indeed participated in all preparatory meetings leading to the Nairobi conference. Considering the high priority this government is giving to the status of women, I think that we must be present at this world conference in order to share with the other participating countries our expertise and

experience as a government and to benefit from other countries' initiatives, thereby confirming our resolution and determination. I think, therefore, that the government will play a very active role in Nairobi and will contribute its much sought-after expertise in the area of women promotion.

[*English*]

Mrs. Cossitt: Mr. Speaker, I have a comment for the Parliamentary Secretary. I know that family violence is of great concern to all Canadians. Indeed, we are becoming extremely aware of the real difficulties being faced by battered wives. A number of women in my constituency have approached me to discuss this problem. They are looking for advice. These women go through very elaborate means to talk with me because they are afraid that their spouses might find out. A reality in the City of Brockville recently has been a home for battered women. I have been very supportive in working with them and in making it a reality. Could the Parliamentary Secretary elaborate on what programs and assistance are available to combat this problem?

• (1200)

[*Translation*]

Mrs. Landry: Mr. Speaker, I thank my colleague the Hon. Member for Leeds-Grenville (Mrs. Cossitt) for her question. As a matter of fact, I can advise her that the Minister responsible for the status of women will meet today a number of groups concerning this. I think that it is a major concern of any government. I might add something along the line of what she said to demonstrate to what extent we should be concerned about this problem. It seems that one out of every ten women is a battered wife, and an objective of the program which the Secretary of State has implemented is to help these groups of women get together and meet these problems head on.

Also, there is a federal-provincial-territorial meeting of the ministers responsible for the status of women which will take place in Winnipeg June 5-7 and one of the items on the agenda is precisely the one she has referred to. Also, the Minister of National Health and Welfare is presently involved in consultations concerning this problem. As you can see, this Government is well aware of and very concerned about family violence and will definitely take measures in order to try and help these people.

Mrs. Killens: Mr. Speaker, my question is for the Parliamentary Secretary to Secretary of State (Mrs. Landry) and deals with the integration of Indian women in reserves.

Is the Hon. Member aware that her colleagues in committee are systematically rejecting amendments to grant a permanent status to the children of Indian women? Is the Hon. Member ready to exert pressures on her colleagues to avoid such discrimination?

Mrs. Landry: Mr. Speaker, I thank the Hon. Member for her question. I know that the Bill is now before the committee and this Government is trying to correct through that Bill a glaring injustice to Indian women. At present, I know that there are still some recommendations before the committee. I do not know what the outcome of the debate will be but I understand the concern of Indian women. I think that the committee involved will make the necessary recommendations and the House will decide what amendment should be made if necessary.

[*English*]

Ms. Jewett: Mr. Speaker, I was very interested in the speech made by the Parliamentary Secretary and I was particularly interested in the Government's response to the Abella report. I wonder if the Hon. Member could tell the House if the Government has yet decided what it is going to do about companies or corporations that do not draw up a plan of affirmative action. How is the Government going to oblige these companies to draw up a plan of affirmative action? Second, if companies do have affirmative action plans regarding the hiring and promotion of women, has the Government yet decided what it will do regarding the enforcing of those plans?

[*Translation*]

Mrs. Landry: Mr. Speaker, I think that the Government position with respect to the implementation of the Abella report was that our views had been stated and that we should trust the various departments and organizations which will eventually submit their projects. A bill could also be introduced to carry out other—

I do not see why we should not trust the departments and Crown corporations. They know how important it is to be fair as far as jobs for women are concerned. It will always be possible later, as a responsible Government, to make some changes to improve conditions if we detect some gaps. I think that our Government has taken a responsible position as far as equality in employment is concerned.

[*English*]

Ms. Jewett: Mr. Speaker, I admire the Parliamentary Secretary's faith. For quite a long time, we in the House have been expecting certain actions to be taken by the Public Service and Crown corporations on affirmative action. Indeed, in the case of many Crown corporations, exactly the opposite has happened.

Could the Hon. Member also address the question of the contractors in the private sector that are doing business with the Government? For the contractors that are doing more than $200,000 per year worth of business with the Government and do have affirmative action plans, has the Government decided yet how it will enforce those plans of action and make sure that the plans are in fact carried out and not just discussed?

[*Translation*]

Mrs. Landry: Mr. Speaker, when my colleague refers to positions seldom enforced in the past, I think this new Government is quite responsible and—

Ms. Jewett: What a dreamer!

Mrs. Landry: We will see. Mr. Speaker, I think that we should trust the present Government which has taken a position. As I said, if we realize in the years to come that our plan was not firm enough, it will always be possible to take further decisions.

The Acting Speaker (Mr. Paproski): The period for questions and comments has expired. Debate. The Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens).

• (1210)

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, the subject before the House today is very aptly chosen, since it gives us an opportunity to ask the Government to consider the needs of women in its Budget next Thursday, especially after the meeting that parliamentarians from all three political parties had this morning with the National Action Committee.

This group, with its membership of three million women, represents 350 women's groups across the country. Varied though its membership may be, the group is unanimous in its recommendations. As is customary, we had a chance to meet them this morning, and I am very pleased to be able to take part in this debate because I want to draw the attention of the Government to the pressing problems of women in 1985.

First, however, I shall go back, if I may, to 1940, when I was still at school and unaware of the fact that my mother, like all Quebec women, did not have the right to vote. Still in 1940, the first woman to study law in Quebec had to pass her bar examination in New Brunswick, because Quebec would not let her do so, and not until 1971 did women in Quebec have the right to sit on a jury.

Mr. Speaker, this means we have had a lot of catching up to do, and before speaking to the matter before the House today, I would like to emphasize the major contribution made by the late Senator, the Hon. Thérèse Casgrain, and pay tribute to the tremendous zeal with which she motivated the women of Quebec to follow in her footsteps. She was one of the pioneers of the women's rights movement in Canada. Throughout her life she stood up for the disadvantaged in society, denouncing social injustice and speaking up for those who were not able to make themselves heard. A native Montrealer, Mrs. Casgrain was the driving force behind a number of social reforms in Canada aimed at promoting justice and equality. She was active in various provincial, national and international organizations.

Mr. Speaker, although like many of my colleagues in this House, I would have preferred to live in a world where the old basic values gave a certain stability to the family unit, as a Member of Parliament I tend to encounter some of the real problems in our society, a society that is daily faced with problems that affect women especially. Three out of five marriages end in divorce. Fifty-two per cent of women in Canada are on the labour market. Most of them are obliged to work, either because they are sole breadwinner or because their salary is needed to bring the family income above the poverty level.

The number one problem in this country is unemployment, everyone will agree to that. However, although last Friday the Prime Minister was proclaiming loudly that he had brought down the rate of unemployment in this country, the fact remains that according to last Saturday's *Gazette*, 17 per cent of young people between the ages of 15 and 24 are unemployed. Seventeen per cent! A parallel can be drawn between women and young people. However, we cannot take the same approach to dealing with women's unemployment, because women must overcome a number of obstacles that do not exist for men.

The Government therefore has a duty to legislate in accordance with today's reality and needs. For women, it is quite clear there is only one solution: financial autonomy. This means they must have the tool to achieve that autonomy. It is like building a house. We must have tools. Women are very ingenious, and once they have the resources they will manage. To deal with the problem as quickly as possible, the Government should make this a priority. It should have the political will to do so. The Prime Minister, and this is urgent, should take another look at his election promises, and the men and women on the backbenches should be more outspoken in their caucuses than they are now in the House.

This list of problems and obstacles is unending. First of all, supplementary grants for training and upgrading programs are available only to women who have been on unemployment insurance or welfare. Thousands of women in Canada who want or have to work are being denied access to these supplementary grants because they do not meet these two criteria.

Second, the lack of services in daycare centers. If they are to take courses or enter the labour market, women must have the assurance that their children are safe and secure. Incidentally, I might point out that daycare is not a problem exclusive to women; these days, lots of men are responsible for their children, so it has to be considered as a problem for society as a whole.

Third, problems related to part time work, particularly with respect to fringe benefits and pensions. Pensions are a problem primarily for women. Even those who earn an income cannot be sure their retirement benefits will be sufficient. Their wages are low to begin with and, for various reasons, employers do not offer them private pension plans.

The Task Force on Pension Reform made several good recommendations. Some of them were implemented by the previous Government, but everything has been at a standstill since September 4.

In briefs submitted during public hearings, women asked the Government to make the following changes to private pension plans: first, mandatory benefits to the survivor; second, introduction of pensions for women homemakers in the Canada Pension Plan or the Quebec Pension Plan; third, mandatory sharing of benefits when the spouse retires or the marriage breaks down; fourth, payment of benefits to the survivor even after remarriage; fifth, minimal protection against inflation; sixth, request for vesting after two years instead of ten; seventh, request for full portability; eight, mandatory pensions for regular part time workers; and, finally, a proposed ban on the use of different mortability tables.

As to the fourth problem, the Abella report shows that the average annual income of women in 1982 amounted to only 63.9 per cent that of men. For example, average earnings were $25,096 for men and $16,056 for women. Some people claim that we cannot afford to pay women the same rates as men, but it is like saying that women will have to be satisfied with lower incomes until other financial priorities have been met. It is an insult which nobody should tolerate. In Canada it is illegal to pay women less than men for similar work in the same company. Laws on that issue were adopted for the first time in 1951. Ethics and laws notwithstanding, the gap is still there. The policy concerning equal pay for equal work is practically ignored in the private sector and often thwarted where it ought to be in force, the public service.

Fifth, systematic discrimination, a concept which is beyond the understanding of many people. This phenomenon often prevents women from getting better paying jobs, like in nontraditional fields of work, and discrimination also prevent women from being promoted. Let me say by the way that two thirds of women work in service industries where wages are very low. Women are rebelling against a system that prevents them from being appointed to non-traditional jobs where salaries are higher. Here is an example.

According to one application form, a person must weigh 180 pounds in order to do a certain job. That prerequisite was needed when controls were manual, but in the meantime, with the technological changes, those controls have been replaced by computerized control panels with push buttons. The job requirements have changed, but the application forms have not been changed and women still do not qualify.

Sixth, job insecurity resulting from people being replaced by machines, robotics, micro-chips, high technology and so forth. Women over fifty years of age are replaced by younger ones, because it is felt, often under false pretenses, that they cannot be retrained. Those women have no recourse because the majority of women are not unionized—only 35 per cent are—they have nobody to defend their rights, and they are left with 10 or 15 more years before they can get old age security. In this beautiful country, being a woman too often means being poor.

Seventh, the lack of health protection in the work place, as for instance the hazard for pregnant women in working lengthy hours in front of cathode ray screens. Up until now, research findings are contradictory. It is very, very urgent that this Government order further research in that area, otherwise human beings might be handicapped for life.

Eight, the lack of shelters for battered women and their children. The report on family violence shows that 10 per cent of Canadian women are battered by their husbands or companions. In actual figures, that means 2.3 million battered women. There is evidence that the figure is greater still, because statistics are based on data collected only in police stations and shelters. Thousands of other women suffer from fear, silently, for lack of information. The Liberal Government was always concerned with that problem. It had allocated 150 housing units in 1982 to agencies looking after battered women. Before 1982, it had funded 39 projects representing more than 460 beds in half-way houses. But since September 4, the Government opposite, instead of providing the Canadian Mortgage and Housing Corporation with sufficient funding by way of Section 56.1, as the previous Government had done, has already slashed that program, and the Budget does not seem to be more promising.

Ninth, all the problems I have just referred to, also apply to handicapped women, but in addition the latter have to face all the accessibility problems, such as accessibility to transportation, housing and equipment needed for mobility.

Tenth, the difficulty faced by the majority of separated or divorced women in getting their alimony is a further cause of insecurity, in addition to the problems already mentioned. Fortunately, the new Divorce Act that was prepared by the previous Liberal administration and tabled recently by the Minister of Justice (Mr. Crosbie) contains a clause that will make it easier to get that money.

Eleventh, soliciting by prostitutes, whether men or women, is just one aspect of the wider problem of prostitution and violence that surrounds that sub-culture. This is first and foremost a social problem, but the Government has chosen to solve it through judicial measures. Once again, women will foot the bill.

• (1220)

Twelfth, the abuse of violent pornography is still a concern for women. You will recall that a national campaign led by Canadian women under the leadership of Maude Barlow, of the office of Prime Minister Trudeau, succeeded in foiling the efforts of cablevision channels *First Choice* and *Playboy* in 1983. At the same time, the Department of Revenue was pressured to order that videos showing violent pornographic situations be held in customs. The fight goes on in papers and magazines where violent pornography is shown. One question remains: what price should be paid for freedom of expression? Is the freedom of those who want to abuse women more

justified than that of Canadians who want to be protected and to protect their family against such a shameful exploitation?

Thirteenth, sexual harassment in the work place. This problem has been kept secret for too long. Women did not want to speak about it for fear of losing their jobs. Although the Liberal Government brought forward guidelines to prevent this kind of abuse in the Public Service and victims are now free to appeal to the Human Rights Commission, the fact is that the problem remains and particularly so in the private sector.

In 1982, the CRTC issued guidelines to eliminate sexual stereotypes in the media. Thanks to voluntary implementation, the issue of sexist stereotypes in the media has been publicized but projected results were not achieved. The funds allocated to Media Watch, a monitoring agency, are not sufficient. As this program will be implemented by states a continued follow up is necessary.

Fifteenth, I hope that the Budget Speech of next Thursday will take into account the new movement of Canadian women who have the courage to start businesses, thus contributing to the development of the small business sector. I hope that the Budget, next Thursday, will give them the push they need.

Canadians who have been following the debates of the House last week may have wondered why the Official Opposition spent a whole afternoon tabling petitions that opposed Bill C-26 under consideration. We have asked hundreds of groups of elderly citizens throughout the country, from Newfoundland to Vancouver, what they thought of Bill C-26 and they are all opposed to its passage. Unless that Bill is amended according to the wishes of thousands of Canadians, it will grant a pension to needy widows and widowers but will refuse the same benefits to others who may be separated, divorced or single.

In reply to a question I asked the Prime Minister barely a month ago about systemic discrimination, he said he knew that type of discrimination against women existed, but he himself is now imposing upon us legislation that will legalize systemic discrimination within his own Government. It is a blatant social injustice to grant a pension to the needy between the ages of 60 and 64 on the basis of their marital status only. Here is an hypothetical case that should show how nonsensical that legislation is. A woman is widowed at age 58. According to the legislation, at 60 years of age, she should get a pension, if she is in need. She decides to remarry at 59 years of age. She realizes later on that she made a mistake. If she were to separate from her husband, I presume she would no longer be entitled to the pension; if she were to divorce from her husband, would she return to the status of a widow or would she be considered single? If she were considered a widow, she would be entitled to a pension. If she were considered a single person, she would get nothing. Has the government opposite reflected on all those details? That is awfully important for a person concerned.

Anyone who cares to check the unemployment insurance record about the way women have been treated since this Government came into office, will find out that women have been glaringly discriminated against with the implementation of new rules by the Department of Employment and Immigration. Without giving the matter much thought, the Minister bought the hodgepodge that public servants had tried to sell us when we were the Government. Since March 30, to be eligible to unemployment insurance benefits, a claimant must have used up all the amounts he received in severance pay, vacation pay, repayment of accumulated sick leave, and so on.

To show how this new Government guideline is especially unfair to women, I would like to tell more about the problem experienced by a woman in my riding. This woman, who is 57 years old, a teacher, single, and who suffers from Parkinson's disease, has to stop teaching. She does not qualify for an invalidity pension because her condition is not serious enough. She must wait until 65 before getting her old age security pension. She has no personal savings, and in fact she intended to invest the money she expected to get, but the Government opposite is pitiless and has decided that she and all other Canadians in such a situation will have to spend all the amounts accumulated before collecting one cent in unemployment insurance.

Finally, Mr. Speaker, on behalf of all the delegates to the National Action Committee Convention on Parliament Hill and all Canadian women, I ask the Government not to take part in any arms race escalation or in the star wars project. It is on behalf of future generations that Canadian women oppose star wars. They view nuclear disarmament and star wars as the number one priority.

The Canadian Government should pursue more vigorously the peace initiative initiated by the former Prime Minister, the Right Hon. Pierre Elliot Trudeau, to eliminate conflicts which threaten our national peace.

I would not want to close without mentioning the concern of Canadian women about the threat to the environment caused by acid rain, chemicals and nuclear waste. It is once more on behalf of their children and grandchildren that Canadian women ask the Minister of Finance to include in his Budget next Thursday a budgetary envelope for research and development on nuclear waste disposal. We have created a monster and do not know how to get rid of it.

The Government has a duty to protect the quality of life of the generations to come and it should view this issue as a priority.

In closing, Mr. Speaker, I want—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but her allotted time has expired. Questions and comments. The Hon. the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon).

Mr. Hudon: Mr. Speaker, I want to congratulate my colleague because, in that same twenty minute period, she

managed to speak on every subject and raised very discriminatory issues. I have a few questions to ask, so here is the first one.

Mr. Speaker, concerning the case she mentioned earlier, where a teacher could not get her benefits, can my colleague explain how it discriminates against women? She said so but I do not see how.

Mrs. Killens: Mr. Speaker, it does not discriminate only against women, it discriminates against all Canadians. However, this person is single, and a woman's problem is always more complicated when she does not have a husband.

[*English*]

Mrs. Cossitt: Mr. Speaker, I was interested in the comments which were made by my hon. colleague with respect to UI payments and how support payments to a spouse discriminate against women in that they must be declared as income for unemployment insurance benefit purposes. However, we could look at the other side of the coin. Males might well be in receipt of support payments and those payments would also be classified as income; therefore, that would negate the male from receiving unemployment insurance benefits as well. Therefore, I feel it is not a discrimination against women, as my hon. colleague seemed to imply.

Mrs. Killens: Mr. Speaker, the question is the same as the question which was put by the Parliamentary Secretary. It is not only the woman. However, if we look at the statistics we find that to be a woman and single is almost equal to living to the end of one's days in poverty. So my point is that it is worse for the women but it is also not any better for the men.

• (1230)

[*Translation*]

Mr. Hudon: I also want to ask my colleague how the change in the pension plan for widows and widowers aged 60 to 64 also discriminates against women? You said this measure discriminates against women.

Mrs. Killens: Here again it discriminates against men as well, but women are always hardest hit. It is discriminatory, and women will suffer more than men because most men have been on the labour market, whereas the women who will be affected by this measure have often been abandoned by their husbands who wanted to marry younger and more attractive women, and they feel rejected in life.

The Acting Speaker (Mr. Paproski): The Hon. Member for Outremont (Mrs. Pépin) for a question or comment.

Mrs. Pépin: Mr. Speaker, I would like to comment on the question. When we say that women are discriminated against as far as pensions are concerned, it is a fact that women tend to survive their husbands by at least seven years. I must say that I too am concerned about pensions and retirement plans. Among men who do have retirement plans, only 50 per cent of married men have plans that cover their spouses as well. Among the remaining 50 per cent, even spouses who receive a pension will receive only half the amount their husbands would get. So, we live longer, but we do not have any money. In the legislation as it now stands, there is no provision for those who are single. So I definitely think that women, who make up 50 per cent of the population, suffer more discrimination than men. I wish the Hon. Member would ask around in his riding and find out how many men are aware of the fact that their pensions or retirement plans do not cover their spouses. They may be in for a few surprises.

Mrs. Landry: Mr. Speaker, I would like to make a comment. Of course, as a Government, we would like to help everyone in our society, but I think we should not forget that we inherited a very difficult financial situation and in spite of all that we did decide to help 85,000 widows and widowers. I think that is already a vast improvement over what the previous Government was doing, and perhaps later on, when the Treasury is not as bare, we will be able to help the rest of our society.

Mrs. Killens: Mr. Speaker, because marital status is used as a criterion, this discriminates against members of religious orders. I do not know whether anyone has really thought about it, but our parish priests and our nuns are not included in this program. These people have contributed to the quality of life in Canada, and when they finally reach the age where they could take a well-earned rest, the Government lets them down.

[*English*]

The Acting Speaker (Mr. Paproski): The time for questions and comments is now terminated. We shall resume debate.

[*Translation*]

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I must say that I rise somewhat hesitantly as the first Member of the opposite sex to speak in this debate, but first of all, I wish to pay tribute to all Hon. Members who spoke this morning, and did so with great sincerity and intelligence, to the motion before the House today. As I said before, I am somewhat hesitant this morning to add some of my own comments.

[*English*]

The motion states that the Budget which is forthcoming very shortly should contain four initiatives, one of which is, and I quote:

—reform of the tax system rather than the introduction of further public spending cuts which impact most adversely on women;

I would like to try to make the matter a little more human by citing the example, Sir, of someone I know who works about 55 hours a week as a truck driver and earns about $18,000 a year. He is a resident of Quebec and pays $6,000 in federal and provincial income tax, which leaves him $12,000 per annum plus the earnings of his wife which are much less.

The federal portion of his taxes which goes to service our accumulated mountain of debt—now close to $200 billion—is now about 30 cents on the dollar. By the year 2000, Mr. Speaker, if we do not go in new directions as the Government proposes, will it not be 40 cents, 50 cents or 60 cents of each dollar he earns which must go to service our debt? And how much less will be available for job creation, social programs, pensions and for a whole range of programs which all Canadians believe in so strongly?

If we follow the example of the Mitterrand Government of France after 1981—which was a "let'er rip" spending philosophy—as the motion would have us do, it seems to me we would have more unemployment, more taxes, more bankruptcies and more inflation. I remind you, Sir, that the French franc has already had three devaluations since 1981. We would have a general decline in which women, the disabled and the visible minorities would become the first victims. If we followed the route of France, would we then not also have more austerity with all kinds of layoffs in both the private and the public sectors?

What I am suggesting, Sir, is that if we follow the example of countries which have their economies in order, such as Switzerland, Japan and West Germany, it seems to me that women in Canada, along with the disabled and the visible minorities, would be in the best situation. If we can create a rising economic tide in Canada, all Canadians will benefit. In a sinking economy, some Canadians, such as the three groups I have already mentioned, will suffer far more. If I am correct, then women are obviously among the largest group which has the greatest interest in an improving economy.

This Government is acutely aware of the economic problems which are unique to Canadian women. We are determined to bring about economic renewal, and what is economic renewal if it is not of and for the people? We are committed to the direction set out in the Charter of Rights. People come first and will always come first with this Government. Equality in Canada among the sexes was a priority of this Government before April 17 and it will always be a priority of this Government. Expanding employment and creating new opportunities is at the heart of our program for national economic renewal. We are committed to providing lasting jobs for all Canadians who want to work, and again I repeat, including women, the disabled and the visible minorities.

In its economic statement, the Government committed an additional $1 billion in 1985-1986 primarily to help Canadians acquire new skills and find jobs in the private and public sectors. I think it is proper to point out that since September last, 201,000 new jobs have been created, compared with what I am told were 72,000 new jobs created during the same period last year. In the month of April alone, employment in our country grew by 89,000 jobs, the best gain in almost five years. The number of unemployed has declined by more than 80,000 and the unemployment rate decreased by .3 per cent to 10.9 per cent in April, although I certainly agree that is far too high. It is my understanding that new jobs for women have accounted for well over half the increase in employment since the end of the recession, but I do not mean to suggest for a moment that we dismiss any of the remarks made in this debate so far; we are fully aware that the largest group in the workforce to be discriminated against are women.

• (1240)

For example, we all know that over 50 per cent of Canadian women are in the workforce, yet they earn on average only 60 per cent of what men earn. Some two-thirds of the minimum wage earners in our country are women, and the estimates are that over one-half of all Canadian women can expect to be poor.

This is the bleak reality of working women in Canada today, and social policies have to be designed to improve these circumstances. I do not believe the Government has shirked its responsibilities in this matter to date. For example, last month the Minister of Employment and Immigration (Miss MacDonald) announced the preparation of a report by management and Public Service labour unions on implementing equal pay for work of equal value in the Public Service. The report should be ready within two months. The Minister has stated her firm intention to introduce legislation which will assure all women and minorities of equal access to employment and job training. It is crucial that more women occupy positions of responsibility if society is to benefit from creative leadership, not only on women's issues but all issues. We in the Progressive Conservative Party are confident that such leadership will emerge within the federal bureaucracy as a result of putting men and women on equal footing. It is far too late, but we intend to do something about that particular issue.

The situation for older, non-working Canadian women is an altogether different matter. Older women are shockingly vulnerable to economic hardship. If my memory is correct, two-thirds of Canadian women over 65 years of age have an income of less than $5,000 per year. The Government announced last November that it will extend the spouses' allowance program to all widows and widowers between the ages of 60 and 64. Some 85,000 low-income Canadians, mostly women, will benefit from this proposal starting this fall. In the Throne Speech of last November the Government committed itself to entering discussions with the provinces aimed at a comprehensive overhaul of the Canada Pension Plan, including such matters as portability, vesting, survivors' benefits, and pension coverage of women. Since then, as you know, Canada Pension Plan benefits were increased 4.4 per cent as of the beginning of this year. In January, federal and provincial Ministers of Finance met in Montreal and discussed, among other matters, the need to reform the CPP. In short, we have not been idle but there remains much to be done.

We must bring increasing pressure to bear on the provinces so they will assume their responsibilities in the areas under their jurisdiction. For example, it is the provinces' responsibility to provide daycare services which are affordable for the majority of Canadian women working outside the home. The same applies to pension reform in the private sector, where 80 per cent of pension plans are under provincial control, includ-

ing the Quebec Pension Plan. It is true that at times we have to move more cautiously than all of us would like, but we intend to continue to maintain leadership on women's issues.

Let me say something about taxation since it forms part of the motion I have ben asked to deal with. Tax reform is doubtless an essential part of achieving economic renewal, hence achieving more compassionate social policies, and it is a matter of highest priority. We live in an era of accumulating deficits. Our deficit in 1984-85 was $34.5 billion; in 1985-86 it is projected at $37 billion; 1986-87, $34 billion; 1987-88, $35 billion, and so on, up until 1990-91 when it will be $37 billion. This just cannot go on because it will bury us all. That is why we are very concerned about the trend of the accumulated debt.

It is well known, I hope, to increasing numbers of Canadians that the debt is one of the major obstacles to economic growth in our country. But because we cannot accept this debt as inevitable, the Government has charted a new direction for our economy, and I would mention just four principles of this agenda for economic renewal which we all heard last November 8.

First, we have to put our own financial house in order so that we can limit and ultimately reverse the massive build-up of public debt and the damaging impact it has had on confidence and growth from one end of the country to the other. Secondly, we have to redefine the role of government so that it can provide a better framework for growth and job creation and less of an obstacle to change and innovation. Third, we have to adopt policies which foster higher investment, greater innovation, increased international competitiveness, and a positive climate for the birth and growth of new enterprise, large, small, medium-sized and what I call micro-enterprise, which involves one or two people. Finally, we must bring about these changes in a way which is fair, open and consistent with the basic sense of compassion, tolerance and justice which are characteristic of our Canadian community. We will not weaken the basic income support programs which have served Canadians well. Indeed, through greater economic performance we are going to try to provide even greater assistance to those Canadians of both sexes who truly need it.

I think it is the sense of the motion, Sir, that by somehow reducing the deficit we are going to have a lesser regard for job creation. I believe that is a gravely mistaken view. We believe, and I think most of the Canadian people believe, that confidence is the key to growth and job creation, and deficit reduction is one of the keys to rebuilding confidence. The tax system has been one of the principal mechanisms for achieving the economic and social objectives which as Canadians we all believe are important. Seeking to create the best possible tax system for Canada, we must be guided by principles of fairness and equality.

As we embark upon a new direction in economic and fiscal management, the changing economic and social needs and stresses we face have implications for that system. We are counting on it to continue to serve usefully and effectively the economic and social well-being of Canadians. We are determined that the tax system should continue to be responsive to changing demands and new realities. We must harmonize the new direction we are pursuing to attain economic renewal. Given the present tax system, I wonder, looking around the House, how many Members do their own tax returns, or how many, like so many men and women, are obliged to have someone else do them for us.

Mr. Nystrom: Not the Minister for International Trade (Mr. Kelleher).

Mr. Kilgour: No, I am sure he does it himself.

Mr. Kellleher: No, I don't.

Mr. Kilgour: May I put that on the record?

Mr. Nystrom: He is so wealthy, that is why.

● (1250)

Mr. Kilgour: In many ways the present tax system is failing to serve current economic needs, such as in investment and deficit areas. The entire area of incentives provided to business investment is one that we have flagged for attention.

We must ask to what degree we can substitute tax incentives for direct Government programs. It is clear that some shift in this direction is needed and desired. Many Canadians in and out of the business community have been increasingly critical of the red tape, public servant discretion, and delay associated with some of the existing grant programs. People have made no bones about their preference for tax-based incentives. The Prime Minister (Mr. Mulroney) has said that we must deliver Government services more efficiently by relying more heavily on the tax system and less on the grant system. You and I, Sir, being from Alberta, know what the grant system has done to our province's oil and oil servicing industry.

The Government has been especially concerned that the large array of incentives may contribute to the excessive use of tax shelter financing of various sorts. That is why a moratorium was placed on the issuing of so-called "quick-flip" scientific research tax credit investments. I appreciate that many Members will be saying that these are only partly successful. It seems to me that there are other ways of getting around this attempted blockade. That is why the Government has moved to stop advance tax rulings on the use of limited partnerships and other joint venture financing arrangements to flow out unused tax deductions and credits to investors.

At a time when reducing the deficit is so crucial to our goal of economic renewal and growth, the effectiveness of our incentives must come into question. Obviously, the question of levels of assistance will have to be discussed just as seriously as that of changing the ways in which we deliver incentives. In the meantime, we can point to a number of other increasingly evident problems with the current system. For example, the grant programs rely on the discretion of administrators and cause problems, not the least of which is the time it takes to get approval. Time is too valuable. Decisions must be made quickly. We must also recognize that if tax incentives unduly

complicate the tax sytem and tax administration, the kind of criticism that is currently directed at grants can also be aimed at incentives.

I will close by saying that benefiting Canadians is the fundamental motivator in all tax reform. As we grapple with the technicalities, the subtleties and the complexities of our tax system, we must never lose sight of the citizens it is ultimately meant to serve. That is what our efforts are all about. The real bottom line is the men and women of Canada. That is the goal of the people meeting with NAC today. I hope the goal of everyone in the Chamber is to make Canada a fairer economy. The economic tide is rising, and when that happens, all boats are lifted, including the economic boats of all Canadians.

The Acting Speaker (Mr. Paproski): Questions or comments? Since there are no questions or comments, we will continue debate with the Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my good friend from Edmonton was very concerned about the deficit. I think everyone is concerned about the very high deficit in the country. My concern is that the natural tendency of the Conservative Party will be to deal with that deficit through cut-backs in various social programs.

An Hon. Member: No, we won't.

Mr. Nystrom: One Hon. Member is saying "No". I can hear him from here. I think the rest of them are saying that they want to deal with this through cut-backs. That makes me very nervous. The way to deal with the deficit in this country is to make us once again a nation of producers. We must start producing and working.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Right on!

Mr. Nystrom: We must make ourselves a nation of producers. We must start producing goods and services to have import replacements. That will be done by concentrating on our base industries; farming, fishing, forestry, mineral resources, and small businesses.

Some Hon. Members: Hear, hear!

Mr. Nystrom: That is the direction which I wish we would take in this country. The second way of doing it, Mr. Speaker, is through tax reform.

Ms. Jewett: They won't clap at that one. They are not interested in tax reform.

An Hon. Member: Hear, hear!

Mr. Nystrom: There is one Tory who wants tax reform. Are there any other Tories who want tax reform in this House, Mr. Speaker?

Mr. Mazankowski: Hear, hear!

Mr. Nystrom: There is a second one over there. I think they know that for far too long in the country we have had all kinds of tax shelters of the rich people. The Minister of Transport (Mr. Mazankowski) agrees. Being a wealthy person, he knows all about that.

Mr. Mazankowski: Not as wealthy as you.

Mr. Nystrom: We have all kinds of tax loopholes for very large companies. We have several billions of dollars in deferred taxes. I suggest to you, Mr. Speaker, that if we plugged those tax holes and reformed the taxation system in the country, making the wealthier people pay their fair share, it would go a long way to paying off the deficit in Canada and to saving the social programs that are needed by all Canadians, particularly the women and children of the country. I hope the House will take that direction in the future.

The most important aspect of this debate today is the issue of equality. There is definitely not equality between men and women in this country with regard to occupations or salaries. In many ways that gap is widening rather than closing in this great country of ours. Before Christmas we received the report of Judge Abella called *Equality in Employment*. I would like to refer to some of the startling statistics in this report.

First, we must understand that the participation rate of women in the labour force is escalating extremely rapidly. In 1966 only 35 per cent of the women in the country were working. In 1976 45 per cent of the women were working, and in 1982 nearly 52 per cent of the women in Canada were in the workforce. With regard to males, in 1966 80 per cent were in the workforce and presently 77 per cent are in the workforce. Therefore, the participation rate of men is dropping slightly but that of women has been going up very rapidly.

Let us examine the kinds of occupations that women are in and the salaries that they are drawing for the work that they are providing to this great country of ours. On page 63 of the English version of this report we see the percentage composition by gender of major occupations in Canada in 1981. The first class listed is managerial, administrative, and other related occupations in the managerial and administrative side. We see that 75 per cent of those occupations are occupied by men, and only 25 per cent by women. In the House of Commons we have a ratio which is even worse than that. With regard to that we will have to make changes in our society and electoral process. In the occupations of natural sciences, engineering, and mathematics, we once again find a tremendous discrepancy between men and women. Eighty-six per cent of people in these professions are men, and only 14 per cent are women.

I earlier mentioned the need in our country to stimulate the economy in forestry, fisheries, farms, and mining. These are the resources which our country has. As the Prime Minister (Mr. Mulroney) so often says, "You dance with who brung ya", to quote him exactly. We build on what we have. However, in those occupations we find that there is once again a tremendous discrepancy between men and women. In farming there are 79 per cent men and 21 per cent women. In the fishing industry and related occupations there are 95 per cent

men and 5 per cent women. In forestry and logging there are 94 per cent men and 6 per cent women. There again we see a tremendous discrepancy which we must correct. I will conclude my remarks at three o'clock.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, I note that the Hon. Member will have 14 minutes remaining to speak plus the question and comments to follow when debate on the eighth allotted day begins at three o'clock.

It being one o'clock, I do now leave the Chair until two o'clock p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

EMPLOYMENT

DESBIENS (QUEBEC) FILE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity today to pay tribute to people of a Quebec town called Desbiens. Those people, who for four years have been working to alert public authorities and the private sector to the problems they have been facing since the St-Raymond Paper Mill closed, finally reached their goal Sunday last, and I feel that tribute should be paid to all those who were involved, whether they were members of the Municipal council, people from the labour union or company officials because they finally succeeded, after four years of hard work as I said, in bringing matters to a conclusion that will create some 100 jobs in their community.

Tribute should also be payed to the various participants at the regional economic summit where the Desbiens matter was selected as a priority, and I must pay tribute especially to my former colleague, Mrs. Suzanne Beauchamp-Niquet, and also to the present Member for Roberval (Mr. Bouchard) for the work he has done on that matter. In my view, that success was achieved by every one of those who were involved in the matter over the past four years. Finally, success came yesterday, and I think that right in the middle of the landlocked salmon festival, people in Desbiens certainly got the biggest fish they could ever hope for, and this time they really landed it. I am very happy with their hard work and I hope that this will be a inspiration to many others.

[*English*]

SPACE WEAPONRY

OPPOSITION TO UNITED STATES STRATEGIC DEFENCE INITIATIVE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, later today I will table a petition on behalf of a number of petitioners, including McMaster University President Alvin Lee, and over 600 other professors, graduate students, and support staff of that university. The petition strongly opposes Canadian participation in research and development for the United States Strategic Defence Initiative, known as star wars.

They cite in the petition the destabilizing and escalating nature of the star wars scenario, and the fact that it would violate the 1972 Anti-Ballistic Missile treaty between the superpowers. McMaster University members have called upon the Prime Minister (Mr. Mulroney) to refuse the President's invitation to become involved.

Members of the McMaster community may be asked to help research and develop the controversial space weapons plan. Science and engineering professors at the university were the first to sign the petition rejecting Canadian involvement, despite the fact that they themselves would be among the first to benefit. They have suggested that even if the Government should choose to ignore calls to dissociate itself from the star wars program, the 650 McMaster faculty members and students who signed the petition will refuse to co-operate in any research or development the Government might request. That is putting your money where your mouth is.

* * *

THE FORMER ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I have just returned from my riding in western Canada where some of our constituents questioned the propriety of those media darlings, the Rat Pack. They have a different name for the rodents. They call them the Gang of Four, four rascals from the Liberal backbenches who are showing up the thinly populated ranks in the front. I must say that many of my constituents were not impressed by the Gang of Four's sanctimonious attitude toward our new Government, especially their new PAW, or Patronage of the Week award.

Western Canada is proud to be truly represented in the new Government of Canada. We remember what the Liberal Government did not do for us. We will never forget those "wilderness years" when the only elected representation the four western provinces had in the federal Cabinet was the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), a man who, I am certain, never knew the meaning of the word "patronage".

But, Mr. Speaker, they say the best way to fight fire is with fire. So, to counter the infamous PAW award, it gives me great pleasure to present the first Schellenberg SOW award—

SOW standing for Survivor of the WEEK. The envelope, please. This week's survivor is former Cabinet Minister, Pierre Juneau, who is still President of the CBC.

There are many more SOWs still out there. Perhaps their existence may prevent the pot from calling the kettle black.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

FEDERAL-PROVINCIAL AFFAIRS

FORTHCOMING ERDA AGREEMENT WITH BRITISH COLUMBIA

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, last September 4 the people of British Columbia gave this Government an overwhelming mandate. They know that our Party would give all provinces and all regions of the country an equal voice in the decision-making process.

British Columbia is represented in the House by 19 hard-working, responsible government Members, who includes three influential Cabinet Ministers.

Those who have recently attempted to adopt British Columbia as "their province", simply for political purposes, need not pretend to be speaking for B.C. The people of my province know better.

The Leader of the Opposition (Mr. Turner) and other Members opposite should quit trying to use British Columbia as a political football. The people of British Columbia have had their share of being used by the previous Liberal Government. They want to become full partners in the economic rebirth of the country, and that is what we intend to make them.

When our Government signs a new ERDA Agreement with the Province of British Columbia, as we will do shortly, British Columbians will see a new era of economic co-operation and development dawn in a land of unlimited opportunity.

* * *

[*Translation*]

EMPLOYMENT

EQUALITY FOR WOMEN

Miss Aideen Nicholson (Trinity): Mr. Speaker, Canadian women have been asking for equality in the area of employment for a long time. The measures proposed by the Government in March do not satisfy them very much. But today, I would like to express my views on another aspect of the problem.

Equality on the labour market implies a series of legislative and regulatory measures. Since we consider that society shares the responsibility for children with the parents, maternity benefits are a particularly important program.

There was some talk about the Conservative Government transferring maternity benefits from the Unemployment Insurance Program to general social assistance programs. As we know, these programs are at the mercy of budget cuts at any time.

The National Action Committee on the Status of Women is opposed to such a transfer, and several thousands of women around the country want to safeguard and even to improve the maternity benefits program.

Mr. Speaker, I call upon the Government to listen to them very carefully.

* * *

[*English*]

CANADIAN ARMED FORCES

ANTICIPATED PAY INCREASES

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, there have been recent reports stating that the annual pay increases for Canadian Armed Forces personnel were expected to be granted on April 1. This has not occurred.

There have been a number of excuses offered for this situation. One is the anticipated expansion of the Forces. Another is the anticipated decrease in the Armed Forces personnel by way of the forthcoming Budget. There is also the old standard excuse that it is all "tied up in Treasury Board".

Coupled with this is a directive from Winnipeg Air Command dated March 19, removing the 4 per cent limit on increases for goods and services provided to Armed Forces personnel.

A further burden has been placed on Forces' families, for they will be required to pay CMHC appraised rents beginning November 1. Families at C.F.B. Comox, where the B.C. Socred Government has removed rent controls, are facing monthly increases of $100 to $150. The Minister of National Defence (Mr. Nielsen) and the Conservative Government must take responsible action to provide Canadian Armed Forces personnel with affordable housing and services at fair prices.

The Minister of National Defence should rise in his place in the House and explain to the Canadian public and members of the Armed Forces why they are being targeted for such punitive action.

* * *

STATUS OF WOMEN

ACHIEVEMENT OF EQUALITY

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I take this opportunity to note that the National Action Committee on the Status of Women held its annual general meeting in Ottawa this weekend.

On April 17 the Section of the Charter of Rights which aims to prevent discrimination on the basis of race, ethnic origin, colour, religion, sex, age, or disability came into effect. Yet the coming into effect of legislation does not guarantee that the spirit of Section 15 of the Charter of Rights, as well as the letter of the law, will become a reality.

The only sure way to combat discrimination, misunderstanding, and unfair treatment of any person, is through public education and discretion in the courts. It is stereotyping and insensitivity toward individuals in general which contribute to inequality.

• (1410)

Presently a subcommittee of the House is examining the many facets of equality rights. It is the work of this committee, the Advisory Council on the Status of Women, the Department within the Secretary of State, and such organizations as the National Action Committee that continually play a role in ensuring that equality for women is achieved.

* * *

[*Translation*]

WOMEN

DEMANDS MADE BY WOMEN'S GROUPS

Mrs. Suzanne Duplessis (Louis-Hébert): As government members, we appreciate very much the work done and action taken by women throughout Canada, and I take this opportunity to congratulate all the Canadian women who took part in the economic summit which was held last weekend in Ottawa, especially as the Decade for Women is coming to an end.

Moreover, as Chairperson of the Sub-Committee on the Status of Women, the mandate of which is to ensure that the recommendations of each and every women's group reach the departments concerned, I can assure the House that my colleagues and I give very serious consideration to the recommendations and requests which we receive and that we have every intention to give Canadian women the opportunities they deserve within our society. Unfortunately, because of the very serious financial situation we have inherited from the previous government, we are unable for the time being to meet all the requests we are receiving, for we must be fair to all Canadians; you can rest assured, however, that we are striving to encourage the promotion of women in the various departments and in the areas under their jurisdiction.

During its mandate, I am sure that this government will make every effort to defend the interests of all Canadian women.

S.O. 21

[*English*]

CHILDREN

RETURN SOUGHT OF CHILD TAKEN TO TUNISIA

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on August 13, 1982, a five-year old girl, Tina Lynn Mallette, was abducted from the care of the Children's Aid Society of Ottawa-Carleton. Tina was living temporarily with her foster-mother while her natural mother was ill.

In an attempt to find the abductor, it was discovered much later, after a number of months, that the child was living in Tunisia, and she is still there today. Several attempts have been made by the Department of External Affairs and the Department of Justice to return Tina Lynn Mallette to Canada.

Today, in the House of Commons, I will be presenting a petition signed by 6,795 Canadians who are joining me in asking the Secretary of State for External Affairs (Mr. Clark) to summon the Tunisian Ambassador immediately to a meeting which will, hopefully result in the return to Canada of Tina Lynn Mallette.

Yesterday was Mother's Day. One mother has not seen her child for three years because of the intransigence of the Tunisian authorities.

* * *

OLYMPIC GAMES

PERMANENT RETURN TO GREECE ADVOCATED

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is a well-known fact that the Olympic spirit and the Olympic Games have suffered severe set-backs by efforts either to commercialize the games or to use them for international political confrontations. These moves have degraded the value of the Olympic Games and have distorted their message, which is the consolidation of friendship among peoples, and a positive contribution to a life more humane, more creative, and more peaceful.

The ideals of sports must be reborn, and we must find their true meaning. The people of Greece, rich in traditions and historic contributions, with a unique athletic past, daily confirm their dedication to such ideals.

I believe the Olympic Games could recover their lost meaning. This could be accomplished by the permanent return of the Olympic Games to Greece, their place of origin and birth, so that they can find their true concept again. The Government of Greece is already on record as agreeing to having the Olympic Games on a permanent basis in Greece. Therefore I call upon the Government to give whatever support is needed to bring this about, and to urge all other Governments in the world to do the same.

Oral Questions

STATUS OF WOMEN

DEPARTMENTAL STAFFING

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, this morning the National Action Committee on the Status of Women, NAC, was here to lobby the various political Parties. I use the word lobby in its best sense. They put difficult questions to us on a number of political issues concerning women. The theme of this year's conference is women in the economy.

There were no questions this morning on energy, perhaps because we have the first woman Energy Minister in Canada, an event we all applauded. However, I checked out her Department an an example at noon hour, only to discover that the Deputy Minister is Mr. Paul Tellier, and the Assistant Deputy Minister is Mr. Pierre Perron. The Petroleum Incentives Administrator is Mr. Lazar. The Administrator of COGLA is Mr. Taschereau. There are three senior Assistant Deputy Ministers, and guess what, Mr. Speaker? They are all men—Mr. Reiner Hollbach in conservation, Mr. Len Good in policy analysis, and Mr. Roland Priddle in the petroleum sector.

There are five Assistant Deputy Ministers. In the human resource sector there is Mr. J. Ranger; in the finance sector there is Mr. Mensforth; in mineral policy there is Mr. Hutchinson; in Research and Technology there is Mr. Whitham, and in the earth sciences sector there is Mr. W. Hutchinson.

Ironically, in a Department handled by a woman Minister, all the senior officials are men. Of course that is the same in the oil industry, with one or two exceptions, including Petro-Canada.

I put Pat on notice that I will raise this matter next year—

Mr. Speaker: I regret to advise the Hon. Member from British Columbia that his time has expired.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

MITEL CORPORATION—TAKEOVER BY BRITISH TELECOM

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. He will well understand that over the weekend there was a widespread and very deep concern by many Canadians about the numerous takeovers which are now occurring in Canada's high technology industries. Particularly disturbing is the takeover bid by British Telecom of the Mitel firm which in the past received over $35 million worth of federal grants, in return for which it agreed to maintain a high level of research and development, jobs, and capital equipment development, in Canada.

Will the Minister ensure, when the application is to be reviewed and assessed under the FIRA legislation, that those conditions extracted back in 1981 and 1982 will continue to be upheld, that we will continue to insist upon guarantees of research and development taking place, and upon job guarantees in this country, and that the role of Mitel, a leading company in the development of telecommunications, will be maintained?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, of course I would give him that assurance. I am sure the Hon. Member and other Members of the House would be pleased to know that only this morning the board of directors of British Telecom approved the intent of the deal, that is, to subscribe for approximately 51 per cent of the then issued equity shares of Mitel, which will put some $330 million of fresh equity into that company.

I have been assured by the executive of Mitel this morning that there is absolutely no suggestion of the transferring of technology or the stripping of any assets which are now in Canada. In fact this will make Mitel the main international manufacturing arm of British Telecom itself.

CANADIAN INVESTMENT IN TECHNOLOGY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I find it exceedingly strange that the Minister responsible for the industrial development of Canada would say that we should take great satisfaction in having lost Canadian control of a major Canadian high-tech company to a foreign owner.

I think it is important to look at the anomaly. One of our own Canadian high-tech companies, Bell Canada, is putting up a bid of $1.5 billion for an oil company, but we cannot seem to get Canadian buyers for our own telecommunications industry. What kind of plans and policies does the Minister have to encourage Canadian investment in high technology or telecommunications? Can we expect something very specific in the Budget of May 23 to give Canadian investors encouragement and incentive to invest in their own industry, rather than having to rely upon foreigners? That seems to be the plan and policy of this Minister.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in reply to the Hon. Member, I felt that he and other Members would be pleased to learn that there was a fresh infusion of capital into Mitel, bearing in mind that that company has had a rather difficult financial period in the last few months and years. Its shares sank as low as $6 from a high of $48. It has been running losses. In short, the debt it was handling was extremely difficult for it to handle.

• (1420)

This is fresh capital, with no suggestion that the employees, who number 5,000, 50 per cent of them in Canada, will in any way be impacted or that there will be any reduction. It is a

very wholesome blending of Canadian technology with fresh capital to create a new international manufacturing concern that will have British Telecom as its sponsor.

BOOK PUBLISHING COMPANIES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we go back to the original point. It is not just the fresh infusion of capital. It is the loss of control and development in this country that is of major concern to Canadians.

I draw to the Minister's attention another example where the lack of government policy is resulting in new acquisitions in the book publishing industry. Over six months ago Prentice-Hall had an application for a takeover. No decision has been taken. We now have two other proposed takeover bids for Canadian book publishing companies because of the lack of a decision. When can we expect an immediate decision rejecting the applications of Prentice-Hall and Gulf and Western so that we can clearly maintain and control the ownership and destiny of Canadian culture in our book publishing industry? When is he going to give this country an answer, and quit flip-flopping and being indecisive like he is with everything else?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I have already given the Hon. Member the assurance that all undertakings, as far as we are concerned, will be expected to be honoured. Of course, we have to pass, as far as the FIRA operation is concerned, on this new acquisition of equity in Mitel. All I am saying is that the deal has only been agreed to this morning. An application will be forthcoming, at which time we will review it under the present provisions of FIRA. I can assure the Hon. Member that Canadian interests will be very much, as far as we are concerned, preserved in connection with the Mitel deal.

As far as the second reference is concerned, the Prentice-Hall deal, as the Hon. Member knows, that is presently before FIRA and there will be a decision shortly.

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ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF ALLEGED CABINET DOCUMENT LEAK

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Solicitor General. The Minister knows that the RCMP are investigating a leak of the Nielsen document which recommends a $310 million cut from Indian Affairs programs, that the individual responsible for the leak has now identified himself to the police and given his reasons for what he did, and yet intense interrogation of other officials and others in the Government is continuing.

Will the Minister assure the House that this is a normal RCMP investigation in which the police are not taking orders or directions from the Government, that charges will be laid if the RCMP feel they should be laid, and that in this process the Royal Canadian Mounted Police are not being used politically to intimidate officials of DIAND and to teach a lesson to others in the Government who have custody of classified documents?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I certainly have no hesitation whatsoever in giving my colleague the assurances that he requests.

NATURE OF DOCUMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, if that is the case, then to clear the air I think the Minister, on behalf of the Government, should finally identify that a leak has occurred and that the RCMP are investigating a real government document which has in fact been leaked and been made public.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I appreciate the representation given by the former Minister, but I should also refer to the dictum of his Leader who suggested, not that many months ago, that it would be very unwise to make any comments or give any information unless and until charges had been laid.

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LABOUR RELATIONS

AIR CANADA—STRIKE BY TICKET AGENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. It concerns the strike at Air Canada, a strike which involves as much a matter of principle as does the one that is currently taking place at Eaton's, a private corporation. As the Prime Minister knows, two-thirds of those involved are women. The issue at question is Air Canada's attempt to turn well paid full-time jobs into part-time poorly paid jobs. Considering that this involves a matter of principle, namely, the question of equality for women, will the Prime Minister directly intervene and tell Air Canada that it should be taking us forward, not backwards, and that the negotiating stance it has is totally unacceptable?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member will recall that there was a task force in 1983 having to do with part-time employment. The forecast at the time was that there would be more part-time employment, and that there was a need and a desire to ensure that working conditions for part-time employees would improve. Having regard to the fact that Air Canada employs a number of part-time people and that there needs to be that required flexibility, there is on the negotiating table the desire to increase the number of part-time workers.

Under the current agreement the part-time workers have no pension provisions, no dental care provisions, no disability or sick leave benefits, and no seniority. All of these issues are being addressed under the terms of the proposed collective agreement that Air Canada is trying to negotiate with the union.

Oral Questions

CROWN CORPORATIONS

EMPLOYMENT EQUITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I repeat that the question at stake is every bit as important as a matter of principle as is the strike at Eaton's. That is why I am directing my question to the Prime Minister.

The question I now have goes beyond Air Canada's current strike, and has application to every other Crown corporation and government agency. Considering that the Government announced with great fanfare on International Women's Day its policy of equity for Crown corporations, and considering the Abella commission said that converting full-time jobs into part-time jobs was the opposite of equity, can the Prime Minister assure the House that he will instruct not only Air Canada but all other agencies of the Crown that we are not going to get increased numbers of part-time jobs for women at the expense of full-time jobs for women?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Leader of the New Democratic Party made reference to the employment equity plans that were mentioned on March 8. Those employment equity plans will rely on the data that will be forthcoming from the Crown corporations in question, from the companies in the federal sector that are mentioned, and so on. With regard to Crown corporations, employment equity will take effect as of September of this year. For the first time we will have the data necessary in order to see whether the very matters the Hon. Member raises are in fact taking place. That is why we are so pleased that we are moving in this field and we will for the first time do something to protect jobs.

ABELLA REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the way the Government is moving is backwards, not forward. It is taking its advice from Eaton's instead of from the Catholic Bishops. It should be listening to the Bishops for a change.

My question is for the part-time feminist or the election time feminist, the Prime Minister, and involves a basic question of equity. Does he agree with Judge Abella when Judge Abella pointed out that when you convert full-time jobs to part-time jobs, instead of advancing the cause of women you take women backwards? If he agrees with that, will he stand up and say he agrees with it and state that he will make sure that Air Canada reverses its bargaining position, and will make sure that no other agency of the Crown does what Air Canada is trying to do?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the NDP seems to think that he has a monopoly on any kind of virtue floating around. His remarks about part-time commitments to equality for women are deeply unfair, and he knows it. He is looking at a Government which has appointed a record number of women to senior Cabinet offices, a Government that responded promptly and equitably to the Abella report, which introduced progressive divorce legislation, and which increased handsomely the number of appointments of women to senior roles in the public service.

• (1430)

We made a genuine commitment to enhancing the rights of women across the nation, and we shall do so, notwithstanding the snarky remarks of the Leader of the NDP, who is a part-time politician in this regard.

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

CONDITIONS IMPOSED ON EVENTUAL ACQUISITION OF MITEL—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. In 1980, the Government of which he was a member at the time awarded Mitel a grant of several million dollars for expansion projects. The decision to award the grant was conditional on following requirements being met: purchase of Canadian capital equipment, production in Canada of 75 per cent of the company's micro-electronic products, and finally, a priority option for the Canadian Government to purchase shares of the company. Could the Minister give the House the assurance that the conditions imposed on Mitel by his Government at the time will also be imposed on the future buyer of the company?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I already answered that question. I believe it was the lead question put by a member of the Official Opposition. We are well aware of the undertakings that were given by Mitel at the time to which the Hon. Member is referring and we intend, of course, to make sure that those conditions are met and honoured.

[*Translation*]

GOVERNMENT'S APPARENTLY CONTRADICTORY ATTITUDE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. Considering that the Minister has already endorsed the British take-over, I think he is making it very difficult for FIRA to do its job.

How can the Minister say that they want to set conditions for potential buyers, when he seems to consider the acquisition and take-over as a foregone conclusion and has already given the company his blessing?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member obviously underestimates the gravity of the situation with respect to Mitel.

This is a company that was finding it difficult to survive. It was finding it difficult to maintain the some 2,500 Canadian jobs that are presently being maintained by that company. Its debt load was very, very severe.

It has recently had an offer from the British concern to put $330 million of fresh equity into that company, with the establishment and the technology remaining in Canada. This is being done with a view to making the company a genuine northern telecommunications company in relation to the British Telecom operation, but on an international basis. Surely the Hon. Member will give us an opportunity to look at the details and to make sure that, within those parameters, the conditions to which the Hon. Member is referring will in truth be met.

* * *

LABOUR RELATIONS

AIR CANADA STRIKE—EFFECT ON WOMEN WORKERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister says that the Government has a genuine commitment to enhancement of the rights of women. I am sure he does recognize that the effect of the dispute going on with Air Canada at the moment, if Air Canada were to win, would be to reduce further the economic opportunities for women to work full-time in the work-place at reasonable salary levels with reasonable benefits. With that in mind, will the Prime Minister move to suggest, by way of a directive given to the Departments and agencies of Government, that until this matter is resolved the departments and agencies should not purchase airline tickets from Air Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would like to make it very clear to the Hon. Member, and to all Hon. Members of the House, that the proposal that Air Canada is offering regarding job security is unparalleled in the airline industry. Furthermore, it is the wish of Air Canada to treat full-time and part-time employees on a more equitable basis and to ensure that they are entitled to pensions, dental plans, and seniority.

The allegation that full-time employees will be laid off to make way for part-time employees is untrue. The fact of the matter is that, under the proposal that is being negotiated at the present time, seniority will govern any future layoffs if they should occur, a policy which heretofore has not been in existence.

REQUEST THAT PRIME MINISTER INTERVENE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is directed to the Prime Minister. Given that the Minister of Transport does not appear to understand that what is being offered by Air Canada is a reduction of the number of full-time positions and an increase in the number of part-time positions which pay a lower hourly rate, and therefore undermine the economic stability of the women who are employed in those positions, will the Prime Minister show leadership and put some kind of commitment behind what he says he believes, by telling Air Canada that the Government will not deal with it until it meets the Government's requirements regarding equality for women?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member does not have to engage in the collective bargaining process. He can certainly phone his friends to give them that advice. The fact of the matter is that the unions themselves have recognized the need for more part-time workers. They have agreed to increasing the level of part-time workers to 30 per cent. Air Canada has a somewhat different view, but that principle has been accepted. It is simply a matter of the detail that has to be negotiated further. I think the best thing that could happen is that, rather than debating this issue on the floor of the House of Commons, the Hon. Member should encourage the union leaders to get back to the bargaining table. Perhaps it is time for some enlightened leadership on their part.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MODIFICATIONS TO SYSTEM—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my question is directed to the Prime Minister.

In his paper "A New Direction for Canada", on page 78, the Minister of Finance said that the Government might also give consideration to more far-reaching changes to the unemployment insurance system. The Minister wondered, for instance, whether maternity benefits should be reconsidered. The reason given by the Minister of Finance for transferring the program was that he wanted to make things easier for small businesses. Women object to the fact that maternity benefits are considered a social program. They do not want these funds to come from the Government's Consolidated Fund. They are opposed to maternity benefits being removed from the unemployment insurance program. Could the Prime Minister give the House the assurance that he will see to it the program is continued?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member has posed a question that has been raied in the House on several occasions. The response that has been given is that the Unemployment Insurance Fund is in fact going to be reviewed at the request of all of those involved in the Unemployment Insurance Fund, including employers, employees, women's groups, and labour unions. That over-all review will take place. Until that review is completed, no changes of the nature to which the Hon. Member alludes will be made.

[*Translation*]

INQUIRY IF GOVERNMENT HAS STUDIED PAYING EMPLOYERS' SHARE

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, that was not a very satisfactory answer. I shall direct my second question to the Prime Minister.

Since the reason given by the Minister of Finance for transferring this program was that he wanted to take some of the pressure off small businesses, could the Prime Minister inform the House whether he has considered having the Government pay the employer's share?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to thank the Hon. Member for her question. I think she will agree that answers to such questions would appropriately be dealt with in the Budget.

* * *

WOMEN

PROTECTION OF PERSONS WORKING WITH VIDEO DISPLAY TERMINALS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a question for the President of the Treasury Board. It concerns the Government's dealings with its own employees working with the Canadian Advisory Council on the Status of Women.

The Council will not accept the standards proposed by the employees' union for the protection of persons working with video display terminals. Is the President of the Treasury Board now ready to assure this House and Canadian women that he will allow the Advisory Council to provide for those standards in the collective agreement for the protection of women?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Advisory Council unfortunately has had very few meetings over these last twelve months. There was a meeting quite recently, and I have received recommendations to which I will respond in the weeks to come.

• (1440)

[*English*]

GOVERNMENT RESPONSIBILITY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, that was an incomplete answer. Does the Minister recall that the previous Government, which did not have a very enlightened policy toward its employees, but was a little post-Dickensian, accepted such a clause and, indeed, a clause on technological change? Not a large number of people are involved, but the principle is very important.

Would the Minister agree that the Government has the responsibility to show some leadership in these crucial areas; that women who work for the Government should get the best conditions; that we should work together to get them generalized, and that the Government should not be using the private sector as an excuse for very poor working conditions for women?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to tell the Hon. Member that that is exactly what we are trying to do in all our relationships of that nature. We are trying to show ourselves as the leader in such relationships, and we will continue to do so. The issue is under active consideration. We will not try to use the Public Service as an excuse, but quite the opposite. We will try to give an example to a broad spectrum of Canadian businesses on how they should deal with these kinds of issues.

* * *

FOOD AND DRUGS

BAN ON SALE OF HERBAL PRODUCTS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As the Minister is no doubt aware, over the past few months officials of the federal Health Protection Branch have ordered the removal of certain herbal products from sale. Can the Minister advise the House why the departmental officials undertook this action? Is there any consideration being given to permit the sale of these products pending the results of the advisory committee's recommendation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what the Hon. Member has mentioned is correct. The problem has developed with the Health Protection Branch and distributors of certain products, namely, that the products, in and of themselves, are distributed in other forms as well. That is where the first difficulty arises. But certain claims are made by some distributors as to the medicinal effects which those products have, which cannot be substantiated.

We have met with herbal distributors, including those in his home province of British Columbia, which resulted in the establishment of an advisory committee. That committee is expected to report between the middle to the end of September. There is no doubt in my mind that we will have to change some methods regarding the manner in which these products are approved. I thank the Hon. Member for the question.

* * *

STATUS OF WOMEN

UN DECADE FOR WOMEN—ATTENDANCE AT CLOSING CONFERENCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Secretary of State. It concerns not the issue of part-time feminists, but vacation-time feminists.

We were shocked to learn last weekend, through the media, that the Government will send 10 Ministers, no critics and no

women's representatives, on a July safari to mark the closing of the United Nations' Decade for Women. The cost of first-class airfare, alone, for the ministerial junket will be $46,420. Does the Minister not believe that these funds would be better directed toward real change for women instead of the parliamentary air bussing of Cabinet Ministers who have shown in the past eight months that they have no interest in changing the status quo for the women of Canada?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member knows full well that there are two groups going to Nairobi to the conference which will mark the end of the UN Decade for Women. With the support of Government and other sectors, it is estimated that there will be over 30 leaders of national women's organizations at the voluntary forum. The official government delegation has not yet been named. Cabinet has not yet reviewed the matter.

WOMEN'S REPRESENTATION

Ms. Sheila Copps (Hamilton East): It's about time the Government learned that the women of Canada do not want a two-tier status.

[*Translation*]

I would like to ask whether the Government is at least ready to replace the safari holidays for Progressive Conservatives with a women's delegation at the Government level, that is women like those on the National Action Committee, women who are ready to go on with their work upon returning to Canada, rather than simply going on holidays in July as 10 ministers of the Mulroney Cabinet have chosen to do?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member is not telling the truth. This is not true. The truth is the Government will appoint a delegation, a widely representative delegation from the Government with officials and also other Canadian representatives.

* * *

[*English*]

SOCIAL SECURITY

SOCIAL SERVICE SPENDING

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister will recall that during the election campaign her Party talked about jobs, jobs, jobs, and especially jobs for women. In British Columbia cuts in social service spending in the last year have increased the unemployment rate for women by some two percentage points, while at the same time the unemployment rate for men dropped by two points. In light of the result of those cut-backs in social spending, could the Minister assure the House today, in the absence of the Minister of Finance, that no cuts will be made in social service spending in the Budget?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I really do not believe that the Hon. Member expects me to tell him, right now, what is in the Budget or what is not in the Budget. I can tell him quite honestly that I do not know what is in the Budget. If I did, it would be a Budget leak. But I will tell him that in the last month some 47,000 women found jobs. That was the biggest month-over-month increase in employment for women in the last five years.

Some Hon. Members: Hear, hear!

Miss MacDonald: That came about because of the confidence which is being restored in the economy of the country, and because of the kinds of programs which we are introducing.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Minister evaded the question. I was asking about women, and I used British Columbia as an example.

In a paper which was presented last fall to an international conference, the Government said:

> Government funded jobs that have maintained women's employment levels . . . are likely to disappear as restraint policies take hold.

In light of that, will the Minister abandon any plans to cut social service spending in the Budget? Can she give a commitment to the House, as Minister of Employment, that there will be a target to reduce unemployment for women by 2.5 per cent in the next year? We had a six and five program for inflation. What about a target to cut the unemployment rate for women?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I too was talking about women when I said that 47,000 women who did not have jobs before found jobs last month.

Some Hon. Members: Hear, hear!

Miss MacDonald: I also want to tell the Hon. Member that in all the labour market strategies, job programs, and training programs, for the first time women are being brought into the programs on a full and equitable basis. They will receive the same amount of funding and the same considerations. That is something which has not happened before. Previously, women were hived off into separated programs, put into ghettos, and not given the same kind of equality which existed elsewhere.

Some Hon. Members: Hear, hear!

Oral Questions

STATUS OF WOMEN

IMPROVEMENT OF CONDITIONS—GOVERNMENT ACTION

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, my question is directed to the Secretary of State who is responsible for the status of women. This past weekend the National Action Committee on the Status of Women, representing 360 member groups from across Canada, met in Ottawa to discuss the economic integration of women into Canadian society. Job creation, job security, training, and affirmative action were identified as the key issues of concern.

In view of the fact that these issues affecting women were neglected by the previous administration, would the Minister tell us what specific action this Government has taken to address these concerns and to advance the status of women in Canada?

Hon. Walter McLean (Secretary of State): Mr. Speaker, shortly after the Government took office I had the opportunity to meet with the President of the National Action Committee on the Status of Women, and her executive. The question of the integration of women's issues was fundamental in their representation to me. The Hon. Member will recall that at the First Ministers' Conference in Regina, women's issues were integral to that discussion. In addition, women's representatives were present at the Economic Summit. The Hon. Member will also know, as the Prime Minister has said, that a number of significant appointments have been made at senior levels in government. Those appointments were made by this Government.

● (1450)

Let me also indicate to the Hon. Member, Mr. Speaker, that at this moment the House Leaders are negotiating for the establishment of a joint parliamentary committee on the status of women.

* * *

[*Translation*]

HUMAN RIGHTS

SPOUSES OF ARMED FORCES PERSONNEL SERVING OVERSEAS—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have a question for the Minister of National Defence. On April 17, 1985, Section 15 of the Canadian Charter of Rights and Freedoms came into force, guaranteeing full equality to all men and women. All women except wives of Armed Forces personnel serving overseas. The later are considered dependant, the same way as children—they are called "D.W.'s" for "Dependent Wives". This designation follows them everywhere. When they are admitted to a hospital, they have to use as I.D. their husbands' social insurance card, because they have none. They are "D.W.s". Does the Minister intend to give instruction to correct that situation?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is a matter which is being addressed by the subcommittee which is studying equality situations arising out of the Charter. But I might just reflect for a moment in general, in response to the Hon. Member, that we are very actively trying to rectify a number of these horrible legacies which were left by the Liberal Party when they were in government.

[*Translation*]

DEPENDENT WIFE—REQUEST THAT EXPRESSION BE REMOVED FROM ARMED FORCES ADMINISTRATION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, maybe the Minister of National Defence could then suggest that Armed Forces personnel should appear before the Committee on Equality of Rights, because they have not yet agreed to do so.

Also, since the Hon. Member is aware of the situation of the wives of Armed Forces personnel, can he now commit himself before the House that the designation "D.W." will be dropped from the Forces' terminology?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, certainly, Mr. Speaker, as I just indicated a moment ago, that kind of terminology was put there by the Party of which the Hon. Member was a member when it was in office. That, and other matters of equality, are being addressed in a very aggressive way before the subcommittee.

I want to clear up a misapprehension that the Hon. Member may have unintentionally left with Hon. Members of the House. There has been no refusal of any of the officials of Defence, or of myself, to appear before either the subcommittee or the main committee studying these matters, and arrangements will be made to address the equality issues in the fullest possible way to the satisfaction of all Hon. Members of the House.

* * *

INDUSTRY

TAKEOVER OF MITEL CORPORATION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is addressed to the Minister of Regional Industrial Expansion. British Telecom is a regulated monopoly under British Government legislation, effectively controlled by British Cabinet Ministers. The British Government has already used its control to block a joint venture between British Telecom and IBM. Does the Government believe that it is sensible to place Mitel, an important, dynamic, and innovative Canadian private enterprise, under the control of a foreign, state-controlled monopoly?

Some Hon. Members: Oh, oh!

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I only wish our socialist friends would at least keep up with the times. The fact is that British Telecom was one of the most successful privatizations in world history.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I am surprised at the Minister for thinking that I would not be aware of that.

Some Hon. Members: Oh, oh!

Mr. Langdon: I looked at whose footsteps he is following. The point is, Mr. Speaker, that 49 per cent of that company is still state-controlled—

Mr. Broadbent: Exactly. Controlling interest.

Mr. Langdon: —and given that the British Government is by far the largest shareholder, that makes it in effect in charge of that company.

Mr. Broadbent: Laugh at that.

Mr. Langdon: In addition, Mr. Speaker, legislation exists which dominates the company and sets its policy. Does the Minister not realize that it is partly his own commitment to selling off TeleGlobe, the commitment which is taking up—

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

Mr. Langdon: Yes, Mr. Speaker. Is the Minister prepared to turn off this slide out of private enterprise control putting Mitel under the control of, in fact, one of the most powerful state corporations in the world?

Some Hon. Members: Oh, oh!

Mr. Broadbent: It's true.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am certainly pleased that our socialist friend was not as far behind the times as I thought he was.

Mr. Broadbent: He is right on.

Mr. Stevens: But he is still pretty far behind. I can only say to the Hon. Member that when we have an opportunity to review this transaction under the provisions of FIRA, we will have a much better opportunity and information base on which to answer the type of question the Hon. Member is raising.

Ms. Jewett: You mean you don't know now?

Oral Questions

CANADA PENSION PLAN

HOMEMAKERS PENSION PROPOSAL

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. He knows that he has accepted to be the keynote speaker at the Canadian Pensions Conference on June 5 in Toronto. Can Canadians assume, from the fact that he has agreed to be the keynote speaker, that his Government is, therefore, prepared to act on the election campaign promises which he and his Party made last summer on the inclusion of homemakers in the Canadian Pension Plan and on improvements to the private and public pension plan system? Or is this going to be another speech of platitudes whereby we are going to set up another round of negotiations?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to tell the Hon. Member that many of the points he raised in his question were covered by the task force on pension review in the former Parliament. The Hon. Member also knows that, along with many changes in the Canada Pension Plan, those matters obviously must have the agreement of the provinces. I point out to him that there have been meetings between the Finance Ministers on the premiums, and tied in with that, at the next stage, will be any changes in terms of benefits. So the matter to which the Hon. Member refers is well in hand.

GOVERNMENT POSITION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Minister of National Health and Welfare well knows that after seven months of negotiations there has been a consensus package arrived at. In those negotiations are he and his Government demanding the inclusion of homemakers in the Canada Pension Plan as part of that agreement?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is well aware that in these negotiations, the various points we want to have discussed will be discussed with the Ministers and not bargained on the floor of the House of Commons. But I say to the Hon. Member that the matter of the homemakers pension, which we committed ourselves to in the last election campaign, and which is now a commitment of this Government—we want to see it included. I would hope we would get the same kind of support from his Party. While the Hon. Member has given his support individually, I have not received the same support from members of his own Party.

* * *

EMPLOYMENT

CHALLENGE '85—PROGRESS REPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. She announced earlier this year a program called

Challenge '85. I am wondering if she can report to the House, or tell us now, how many jobs have been created under that program.

Some Hon. Members: Order Paper.

Mr. Blenkarn: What is the success of the program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am always very happy to talk about Challenge '85. I did give some figures on Friday when that matter was raised. I am pleased to say that the success of the program has brought in, not just government funding from the federal Government, but funding from the various provinces and, in addition, something in the vicinity of $100 million from the private sector, all of which will go to create more jobs for young people this summer.

* * *

INDUSTRY

MITEL CORPORATION—OPTION TO PURCHASE SHARES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, this must be the only Parliament in the world where the Minister responsible for regional industrial expansion stands up and says that the second largest telecommunications high-tech company in the country has been sold to foreign buyers, and gets applauded by members of his own Party. When the original agreement with Mitel was entered into, there was a clause in the agreement which said that the Government would have an opportunity to purchase shares in the Company at an appropriate time. Is that clause still in effect and, if so, was that offer made to the Canadian Government?

• (1500)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am not sure whether there was such a clause. If there was, I can tell the Hon. Member that, to the best of my knowledge, no offer or request was made to the Canadian Government with respect to the purchase of shares of Mitel. I can, of course, tell the Hon. Member that when Mitel got into severe financial difficulties, they did approach the Canadian Government for further assistance. That was still under review, and presumably, if this British Telecom deal falls through, this would still be the plight of Mitel. They do have financial difficulties at the present time.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by the Hon. Member for Comox-Powell River (Mr. Skelly) on Friday, May 10, 1985, meet the requirements of the Standing Orders as to form.

[*Translation*]

I have the honour to inform the House that the petition presented by the Hon. Member for Richelieu (Mr. Plamondon) does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present the fourth report in both official languages of the Standing Committee on Justice and Legal Affairs dealing with Bill C-27.

* * *

PIONEER TRUST COMPANY

TABLING OF COPIES OF LICENCES

Mrs. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, in conformity with Standing Order 46(2), I have the honour to lay on the Table copies in both official languages of the licences for Pioneer Trust issued by the Department of Insurance, pursuant to a commitment I made in this House on May 6.

* * *

PETITIONS

STAR WARS RESEARCH

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present a petition, together with some 600 letters of support, signed by the McMaster University President, Mr. Alvin Lee, along with some 600 professors, graduate students and support staff. The petition strongly opposes Canadian participation in research and development for the U.S. Strategic Defence Initiative known as star wars, and these petitioners have indicated that they themselves would wish not to benefit from any research undertaken as a result of the Canadian Government participating in such a program.

TINA LYNN MALLETTE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would like to present a petition signed by over 6,000 people from the National Capital area, asking the Government of Canada and the Secretary of State for External Affairs (Mr. Clark) to immediately intervene in the case of the abduction of Tina Lynn Mallette, and to summon the Ambas-

sador of Tunisia to a meeting which would hopefully result in the safe return to Canada of Tina Lynn Mallette.

* * *

CRIMINAL CODE

AMENDMENTS RESPECTING ABORTION PROVISIONS

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-238, an Act to amend the Criminal Code (abortion).

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

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the purpose of this Bill is to repeal those provisions of the Criminal Code relating to abortion, provisions which have denied access to safe, therapeutic abortions and have resulted in lengthy delays and complications for thousands of Canadian women. The Bill would ensure that the decision on abortion is one that is to be made by the woman involved in consultation with her doctor.

Finally, I call upon the Government to make more funds available for sex education and birth control awareness and accessibility.

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

* * *

WAYS AND MEANS

INCOME TAX ACT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between the Parties and I think you will find a disposition in the House to accept the following motion:

That the Notice of Ways and Means Motion to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act laid upon the Table on Thursday, May 9, 1985, be referred to the Standing Committee on Finance, Trade and Economic Affairs for examination; and

That the Committee report its findings and recommendations to the House no later than September 30, 1985.

Mr. Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent required to put his motion?

Some Hon. Members: Agreed.

Mr. Speaker: Is the House willing to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I simply rise on a point of order to designate Wednesday as an allotted day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—CANADIAN WOMEN

The House resumed consideration of the motion of Ms. Jewett:

That this House recognizing the continuing economic inequality of Canadian Women, demands that the government incorporate into its forthcoming budget the following initiatives, the:

1. reform of the tax system rather than the introduction of further public spending cuts which impact most adversely on women;

2. provision of job creation and training programs targetted to women, and funding sufficient to enable the Canadian Human Rights Commission to enforce equal pay of work of equal value legislation, and develop an effective enforcement mechanism for affirmative action programs;

3. provision of more transition houses and services for women and children who are victims of family violence; and

4. provision of increased funding to ensure access to quality daycare to meet the urgent needs of Canadian parents and children.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, before lunch I had a chance to say a few words about the motion before the House today in the name of the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). It calls for certain legislation and action to clear up some of the inequality between men and women. I talked earlier this morning about some of the tables in the Abella report which showed the participation rate for women going way, way up in the last 15 or 20 years. However, in the major occupations which pay well, women are still a very, very small minority. As well, in some of the other big and important occupation groups such as farming, forestry and fisheries, the number of women is very, very small.

Another very interesting point is that the discrepancy between salary levels for men and women in this country is very, very wide.

[*Translation*]

I have here the French version of the report of the Abella Commission of Inquiry on Equality in Employment for women. Table No. 10 shows the income gap between men and women. As everyone knows, Mr. Speaker, women have always been paid a lot less than men. The table shows that the percentage of average income for women as compared with the income of men was only 60.5 per cent in 1971. Six years later, in 1977, the average income of women was 61.7 per cent of the average income of Canadian men, and four years later, in 1981, it was 63.5 per cent. In ten years, the average salary increase for Canadian women was only 3 per cent.

[*English*]

And here we are now in the 1980s and we still find women in this country earning only 63 per cent or 64 per cent of what men earn. So I think the basic issue before the House today is that of equality; equality between the sexes, equality in the workplace, equal pay for work of equal value, equality in pension plans, training plans and things of that sort.

Looking at the unemployment level in this country, we heard the Minister of Employment and Immigration (Miss MacDonald) boasting that the unemployment rate dropped a little bit last month. But the unemployment rate for women in this country has been higher than 11 per cent ever since the election of the Government across the way. It has never gone below 11 per cent in the seven or eight months the present Government has been in office, and I say it is really much, much too high. My concern is that, given the Budget which comes down in a couple of weeks' time, and this Government's cut-back on social services, it will be the women of Canada who will be hit the hardest.

A good example is British Columbia. The biggest reason for the increase last month in unemployment in British Columbia was that women were being laid off. In fact, in the last year, because of the restraint program of Premier Bennett in that particular province, the unemployment rate for women went up by 2 per cent, while at the same time it dropped by 2 per cent for men in that province.

● (1510)

[*Translation*]

Mr. Speaker, the status of Canadian women is an issue with a number of very significant aspects. This afternoon I would like to speak briefly about the matter of training and the need to spend more money in this country on federal programs for Canadian women.

Second, I want to mention as well the important question of part time work. Mr. Speaker, 73 per cent of part time workers in Canada are women. Right now we are witnessing a serious labour conflict at Air Canada, and there is also the strike against Eaton's which began shortly before Christmas.

Mr. Speaker, I am seriously concerned because I think I detect a new economic trend in this country: part time work is on the increase and there are fewer full time jobs for Canadian men and women.

Third, Mr. Speaker, there is also the problem of homemakers, because there are still many Canadian women who stay at home to raise their children, and of women who work on the farm with their husband, and there is much discrimination against these women.

Mr. Speaker, there is also the matter of women working in small businesses. They are subjected to discrimination, they have no pension and they are not entitled to investment credit and such things without the signature of their husband.

Besides, there is a group which is almost forgotten in our country, Mr. Speaker, and that is the group of women between 60 and 64 of age. It is the group of Canadian women which is most often overlooked by the Parliament of Canada as well as by Canadian legislators in all provinces.

And finally, Mr. Speaker, I am concerned about social programs. As I said in the House this afternoon when I directed a question to the Minister of Employment and Immigration (Miss MacDonald), I am concerned about the future of social programs in Canada. Just before Christmas, we held in this House a debate on family allowances, on other social programs, on the future of medicare in Canada and all other similar programs affecting women more than men.

[*English*]

In many ways, Mr. Speaker, it all comes back to the question of employment. It comes back to the principle of equal pay for work of equal value and to recommendations made in this report by Judge Abella for employment equity and affirmative action. It comes back to Parliament having the courage to legislate in this country affirmative action in the private sector and through contract compliance with companies that do business with the federal Government in the amount of billions of dollars each and every year. I do not think we have done enough in terms of forcing the Government and the private sector to implement legislation to provide equal pay for work of equal value. We must move now and move quickly if we are to have equality.

Let us look at the Government's record. Today the Minister spoke about women and jobs for them. Only 5 per cent of the money which has been set aside for employment-creating projects has been specifically earmarked for young people and women in Canada. About 42 per cent of women are now in the workforce. Yet we do not have a commitment, even in the Canada Employment and Immigration centres, to ensure that at least 45 per cent of the people placed in jobs are women. When we got the figures from the Minister just before Christmas, we saw that the number of women placed in jobs in the country was well under 42 per cent.

We must move quickly to ensure parity in this very important area. We need affirmative action as well as specific goals and targets. In two or three places in her report Judge Abella told us clearly that we will not have affirmative action or resolution of the problem of lack of equality unless we have

specific targets and goals and timetabling to ensure that there is compliance by the federal Government, Crown corporations and the private sector. She was very clear in that particular recommendation.

[*Translation*]

The Abella report clearly states on page 215 that a voluntary program is not effective at all.

[*English*]

We need some mandatory regulations. If we do not have that, I do not think we will have any appreciable increase of fairness and equity in jobs for women in this great country of ours.

Another point which I am concerned about is that of enforcing employment equity in the country. The Government is saying that the Human Rights Commission can do that. Where is the money to come from for the Human Rights Commission? It presently has a backlog of cases. Is Parliament willing to vote a substantial increase in funding for the Human Rights Commission to undertake this important work? I do not get the indication that it is.

I mentioned as well the important issue of training. It is important to ensure that we have more positions in federal Government training programs for women. I suggest that 50 per cent of those positions should be filled by women. Fifty per cent of the funding for training should be for women in the country. That is the type of affirmative action we need for the Canadian female majority. However, that is not happening in our country today.

Another issue which concerns me is that of the elimination, since the election of the present Government, of the program of non-traditional occupational training. That program was eliminated in the Budget cuts of last November. That program should be reinstated to give women a better opportunity to receive an education or technical skill in a job which is seen as non-traditional. In my remarks before one o'clock I gave two or three very good examples in that particular field.

Another issue is part-time work. I said in French that I think this is a growing tendency in the country. It will hurt women much more than men because 73 per cent of part-time jobs are held by women. We must take a very strong stand to attempt to preserve full-time jobs where possible rather than letting them be eroded into the field of part-time work where there are very few or non-existent benefits. We must ensure that benefits in part-time jobs are prorated with regard to health care, dental care, pensions, sick leave, and maternity leave.

I would like to conclude by asking the House to keep a commitment made in the last election campaign. For the first time in the history of our country we had a debate on women's issues which was organized by the National Action Committee on the Status of Women. The leaders of the three Parties in this country spoke in a very positive way about the need to remedy and eliminate the inequalities which exist for the women of Canada. I see no significant evidence that there has been any move by the Government to change that since September 4.

[*Translation*]

Mr. Speaker, we now have the opportunity to amend the Canadian legislation to provide equality to Canadian women. Mr. Speaker, there is much discrimination and unfairness in our modern society and it is time we do something about it.

The Acting Speaker (Mr. Paproski): Questions and comments. Debate. The Hon. Secretary of State of Canada (Mr. McLean).

Hon. Walter McLean (Secretary of State): Mr. Speaker, it is a privilege for me to take part in this debate.

● (1520)

[*English*]

I am pleased to have the opportunity today to reaffirm my Government's commitment to the achievement of full equality for women in all aspects of our society. Just six months ago this session of Parliament opened with a Speech from the Throne that did more than any previous Government's statement to recognize the needs of women. Members of the House will recall that we made a commitment at that time, which we have sought actively to maintain, to take a comprehensive and integrated approach to improving the status of women.

[*Translation*]

This approach was clearly demonstrated by our commitment to implement the economic renewal strategy which is so badly needed in this country.

[*English*]

Key to the economic renewal and equity for women is a co-operative process of federal-provincial consultations. In this vein, I have pledged to work closely and consult regularly with my provincial colleagues—my fellow advocates with Governments of this country—on behalf of women. Their assistance is vital to improving the status of women in areas under their provincial jurisdiction. I am referring here to areas of health, education and, perhaps most important of all, the delivery of employment programs.

In order to assist in this process of consultation, last December I invited my provincial and territorial counterparts to Ottawa for a special and extraordinary meeting. At that time we discussed how we could best address the issue of equality for women within the context of a debate on the general economic policies of the Government and the nation. We will continue to address these themes when we gather again in Winnipeg in June for our annual meeting.

Our Government also recognizes that inviting women to join as full partners with business, labour and Government in all major economic decisions is essential to ensuring that Canada and Canadian women achieve their full economic potential. Women have long baked the nation's pies; the time is overdue for women to sit at the table and share in the eating of that pie. To this end, we have made a special effort to ensure that

the concerns of women were represented both in last February's First Ministers' Conference on the economy which was held in Regina and then at the National Economic Conference that was held here in Ottawa last March.

One thing that has clearly emerged from all of these discussions is that women's issues are essentially economic issues. They are bread and butter issues.

Women are an integral part of the economic process, yet they suffer the most from major economic inequalities. Over the past few decades, women have continually increased their contribution to the national economic effort. They contribute in their presence in the labour force and also increasingly as entrepreneurs. Today, 60 per cent of all Canadian women aged 15 to 64 are in the labour force. This percentage increases each year and it is expected that by the end of this century the participation rate of women and men will be at the same level, with about equal representation of both sexes in the labour force. Today, women make up 41.7 per cent of the total workforce but the full potential of the Canadian economy will be achieved only through the best use of all available resources.

[*Translation*]

Women have always been on the same footing as men in assuming many economic burdens. However, they have rarely been able to earn the same recognition and the same remuneration.

[*English*]

Women's rightful claim to equality has been met with a built-in systemic barrier in our society. As a result, women's economic activity has been confined to a narrow range of sectors or occupations. Women's unemployment rate has historically been higher than men's. Added to this, structural changes which are currently taking place in the economy threaten a whole range of other jobs traditionally held by women. The productive potential of Canada's women is therefore largely underutilized, depriving women of a much needed income for the provision of their family and their own economic security.

I believe that society pays a double price for the underutilization of half of its population, through welfare payments to families and individuals and through a less than maximum level of general activity.

Policies to address the unequal economic situation of women in this country have, until now, generally been of a collective nature. They have been oriented toward social rather than economic objectives. These policies all tend to compensate for the perverse effects that our economic system has on women.

Through years of application they have been progressively refined. Yet their mutually reinforcing effects could have been considerably enhanced if they were challenged through an integrated framework. It is just such a framework that my Government has begun to build.

Need I remind the House of the quick action the Government took in responding to the recommendations of the Abella Inquiry into equality in employment. We have adopted employment equity as a priority for this Government.

The employment equity principle brings together measures related to equal opportunities, affirmative action, equal pay for work of equal value and supportive measures in the areas of training and child care. It is a principle that has strong potential to change the status of women in the workforce.

Employment equity is not a new idea. Previous Governments have paid lip service to the concept of labour force equality. It has been talked about, worried about and studied but it was not until this Government was elected that anyone took action.

We have taken the first step. We have moved to require Crown corporations, federally regulated businesses and contractors providing goods and services to the Government to implement employment equity. My colleague, the Minister of Employment and Immigration (Miss MacDonald), has been discussing these measures with representatives of business and labour and with those whom the measures are designed to benefit—women, members of the visible minority groups, native people and disabled individuals.

In attending some of these briefings with her, we have been impressed by the desire to work with us to find a meaningful application.

[*Translation*]

The legislation required to implement these initiatives will soon be introduced in this House. Once more, this is only a first step in tackling the many barriers to equality in the work place.

[*English*]

The Government's commitment to the concept of equal pay for work of equal value was clearly stated in the Speech from the Throne.

Legislation guaranteeing equal pay for work of equal value has been on the books since 1977. But legislation by itself, of course, is not sufficient. It must also be effectively enforced. The previous Government relied on what might best be described as a fire-fighting approach. As complaints were made, Treasury Board worked with the Human Rights Commission on a resolution. What was lacking was a positive approach.

Our Government has moved to ensure that the principle of equal pay for work of equal value is applied in the federal Public Service.

As an employer, the Government intends to take a proactive stance to ensure the principle is fully implemented. We have established a senior level, joint union-management committee to do a detailed study on implementing equal pay for work of equal value. The committee's preliminary report is expected at the end of next month.

We expect that our efforts to implement equal pay for work of equal value will be a model for the private sector and other levels of Government. At the same time, we have taken additional steps to encourage private sector compliance with the legislation.

The Canadian Human Rights Commission has developed draft guidelines to assist employers in implementing the equal pay for work of equal value section of the Canadian Human Rights Act. The Human Rights Commission has also pledged to take action against employers dragging their feet in complying with the guidelines.

• (1530)

As was recognized in the Speech from the Throne, the Government recognizes that measures to improve and expand skills training and retraining are essential elements in a sound approach to providing job opportunities and coping with rapid technological change. Trends in labour market supply and demand indicate that training will need to be more varied and better targeted in order to help prepare the unemployed and those displaced by technological change for future work and to create the skills base needed for a competitive economy.

Of course, training is of major importance to the expansion of women's occupational options. It is also a priority instrument in achieving women's equality in the economic sector. The federal Government and the provinces have agreed to a new medium term strategy designed to increase the work capabilities of the current and potential labour force. New orientation will better address the scope and needs of women in relation to the labour market. These needs are diverse, reflecting the diversity of the situations experienced by women in Canadian society today. Persistent high unemployment and rapid technological developments are major challenges facing our Government over the coming years. They are also factors which affect women in particular. We are firmly committed to meeting these challenges through the development of a skilled and highly competitive labour force where women occupy their rightful place. To that end we have taken steps to ensure that women constitute a special target group in all federal job-creation and training programs. We have placed major emphasis on training for women entering the workforce for the first time and for those re-entering the workforce after a lengthy absence.

We have already implemented measures to make it easier for women with young children to take training courses. We have pledged to investigate means by which we can ensure that women who wish to improve opportunities for themselves and for their families through training and retraining are not penalized through our income support systems.

[*Translation*]

At the provincial level, we have urged the provinces to review some of their policies, for instance, in cases where medical or dental care coverage is reduced or cancelled when mothers on welfare also receive additional training allowances.

[*English*]

I am firmly convinced that the new labour market strategy will address the scope and nature of the needs of women in relation to the workforce, but economic policies and economic strategies are not enough. They must be supplemented by effective social policies.

The influx of married women into the labour market in recent years has been nothing less than dramatic. In fact, between 1975 and 1983 the labour force participation rate of married women rose by almost 11 per cent, more than twice the rate at which single women entered the labour force. At present, one of every two women with children works outside the home. In view of this, I cannot over-emphasize the importance of providing adequate support systems for families where both partners work.

We know for a fact that many more families would be living below the poverty line if both partners were not working. Unfortunately, changes to our social structures have not kept pace with this fact. For too long women have borne the double burden of family and their work responsibilities. Studies have shown that women in the labour force average almost four hours each day on domestic and child care duties, compared with six hours for women not in the labour force and only two hours for men. The federal Government cannot pass legislation to force men to do the vacuuming or to wash the dishes. Many men may heave a sigh of relief that we cannot. However, it is high time that we recognized the role that we as legislators can play in providing the necessary support systems for working parents.

We intend to address this issue through the establishment of a parliamentary task force on the future of child care in Canada. The terms of reference of this task force are currently being drafted and will be announced in the near future by my colleague, the Minister of National Health and Welfare (Mr. Epp). The parliamentary task force will undertake public consultations on child care. My Government feels strongly that such consultations by parliamentarians will help raise the level of public awareness of the important issue of child care in Canada. We hope that many groups and individuals will become involved in this public discussion of a most serious issue. Of course, the parliamentary task force will benefit from the research already conducted by the task force on child care headed by Dr. Katie Cooke. I expect to receive Dr. Cooke's task force report this fall. It will contain recommendations on the role of the federal Government in the development of quality, affordable, accessible child care.

We are also working closely with the provinces on the issue of child care. A working group of officials was set up following last year's meeting of federal-provincial-Territorial Ministers responsible for the status of women. The mandate of this group is to develop initiatives and proposals to address the concerns of availability and affordability of child care, with special attention to the question of the financing arrangements which support child care.

[*Translation*]

Mr. Speaker, I would now like to deal with one of the most serious of all family problems in this day and age.

[*English*]

Violence is a part of life for thousands of women and children. It is estimated that one in ten women who is married or living with a man is battered by her husband or partner.

Wife battering is found in all communities and cultures and at all economic levels. Women of all ages are abused. A battered woman is not simply the victim of a single abuse incident but is enmeshed in a repetitive cycle of violence which can involve physical, emotional and sexual abuse.

The Government takes seriously its commitment, as stated in the Speech from the Throne, to provide additional assistance to victims of family violence. We are backing up this commitment with continued funding. The federal Government at present is funding 911 beds in more than 50 transition houses established through the non-profit program of Canada Mortgage and Housing Corporation. We are assisting with the salaries and with the staff for transition houses through the job-creation programs of the Canada Employment and Immigration Commission. We are funding projects to help battered women through the women's programs of my own Department, the Secretary of State. Through the Canada Assistance Plan we have agreed to share with the provinces the cost of providing services in transition houses on a fifty-fifty basis.

In conclusion, let me indicate that steps have been taken to address the whole issue of family violence in a comprehensive and coherent way through the establishment of a special federal-provincial-Territorial working group. This group has examined many aspects of the problem including improvements required to the criminal justice system, social services and public educational programs. The working group will report to my provincial counterparts and to me at our meeting next month on the implementation of initiatives already undertaken and on new measures required to improve our response to the problem of batterred wives.

[*Translation*]

Mr. Speaker, this Government recognizes that there is considerable work to be done to improve the status of Canadian women.

[*English*]

Yet we look upon our accomplishments to date with pride. We believe we have laid the groundwork for further action in the days and months to come. As Minister responsible for the status of women, I give the House my commitment to continue to act until all Canadian women have the opportunity to participate as full and equal partners in all aspects of our society.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Hamilton East (Ms. Copps).

● (1540)

[*English*]

Ms. Copps: Mr. Speaker, I wonder if the Minister who is responsible for the status of women could inform this House whether he agrees with the position taken by his colleagues, Conservative Members of Parliament, who told the Canadian Human Rights last week that constitutional protection for disadvantaged groups like women in minorities threatened the rights of individuals? In particular, does he agree with the statement by the Tory Member of Parliament for Calgary East (Mr. Kindy), who is opposed to affirmative action programs because he believes that all capable people have equal opportunities in the workplace and there is no need for affirmative action programs? Does the Minister agree with the statements of his colleagues to the committee hearings?

Mr. McLean: As the Hon. Member will know, Mr. Speaker, the intention of parliamentary committees is to have a public discussion. Members of Parliament on both sides of the House have a wide range of opinions. The policy of the Government in this regard is laid out clearly in the Throne Speech. The Hon. Member will know that in the actions following the Throne Speech and the decisons that have been taken subsequently by the Government, it speaks in terms of its commitments in these areas.

Ms. McDonald: Mr. Speaker, I wish to address a couple of particular questions to the Minister, whose goodwill is well known, but who has treated us to vague generalities in the precise points of action. First, I would like to ask him about the situation of women in the United Nations Organization, particularly Canada's promise made in the plan of action five years ago at the Copenhagen conference which he attended at that time as critic of the Conservative Party.

A number of proposals were made, such as that there would be equality for women in appointments under government jurisdiction and in particular in the area of communications where women are very disadvantaged and the portrayal of women is still very much a problem. Very specific proposals with regard to equality were made in areas where the Government has the opportunity to make appointments, such as the CBC and the CRTC. We have not yet come close to equality. Does this mean that the Government is reneging on that commitment made by the previous Government, or is this something we will see implemented very soon?

Further the UN in itself, in its own bodies, was to increase the representation of women, which we have not seen. Has our Canadian delegation pressed for that? If it has, we certainly have not seen any results. I might note that our Canadian delegation has a very poor representation of women. Has the Minister made any representations to improve that?

That is one area of questions on the UN. I would like to ask another question about the Abella report, if I may. Is the Minister aware that the National Action Committee at its conference this weekend came up with a much more scathing reaction to the Abella report? Specifically, it condemns as inadequate the planned legislation in response to the Abella report and urges the federal Government to introduce programs and practices through affirmative action, including mandatory requirements and enforcement mechanisms with numerical objectives and deadlines. Will the Minister give some commitment to these very precise measures, and not just the first reaction of the Government to the Abella report, which was a very weak one indeed?

Mr. McLean: Mr. Speaker, I thank the Hon. Member for her questions. Her knowledge and interest in this subject are well known to all Canadians. We appreciate her continuing interest.

In the matter of the response to the UN in relation to the plan of action, we have been consulting. As the Hon. Member knows, our response in part requires a federal-provincial response. Our delegation, in reporting at Nairobi, will include provincial representatives. This Government, in terms of its appointments and of our own response, as was indicated, has already moved up to 24 per cent. We hope within the short-term target range to have that number increase to 30 per cent of women in government.

In relation to the important matter of sex stereotyping and communication and the importance of regulatory agencies and the CBC, I have intervened personally on that matter with the Minister of Communications (Mr. Masse) and with the President of the CBC internally since becoming Minister. We will continue to watch that, despite the necessities of the deficit, in any alterations that must be made within the CBC, for example, women are not in any way disproportionately affected, as they may well be since sometimes they are in the most vulnerable situations.

I thank the Hon. Member for raising the question of women's representation at the United Nations. When I met with the Under-secretary General in New York some months ago, I raised with him the specific matter. As the Hon. Member knows, within our world there are varying attitudes toward equality for women. He indicated to me that he was appreciative of the position Canada has taken historically and continues to take and that it is a priority for the administration. I have also spoken with our ambassador, Mr. Lewis, about that matter. When I was in Vienna for the preparatory meetings before Nairobi, I stated that this is a matter of particular importance to Canada. Therefore, I thank the Hon. Member for her sensitivity to that issue in the larger window.

On the question of the Abella report, the question of mandatory implications was discussed at the time. There were a number of comments at the time when the Government made its response. Generally there was a very favourable response. My attitude is that while I understand that perspective, as Judge Abella says, there has not been movement in the last 10 years. What is now being signalled is a three-year time frame after which, if there is not that type of movement, the Government will have to go back to the drawing board in a relatively short time and address the particular concern that was raised over the weekend.

Ms. Jewett: Mr. Speaker, concerning the Nairobi conference, the Minister will recall that at the Copenhagen conference there was a delegation of about 14 people. Both he and I were on that delegation. About half the delegation consisted of members of the Conservative and New Democratic Parties, either provincial or federal parliamentarians. Only about half were government people. Since we were the beneficiaries of this enlightened policy, actually he and I even found occasion to congratulate the Government of the day. I understand that this time the delegation will consist of between 35 and 40 people. I am speaking now only of the official delegation, not the NGOs which, as the Minister knows, do their own thing. Will the Minister follow that precedent and ensure that close to half of the official delegation, including both members of the Parliament of Canada and of the provincial legislatures, be made up not just of government people, but of members of other political Parties?

Mr. McLean: Mr. Speaker, I thank the Hon. Member for her representation. As I mentioned in Question Period, decisions regarding the make-up of the official delegation have not yet been discussed at Cabinet. Therefore, speculation about the size of the delegation is merely that, speculation. Given the cost involved and also the availability of accommodation, it is likely that the number will be smaller rather than larger. As the opposition critic, I appreciated the opportunity to be in Copenhagen. I will be encouraging my colleagues to see the wisdom of that situation. Although this is clearly a government responsibility, there is a precedent which warrants looking at.

• (1550)

The make-up of the official delegation, as Hon. Members will know, will be the same as the make-up of a delegation to any major United Nations conference. It requires those who are officially appointed by their Governments, either federal or provincial, as well as officials who bring with them expertise. Therefore, the make-up will include people with knowledge of the UN system and particularly the knowledge of women in development and health as well as other areas. We are now discussing the appropriate make-up of that delegation.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired. The Hon. Member for Outremont (Mrs. Pépin).

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish to support the motion before the House today, a motion that censures the Government's action with respect to the economic status of women. Mr. Speaker, I beg to disagree with the Minister who spoke previously. The economic inequality of Canadian women has not diminished since September 4, and it is because the requisite legislation and regulations have not been adopted.

The Progressive Conservative Government's record on women's issues is nothing to write home about. Let us go back to last summer. During the election campaign, the Prime Minister made a formal commitment to deal with the problems facing women on the labour market. Speaking in deep and solemn tones, which he likes to do to show how seriously he means what he says, the Prime Minister told women who interviewed him that the status of women was a priority both for him and for the Progressive Conservative Party. Mr. Speaker, I think that from now on we will do well to be wary of the Prime Minister when his voice drops a few octaves and

he starts speaking very slowly. His solemn tones are no guarantee of serious commitment to an issue, although he is constantly trying to have Canadian men and women believe otherwise.

During the last election campaign millions of T.V. viewers were treated to the party leaders' debate on the status of women. It was the first time the feminist lobby managed to organize a televised debate of this order. A first, not only for Canada but in fact a world première the Canadian Advisory Council on the Status of Women, of which I was president at the time, initiated the negotiations with the C.B.C., and once the framework was established we handed over to the N.A.C., which was responsible for everything up to the televised debate.

This brief success did not have a sequel, and we have every reason to believe it was because the Progressive Conservative Party came to power. However, before the television cameras, the Member for Baie-Comeau (Mr. Mulroney), promised us everything: funding for daycare centres, for shelters for women and children who are victims of family violence, affirmative action programs with provisions for monitoring and evaluation, programs to prepare women for technological change, support programs for businesswomen, and so forth. And what has the Progressive Conservative Government done since it came to power?

Last fall, after hesitating for a long time about whether it was going to maintain the unversality of social programs—in that debate the Minister of Finance (Mr. Wilson) did not come out the winner in Cabinet, to put it mildly—the Government decided to do nothing. Indeed, attacks by the Opposition and the pressure of public opinion managed to shake the convictions of those in the Prime Minister's circle who firmly believed that Canadian men and women had given them a mandate for a shift to the right in economic and social policy. However, Mr. Speaker, that is not quite the case. During the last election campaign, the Progressive Conservative Party tried to give as little indication as possible of what it was going to do, and in conducting its campaign, it tried to please everyone. However, Canadian women managed to get some commitments out of the Prime Minister, and I will get back to these in a minute.

This Government, which has been trying so hard to govern by consensus, should realize that one of the issues in Canada on which there is the broadest consensus is that of the economic equality of women. Since the Government came into office, it did not do much for women, very little even with respect to appointments. I heard the Minister saying earlier that 22 per cent of appointees were women. It is rather interesting since my calculations markedly differ from his, beginning with the number of women who have been appointed executive assistants in the various departments. I would also like to know how many women have been appointed political assistants in various offices. I think our figures lead to quite different conclusions.

Last March, on the occasion of International Women's Day, the Government put up a good front when it introduced measures to ensure employment equal opportunities for women, native people, visible minorities and disabled persons. Compliance is voluntary. As you may recall, voluntary compliance on the competitive labour scene is synonymous with inefficiency. This has been demonstrated in many research projects, the least important of which is certainly not Judge Rosalie Abella's work.

On page 217 of her report, Judge Abella writes:

> It is difficult to see how voluntary programs might appreciably improve employment opportunities for women, native people, disabled persons or visible minorities.

Judge Abella goes on to say:

> Given the seriousness and apparent immutability of discrimination in employment, it would be totally unrealistic and excessively naïve to rely solely on good will, however necessary in voluntary programs, to guarantee equality.

Not only does the Conservative Government not want to define what it means by equality, but it must be noted that no coercive measure is provided should Crown corporations fail to establish an over-all plan to reach equality targets in employment. The Conservative Government does not want to urge private companies to set up employment equality programs. Apparently it does not follow the same logic with respect to work and women in the public service, Government agencies and Crown corporations on one hand, and in the private sector on the other hand.

We know that employment equality measures apply to the public sector and to private companies that get Government contracts. The Minister of Employment and Immigration (Miss MacDonald) said she was positive those measures were effective because the maximum use of manpower resources—and therefore the hiring and promotion of women—were one of the basic factors of efficiency in the work-place. If the Minister really believes that, she should encourage private firms to set up job training programs, which could be perfectly suited to the particular conditions of every firm. The employment legislation must have teeth in order to be effective.

On March 27, 1985, in the Queen Elizabeth Hotel in Montreal, a few hundred women who met there under the auspices of the Progressive Conservative Women's Caucus were told that without concrete measures such as those recommended in the Abella report, practical results in the area of women equality in employment would be a long way off. But Canadian women are anxious to get what the Hon. Member for Baie-Comeau promised them during the last election. Will we have to wait for another March 8 in order that a further timid step be made along the road to economic equality for women? The Conservative Party's book of promises included certain statements concerning women in the economy, and I would like to recall them just in case our friends opposite might forget about them.

In a press release dated July 26, 1984, it was stated that the Conservative Party wanted to implement positive action programs, with monitoring and evaluation measures in the Public Service, Government agencies and Crown corporations. The Conservative Party also claimed it supported the development and implementation of efficient programs to prepare

women for the technological changes and new careers by way of a combination of fiscal incentives, grants and other means. The Progressive Conservative Party even promised business women, if it were elected, to ensure the availability of various information and support programs in the area of economics and financing for business women, women in small and medium-sized businesses and women associates. There is no need to add that we are greatly concerned about the upcoming budget, because judging from all those promises, I am sure the Minister of Finance (Mr. Wilson) will have a special program for women getting into business and for small and medium-sized businesses.

• (1600)

I want to emphasize, Mr. Speaker, that after nine months in power, I appreciate that all this is not fully implemented. However, since almost nothing has been undertaken, which makes us wonder whether the promises made by the Right Honourable Prime Minister were only hot air, although the Government has put forward timid proposals for equality in employment for women, it does not seem ready to look at women's work in a more general context.

The Progressive Conservative Party often has the unhappy habit of looking at problems through the wrong end of the telescope. Solving women's labour problems does not mean restrict its effort to the work-place as such.

It is a well known fact that working women very often assume by themselves the responsibility for the children. Day care is not a luxury but sometimes a basic organizational necessity today. Canada does not have even half the number of places in nurseries requested by Canadian women. We know that in the year 2000, 90 per cent of Canadian women will be on the labour market not as a luxury or for their comfort but out of necessity. That is why day care is a priority. Once again, we hope that in the budget, a week or two from now, there will be a specific provision on day care.

Mr. Speaker, I will remind you once again if I may a promise made by the Progressive Conservative Party during the last election campaign concerning day care: The party undertakes to find quickly some realistic and efficient answers to that emergency. Our party will play a leadership role to improve the sharing of responsibilities between mother, father and society. With the co-operation of business, unions and provinces, the party will promote the development of innovative programs, especially in the working place.

As we mentioned earlier, we are still expecting the report of Mrs. Katy Cook and government members have told us that there is a special task force on day care. I am quite willing to have a special task force on day care, but it is still more important to read the report and recommendations before setting up another task force.

Mr. Speaker, Canadian women are eagerly waiting for the Prime Minister to show the leadership he promised. Apparently, the Canadian people did not elect a passionate champion of day care on September 4 last but rather someone who likes to bargain to such an extent that he took the liberty of advising presidents Reagan and Mitterrand in Bonn.

If the Prime Minister is not a passionate champion of day care, he does not support more eagerly transition houses for battered women and children. This is perhaps too far outside his concerns. I heard the Minister responsible for the status of women say a while ago that there would be a meeting of federal and provincial ministers on violence in the family. I quite agree but I would like to add that all those federal-provincial meetings on the status of women were initiatied by the

Liberal government. Well, the Liberal government can be accused of every defect, but I think that as far as the status of women is concerned, the Liberal government can boast many substantial accomplishments.

Well, Mr. Speaker, let me quote to you what Canadian women were told during the last election campaign concerning these shelters:

> The Progressive Conservative Party will make improvements to and increase the effectiveness of all federal programs dealing with public information, transition houses, accommodation and support of victims of family and social violence, whether they are battered women or abused children.

I hope, therefore, that during the forthcoming federal-provincial meeting, the federal Government will lead the way, failing which we would be very disappointed and get the impression that although he was very good at making promises during the last election campaign, the Prime Minister of Canada is not very good now at fulfilling them.

Mr. Speaker, I think that in his speech, the Hon. Member from Baie-Comeau misrepresented reality. When we consider what is happening in the case of Indian women, as our committee is currently dealing with Bill C-31, we realize that the Government has decided that Indian women will be reinstated on the bands' membership but that their children will not, a situation which is entirely unacceptable. Also, I think the divorce legislation is quite good, but this is again a Liberal initiative. Concerning prostitution and the Fraser report, Mr. Fraser had emphasized during a press conference that the Government should not single out a particular recommendation and implement it; yet, that is exactly what the Government is doing, interpreting as it pleases and implementing the recommendation on soliciting, which I find also entirely unacceptable, in spite of the fact that the President of the Progressive Conservative Party in British Columbia stated last weekend that prostitution is very important and that the desire to procreate being so strong, men absolutely need prostitutes to satisfy it and also get rid of the violence they feel for one another. In view of all this, I seriously wonder what will be the destiny of this Bill in the House. There is also part-time work. It is a fact that the majority of women have part-time jobs. We also hope that the next Budget will contain a special recommendation that women be given fringe benefits proportional to the number of hours they work. It is a fact in 1985 that 72 per cent of part-time jobs are held by women, but with the new technology, men will also be affected by technological change and will have to work part-time. However, at the present time, because of the economic situation, 72 per cent of women have

part-time jobs and the Government must certainly deal with this problem.

As for planned parenthood, we learned three weeks ago that the Department of National Health and Welfare had closed down its Family Planning Division, with the result that we can no longer obtain any family planning information from the Department, which poses a threat to the funding of all planned parenthood clinics in Canada. We have to wonder about the decisions of the Government because we know that, while there is not even a birth rate plan for the country and teenage pregnancies pose a problem, there are no services available at this time, because if the Family Planning Division disappears, our young people as well as adults, but especially our young people, will be deprived of educational services, since the major problem is that of teenage pregnancies and absolutely nothing is being done about it.

Of course, I would also like to say a word about pensions for people between the ages of 60 and 64 other than widows or widowers. The Members opposite will tell us that 85,000 people receive the pension for widows and widowers in Canada. This is all very well, but the majority of people are separated, divorced or single. We know—

Mr. Speaker is telling me that I have only one minute left. I shall therefore complete my comments.

In conclusion, I would like to say that true economic equality for women will not be attained in three years or in 25 unless corrective action is taken immediately. Yet, the problem is not a lack of research. The Economic Council of Canada has just published the proceedings of a seminar on the economic status of women in the labour force called *For a Fair Share*. If the Progressive Conservative Party does not change its attitude towards women, 52 per cent of our population might lose patience.

• (1610)

The Acting Speaker (Mr. Charest): Questions and comments. The Deputy Whip and Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, I did not intend to remind the Hon. Member for Outremont (Mrs. Pépin) of the past but since she is doing it herself and seems delighted to do so, I must stand up and speak out as well. I think that the Hon. Member for Outremont was involved in the issue of the status of women because of the Axworthy case, when the minister responsible for the status of women in the former government told women who wanted equality that they had better postpone their intervention on the Constitution and the Charter of Rights so as not to undermine the political standing of his party. I had the privilege, Mr. Speaker, to attend that conference and . . . I see some other women across the way who were also present . . . and fortunately, in spite of the fact that the previous Liberal minister wanted to establish priorities that were not in line with those of Canadian women, we still have been able to do our job.

As a second reminder of the past, since she is pleased about it again, the federal Government has imposed its will on the provinces, it argued with them, did not respect their independence and their responsibilities and their rights, though they represent the Canadian citizens as much as the federal Government; because of this lack of respect for another level of government, progress has been slowed down on many issues, including women's issues. The Hon. Member, for instance, refers to the amended legislation on the rights of native people saying that despite the efforts of the Minister of Indian Affairs and Northern Development (Mr. Crombie), the children of some native women who will at last be equal under the law will not recover their rights. But she forgets to indicate that this responsibility falls upon the Native Nations themselves and not the Government. Those nations will decide what the status of people living on Indian reserves will be.

Mr. Speaker, I wanted to point out those inconsistencies and oversights, some of which are certainly unintentional. Moreover, I wish to refer to another inconsistency. The Hon. Member said that the Minister had got his fingers burnt when he met with the Minister of Finance (Mr. Wilson) and vice versa. She should make up her mind. Well, if it is so, it is because something has changed. I also want to remind her, since she has reminded us that amendments to the Divorce Act were brought about in part by the previous administration, although most of the new provisions are very different from the old ones, I want to remind her that it is the Clark Government which, in 1979, introduced the new concept of spouse's allowances and that this government quickly moved, after its election, to extend this benefit to widows and widowers between 60 and 64 years of age. We would certainly want to give much more to all the elderly poor, but it is a spouse's allowance. It would amount to extend family allowances to older people because they are poor. Our programs must be consistent.

Second, the previous administration had not earmarked any funds for the elderly, so that we had to establish a fund in an attempt to offer at least this allowance.

Therefore, I wish that in her passionate effort to defend the achievements of the previous administration, the Hon. Member really remembers where all these things came from. Mr. Speaker, I also want to ask her whether when she was appointed to the Advisory Council on the Status of Women, she found the job more pleasant than Mrs. Doris Anderson did when she was there.

Mrs. Pépin: I welcome this opportunity to reply to my colleague because I feel that anyone who indulges in personalities at this time cannot have much to say for women. We are here to pass legislation on women's issues, not to make personal remarks on each and every one of us. However, I am very happy to tell you that, as regards Section 15 of the Charter of Rights, I can still claim that we worked very hard at that time to have it adopted, and the Council played a very important role. The Council is also responsible for having Section 28 passed and for organizing all provincial and women's groups so that pressure could be brought to bear on all three parties.

This is how Section 28 was passed and I am most pleased about it. Besides, when you say that I recall the very important things the Liberal government did for women and that I take pride in them, I would simply remind you that Canada is one of the largest countries in the world with the most important legislation for women. We are one of the few countries to offer so much legislation about women. Therefore, as I said earlier, we may be considered as the culprit in everything that may have gone wrong but as far as the status of women is concerned, I think Canada has a pretty good record.

Mrs. Mailly: At the provincial level!

Mrs. Pépin: The provincial level is no concern of ours. Legislation sometimes overlaps in this field, but I am talking about the federal Government.

Third, about Indian women, it is a matter of what stand your caucus or mine takes. When you say we must let Indian governments decide for themselves, you are stating your position. And yours and mine on Indian issues differ greatly, and I have no intention of changing mine. I think the children must absolutely be reinstated in their rights; if the women are made members of Indian bands again, the children must also be granted their native rights. It all depends to which party you belong.

I must say that you seem to be well informed on pension issues. On all the others, unfortunately, having to dwell in the past and to deal in personalities shows how little you know about women's issues.

The Acting Speaker (Mr. Charest): Questions or comments? Debate. The Hon. Member for Broadview-Greenwood (Ms. McDonald).

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Government is blamed today for its policy related to Canadian women. We are asking for concrete measures aimed at improving the status of women. Indeed, the Conservative party, when they were in opposition and especially during the last election campaign, promised such measures. Yet they have not kept their promises since then. On the contrary! Their policies since the election have been prejudicial to women. Let us first consider tax reform. This Conservative Government has maintained the federal tax increase proposed last year by the Liberals. This Conservative Government has found billions of dollars for oil companies, including multinationals. The Conservative Government did not fill the loopholes in the tax system, which benefit private corporations. The Government has even admitted that the most recent loophole with regard to research expenses is costing Canada more than $1 billion each year. Yet the Government could not find money to meet the needs of Canadian men and women. The old age security benefits, for example, could have been increased with that amount of money.

To pay for those hand-outs to private corporations, the Government had to save elsewhere. In fact, the Government has chosen to cut in the budgets of departments and Crown corporations like the CBC. Given that situation, women are those who get laid-off. Women who just recently got a job are laid-off. For instance, the budget cuts in research on the environment, ill-advised to start with, have particularly cost women their jobs.

This Government has a policy or rather an ideology favouring the private sector at the expense of the public sector, no matter what the consequences are for Canadian men and women. It follows that some jobs in the public sector are cut in favour of private sector growth. The growth of the public sector favoured women in Canada. This sector has been growing and giving good jobs to women since the Second World War. The men-women salary differences are smaller in the public sector. Social benefits are better, pensions, union protection, etc., are better. Now, women's jobs are threatened the most by the present policy of the Conservative Government. Unfortunately, the Government is blinded by its ideological concerns. Women are more practical and less interested in ideology. They are interested in the quality and the value of the jobs involved rather than in which sector they fall.

• (1620)

[*English*]

Women who came before the NDP job action group talked to us very specifically about this point. They talked about the need for good jobs, the fact that these jobs had developed especially for women in the public sector. Unions had fought for women and got better working conditions and salaries, and because of the ideological preoccupations of the Government these are the jobs that are cut back. The Government does not realize that there are particular implications for women in a policy which might seem to be gender-free. A policy of protecting the private sector and attacking the public sector has very serious implications for women.

The National Action Committee on the Status of Women in Canada is very aware of these difficulties. Indeed, one of its major recommendations resulting from its conference this past weekend concerned precisely this point. I would like to read that recommendation to the House. It reads:

> Whereas the value of tax concessions allowed by the federal Government is between 30 and 50 billion dollars per year according to the Auditor General; and whereas these tax breaks benefit large companies and high income tax payers the most; and whereas this situation is largely responsible for the deficit; and whereas the deficit is now being used as an excuse to cut public spending; and whereas women are the first to be hurt by such cuts; be it resolved that NAC lead a campaign strongly recommending that the deficit be reduced through reform of the tax system and not through public spending cuts.

This is precisely what the NDP has been urging, along with many other organizations. I note the Economic Council of Canada, not known to be a great supporter of the NDP, recommended that this approach be taken rather than cuts in public spending.

I want to go on to some more specific matters in the resolution before us today concerning job creation and job training programs. We in the NDP believe that these must be specifically targeted to women. We do not believe that the laws of nature are favourable to women in that sense. We have seen that neglect means that the status quo continues. Women

are disadvantaged in the labour market right now and, without precise means of intervention, that disadvantage will continue. For that reason we recommend that in job-training programs paid for out of public funds, sponsored by Government, 50 per cent of the places be accorded to women. Young men and young women come into the labour market in roughly equal numbers, and for training purposes women should be getting half those places. For job-creation projects involving public money, women make up roughly 42 per cent of the labour force, a growing percentage at that, and jobs should be reserved for women in that proportion. That is only fair. Unfortunately, to date we have seen the Government take the view—and I am sorry to say the previous Government had the same view—that the real jobs are men's jobs. The construction job which ends with some kind of physical object, be it building a bridge or what have you, is a more real job than a service job providing daycare and nursing or educational services. The kind of jobs women do in communities have not been valued as being worth much and women have not got as much support in job-creation programs. To prefer these capital-increasing projects over human resource-oriented projects seems to be a gender-free approach, but in fact it is not. It means that men's jobs are preferred to women's jobs.

We recommend that the Government develop effective action programs. By "effective" we mean programs with numbers, goals and deadlines. The Abella reforms, which were practical and fairly modest—one certainly cannot call them revolutionary—have only been partially respected in the Government's response. It has not gone far enough. I point out that the National Action Committee recommended a much more vigorous approach to the Government's response to the Abella report, and indeed the NAC condemned as inadequate the planned legislation in response to that report. The NAC instead urged the federal Government to introduce programs and practices through affirmative action with mandatory requirements, enforcement, numerical objectives and deadlines to bring about equality under federal jurisdiction.

Why do we need to have numerical quotas and deadlines and very precise measures? Because it has not worked otherwise. We have had kind words about affirmative action, plans and programs for action. As arts and culture critic, let me refer you to one in my own area. The CBC is a Crown corporation. Back in 1970, the Royal Commission on the Status of Women in Canada recommended that Crown corporations have a special responsibility and that they design their own program for improving the participation of women. That was 15 years ago. Well, they were not forced into doing it, there were not numerical quotas, and eventually, after a great deal of pressure, they came up with vague plans. But of course there has been very little change in the proportion of women in management or producers' roles, and there has been even less change in the portrayal of women on the screen. The record has not been good because there has not been accountability, and I think we have to say, enough of plans for action, enough lip service, we want some real action. We want evaluations, and if they are not satisfactory, then fire the people responsible and we will replace them with people who will take equality for women as a serious objective.

Regarding evaluation, I can recommend the McDonald "no fudge factor". This is a statistic which I think all of our government Departments and Crown corporations, and indeed private corporations with contracts with the Government, should be required to publish. Specifically, this would mean that each Department would publish the proportion of women on the payroll. This of course could be pro-rated for part-time workers and the proportion of the payroll they get. If we see that in a certain area women were 60 per cent of the payroll but they got only 40 per cent of the pay, we would know that most of that payroll was going to the smaller number of men who had the supervisory jobs or jobs which were evaluated at a higher level. Then we could have year after year that same proportion and we could see very objectively if the proportion of women in those jobs was improving. It would not just be up to the government Department to talk about how good its attitude is toward women and how much it was proposing to do but in fact not doing.

I would like now to turn to the question of equal pay for work of equal value, a very important and integral part of any kind of job equity plan for women. We have it at the federal level on paper. We have the Canadian Human Rights Commission enforcing it, and I would like to say that it is doing the best enforcement in Canada on this principle. Unfortunately, I cannot say that it is all that great because there have been numerous delays, it has not been vigorous in the pursuit of some cases, its guidelines are a little backward and out of date, and I think it could be making further progress.

If equal pay for work of equal value had been vigorously implemented at the federal level, it would show up in the statistics. We could look at the industries regulated at the federal level, and the regulations have been in place for about seven years now, and we would see over the years declining differences in wage and salaries within industries at the federal level. Unfortunately, statistics do not show such a trend. Implementation has still been haphazard and based on a case by case complaint system, and it still takes years for cases to be resolved. I would point to the Bell Canada case and that made by the communications workers of Canada. The Canadian Human Rights Commission has not been vigorous. It has accepted excuse after excuse on the part of the employers. We have seen no progress despite quite a bit of pressure from women's organizations in support of the women who are being discriminated against in these particular places of employment.

• (1630)

The guidelines of the Canadian Human Rights Commission, which have recently come out, show some improvement in some respects, but they are inadequate in others. It is a step forward and a step backward. I would like to point out a few of the deficiencies. It is very important that small and large groups be compared for the purpose of dealing with actual cases. The fact that a woman with a complaint is in a badly outnumbered job category is no reason why she should not

have her day in court or before the Canadian Human Rights Commission. It is no reason to deny her coverage by the Canadian Human Rights Act. Complainants need more information and cases should be more speedily processed. There should be a flexible definition of establishment. There have been improvements here, but it is still not good enough.

Of course that only opens up the question of extending this coverage of equal pay for work of equal value to the private sector and to all companies which are under provincial jurisdiction but which do business with the federal Government. This is an enormous opportunity because the federal Government is a major purchaser of goods and services of companies of all sizes across the country. This is an opportunity for the Canadian Human Rights Act to have a much greater impact. It can tell companies that if they want to do business with the Government they will have to pay people according to this principle. That must apply to all contractors rather than only a small number of them.

I am pleased to see that this issue was raised in the Ontario election. It was interesting to see the Ontario Conservative Party, under the pressure of an election campaign, suddenly decide that equal pay for work of equal value was a good idea, as least for government employees. It would not go so far as to say that it was fair for all employees. Its time has come, Mr. Speaker. It is a matter of elementary justice that women's jobs be fairly evaluated. Simply adhering to the old market principle is not good enough. Women have been discriminated against for far too long in the job market. Equal pay for work of equal value is the way to address the problem of ghettoization and the downgrading of women's jobs. Objective criteria must be the basis for comparisons, to have fair rates of pay.

I would like to address one further matter which is raised in our motion today, that is the provision of transition houses and funding for them. It is absolutely essential that there be regular funding for transition houses. Violence against women exists. We would like to stop it, it will be some time before this does happen. It is an ongoing problem for which there must be a regular means of funding. The voluntary sector puts much time and effort into keeping these transition houses alive. In serving women in crisis, they are always in dire need themselves. There is always some problem of funding. They spend much of their time rushing around trying to keep the organization together and the service going for women who suffer enormously in our society. It is time we had regular, decent funding, making it possible for these groups to provide the services needed without having to fight for their existence every fiscal year.

I will close by simply pointing out that equality for women is a real challenge for us today in Canada. Providing equality for women in the workforce requires a certain amount of intelligence but, more than that, it requires a lot of political will. We know what needs to be done. Lack of implementation rather than lack of ideas is responsible for the fact that we are not making adequate progress right now. Token appointments and vague promises are not enough. They are totally inadequate. There are enough women to share equally in the work of our major regulatory agencies. There is no reason why they should remain at the 24 per cent level when women make up 50 to 52 per cent of the population. That is the level they should be at. That should be the case now rather than in the future.

We have seen that vague promises have not worked in the past. We want concrete measures with implementation, deadlines, and evaluation. The barriers do remain. It is the responsibility of Government to act vigorously to reduce these barriers. They are not going to go away without us taking our responsibility seriously, bringing in better legislation, and providing adequate funding for the necessary services. Equality for women is a question of justice. Canadian women want to play their full role in society. Canadian women want equality in the family and in the economy. We are far from achieving it. Let us move toward it.

The Acting Speaker (Mr. Charest): Are there questions or comments?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Swift Current-Maple Creek (Mr. Wilson)—Finance—Bulk fuel dealers—Reimbursement of sales tax; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Cultural affairs—(a) Special initiative fund. (b) Eligibility criteria; the Hon. Member for Shefford (Mr. Lapierre)—Mines—Construction of cartographic institute at Sherbrooke—Government position.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—CANADIAN WOMEN

The House resumed consideration of the motion of Ms. Jewett:

That this House recognizing the continuing economic inequality of Canadian Women, demands that the government incorporate into its forthcoming budget the following initiatives, the:

1. reform of the tax system rather than the introduction of further public spending cuts which impact most adversely on women;

2. provision of job creation and training programs targetted to women, and funding sufficient to enable the Canadian Human Rights Commission to enforce equal pay for work of equal value legislation, and develop an effective enforcement mechanism for affirmative action programs;

3. provision of more transition houses and services for women and children who are victims of family violence; and

4. provision of increased funding to ensure access to quality daycare to meet the urgent needs of Canadian parents and children.

Mrs. Mary Collins (Capilano): Mr. Speaker, I am pleased to rise today to speak to the resolution before the House on the continuing economic inequality of Canadian women. The resolution points to a situation that is well known and fully acknowledged by all Members of the House and by all sectors of Canadian society. The economic inequality of women in this country is a reality that none of us are proud of. Lower average income, the ghettoization in occupations that are low paying or threatened by technological or economic change, inadequate pension coverage, and unequal opportunity in hiring, promotion, and training are barometers of economic inequality.

This is not to denigrate the important gains which women have made in recent years. These, such as the equality clause in the Charter of Rights and Freedoms, are quite significant. However, many of these gains are still in the pioneering stages. The first doors have been opened and the first toe-holds gained, but the vast majority of women have not yet been touched. In fact, in difficult economic times there is a dangerous temptation to roll back the progress which has been achieved. I can assure my colleagues that the Government is committed to resisting that temptation and to pressing forward with the changes required to achieve equality.

Today's debate affords a very useful opportunity to acknowledge and applaud the efforts of those working to make equality for women a reality. Thousands of women across the country are devoting their time, energy, expertise, and in many cases their hard-earned dollars, to ensure that this necessary work gets done. They are working through organizations and as individual citizens. They are doing valuable research and analysis, often breaking new ground for the rest of Canadian society. They are developing an understanding of the causes of inequality and arriving at workable solutions to overcome these problems, thus leading the way for public and private decisionmakers. All of this lays the groundwork for our deliberations here in this Chamber.

The Government applauds and supports the work of these organizations. Many of them have been meeting here in Ottawa over the past weekend under the auspices of the National Action Committee on the Status of Women. NAC is well known to the Members of the House. Many of us went to hear it this morning. That afforded us an opportunity to hear the views of this umbrella organization. Although NAC is not always in agreement with the policies of the Government, as we heard this morning, its views and opinions are always a welcome contribution to the democratic process. I might say that groups such as that can be most effective if they put forward their views in a civil and co-operative manner. Through NAC and many other large and small organizations across Canada, men and women from every walk of life are working for economic equality. I believe that the vast majority of Canadians support their endeavours.

● (1640)

However, there are always some difficulties with progress and some temporary bumps in the process as we smooth out the transition period. I know that a few Canadians are opposed to equality. They are nervous about change and uncomfortable with society's inexorable progress toward equality. This is a natural human response to uncertainty, but it is no reason to balk at the task. Our Government is fully committed to full equality for women, as we believe most Canadians are, and we will not stray from that commitment.

The resolution before the House speaks to several aspects of economic equality for women. There are also many other elements that we have heard raised in the debate today that are important to this discussion. One of the most useful instruments for achieving economic and social equality will be the equality rights clause, Section 15 of the Charter of Rights and Freedoms. This Charter is helpful as a yardstick for legislators to remind us of our obligations in all legislation that we deal with and to ensure fair and equal treatment of all Canadians, regardless of sex, race and other grounds.

As Members know, and as I certainly am becoming aware, it is not a simple task. Legislation, regulations, programs and policies which, on their face, do not appear to be discriminatory may in fact have different impacts on different segments of the population. In addition, the time honoured practices of discriminatory treatment may appear to many of us, by force of habit, to be logical and sensible, whereas, in fact, they are unconscionable.

We must be clear that many sacred cows will be gored in the horns of the equality clause, but they will clear the way for a more fair and equitable Canadian society.

To assist the process of revising existing legislation, much of which will have a direct impact on women's economic equality, the Government has launched a process of consultation with Canadians. I am pleased to be a member of that special committee which will open its hearings across the country in several weeks. Already we have been hearing from organizations here in Ottawa on a wide range of issues which are being put to us. I am sure that the House will consider all of the views which we put forward in our report to it, prior to final decisions on legislative amendments.

However, as we all know, the legislative process is not in and of itself sufficient to ensure the implementation of the equality clause. One of the other important steps is the development of judicial interpretations as to what the equality clause actually means.

Many organizations representing Canadian citizens will be using the courts to obtain clear legal precedents on this matter. Litigation is an expensive and time consuming process, and particularly difficult to undertake for those who are most disadvantaged in our society and precisely the people who will want to bring cases before the courts. The Government recog-

nizes the obstacles that these groups face in bringing their cases before the courts and also recognizes the importance of test cases. Consequently, as the Prime Minister (Mr. Mulroney) has indicated on previous occasions, the Government is considering financial assistance to those groups seeking equality under the Charter, including women as well as racial minorities and the disabled.

Let me take this opportunity to commend those women who have taken the initiative in this area and established the Legal Education and Action Fund, or "LEAF". Many of us went to the kick-off party on April 17 to promote women's legal equality, including via the Charter. This organization will be needed in the coming years.

There are other areas in which inequality is still with us. For example, action is needed at all levels of Canadian society to encourage and enable women to play a stronger role in setting up and running their own business. As I mentioned in the House last week, women now own 29 per cent of small businesses in this country. They are creating them at three times the rate of men and are playing a strong and significant role in this growing and important area of Canada's economy. Removing constraints on the development of new enterprises is a high priority of the Government and women stand to gain a great deal in that process. However, as in so many areas, this cannot be done by the federal Government alone. Greater access to credit and more institutional support at the community level is essential for women's success.

Much has been said about the fact that women form the majority of part-time workers. Yet these workers are often not treated on an equal footing with full-time workers. Employment counselling is a crucial step in the process of women's economic autonomy, and the federal Government is working to improve the quality of its service to women in these areas.

The six thrusts of the labour market strategy were designed to help Canadians, including Canadian women, obtain full and fair participation in the emerging labour market. I was pleased to hear the Minister of Employment and Immigration (Miss MacDonald) advise the House earlier today that last month 47,000 women found jobs. That is the largest month-to-month increase in many years.

Equality for women is an important element of our labour market strategy. Many other elements of the strategy have been addressed elsewhere during this debate. However, we would be remiss if we confined our discussion of economic equality to women in the paid labour force. Although the majority of Canadian women are in the paid labour force, the majority of unpaid labour in this country is also done by women in the household and through voluntary organizations. The absolutely crucial job of raising children and running the domestic household is done almost exclusively by women and is done for free when they are doing this work for their own families.

The Canadian Advisory Council on the Status of Women estimates that in families where the wife is a full-time homemaker, and the children are ten years of age or older, husbands do only three hours of housework a week. When this homemaker takes a paid job outside the home, the husband's time spent on housework increases only by six minutes per week. It is also estimated that homemakers work about 40 to 60 hours per week, depending mostly on the number and age of their children. This work is equivalent to about 35 per cent to 40 per cent of the GNP, or at least $136 billion.

This represents a tremendous subsidization of Canadian society and is an economic contribution that is rarely recognized. We frequently pay homage to the social, emotional and psychological importance of the work of raising children and maintaining the support and love of the family unit. But how often do we acknowledge the economic importance of this work?

Obviously, the family benefits from the work of the homemaker, as do employers. Many Canadians believe that household tasks and the raising of children are responsibilities that should be shared by men and women. In practice, however, this sharing is very unequal. It is women, in the vast majority of cases, who carry the burden of domestic responsibilities. Men in Canadian society simply have not shouldered their share of these responsibilities. This must change if Canadian women are to achieve economic equality. As long as women carry the responsibility for unpaid domestic work and often the double burden of paid plus unpaid work, men will have an unfair advantage in the workforce.

There are other areas of concern. Most women expect that if they are widowed or divorced they will receive adequate benefits from their husbands' pensions. It comes as a shock to them to discover that in many cases they have no benefits at all. I know that according to the Public Service Superannuation Act, the divorced woman does not get the benefit of her husband's pension. If they do receive survivor pension benefits, these are often only a quarter of the couple's income.

Various proposals have been put forward by women's groups regarding the specific details of how best to incorporate homemakers into the Canada Pension Plan. These and other suggestions will be carefully considered by the Government in its deliberations. We intend to continue this discussion with the benefit of the views of a wide range of interested parties.

● (1650)

Any debate on the economic inequality of women must take account of the variety of women' experience in this country. Not all women face exactly the same barriers in exactly the same situations. Women as a group have many common experiences, yet various sectors within the population of Canadian women also have various experiences specific to them. For example, aboriginal women must deal with a gamut of economic obstacles which all women face, but they must also deal with racism and they must address economic issues from the point of view of aboriginal people.

Efforts by aboriginal people to develop their own economic base is fraught with problems, as the House well knows. The inadequate land base, the history of inappropriate training programs, the lack of infrastructure, and a whole battery of institutional and structural distortions in the economy of

aboriginal communities are just some of the problems. Women in these communities must deal with this entire layer of problems as well as with issues related to sex discrimination both within their communities and in dealings with the rest of Canadian society.

I have been privileged as a Member of the House to be involved in considering legislation to remove the imfamous sex discrimination in the Indian Act with regard to women losing their Indian status. The outcome of our committee's work will be put before the House very shortly. It will address the major issue of discrimination against Indian women, but it will not be a panacea for the woes of all Indian women. Those aboriginal women, whether status or non-status, reinstated or not, who live off-reserve face another series of obstacles in achieving economic equality. Racism and sex discrimination in employment, promotion, pay scales and any number of other areas are all very real problems for these women.

The Abella Commission inquiring into equality in employment in Canada recently estimated that over-all the unemployment rate for native women was double that for Canadian women. Similarly, these women earn on average more than 25 per cent less than Canadian women do over-all which, as we all know, is itself only a fraction of what Canadian men earn on average.

All these shortcomings point to the need for a specific approach to the economic equality of aboriginal women as part of an over-all commitment by Canadian society to equality for all women.

Visible minority women also face particular problems in seeking fair and equal treatment in the work-place. They encounter barriers both on account of their race and on account of their sex. They tend to be concentrated in certain types of job ghettos, usually low-paying, often non-unionized. I am sure Hon. Members are aware of the recent study in Toronto which tested the attitude of employers toward visible minorities. The actors, posing as job seekers, found that their chances of being offered employment were greatly influenced by the colour of their skin. If one adds to this racism the dimension of sexism, I think the picture of visible minority women becomes clearer. Not only do problems occur at the door when hiring decisions are being made, but also when opportunities for training, promotion and other career advancement are available.

Yet another area is the question of racial harassment, compounded for women by sexual harassment. Innuendoes, personal comments, offensive jokes and often harassing behaviour can make a workplace intolerable and essentially force a woman out of her only opportunity for increasing her economic independence.

The few areas on which I have touched are only some of those which concern the Government in matters related to economic equality for women. My colleagues and others will address other elements of this important debate today. Obviously one day is woefully inadequate to discuss these matters with the attention they deserve. It is no secret that these issues are a matter of continuing concern for this Government and will be an important part of decisions related to economic recovery and renewal in Canada.

In closing, I would like to reiterate the importance of dialogue on these issues. We need to hear and learn from the women of Canada. We need to know their experiences, their triumphs and their frustrations as we work to establish an economic future for ourselves and for our daughters. I would like to encourage Canadian women, both as individuals and through organizations, to express their views to their federal, provincial and municipal Governments, to their unions, to their employers, to educational and training institutions, and to others in the Canadian community who have a role to play in achieving economic equality for women.

This Government will stand by its commitments, not the least of which is the commitment to listen to the women of Canada and to support them in their efforts to attain economic equality. We look forward to other partners in the Canadian economy doing the same.

Ms. Copps: Mr. Speaker, I have three specific questions for the Hon. Member. In light of her comments with respect to the involvement of women in small business and her knowledge that women need venture capital and the support of financial institutions like the Federal Business Development Bank, would she support my contention that the two vacancies currently available in the Federal Business Development Bank should in fact be filled by women? Will she be making presentations to cabinet in this regard?

My second question is to ask the Hon. Member whether she supports her Government's initiative to remove the pregnancy provisions from the current unemployment insurance package under federal law and to have it moved into general revenues. If so, how can she reconcile that position with her stated objectives of allowing women an opportunity to compete equally in the workforce?

Third, I know the Hon. Member has a vast knowledge of the political situation in British Columbia. Does she agree with the Leader of the British Columbia Progressive Conservative Party who was recently quoted on the subject of prostitution as saying that there was a need for prostitutes because men had a desire to procreate. He said: "It is the instinct of a male, particularly a young one, to procreate. And not to have that available creates a danger to society". This is what Peter Pollen, Leader of the B.C. Progressive Conservatives said. Does she support the view of her colleague, the Leader of the B.C. Progressive Conservatives?

Mrs. Collins: Mr. Speaker, I will start with the last question first. I would like to dissociate myself totally from the remarks made by that man; I am not sure I could say gentleman. I am sure most of my colleagues on all sides of the House would join me in dissociating themselves from his remarks.

With respect to maternity leave, the proposals which have been put forward as potential areas of discussion do not in any way mean that there will not be maternity leave provisions for women in the workforce. Those are vital. In fact, the discussions have gone further to include parental leave, which per-

haps under the Charter makes more sense. Whether or not that should be funded directly out of the unemployment insurance fund or from general revenues, I do not think it really makes that much difference as long as they are there. My own view on unemployment insurance is that there are a lot of changes to be made in that fund to make it truly more of an insurance fund. Whatever changes are made, I would not in any way support removing or downgrading the enabling of maternity benefits for working women.

Finally, with respect to women on boards, particularly the FBDB, I assure my hon. colleague that I am continually making representations to my Cabinet colleagues and to others who are in positions to make appointments of women on all those kinds of boards. I think the Hon. Member will see from the record so far that we are making great progress. I am not yet satisfied, and I will continue with those representations.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad I was able to pick up on the debate specifically as it relates to the issue of maternity benefits and the current Government's recommendations to remove maternity benefits from unemployment insurance and place them under the aegis of general revenues. This particular measure by the Government since it assumed office on September 4 is a clear indication that it does not understand, not only the need for women to be allowed to compete equally in the workforce, but the recognition that child care or child rearing is in fact a cost of employment. It is a cost of employment which should be borne specifically under the unemployment insurance revenues of the federal Government. The move by this Government to take that envelope of spending out of unemployment insurance and to place it in general revenues speaks volumes about the lack of commitment to allow women to compete in the workforce. It is all well and good for government Members to say that the funds should remain the same. We know from historical experience and from the universality debate that if we take maternity benefits out of the unemployment insurance fund and move it into general revenues, we will be setting up another system, which could be described as a welfare system within the federal Government.

• (1700)

Very shortly thereafter we would see government proponents of deficit reduction saying to the Government that we have this pool of money going out to pregnant women across this country because they are unable to work during those critical child-bearing months, let us not allow that money to go out to all women but let us pay only those women in a position of dire and desperate need. In other words, very shortly after this Government chooses to remove maternity benefits from unemployment insurance funding, we will likely see the introduction of a means test for maternity benefits.

I suggest that those government Members who have a true and a well expressed commitment to equality for women must recognize that in order to achieve that equality, women need more support through instruments like the unemployment insurance funding. They do not need that support reduced in the manner being suggested by current government policy on unemployment insurance benefits.

We have seen the same thing with respect to the new initiative by the Minister of Employment and Immigration (Miss MacDonald) to cut back on unemployment insurance to those senior workers who are receiving severance pay packages or vacation packages. We know that older women who are removed from the workforce face a tough enough time without having the added burden of being ineligible for unemployment insurance benefits until they have exhausted severance pay and holiday benefits.

We see Members on the government side of the House stand today and defend government policy which discriminates against older women who happen to be single or divorced. I speak specifically to the government legislation which will extend spousal benefits to those people between the ages of 60 and 64, the majority of whom are women, as long as they are widows, but will not extend the same benefits to those who have never married or who, for whatever reason, have suffered a marriage breakdown.

That particular discriminatory government policy introduced by this Government since September 4 clearly illustrates to the Canadian people that this Government is not prepared to fight for all women, and indeed all men, between the ages of 60 and 64, in particular our older workers. It is introducing legislation which sets up two classes of citizens, one that happens to have been widowed, and another that happens to be single or divorced. When I made my remarks relating to the comments made by the Progressive Conservative president in the Province of British Columbia, it was not totally tongue in cheek. In attitudes, not only in this House, but in the community, there is much work to be done.

I look at the labour dispute which is going on between Air Canada and its employees, who are in fact bargaining for a better deal under part-time and full-time employment. It was clear from the answers in the House today, not only from the Prime Minister (Mr. Mulroney) but also the Minister of Transport (Mr. Mazankowski), that this Government has neither an understanding of the Wallace report on part-time work, nor an understanding of the fundamental recommendations of the Abella Commission which point the finger at the kind of ghettoization that Air Canada is encouraging in its current collective bargaining deliberations with the employees.

If we have a Crown corporation going to its employees and saying it will no longer put the cap on part-time workers but wants the right to employ 100 per cent part-time workers in the full knowledge that those part-time workers at the moment do not receive benefits similar to their full-time counterparts and, second, those employees will be paid less on an hourly basis, then that is sheer exploitation on the part of a Crown corporation, aided and abetted by the Minister, who has the gall to stand in the House and tell the union to go back to the bargaining table.

I am sorry that the Minister of Labour (Mr. McKnight), in his weak-kneed approach to exercising a bit of Cabinet muscle, has not prevailed upon his colleague, the Minister of Trans-

port, to let him know that the Abella report was worth a little bit more than the paper on which it was written. If this Government has a true commitment to employment equity, it has an opportunity to show it four square before all Canadians by informing Air Canada that it will not allow unfettered part-time employment to the detriment of those on hourly wages and the further ghettoization of women who currently make up the majority of part-time workers of Air Canada.

Although the Government says that the issue is improving the status of part-time workers and although the Wallace report called for those improvements, the intention of the company in the Air Canada dispute is not to improve the lot of part-time workers. It is to allow free rein on cheap labour within the Crown corporation of Air Canada. Frankly, I am shocked and surprised that the Minister of Transport would enter into the debate and admonish the union when he does not have the facts in front of him. It would not be the first time this Government has stated one thing in its objectives—and the April 17 party was a wonderful thing—but when it had the chance to put its money where its mouth is, it had no voice.

I speak specifically to the challenges that will be coming from all parts of Canada with respect to the equality provisions as engendered in the Charter of Rights and Freedoms. Mr. Speaker, as you are no doubt aware, a fund has been set up called the LEAF fund, the Legal Education and Action Fund, to which all Members have been invited to contribute. It will permit women across this country who want to have access to the court system to determine once and for all what their status is with respect to equality in the work-place and equality on division of assets. Those women will be assisted by this fund. It is a sad situation when the Government of Canada refuses to allow independent funding of that kind of organization so that women and minority groups across this country can have a chance to put the Charter to use and to use it as one tool in the long fight toward economic equality.

The battle was begun a long time ago. It began in this House. I am happy to say that I am part of the Party that brought people into the House of Commons like Judy Erola, who was instrumental in including Section 25 as well as Section 15 in the Charter of Rights and Freedoms. I am happy to come from the region of Canada that produced politicians of the stature of Judy LaMarsh and Ellen Fairclough. The battle began many years ago with people like Agnes MacPhail and certainly Nellie McClung, politicians who broke through 10, 20 and 50 years ago. The work is still far from finished.

I picked up my local newspaper on Saturday when I was home in the riding. I had a chance to read about a conference going on with respect to the whole issue of violence in the family and wife assault. I read a comment in the newspaper that was made by one of the representatives of our local police force, a comment which will serve to illustrate how much work still needs to be done in this area. It was the view of this particular police officer that violence in the family was a two-way street and that it was not in fact the fault of the husband because there were many mitigating circumstances. I would like to read into the record the mitigating circumstances to which he referred: "He knew of one case where a man beat his wife when he came home to a filthy house . . . Send the guy to a program for batterers . . . and maybe send her to a program on how to keep house." This is the statement of someone who has, as part of his area of responsibility, the responsibility for pursuing the assaulters of women who parade under the guise of family violence. When we hear representatives of our law enforcement agencies making statements like that, we realize that there is much work to be done.

• (1710)

I do not have to remind the House of the response of the House of Commons to the original report on family violence headed by the former Hon. Member for Kitchener, Dr. Peter Lang. When that report was tabled, the response was guffaws. It has not been very long since we got the issue of family violence out from behind the closed doors of individual households and onto the public discussion table.

In the areas of family violence, Charter equality provisions and employment equity, if we are really committed to allowing women the opportunity to share equally in all of the good things that society has to offer, then we must be prepared to provide the financial commitment. That financial commitment includes not only cost-sharing agreements with the provinces but it also includes a commitment from the Canada Mortgage and Housing Corporation to look at the funding of more interval houses and to include an extension to second-stage housing across this country.

[*Translation*]

Mr. Speaker, it is quite easy for us in Parliament to say that we would like women to achieve equality, but so far, the reality has proved that we are engaged in a fierce battle. When one speaks of equality, it is quite obvious, according to the Abella Report, that the government should require companies operating under its jurisdiction to have affirmative action programs. But, this would not mean much unless the government does empower the Canadian Human Rights Commission to enforce affirmative action programs within those companies. One realizes how hard it is for the Conservative members to entrust the Commission with fundamental powers to start proceedings against any private, public or semi-public companies which do not provide affirmative action programs in their operations because those members themselves did not support such programs in committee. One just has to read the proceedings of those meetings to know what they really think.

[*English*]

The following was attributed to Conservative Members of the House of Commons: "Constitutional protections for disadvantaged groups reflected in affirmative action programs threaten the rights of individuals, Conservative MPs told the Canadian Human Rights Commission Tuesday. Tory MP Chris Speyer who raised the concern when Chief Commissioner Gordon Fairweather appeared before the Commons Justice Committee warned that a preoccupation with group rights might result in reverse discrimination". Then we heard from the Tory MP for

Calgary East (Mr. Kindy) who said he is opposed to all affirmative action programs because he believes all capable people have equal opportunities in the work-place.

[*Translation*]

Mr. Speaker, payroll statistics are most eloquent since they show that on an average women earn 62 per cent of what men earn in Canada.

Mr. Speaker, women do not want a two-tier status whereby many capable women work in many places but are denied the opportunity to achieve "equality" because this government as well as other provincial governments, with the exception of the province of Quebec, are not prepared to recognize that equality between men and women in the work-place can only be achieved if we have equal pay for work of equal value.

[*English*]

It is not surprising to me that the Conservative Party has difficulty promoting affirmative action programs. It is not surprising to me that the Conservative Government has asked the Commissioner of Human Rights to do the impossible, to enforce affirmative action programs within the federal service without giving the Commissioner the legal teeth with which to carry out that enforcement. Those things are not surprising to me because there is a fundamental feeling within the Conservative Party that affirmative action is bad and somehow results in reverse discrimination.

I will tell you, Mr. Speaker, that the women of Canada are sick and tired of receiving 62 cents or 64 cents for every dollar earned by a man in this country. I am not foolish enough to rise in the House and say that any government initiative will reverse that trend overnight. However, I can tell you, Mr. Speaker, that initiatives which have looked at the question of equal pay for work of equal value, initiatives which the Government must use its political muscle to encourage provincial Governments across the country to implement, will in themselves close the wage gap by seven cents to 10 cents according to major economists who have studied the issue. There will be those among us who will say that equal pay for work of equal value will not solve the entire problem so therefore we should not implement it. However, this is a building-block process. One of the fundamental building blocks in that process is the implementation of equal pay for work of equal value.

I was not impressed by the half-hearted promise made by the Premier of Ontario in the eleventh hour, prior to the dawning of a new reconciliation, that he would implement equal pay for work of equal value within the Ontario Public Service. The question extends far beyond the Public Services of this country. There are too many people who are working in ghettoized jobs in the community who are not being touched by current federal legislation and who in fact are being left out of the provincial packages and even the meagre provincial packages suggested by people like the Premier of Ontario.

There will be those among us who will say that somehow we women have missed the boat because we prefer to take time off to have children or are not interested in advancement. However, we need only look at the dismal record of the education sector in which women have played a singular role and have worked hard from time immemorial, not only regarding the informal teaching of our children but regarding the formal teaching through our education system. We can see quite clearly that, notwithstanding the admonitions of those who say that women have not achieved in the sciences and engineering sectors because there are not enough of us and we have not been there long enough, in the education sector, even though women comprise the majority of our educators across the country, the positions of public administration officials, school principals, vice-principals and positions of authority are still, in the main, allocated to men. This is happening at a time when women's participation in the workforce is increasing and at a time when education has been at the vanguard of the women's movement in terms of employment.

There is no doubt that we have many questions to address. I have touched on a few of them and I believe some other Hon. Members have touched on a few of them. I would like to say to the Government that if there is a message that came from the election held on September 4, it is that the women of this country have come of age. We are not prepared to take second-class citizenship on government delegations, committees and other things. I would suggest to all government Members that if they are truly committed to seeking equality for women, they should encourage their Minister of Employment and Immigration to take a firm stand to ensure that benefits accruing to women for pregnancy leave are not turfed out of the unemployment insurance fund in order that those benefits will not become another welfare benefit which will be cut by this deficit-reducing Government. A lot of women in the country are looking to the Government to provide leadership. That is an area which leadership can be shown.

• (1720)

I would encourage all government Members, who have spoken so well today on their commitment to employment equity and to the kinds of safeguards and development which we need to allow women to compete equally, to buttonhole their Ministers in the corridors of power and tell them that we will not stand for any move to shake women out of the unemployment insurance fund. In doing that, this Government would merely reinforce the notion that Conservatives are not interested in employment equity or affirmative action, but only in the maintenance of the status quo.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Edwards: Mr. Speaker, I wish to congratulate the Hon. Member for Hamilton East (Ms. Copps). Her message came through loud and clear and I think that we all appreciated it greatly.

I detected a note of nostalgia for Queens Park. Perhaps we will have the next Ontario election campaign fought here as well.

I did appreciate her recognition that this is a deficit-reducing Government. That is a very important factor. But I would

like to join forces with the Hon. Member on a project which I believe she could support, and which I certainly support, that is, our lack of a key form of recognition for the famous five women who persevered in the Persons Case of 1930. The commemorative plaque which previously graced the entrance to the Senate Chamber is no longer there. I believe it ought to be restored to commemorate those famous five: Emily Murphy, Irene Parlby, Louise McKinney, Nellie McClung, and my dear lamented ancestor, Henrietta Edwards. I would be pleased to join with the Hon. Member in that venture.

Ms. Copps: Mr. Speaker, of course, I would support any move to recognize the famous five who determined, once and for all, that we women are persons. However, from a policy point of view, I would hope that our initiatives would move much beyond that. Sometimes when I listen to comments made by people such as the President of the Progressive Conservative Association of British Columbia, I wonder whether that recognition has permeated the skulls of some members of the political Parties.

The Member made reference to my nostalgia for Queens Park. I believe that if he had listened closely to my comments, he would have realized that I was attempting to give credit where credit is due, that is, to two jurisdictions across the country which have implemented legislation with respect to equal pay for work of equal value. Those two jurisdictions are the Government of Quebec and the federal Government, under legislation which was introduced by the Liberal administration. Unfortunately, 90 per cent of the workers in Canada are covered by provincial laws. No matter into what particular area of endeavour we launch out in the House of Commons, we will touch only those 10 per cent who are covered under federal laws, which include public servants and employees of Crown corporations and other companies which fall under federal law. That means that 90 per cent of the people of this country are covered under provincial laws. Unfortunately, Progressive Conservative—which is actually a contradiction in terms—Governments across the country have seen fit to ignore the overwhelming evidence which points to the implementation of equal pay for work of equal value as one in a series of strategies which would help bridge the salary gap between men and women.

I had felt that because of the unique relationship between the Prime Minister and the Premier of Ontario—although I am sure that relationship was somewhat shattered after the realities of May 2—those two Conservatives could have come together and provided an opportunity for those 8.5 million people in Ontario, 7.5 million of whom are not covered under federal law, for employment equity through provincial initiatives which would be encouraged by federal counterparts. We in the Liberal Party work together on those kinds of initiatives. When we form a Government in Ontario, we will work very closely with the federal Government. Unfortunately, it has been the history of the Conservative Party that federal and provincial Conservatives do not work together but, in fact, work against each other. I can understand why the Member would not see the association between federal and provincial Governments.

It is very clear. My Party, its policies, and its positions have not altered from provincial to federal jurisdictions. I hope that the Hon. Member will encourage his provincial colleagues to come on side on this important issue because provincial jurisdictions currently cover those millions of Canadians who are not currently protected by the federal legislation which was introduced by the Liberal administration.

Mr. Edwards: Mr. Speaker, while we are having a go at historical revisionism, I would like to point out the marvellous record of co-operation which existed for many years between the Liberal Government in Ottawa and the Liberal Government in Quebec. I would also like to point out the marvellous ideological compatibility which existed between the Liberal Government in Ottawa and the Government of the late Premier, Ross Thatcher, of Saskatchewan.

Ms. Copps: Mr. Speaker, believe me, if we are looking at giving lessons in terms of ideological suicide, we only have to look across to the government benches of the House to see a number of Members who, in fact, have spent most of their lives destroying each other.

The Acting Speaker (Mr. Charest): The Hon. Member for Winnipeg North Centre (Mr. Keeper) on debate.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to speak today. The motion which is before us is important and brings an important subject to the attention of Parliament.

Of course, today is the day on which the National Action Committee on the Status of Women meets with all three political Parties. Its representatives are lobbying our caucuses and attempting to find out how far we are willing to go in terms of supporting the priorities which they established at their conference. We had an amiable meeting with them this morning and I know that the concerns which they raised with us are reflected in the resolution with which we are dealing today. Obviously, the resolution is focused on one area and the concerns of the women's movement are broader than that. However, the matters which are the focus of this resolution are important and essential matters.

The resolution deals with the economic inequality of women. We have all heard the statistics before, but it bears repeating that women who work in this country earn 60-cent dollars. In other words, the average income of a woman, with equal qualification to that of a man, is 60 cents, while the man earns one dollar. That continues throughout the woman's working life and into her retirement years, as the woman's retirement income is also based on 60-cent dollars. That is a grave and glaring injustice which continues in our economy and in the relationship between men and women. In addition, it bears repeating that the most visible poverty in this country, not only the economic inequality which pervades the whole of our economy—whether a woman is working in an area of modest income, middle income or upper income—is among women. I

think particularly of single parents. Single parent families live in the most acute poverty in Canada today, and 99 per cent of the time they are headed by women. Older women as well suffer from poverty, and the pension systems are still not adequate to meet their needs. So we are talking about a very real problem which results in very real human suffering when we focus the attention of this House on economic inequality of women and men.

● (1730)

I would like to comment on the three areas raised for us by the resolution, the over-all economic policy and the manpower policy of the Government. I must say in passing, Mr. Speaker, that it is ironic that even when we debate the inequality among men and women, when we seek that more attention be paid to the needs of women and we talk about job training and job-creation, we still use the term "manpower policies". Even the language falls short of our ideals and of human needs. Clearly we need more adequate language in order to express the ideals which we seek to realize.

I would like not only to comment upon the Government's manpower policy but upon the whole question of public services, as does the resolution, and in particular the transition houses and daycare. In dealing with the over-all economic policy of the Government, and the other matters we want to bring before the House today, we must begin with the fundamental economic approach of the Government, which is to try to balance the books by way of cutting public spending. Hon. Members opposite would have us and the public believe that they have no choice, that they have no option but to cut back public spending, and to cut public spending in areas which hurt and do damage to the equality of women across this country. This is ironic in the sense that the present Prime Minister (Mr. Mulroney), when he was Leader of the Opposition, entered into the women's debate, and one of the things on which he scored a lot of points was to lambaste the former Prime Minister for saying he had no option when it came to patronage appointments, for example. But now that he is Prime Minister of this country and leads the largest Party in this House, he comes before us with an economic policy that says, "We have no choice. We have to cut public spending and cut services which are essential and needed and which contribute to the equality of women".

I want to suggest there is a real option, and that is, tax reform. In other words, we have to look at the other side of the ledger. We have to look at our revenues and seek ways of increasing our revenues in a fair and equitable manner which will allow us to provide the services which will result in a greater equality among the men and women of this country. I will briefly suggest, Mr. Speaker, that one of the areas which really cries for reform is the way in which we distribute the burden of taxation between corporations and individuals. Any one who reads statistics with regard to our taxation policy will know that over the last couple of decades the burden of taxation, as it has been distributed between corporations and individuals, has shifted considerably and the burden is increasingly upon the shoulders of the individual taxpayer. Corporations in this country pay less and less of their share of the costs of running Government. In fact, corporations, when they do pay taxes, tend to get an almost equal amount back in terms of benefits for themselves from the Government. So, therefore, there is a potential for raising revenue in a fair way—revenue which we could use for essential services—from the corporations, if we were to insist that they pay their fair share and ensure that the burden of paying for Government would not fall totally upon the shoulders of individuals.

Another trend which has become evident in the taxation system over the last couple of decades is the distribution of the cost of Government between different levels of incomes of individuals. The taxation system has become less and less progressive. There are more and more tax write-offs and loopholes which allow upper-income Canadians to reduce their taxable income. Of course, the ordinary Canadian who has a simple pay cheque and no investment income has to pay the full burden of taxation because there are effectively no comparable loopholes for people at the lower levels of income. We need real tax reform in this country, Mr. Speaker. We need to arrive at a situation in which the taxation system in indeed truly progressive and which will ensure that upper-income Canadians pay according to their capacity to pay. That means that the upper-income Canadians will in fact pay more than people with more modest incomes.

This proposal as well came up in the last election campaign. It was brought up by my Leader in the form of a proposal for a minimum income tax. At that time he pointed out that in the United States such a tax exists. In the United States there is a minimum tax on upper incomes, which means, simply, that after one has added up all of the write-offs and tax loopholes which lawyers and accountants can put together, if the income comes down to below a certain point, there is still a responsibility to pay taxes and to help carry the burden of public services. That appears to me to be eminently reasonable and only fair and just. I mention the fact that this kind of tax exists south of the border to demonstrate that such a tax is feasible. It is possible to design such a tax and it is possible for an economy to run with such a tax in place. Obviously, the rationale for most of the tax loopholes in our taxation system has to do with economic activity. Each of the individual tax loopholes is there as an incentive to create economic activity and, therefore, it is justified in that way.

I agree with using the taxation system in order to stimulate economic activity, but when the taxation system is used in such a way that an individual can earn over $100,000 a year and still come before the taxation Department and indicate that he has no taxable income, then at that point we are no longer using the taxation system to stimulate economic activity. We are in fact abusing the system and creating an unfair tax system in which poor people have to pay tax and people who earn a great deal can find a way to end up paying no tax. That creates unfairness, injustice, resentment and alienation. So that issue needs to be redressed. It is an alternative to cutting needed public services, particularly those that relate to the equality of women. Those are at least two general areas in

which the Government could approach tax reform in order to raise revenues to provide the services which are needed.

There is another suggestion I would like to make with regard to tax reform. It has to do with the reporting of tax expenditures. Something of which we need to remind ourselves from time to time is the fact that Government spends money in at least two fundamental ways. The Government can write a cheque, such as a family allowance cheque, and send it to a family, or it can give a grant to some organization or group, in other words, spend money in a direct fashion. The other way that Government spends money is by giving various forms of tax breaks or write-offs to corporations or individuals. It simply does not collect the tax it would otherwise be entitled to collect and thereby forgoes revenue. The problem with this kind of spending is that it is hidden. No one knows from day to day exactly how much we are spending in that way. Therefore, we need to have full and open reporting of tax expenditures. We need to acknowledge that we spend money every time we give someone a tax write-off. The full reporting of tax expenditures would give us an opportunity to examine their effectiveness. If ordinary Canadians became aware of just how much money we are spending in this way, then they would insist that those tax expenditures be effective, in other words, that they work. If their objective were to create employment, then they should create employment or else they would be eliminated.

● (1740)

I suspect there are many tax expenditures we could eliminate because they do not give us the economic benefit they promised and they do not create new employment. It is fairly obvious to most ordinary Canadians that if the tax expenditures worded by and large, then there would be many more ordinary Canadians working today than there are. So we on this side of the House recommend that the Government approach the problem of providing services from the perspective of raising revenue rather than of cutting those much needed services which deal with people's basic human needs and equality between men and women. So tax reform is something this Government must face up to.

More specifically, regarding the public service cuts themselves, let me say that when the Conservative Party campaigned during the election, it ran around reassuring people that, yes, it is going to reduce the deficit but it is going to do it by cutting out waste and fat. In no way is it going to touch needed and worth-while public programs. I wish to remind the Government and Members opposite of that commitment, a commitment which has been broken. It is time for Members opposite to look at those promises and the nature of the cuts they are making. They need to wake up and realize that Canadians are not going to accept cuts in needed programs and that if this Government continues to act the way it has, it will lose the public's confidence. Members opposite should remind themselves that one of the reasons they promised the Canadian people they would cut only waste in order to reduce the deficit is that they knew that if they were to tell the Canadian people they would cut valuable public services, Canadians would not put their confidence in them. They should also realize, now that they are in office, that if they cut needed public services, Canadians will withdraw that confidence. So this Government should wake up before its own actions lead to its demise because of a lack of public confidence.

Another reason why these cuts in public services are ill advised is that, while I know the Government is doing this because it believes in its own way that it will reduce the deficit and lead to economic recovery, every time a cut leads to reduced consumer demand and unemployment, it also leads to reduced revenues for the Government. This is particularly true where the cuts affect services which are labour-intensive. So this Government's own economic programs could backfire and we could end up with a larger deficit.

One area of critical interest to the women's movement, and of course to all Canadians who are concerned with families, has to do with cuts as they affect social services, particularly the universality aspect. We should remind ourselves once again of what the Government said before it was elected. The Conservatives said that universality was a sacred trust. Even before election day, they said they would not touch medicare. Of course, medicare is of great concern to women across this country. Medicare meets family needs and Canadians will just not put up with a Government which tries to savage medicare. But once the Conservatives got into office, they issued an economic statement in which they questioned pensions and family allowances. Well, it did not take very long, maybe a month, for the Government to wake up and realize that it had better not fool around with pensions either, because Canadians were not going to allow a Government which ran on the promise of universality as a sacred trust to mess around with pensions. Canadians fought for these pensions over a long period of time and we are very proud of them as a social policy. But the Government has yet to give us any real assurances that it will not savage family allowances. The Government should realize, as it continues to tinker with and take apart the principle of universality in social programs in its effort to reduce the deficit, that family allowances are something that Canadians feel very strongly about. It took a long fight to get them for Canadians and they are something that Canadians will not likely give up.

So as we consider the equality of women today, we should consider that this Government should be very cautious as it approaches the question of family allowances. The Government should be more concerned about whether the level of family allowances is adequate and whether it can find ways of increasing benefits rather than trying to find ways to reduce or eliminate family allowances on the basis of income.

I see that my time is running out, Mr. Speaker, but I want to say that rather than approaching the whole question of how to pay for our public services, particularly those which relate to families and the equality of women, by way of cutting needed public spending, you should approach it from the revenue side and take a serious look at tax reform in this country. That is the way to raise the revenue to provide the

services that people need and which will lead to a better community and greater equality among men and women.

Mr. Caldwell: Mr. Speaker, I have enjoyed the debate this afternoon and I find it very interesting. However, no one mentioned just how much this deficit is costing us. No one spoke about what it costs each Canadian each day to carry this deficit, or the fact that 33 per cent of our taxes now go toward servicing our debt. Just think of the marvellous things we could do and the programs we could put into effect if one third of our taxes did not have to be used for paying interest on the national debt. I think it hurts many people, especially the women of this country, if we increase the deficit and the tax load. Many women with families will have to carry a heavier debt load. I am just wondering whether or not the Hon. Member would agree with the fact that carrying this deficit and increasing the tax load on all Canadians is hurting women.

Mr. Keeper: Mr. Speaker, the Hon. Member should know that the way to reduce the deficit is by building a stronger economy. In order to do that we need a number of things. For example, we need an industrial strategy in the country. The Government has washed its hands of the economy. It wants to leave the economy to run itself. We are not going to have the wealth in the country to pay for public services and reduce the deficit if we leave things in that way.

• (1750)

We heard a good example today in the House when the Minister was answering questions with regard to Mitel. The Government has shown no concern whatsoever that an important high-tech industry, which is presently owned by Canadians, is going to be owned by foreigners. It seems to welcome the fact of a foreign takeover.

In order to have public services we must have a Canadian economy and policies that lead to the development of a Canadian economy. We cannot have economic growth in the country if our interest rates simply track American interest rates. We need a "made in Canada" interest rate policy. We need policies to support such a measure. However, the Government seems to be satisfied with leaving the economy to the decisions of the directors and bosses of private sector corporations. If we want to reduce the deficit, I suggest we do it by strengthening the economy and having policies which help us develop our economy, rather than simply leaving it to the private sector.

Mr. Caldwell: Mr. Speaker, the Hon. Member did not point out the fact that all indications are that the economy is improving. Our interest rates are at their lowest levels in six and a half years. Inflation is down. The Minister of Employment and Immigration (Miss MacDonald) announced 210,000 jobs in the last year and 47,000 jobs for women in the last month. How much more do you want to get our economy going? Housing sales have doubled. We may not have a "made in Canada" interest rate, Mr. Speaker, but interest rates are certainly lower than they have been for some time and the economy is picking up. That is helping the women of the country to obtain jobs.

Mr. Keeper: Mr. Speaker, the Hon. Member seems to be satisfied with 11 per cent unemployment. There is no way that we in this Party would tolerate such a high rate of unemployment. The Government should not tolerate it either. We need a commitment from the Government for a full employment policy in the country. If the Government made that commitment in a real way and put all Canadians back to work, we would produce the revenues which would balance the books to enable us to provide essential services to Canadians.

The Hon. Member quoted a few statistics from the recent past. He seems to think that things are great in Canada for all Canadians. There are many Canadians who continue to be unemployed who need work. We need a serious commitment from the Government to provide work for all Canadians.

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I welcome this opportunity to speak to two issues that are extremely important to the Government, and I am referring to the provision of transition services, including transition houses for women and children who are victims of family violence, and the situation of daycare in Canada.

We are facing a terrifying situation in Canada, where one woman out of ten is beaten by her husband or spouse. The disastrous effects of this problem not only affect women and children but also society in general, including all the legal, economic, health, social and educational systems and services available to us.

The battered wife is found in every community, in all cultural groups and at all income levels. We have seen women of all ages who were beaten by their spouses, even pregnant women, who are particularly vulnerable.

In the eyes of the law, the battered woman is the victim of a criminal act on the same terms as the individual who is assaulted by a stranger. The needs of battered women are physical and emotional, social, economic and legal. She needs protection and advice so that her rights will not be impinged upon. She often needs financial assistance, housing, care for her children and some vocational guidance to find a job. She also needs advice and the understanding of her friends, of her family and experts to tear herself from that cycle of violence.

The problem of battered wives was very seldom exposed in the past. We should be grateful to an increasing number of groups and individuals, especially women, who have enabled us to understand better the nature, the frequency and causes of violence in the family. Consequently, since 1972 when the first transition house was opened in Vancouver, the number of such houses in Canada has reached 202 and it is still increasing at a rate two and a half times greater, proportionately, than in the United States.

The federal government is working in close co-operation with provinces, groups and social agencies. The costs of services provided to battered women are shared with the provinces through the Canada Assistance Plan.

In 1982, the Department of National Health and Welfare set up the National Clearing house on Family Violence.

The Clearing house collects, analyses and disseminates information on family violence; advises and assists professional and lay workers concerning training programs and research projects; organizes seminars and workshops, co-operates with other departments, governmental and non-governmental groups to identify current problems and prevent family violence.

Vis-à-vis, the bilingual newsletter published quarterly by the Clearing house is offered free of charge to the Canadian public. It contains surveys, annotated bibliographies, lists of resources, calendars of events and articles on current research programs and activities.

The collection of films on family violence comprises over 30 features made available free of charge to the general public and specialists through the distribution offices of the National Film Board throughout Canada.

In the area of day care centres in Canada, the federal Government has committed itself to promote the development of extensive, economical and good quality services. Again through the Canada Assistance Plan, the Government is sharing with the provinces the costs of child care services for families in need or likely to be.

* * *

[*English*]

THE BUDGET

DESIGNATION OF ORDER OF THE DAY

Mr. Speaker: I am in receipt of a notice of a point of order from the Hon. President of the Privy Council (Mr. Hnatyshyn).

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I apologize for interrupting the excellent speech of the Hon. Member for Louis-Hébert (Mrs. Duplessis). There have been consultations between the Parties. If you seek unanimous consent of the House, Mr. Speaker, I believe you will find a disposition to accept a disposition that, notwithstanding any Standing Order, on Thursday, May 23, 1985 at four o'clock p.m. the Speaker shall interrupt any proceedings then before the House and the sitting shall be suspended until 4.30 o'clock p.m. when the House shall proceed to the Order of the Day for consideration of a Ways and Means Motion for the presentation of a Budget, provided that the hour for consideration of Private Members' Business shall be suspended and that the House shall continue to sit, if necessary, beyond the ordinary daily hour of adjournment, and that when a motion to adjourn the debate has been made, by the first Member replying on behalf of the Opposition, and has been adopted the House shall stand adjourned, until the next sitting day.

Mr. Speaker: Can I take it from that that the President of the Privy Council is asking, under Standing Order 64(2) that an order of the day be designated for the consideration of a Ways and Means motion on Thursday, May 23, 1985 at 4.30 p.m. for the purpose of the presentation of a Budget by the Hon. Minister of Finance (Mr. Wilson)? I take it that the President of the Privy Council is hereby giving such notice, for which no consent is required.

• (1800)

The motion read to the House by the President of the Privy Council does require unanimous consent. Therefore, is there such unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: It being six o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 62(11), proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—BULK FUEL DEALERS—REIMBURSEMENT OF SALES TAX

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, on Tuesday, April 30, 1985, I posed a question to the Minister of Finance (Mr. Wilson) concerning the fuel sales tax rebate to primary producers. Some bulk fuel dealers who hold tax paid inventory must seek reimbursement from the federal Treasury for sales tax not collected at the time of sale. The cost of financing the delay between the date of payment of tax by the bulk fuel dealer and the date of receipt of reimbursement of that tax from the Government is placing a burden on many dealers. I asked the Minister if he would examine the possibility of providing cash advances or floats to the dealers to alleviate this situation. I would like to elaborate on this matter.

Members will recall Bill C-12, put forth last fall, which provided among other things for a sales tax rebate of three cents per litre on the sale of fuel to primary producers, including farmers, fishermen and others, plus 1.8 cents per litre, being the petroleum compensation charge, for a total of 4.8 cents or almost 22 cents per gallon. This, to the primary producers, was a most welcome fulfillment of a campaign commitment.

During the debate on Bill C-12 it became obvious that there could be unfairness as between the two kinds of dealers. There is the commission agent who basically holds his inventory on consignment, thus, the inventory that he holds is free of any sales tax. The second kind of bulk fuel dealer is the independent who purchases his fuel from the manufacturer and pays sales tax on it at the time. His inventory is tax paid.

As originally put forward, Bill C-12 would have placed the independent dealers in an awkward position because they would have been obliged to collect sales tax which they had already paid. Thus their initial price at the time of sale to their customers would have been 22 cents per gallon higher than the price charged by the commission agent dealer. The customers would naturally tend to gravitate to the dealer who could provide the lowest initial price.

To prevent this unfairness, Bill C-12 was withdrawn and a new bill, Bill C-17, was put forward which provided that all dealers could sell fuel to the primary producer free of tax. This solved the problem of treating the independents unfairly at retail, but did put them in the position of having to apply to the federal Government to secure a refund of the sales tax which they had already paid on their inventory at the time of purchase from the refiner.

Unfortunately, this procedure has in turn caused additional problems. The problem is that there is an inevitable delay betwen the time of sale by the independent bulk fuel dealer to his customer and the time that he actually receives reimbursement of that tax upon application to the federal Government.

If there be a 60-day turnaround on the rebates, a bulk fuel dealer carrying $25,000 of tax, for example, is facing substantial interest costs. A dealer carrying continuously $25,000 worth of tax is paying out at least $250 per month in carrying charges. That is a lot of money for a dealer to carry. Most dealers are a one-man or one-family operation. The servicing costs will vary depending on the amount of tax outstanding and the time delay in rebate processing.

The point is that it is neither fair nor reasonable that the fuel dealer be made to carry the cost of this Government benefit to primary producers. Further, these same fuel dealers are already put to the substantial added effort and cost of additional bookkeeping in submitting their applications for rebate.

I put forward two solutions. The first one involves the provision of a cash advance or floats to the dealers. This system is already in place in the Province of Alberta under the Alberta Farm Fuel Distribution Allowance, whereby a seven cent per litre rebate is given to farmers to assist in their input costs. This rebate is taken right off the invoice by the bulk fuel dealer. The bulk fuel dealers purchase their fuel, including the seven-cents a litre. When the fuel is sold to the farmer, seven cents per litre is taken off the price and this deduction is, in turn, recovered from the Alberta treasury. The agents are given a cash advance equal to deductions on approximately two months of the highest season's sales, to be placed in the bank to offset the first pay-back. It is called an accountable advance under the Act. I am advised that this system works very efficiently. There is no hardship on the bulk dealers and, in fact, the dealers are very pleased with the system.

• (1805)

The other solution is more simple. It involves paying interest to the dealers, and this interest would simply be included with their rebate cheques from time to time. In view of the fact that the federal fuel sales tax rebate program has a sunset date of December 31, 1986, may I instead suggest that a straightforward system of interest payments would be the reasonable and just solution. The time frame of this benefit does not warrant putting into place a cash advance or float system. Therefore I urge the Government simply to pay independent bulk dealers the equivalent of bank loan interest on the refund of sales tax.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I thank the Hon. Member for his question. I hope the initial answer which the Department has provided will satisfy him, at least until the Minister rises in his place to deliver his Budget next week.

The Government's fuel tax rebate program was announced in the Minister's economic statement in November in order to respond to serious financial difficulties being experienced by primary producers. Initially it was proposed that primary producers be required to claim the rebate directly from the Government, except where the fuel was purchased from a manufacturer licensed for federal sales tax purposes and required to charge tax on his sales.

After this program had been announced, representatives of Federated Co-operatives Limited, the Co-operatives Union of Canada and other groups of unlicensed retailers requested that the legislation be broadened to allow retailers to elect to credit the rebate directly to primary producers at the time of the sale, and to file a refund claim with the Government to recover rebates credited in this way. They suggested that this would better serve the needs of their customers and enable them to compete on an equal basis with manufacturers that were already authorized to credit the rebate at the time of sale. As a result the legislation was amended to meet this request.

The issue of a potential impact on retailers' cash flow was also considered at that time. Many factors in the design of this program have reduced the risk of any serious negative impact. First, it is expected that the Government will pay rebates in approximately the same time, on average, as primary producers normally take to pay their accounts. Except in the case of cash payments by purchasers, the impact on cash flow will be minimal. Second, the law requires the Government to pay interest on any valid rebate claim not paid within 60 days. This requirement will ensure that rebate claimants will be protected from loss of use of funds where, through government error, a rebate claim cannot be made in a reasonable time.

Finally, it should be noted that the decision by retailers to claim rebates on behalf of their customers is not a requirement of the law. Rather, this provision is an elective one to accommodate legitimate concerns raised by some retailers. It would not be appropriate for the Government to increase the cost of

administering this program by compensating retailers for actions they may take to accommodate their customers' needs.

On balance, the Government believes that these positions will minimize any cash flow costs that retailers may face, while providing a substantial benefit to Canada's primary producers.

CULTURAL AFFAIRS—SPECIAL INITIATIVE FUND. (B) ELIGIBILITY CRITERIA

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, on April 29 I asked a very straightforward question of the Minister of Communications (Mr. Masse) concerning the special cultural initiatives program and possible irregularities in the awarding of grants under this program. It is one of the few programs which is actually getting more money because the money comes from lotteries, not from general tax revenues. While there have been arts cut-backs, this special cookie jar fund of the Minister has been getting more money.

I do not want to complain about any of the particular programs which have been funded. They all sound as if they have at least some merit. I am not in a position to judge their actual merits. However, I wonder about how these decisions are made. The special cultural initiatives program brochure dealt with the previous guidelines for projects. Those guidelines no longer hold. They were for the last fiscal year. The Government has not announced any guidelines, and the Minister told me that under the circumstances the old guidelines still hold. His own Department does not say the same thing. If one phones in and asks what are the guidelines for getting money for this program, he is told that there are no guidelines. Groups do not know where they stand.

● (1810)

Unfortunately another message is coming out of all this. If you want access to this program you need political connections with the Conservative Party, perhaps with the Prime Minister's Office or the office of the Minister of Communications. This is indeed shameful. When I asked the Minister about this he did not deny my allegation that connections of a political nature are what counts for getting grants. He could provide no criteria by which these decisions are made.

Since the case I raised with him on April 29, other grants have been made; one to a circus, Cirque du Soleil, of $750,000. With this money it will be possible to import a big top from Italy and put on circus performances, no doubt a very laudable cultural activity. I certainly think circuses are to be supported, but why this particular one? Why not other circuses? Who makes these decisions? What connections are needed? This is a lot of money for the arts field, $750,000.

Then we had an announcement about Stratford. I am a great fan of Stratford. I congratulate them on "Measure for Measure" which I saw on Saturday, but what about the Shaw Festival? Why is it not getting money? More than $250,000 is going to Stratford to tour in the United States. It is very good for Stratford to be touring, but other companies would like that money as well.

The arts community will no doubt tell us that the money could be spent on Canadian theatre. Why should all that money go for English theatre while Canadian theatre is being starved? The Shaw Festival is an excellent festival. It is not getting comparable funding. Why is it being denied funding? We do not know the answers to these questions because the regular arts agencies that evaluate requests from all the companies which develop criteria and which have a peer evaluation system are not the agencies that are making these decisions.

Furthermore, on the question of touring, a most laudable objective, the recommendations which the Government had accepted in Opposition and promised during the election campaign have not been respected. For example, theatre groups have been asking for advertising in the United States to promote theatre in Canada. The Government has not done anything about this. The latest advertising in the campaign of the Department of Tourism still features beavers and flapjack contests. This is what the Americans are being told about Canadian culture, not about our Canadian theatre. Why is money not going to promote Canadian theatre in the United States? Instead we have this cookie jar being used for certain companies under certain criteria that we do not know.

The Minister says as long as money is being spent under his Department, that makes it democratic. I asked him about this in committee. He seemed to imply that channelling money through the Canada Council was undemocratic because the Canada Council is not a government Department. Now we have the ludicrous example of a Minister saying that to keep the election promises of his own Party would be contrary to democracy. This is absolutely shameful.

Surely the most basic notion of democracy is that a Government is accountable to the people, and that for an election campaign to have some sense there is a discussion of the issues with the Parties taking different positions. If the position taken by the Party which wins power is not respected, that is an abuse of democracy. The Minister does not understand what democracy is all about. He does not understand that the arts community wants more funding, not less. It wants that funding to go into the regular arts agencies. It wants jury selection and criteria which are accepted within the arts community.

While we are having these very serious cut-backs which hurt the arts community, it is very wrong to see actual increases in funding available for the arts going into this special fund under the Minister's jurisdiction. We want more funding and we want it through the agencies of arts community trusts. We want the agencies to have much more accountability to the community. We want the community to make recommendations for appointments. We want the Minister to respect the arts community, which is what he promised, certainly what his Party promised in the election campaign.

[*Translation*]

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the Hon. Member has raised

questions concerning the way grants and funds are awarded under the special cultural initiatives program administered by the Department of Communications.

The special cultural initiatives program was created in 1981 to give financial assistance to non-profit Canadian cultural professional organizations. The initial program was approved for a three-year period with a $39.6 million budget to support activities in deficit reduction, administration improvement, acquisition of assets and special demonstrations of national significance. During the first three years of the program, more than 500 cultural organizations from every region of the country received assistance through this fund. In 1983, the program was renewed until March 31, 1985 after its terms of reference were modified so as to replace the deficit reduction program by other activities related to arts and technology. The renewed program had a $34 million budget and over 343 cultural organizations from various parts of Canada were able to benefit from that phase of the program.

• (1815)

[*English*]

The areas addressed by the program are those activities which complement other funding programs of the Government of Canada including those of the Canada Council and provincial Government programs.

In reviewing request for financial assistance, the program staff consults with other federal and provincial Departments and agencies familiar with the project or the organization and the cultural ecology in which it operates. The Canada Council represents an important source for such information and the level of contact between the Council and program staff is significant. Following an analysis of the request and the information garnered during the consultation process, a recommendation is formulated for the Minister's consideration.

The Minister also receives representations from Members of Parliament from all sides of the House as well as representations from his provincial colleagues, which place the project in the context of the realities of the local community and its needs. This information is directed to the office of the Minister as the background information he requires in order to make an informed judgment on a project submitted for review. Such information ensures that the Minister has the broadest field of information possible on the merits of a project and its impact on the community.

Since March 1, program officials have been actively consulting officials from all provincial Governments to ensure that the objectives, criteria and priorities of any continuing program are consistent with the regional realities and needs of the Canadian cultural community. In light of the central role played by the provincial Governments in co-funding projects submitted to the program, such consultations are essential to ensure a truly responsive and responsible program of support for Canadian cultural organizations.

The Minister of Communications (Mr. Masse) will make public his intentions in this respect in the very near future, at which time any revised criteria will be distributed to Canadian cultural organizations as well as all interested Members of the House of Commons. In the interim, the criteria of the Special Program of Cultural Initiatives approved for the period of April 1, 1983, to March 31, 1985, will continue to apply.

[*Translation*]

Finally it should be noted that, since September 4, 64, or 48 per cent, of the 134 grants awarded under the program went to ridings represented by Liberal and NDP Members. Those figures clearly indicate that the complaint voiced by the Hon. Member—that the main criterion for awarding grants or contributions is related to political allegiance—is totally unfounded. Besides, I might add that a review of projects funded under the program would reveal that it has been and still is an efficient tool to help Canada's cultural organizations.

• (1820)

MINES—CONSTRUCTION OF CARTOGRAPHIC INSTITUTE AT SHERBROOKE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am very glad to rise during this adjournment debate to come back to a question that I put to the Minister of State for Mines (Mr. Layton) last March 25 with regard to the construction of the Cartographic Institute in Sherbrooke. Mr. Speaker, I know how sensitive you are to this issue and I would like to take this opportunity to give the Government a chance to clearly state its position. Everybody knows that the background to this question is terrible. As you are well aware, in 1977, under the decentralization policy announced by the then Government, it had been decided that one of the services would be decentralized to Sherbrooke. Since then, this project has been plagued by all sorts of problems which we all regret. Unfortunately, for many years, there were language related problems, but this difficulty has finally been corrected. Regionally, there has always been a political will to settle the issue, but the population lost patience with good reason perhaps, because of the incredible delay in implementing projects which were so vital to the region.

Consequently, Mr. Speaker, for this and many other reasons, I am certain that you have succeeded in winning the confidence of the public, and in this regard, we must all acknowledge the results of the last election, while keeping in mind the commitments made by Government Members then in the Opposition. This is what everyone is worried about. Mr. Speaker, it had been said that this project had been put off for too long, that nothing had been done and that with a new Government, there would be no such delays.

Mr. Speaker, we have been assured since September 4 that there would not be any delay. We were told that the project would be carried out soon. Nothing of the kind happened. We were then told: You will have to wait for the next Budget. Now we are told that it will not be in the next Budget. I would

therefore like the Parliamentary Secretary to show more ability than his Minister and to give us a clear, explicit and specific answer. Does the Government still intend to move the Cartographic Institute to Sherbrooke, as agreed with the unions? This means an institute of about 400 employees and not a skeleton staff. Will the Government not agree to the recommendations made by three Progressive Conservative Members of the region who do not want the institute to move? Is the political will expressed during the electoral campaign still there?

Mr. Speaker, I know that the Eastern Townships need this institute. You know as well as I do how high is the unemployment rate in the region. You know as well as I do how great are the expectations of the people at Sherbrooke University. What I want to know is quite simple. Actually, this should not require three minutes from the Parliamentary Secretary's time if he is in a position to tell me tonight that indeed the Institute of Cartography will be moved, that a specific timeframe will be followed and we will not have to wait until the pigs start to fly and that, Mr. Speaker, you have no intention of making an election on that issue! There have already been three, in my view, so said your leader! He even went as far as five, but we know his natural propensity to exaggerate!

Mr. Speaker, I think this is important for the people in the area who are now getting involved. You will certainly be visited by the Mayor of Sherbrooke, accompanied by people from the economic summit who led an absolutely extraordinary fight on the Domtar issue. There was tremendous regional solidarity on that. In that sense, Mr. Speaker, I know you are aware of the regional solidarity that exists in the Eastern Townships and that, like myself, you will want to make sure the Parliamentary Secretary will not disappoint anyone. You will want to make sure the Parliamentary Secretary is equal to his enormous task, that he gives us a forthright, direct, and specific answer. I know that when he was in Opposition, he was a champion of clarity. This is the kind of clarity I am expecting from him tonight, Mr. Speaker, and despite his interests in forestry, I am sure his interest in regional economic development is still greater and he can tell us tonight what is the definite and specific intent of the Government.

I think the Government has procrastinated beyond reason. If it is credit the new Government is looking for, we will be ready to applaud as soon as the work starts. But, for heaven's sake let it start! Because this has been a specific commitment by the Prime Minister, by the candidates in the election, and it is the kind of commitment we want to see implemented within the shortest possible time, because the area is in tremendous need of it.

● (1825)

[*English*]

Mr. F. Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I am pleased to respond to the Hon. Member's question. He is championing a cause for a region which is similar to the region I represent in another part of the country, and I am most sensitive to the needs of that region. In fact, the Hon. Member will recall that I have in the past made many efforts in many different directions to sensitize the Government to the special needs of regions such as Sherbrooke.

The Hon. Member correctly analysed the situation. It was in 1977 that the Government of the day for the first time announced that there would be a program of decentralization of certain Government Departments to different parts of Canada. Soon thereafter the proposition was advanced that a part of the programs maintained by the Department of Energy, Mines and Resources should be relocated to Sherbooke. The commitment became a very seasonal kind of thing, as happened to many of these things in the past. As elections came near, the commitment became stronger, soon to be forgotten after the election. In fact, when the Prime Minister (Mr. Mulroney) spoke about this subject during the election campaign he was not, of course, aware of how much planning had gone into this proposition and whether or not an impact statement had been prepared on both the region which was to benefit from this project and, of course, the Department.

I can tell the Hon. Member that the proposition which has been advanced, namely, to relocate the mapping and surveys branch or the Cartography Institute of the Department of Energy, Mines and Resources to Sherbrooke involves about 400 positions. There is some planning which has gone on in the intervening period. There have been discussions with unions. It has been decided that only about one hundred of the existing positions would move from Ottawa to Sherbrooke. The rest would be recruited there.

The Prime Minister and the Government, of course, immediately sensed the urgency associated with this matter, and the need and potential of that region to absorb that kind of facility. Unfortunately, however, the planning had not been done, but will be done. The plan needs to demonstrate maximum utilization and benefit to the region and, of course, minimum disruption to the existing program. We want to get the best out of this project.

The Hon. Member has been waiting for eight years. I know how often he spoke when he was in the Government—likely behind the scenes because I never heard him in the House. He will just have to be a little more patient. I can tell him that the program will have to fit in within the new fiscal framework of the Government and must be co-ordinated with a set of other priorities. There is no intention, however, of doing anything other than to perhaps postpone, hopefully for a shorter period of time than eight years, this important project.

[*Translation*]

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

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Tuesday, May 14, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—REGIONAL ECONOMIC DEVELOPMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

That this House condemns the Government for undermining the will of Parliament and the Legislatures by failing to use industrial, decentralization, agricultural, transportation and equalization policies as well as its Crown Corporations to further economic development in all communities across Canada.

He said: Mr. Speaker, in one of the more unusual and quixotic episodes in the history of this Parliament, we are now in the fourth straight day of opposition resolutions. Perhaps the Government House Leader (Mr. Hnatyshyn) has had a curious bit of absence of mind and has simply not realized that his agenda is now being dominated by the legislative and policy agendas of the opposition Parties. On the other hand, perhaps it is more that the Government has taken a look at its own legislation and has realized just how awful it is and is afraid to bring it forward for any further public examination. Perhaps the Government will now withdraw most of its legislation, as we have been suggesting it do, because it simply does not match up, or perhaps this is simply the calm before the storm. Perhaps government Ministers are now cowering in their bunkers awaiting the Gotterdammerung of the Budget which will take place on May 23 and are simply using this period to lull the Canadian public into forgetting that the Government is no longer a part of the fabric of our society because it is obviously afraid to face Parliament with any form of legislative agenda.

I can only speculate on these things. I would not want to draw any firm conclusions. However, I think all Members of the House would recognize that this is one of the more unusual kinds of House strategies, and it is with some interest that I would request of members of the Conservative caucus, when they meet with their Ministry—

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

[*Translation*]

Mrs. Mailly: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: I question the relevance of the Hon. Member's speech. He has hardly begun, and he is already off on a tangent.

[*English*]

Mr. Axworthy: Mr. Speaker, I almost set a new record. It took me only 45 seconds to get the Hon. Member on her feet with totally extraneous and superficial points of order to which no one pays any attention. Aside from that, I am sure there will be many other opportunities during the course of my remarks for the Hon. Member to get sufficient exercise by hopping up and down in her chair like a certain kind of seat-cover.

The fact of the matter is that this resolution is attempting to draw attention in a fundamental way to the fact that within a week's time, we hope we will be faced for the first time with the Conservative economic agenda. I hope Hon. Members opposite recognize what an historic moment that will be. Ministers of the Crown will no longer be able to use their normal repertoire of blaming everything on the nasty Grits. They will have to learn a whole new script. They will not be able to rise any longer and say that they inherited all these problems. For the first time, they will have to put forward to the Canadian people exactly what it is that they believe in.

Mr. Dick: What do you?

Mr. Axworthy: I would say that the "member for Mitel" is a little noisy this morning. If I were him, I would be a little more careful about what I had to say, because we are going to make some comments about him later on.

Come next week, the Government will finally have to "fess up". It is going to have to show its commitment to keeping all those many hundreds of promises it made. The great negotiator and promise-maker, otherwise known at times as the Prime Minister (Mr. Mulroney), will have to put his cards on the table and show the Canadian people that he meant what he said last summer.

Time and time again, we have seen the most convoluted form of political acrobatics ever witnessed by the Canadian public performed by the pretender Prime Minister while he is trying to evade his commitments and promises. We have seen more dancing on the floor of the House of Commons than one will see in an all-night ballroom as Ministers of the Crown have done a remarkable minuet trying to evade and avoid the kind of responsibilities for economic leadership that we assumed they would take.

We will see the clear obligation of the Government to fill the many economic vacuums which exist. There are more economic potholes in the agenda of this Government than there are on the unpaved roads of the Yukon. That is why the Conservatives lost that election yesterday.

Mr. Stevens: What about the Liberals?

Mr. Axworthy: We did very well. I am glad the Minister raised that. Guess which seat the Liberals won in the Yukon election? The seat of Faro, which is the site of the Cyprus-Anvil mine which the Minister of Regional Industrial Expansion (Mr. Stevens) has done such a wonderful job of pushing into the ground. I would like to thank the Minister personally for giving us the opportunity to win that seat. We won it because of his inaction.

We on this side can be pleased with the Minister because his record of inaction, indecision and vacillation on a whole front of economic activities is one of the primary reasons for which the Conservative Party is in full retreat across the country, in every province and Territory. That is why it is losing elections and its popular vote is in retreat. I think it is incumbent upon the Liberal Party to give full credit where it is due, and a large part of the credit is due to that Minister.

• (1110)

The people of the country are realizing that the Minister does not understand regional economic development. Not only does he not understand it, he does not care about it. We only have to look at the statements which he has made. Last week he gave a wonderful presentation to *The Financial Post*. The article described the grand new industrial strategy, compliments of the Minister of Regional Industrial Expansion. However, if we study what he is proposing, we realize that he is proposing the elimination of industrial grants to small businesses and replacing them with tax incentives. That may be fine in the region which he represents, but when he begins to withdraw industrial grants from businesses in Atlantic Canada, Quebec, western Canada and northern Ontario, it will mean that there will no longer be economic activity in those areas. There cannot be tax credits when taxes are not being paid because there is not enough economic activity to support them. Anyone who has any experience, understanding or anyone who cares about the requirement of the federal Government to provide parity and equity across Canada would know that. But the Minister in *The Financial Post* statement said that he had a grand new design. What is curious is that the "Minister for free enterprise", as he likes to portray himself, put forward in that article far more drastic interventionism than any Liberal Minister ever considered. The Minister is going to dictate to different industrial sectors their long-term plans.

The Minister loves to stand in the House and berate our poor socialist friends. Yet the Minister is prescribing far more direct social economic planning than anything our socialist friends in the NDP would consider. The Minister is a mass of contradictions wrapped up in a ball of enigma warped in a hazy gray mass of indecision—if I may use a somewhat loose interpretation of Mr. Churchill's famous statement.

What we are discovering is that this Government does not have an economic development policy which is directed toward the priorities of the country. For example, yesterday in the House questions were asked which related to the takeover of Mitel by a British telecommunications firm. What was very clear was the total absence of any policy or prescription to deal with Canadian involvement, investment and control of its own high technology industry. Every economic commentator will tell us that that industry must provide the cutting edge in terms of international competition. It is an area which has incredible growth potential. It is an area in which Canadians have been able to formulate and develop some of the most interesting and innovative products in the world. It has been nine months since the Government has come into power with its so-called "open Sesame" invitation to foreign investors. Now we are seeing the takeover of that intrinsic, generic and effective Canadian industry by foreign investors. The Minister has no response. He does not have a policy and he does not know what to do. He is now being caught in his own contradiction of saying: "Let's just have wide open foreign investment". That investment will not bring new development to the country, it will simply take over the existing investment. It is sad because there is nothing in place to offer opportunity, encouragement or incentive to Canadian investors. Look at the anomaly. Bell Canada enterprises, a major Canadian telecommunications firm, is putting up $1.5 billion to buy an oil company but we have to rely upon a British telecommunications company to come over and invest in our own telecommunications industry. If Mitel needed new capital, why did the Minister not take some responsibility directly in working with Canadian investors to provide the necessary capital? He said, "Hands off", yet in the *Financial Post* article he said, "No, hands on. I'm going to require individual companies and industrial sectors to provide a 15-year plan in order to provide for long-term development", except in the high-tech industry and in another wide range of industries, which we will take full opportunity in this debate to draw to the attention of the House.

• (1115)

What we are saying is that the real sacred trust of this Government should be the effective allocation and direction of economic development across the regions of Canada. Yet what we have seen and witnessed in the past nine months is a total abdication of that responsibility and an unwillingness to use the powers, resources and investment possibilities of the federal Government in order to provide for effective leadership. Even its friends are losing patience. Beginning today in Grande Prairie, the western premiers have on their agenda a clear-cut item dealing with the lack of federal consultation on economic development matters. For instance, its friend, Grant Devine, the Premier of Saskatchewan, is saying that what they are really afraid of is that in next week's Budget the federal Government, through the Nielsen task force, is going to slash, hack and cut away at all kinds of economic programs and the

provinces will have to pick up the slack. And Mr. Nielsen and his task force have not even had the courtesy to consult with their friends, the provincial Premiers.

What an incredible contradiction, Mr. Speaker! All the western papers are saying that neither the Nielsen task force nor, I presume, the western Ministers, have bothered to sit down with their cohorts in the western provinces to decide on what they can provide joint action. That is on the agenda. It is not the agenda of the Official Opposition; it is the agenda of the western Premiers who are complaining mightily of the lack of consultation. Yet this is the Government which came into office promising that there would be full and open discussion and open sharing of information and responsibility—except with the western Premiers. They seem to have been left out of this grand plan of the economic Ministers. They have not been included in this development. The Deputy Prime Minister (Mr. Nielsen), just as he has avoided the issues of the native people, women and the regions, is now avoiding the provincial Premiers.

I want to know who the Minister is really talking to. We are fully aware he does not talk to his caucus. I presume he is musing with some past ghosts of ages gone by. I know where the muses are, Mr. Speaker, because the Minister of Regional Industrial Expansion has said that his particular idol is C.D. Howe, a former Liberal. That is who the Minister wants to emulate. He has a fat chance of doing that because he got off to a very poor start.

The fact is, Mr. Speaker, that this Government is a fraud. It is not living up to the kind of spirit of co-operation it talks about. It is not consulting with the provinces. It is going to bring down the Budget next week based upon, I believe, the hidden agenda, which will be to make a number of severe reductions in federal government programs and throw the buck back at the provincial Governments. It is going to assume that the provincial Governments will pick up the slack. The onus will be thrown back on the provinces to carry the economic responsibilities of this country. This is a Government that does not want to take responsibility. It does not want to face up to its obligations.

Let me speak for a moment, Mr. Speaker, about the Economic Regional Development Agreements, the ERDA programs, two major Liberal initiatives which were brought in about a year and a half or two years ago in order to provide for a coherent framework of economic development. I know the Minister of Regional Industrial Expansion and other Ministers take all the credit for delivering programs under ERDA. They stand up and say, "Look at the wonderful thing we have done in the Provinces of New Brunswick, Quebec and others", based upon a program that we brought in and a Budget that we set aside. The regional development fund that was set aside in the previous Estimates has provided the financial allocation for which this Government is now taking credit. At the same time, it is trying to take credit for the results under that program, it is substantially undermining the spirit of the program. The Minister of Regional Industrial Expansion lost $200 million on the IRD Program in the November statement. Who did that affect? It affected about 80 per cent of the communities in this country which could no longer have tier one funding. The major economic centres in every province across Canada are no longer able to find grants and supports for expansion or new business in their regions. That has been the result of this Minister's responsibility.

• (1120)

Equally, you find in the development of the ERDA program a total and complete lack of action in key areas of the provinces. Western Canada has been waiting for months for some kind of an agreement with the Province of British Columbia. The forestry industry is virtually past its seeding season and nothing has been signed. Negotiations that proceeded and were about to be signed have now been totally forestalled and held up for nine or ten months. It is inexplainable, these kinds of hesitations, lack of action and lack of progress.

Let me point to an example in my province which goes back to the resolution. We had provided as one of the initiatives in the Province of Manitoba the development of the National Research Council Institute of Manufacturing Technology. The reason for providing that was to provide a national centre of research and development in robotics and the newest area of research and technology for small business to move into high technology areas. It was a centre planned to provide opportunities for business, universities and engineers in the private sector to become involved. The building was constructed and the plans were in place.

In the November 8 statement, the Minister of Finance (Mr. Wilson) cut off totally all funding for that program. The provincial Government, industrialists, the universities and Members of the Opposition began to raise questions expressing their concern about this matter. The Conservatives rushed together, huddled together and said, "Don't worry, we will look after that". Seven months later, the Minister of State for Science and Technology (Mr. Siddon) came to my province and, in one of the great all-time jokes, said, "What I am going to do is set up a committee and have another nine months study of the program". In the meantime, we have lost a number of major businesses that were going to relocate in Winnipeg because of that centre. There is a total discredit of that kind of program. Conservative Members of Parliament are saying that it would have been a closed laboratory. That means they did not read the original prescription.

That is a complete abdication of responsibility for Members of Parliament from Manitoba, not even to have read the original plans, goals and objectives of that centre to know what is going on. They now go around saying something totally different. It is a joke, a travesty, and a transgression that simply points out that this Government has no understanding, care, sensitivity or willingness to try to provide the federal resources in its Crown agency to get involved in plans for economic development.

We have a lack of leadership and direction in the whole transportation agreement with the Province of Manitoba. The

Minister in charge of the Wheat Board says that we will deliver some grain, but he is not sure how much. There is no willingness to give direction, set goals and go ahead with the original program. As a result, it is working on idle. The opportunity in that province to establish major opportunities in transportation, the construction of new prototype grain cars, developing the port as an alternative, moving ahead in the urban transportation area, and using those agreements to give that region an opportunity for economic growth and development is again put in low gear. Nothing is happening. There is no direction, no leadership, no purpose.

Clearly, the point of this resolution is to say that we have a Government that does not understand economic development. It has not provided any leadership in this area. It is forcing the regions to rely upon their own resources by relinquishing the federal role. The Budget on May 23, on the basis of evidence we have seen until now, will be built on the backs of the poorer provinces and the poorer regions. This Opposition is opposed to it. We are simply giving notice now that they have a week to change that Budget. We hope they take our good advice.

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

• (1125)

Mr. Edwards: Mr. Speaker, I have much empathy with the Hon. Member because we have just heard an anguished cry from purgatory. The demons are at work. We do not know how long the term in purgatory will be, but we sincerely hope that the Member will survive his stint there because it is good for his soul. I think that we are all concerned with souls ultimately.

I believe we have had a lecture on regional industrial expansion. It was a little difficult to track some of it. I would point out to the House that the people of Manitoba were not fooled by regional industrial expansion in their region on September 4. There was certainly a basket of goodies for the Winnipeg-Fort Garry riding, but the people in the other 13 ridings in that province reacted otherwise. We have also had a dissertation on robotics. I believe that the Party opposite can give us some expert advice on robotics since it has practised that art for so many years.

On a more positive note, Mr. Speaker, I will point out one clear example of good results achieved from federal-provincial consultation in these days of economic difficulty. That example is the Cold Regions Laboratory in Edmonton, Alberta. The funding of that laboratory was cut in the November economic statement as part of sharing the pain across the country. I have had the privilege of participating in an alternative plan to revivify that very worth-while project as a combined operation among federal and provincial Governments and the private sector. I am happy to say that it is well on its way to revival and will be fulfilling its role as it should. That is an example of an NRC project that is being revived. That type of consultation did take place prior to the Grande Prairie meeting of Premiers. With this Government it is taking place hourly, daily, weekly, and continually.

The Acting Speaker (Mr. Paproski): Would the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) like to respond?

Mr. Axworthy: Mr. Speaker, in what is becoming a pattern of total absence of mind, the Hon. Member neglected to ask a question. However, I will be glad to answer it anyway because I know what he was aiming at. In his last set of remarks he fell back on the great premise that there is a wild and wonderful system of consultation. I would like him to comment on another independent objective source, *The Western Producer*. This newspaper is read by virtually all grain producers in the prairie region. The headline reads, "Uncertainty about future bothers many groups". Once again the Canadian agricultural community is in a total state of uncertainty because of the lack of consultation by the Government on agricultural programs. The article reads:

> A large part of the unease flows from ignorance and confusion about the Conservative agenda for agriculture mainly because Minister John Wise has yet to articulate a clear vision of where he wants to take the industry.

That is not my comment, Mr. Speaker. That is the comment of very respected observers of the Canadian agricultural scene. Conservative Members are living in a fantasy land where there is daily and hourly consultation. They are simply drinking each other's bathwater. I presume they are talking to one another. At least I hope they are talking to someone rather than being in total isolation tanks. It is clear that they are not talking about what is going on in the country to the Canadians who really count. The provincial Premiers say they did not talk to the Government. Now the farm groups say that they are not talking to it. To whom is the Government talking?

• (1130)

Therefore, I ask the question in return: if consultation is taking place, is it a secret society that is being consulted? Do you have to belong to the Mulroney Club in order to be consulted in this country? Does one have to anteup to the Mulroney Club before one can be consulted?

Obviously in western Canada the major groups are not being consulted. Their interests are not being looked after, as we have seen in the House with the antics of the Nielsen group who have been making all kinds of recommendations that the Minister of Indian Affairs and Northern Development (Mr. Crombie) knows nothing about. Obviously the Ministers of the Crown are not being consulted.

Therefore, I return to my original point. The Hon. Member, in all his interest of having a good policy emerge from the Budget, as I am sure it is his interest, should use his opportunity in the caucus tomorrow to raise the questions he has raised in the House today with his own Ministers.

Mr. Edwards: Has the Hon. Member ever talked to his Liberal friends in western Canada? Indeed, is he aware that there have been six in-depth meetings with his friend, the Mayor of the City of Edmonton, which were initiated by federal Members of Parliament, to discuss matters of mutual

interest from which some very concrete results have flowed and will continue to flow?

Mr. Dingwall: Mr. Speaker, I have a brief question for the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), who has a distinguished track record when it comes to economic development when he was a Minister in the former Government.

Would the Hon. Member care to comment on the operative word of the Throne Speech, which was "consultation"? Shortly afterward, the Minister made his economic statement in which he announced some very massive cuts. I believe that in excess of $1.7 billion was reduced from the regional economic development envelope.

Would the Hon. Member comment on that, in view of the fact that there have been a great number of regions in Canada, including the Atlantic, Manitoba and parts of Quebec, that have been greatly affected by those cut-backs, which were made without any consultation whatsoever with the Canadian people, the provincial Premiers or Members of Parliament? One example of these cut-backs is the winter ferry services in Yarmouth, from Bar Harbour to Maine. That was cut unilaterally by the Minister of Transport (Mr. Mazankowski) without any consultation. Would the Hon. Member comment on such tactics by the Conservative Government?

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for his good memory and kind compliments about the past record.

Let me point out to the House that it was only approximately six or seven weeks ago that the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) and I had the opportunity to consult with members of the Atlantic Economic Council who, during the course of those meetings, clearly pointed out that a continuation and strengthening of the IRDP was essential to the economic well-being of the Atlantic province. Through such programs, direct grants would go to individual businesses in those areas to give them the opportunity to start and develop new enterprises. However, we have seen that such action runs totally contrary to what the Minister of Regional Industrial Expansion is proposing.

It would be a very sad day for regions like Atlantic Canada, northern Quebec, northern Ontario and the western regions on budget day next Thursday if the Minister has once again lost out and the IRDP has been eviscerated and cut back, reduced or transferred so that the federal Government has withdrawn even further from its ability or capacity to provide for an over-all economic plan to help those regions.

It is our hope that this debate will serve to let Members opposite take strong notice that if a further reduction of the IRDP is contemplated in the Budget and its replacement with some kind of tax incentive system, the poorer economic regions of Canada that are trying to improve themselves with federal assistance and co-operation will be sadly and sorely dismayed. It would only prove the case we have seen in the last nine months that the Government does not care.

Mr. Mayer: Mr. Speaker, I wish to respond briefly to the comments of the Hon. Member about the direction of the Canadian Wheat Board. It is very interesting to look at his record when he was Minister of Transport and later Minister responsible for the Wheat Board. During his term, grain exports through Churchill went down over 30 per cent, from exports of a little over 600,000 tonnes in 1983 to a little over 400,000 tonnes when he was the Minister responsible.

It is very interesting to note that this happened at a time when Canada experienced record exports. If one wants to look at the record of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) when he was responsible for Churchill, it is very dismal. Use of the port went down close to 30 per cent at the same time that we had record exports.

If we want to talk about commitments to the Port of Churchill and at that Member's record when he was the Minister responsible, it is a very dismal record and anything but the distinguished track record that was referred to by the Member for Cape Breton-East Richmond (Mr. Dingwall).

Mr. Axworthy: Mr. Speaker, in a record of the many dumb statements made, the Minister's statement that exports dropped for three weeks when I was Minister of the Wheat Board is about the dumbest he has ever made. To try to blame the fallen exports on that administration is ludicrous.

He did not mention that when I was Minister I negotiated and signed a $93 million agreement which put Churchill back on the road for the first time. The Minister and his colleagues are totally undermining that achievement, and that is the Government's record. That is what is actually taking place.

The Acting Speaker (Mr. Paproski): The period for questions and comments has expired.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in this debate, I think it is necessary to come back to the motion that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) has put before the House. I noticed that he really did not touch on his own motion but seemed to use this as an opportunity to make statements that I suggest are perhaps among the most irresponsible that have ever been made in the House.

The reason I believe we should get back to the tone of the motion is that the Hon. Member for Winnipeg-Fort Garry referred to an article that he read in a newspaper that made it appear as though I were an interventionist. This alarmed him and he said that I was more of an interventionist than even our socialist friends to the Hon. Member's left.

He did not specifically say that I was more of an interventionist than the Trudeau Liberals or the Turner Liberals, but I think that was the implication.

The motion before the House reads:

That this House condemns the Government for undermining the will of Parliament and the Legislatures by failing to use industrial, decentralization, agricultural, transportation and equalization policies as well as its Crown Corporations to further economic development in all communities across Canada.

What could be more interventionist than the Hon. Member's own motion? He claims that his motion is to condemn the Government for undermining the will of Parliament and the provincial legislatures by taking interventionist steps.

As this debate proceeds, I hope the Hon. Member will clarify, if it is possible for him to do so, the obvious conflict between his motion and the words that he uttered.

I find it rather amazing how representatives from the Official Opposition can so quickly forget the past. It is amazing how quickly they can get so worked up about the present. They totally forget that most of what they are rehashing is the result of the policies they had in place for over 14 years.

• (1140)

You will recall, Mr. Speaker, that the Hon. Member said that there has been no consultation. In fact, he looked at the ceiling in a quizzical way and asked, "Who is this Government talking to? Is it the provincial Premiers? No. Is it business? No. Is it labour? No". What the Hon. Member has totally ignored is that his Government was the one that instituted the concept of going into programs on a unilateral basis and of saying that the Government will not only not talk with the provinces but will move into their provincial areas of responsibility and unaliterally change things, knowing that it is not welcome.

As far as consultation is concerned, I need only remind Hon. Members that on January 21 in Ottawa, we had a meeting of all of the development Ministers in Canada. The development Ministers from the 10 provinces, the two Territories and the federal Government met at that time, and, much to everyone's pleasure, what took place at that meeting was an excellent dialogue, discourse and meeting of the minds. At that meeting, it was pointed out that that was the first time in Canadian history that there had ever been such a meeting of development Ministers from all levels of Government. How can the Hon. Member say that there is no consultation when the former Government, after 14 years, failed to have one such meeting and when we, within the first few months of governing, were able to organize successfully the initial meeting?

In fact, the meeting was so successful that we had a further meeting on March 25 in Quebec City. Again, that meeting was successful. We started to explore questions like how we can take the IRD Program to which the Hon. Member referred and make it more effectively delivered in conjunction with the provinces. We asked how we could make it more responsive to what presumably were the provincial and regional requirements. The provinces, the federal Government and the Territorial Governments are now working on those questions and hopefully will be able to come to an agreement that will be to the liking of all concerned.

Again, the meeting in Quebec City resulted in an agreement to meet in Vancouver on May 27. At that time, we hope that there will be a joint consultation paper produced. Not only will it be a federal paper but it will be a joint paper produced by the provinces, the Territories and the federal Government. Again, that will be another first for Canada. How can the Hon. Member say that there is no consultation when the 10 provinces, the two Territories and the federal Government, for the first time, are working on such a consultation paper meant for joint publication?

The thing that I found so strange about the remarks of the Hon. Member for Winnipeg-Fort Garry was that he said that somehow or other we are not funding enough and that we are not doing it right. He totally ignores the fact that since we took office last September, the Government has signed no less than 19 separate agreements with various provincial Governments under the IRDA mechanism. These agreements provide federal funding of nearly $800 million to the provincial economies. Let me be a little more specific, though. Perhaps the Hon. Member cannot really relate to larger figures. Let me talk specifically. Perhaps he can understand smaller figures.

In Newfoundland, for example, on December 20, 1984, we signed a pulp and paper agreement for a total anticipated expenditure of $46.3 million, $38.5 million of which will come from the federal Government. On March 29, 1985, we signed a highways agreement for a total expenditure of $180 million, $112.5 million of which will come from the federal Treasury. In Prince Edward Island on October 26 of last year, a tourism agreement was signed for a total expenditure of $8.9 million. In Prince Edward Island, a marketing agreement was signed with expenditures totalling $7.5 million. In each of those instances, the federal Government is putting up approximately two-thirds of the money.

In Nova Scotia, a $50-million fisheries agreement was signed with the federal Government putting up $35 million. A $14-million tourism agreement was signed with the federal Government putting up $9.8 million. Can you really fault the Hon. Member, Mr. Speaker, for blushing right now? Can you really fault him for realizing how he misled this House? In New Brunswick, we signed a tourism agreement for $32 million, $22 million of which is coming from the federal Government. That was on November 30. A science and technology agreement was concluded on April 13, 1984, and we are continuing and expanding that agreement.

I could list the various subagreements we have signed with Quebec. Industrial development, tourism, communications, cultural infrastructures and forestry agreements have all been signed. The total of those agreements is $830 million and the federal portion of that is $415 million. If that sounds dramatic, one of the reasons for that is that Quebec was one of the provinces that was so severely impacted by the previous Government's unilateral actions that it refused to sign those kinds of agreements. It was not until this Government took over that we were able to sign an IRDA agreement with Quebec.

We not only succeeded in signing an IRDA agreement with the Province of Ontario on November 2 but we also concluded agreements for planning, forestry and tourism that total $196 million, the federal portion of which is $98 million. For the western provinces, I can cite province by province the various agreements we have signed. There are new initiatives in Saskatchewan for tourism and in Alberta for forestry. We signed

an agreement with British Columbia regarding the IRDA arrangements.

In short, I would like to emphasize that this Government is picking up after the sad record of the previous Government. It has acted effectively by getting regional development moving again. I would like to start itemizing the results.

Let us not forget what we have been doing. You will recall the Atlantic Accord, Mr. Speaker. For many years the previous Government could not reach an agreement with the Province of Newfoundland. The present Minister of Energy, Mines and Resources (Miss Carney) and the Prime Minister (Mr. Mulroney) were able to conclude that offshore agreement. What a breakthrough that was!

Mr. Lapierre: We have yet to see the results.

Mr. Stevens: Under the former Government, you would never have seen the results. I hope the Hon. Member realizes that.

Then there was the Western Accord. Can you believe, Mr. Speaker, that a Member from western Canada would criticize the present Government through this motion while totally ignoring the impact of the National Energy Program on the western provinces? That is what I mean when I say that this Hon. Member has a short memory. I despair for him. Surely he could remember the events of last year. Surely he knows of the unemployment that now exists in Alberta thanks to the former Government's National Energy Program. Surely he knows of the unemployment that now exists in British Columbia thanks to many of the former Government's policies affecting that area.

• (1150)

It is our job—and I can assure the House that we will accept the challenge—to turn some of those misdirected programs around and get Canada back on the road to prosperity.

I noted that the Hon. Member for Winnipeg-Fort Garry liked to dwell on Manitoba. He mentioned the Port of Churchill. I can tell him that the Port of Churchill, as far as we are concerned, is a priority. Again, for the first time, we specifically asked Ministers from the Manitoba Government to join the Minister of Transport (Mr. Mazankowski), the Minister of State for the Canadian Wheat Board (Mr. Mayer), myself and other representatives at the federal level to discuss all of the ramifications of the Port of Churchill. At that meeting, CN was represented as well as Canada Ports. I believe it was a worth-while meeting which led to a renewed priority which will be given to the Port of Churchill and an intensive examination of its potential.

I would also like to say that in our annual meeting, under the ERDA arrangement with the Government of Manitoba, we succeeded in reaching various agreements, which I believe will prove to be very beneficial for that province in the coming months and years.

I remind the Hon. Member that this Government arranged for equalization payments to Manitoba to be raised by $50 million from the figure which was projected in February. I can only say that the equalization payment—and I am sure other Members who belong to the same Party as the present Government in Manitoba must have heard it—was a very welcome adjustment for that province.

I have referred to the successful negotiations with the Manitoba Ministers. If I may, I would like to speak about specifics. The Minister of State for Tourism (Mr. McMillan) and his provincial counterpart have signed a $30 million Manitoba tourism development agreement. At the meeting on the Nelson River, we agreed with Manitoba that there would be a subsidiary agreement for industrial development. We believe that that agreement will be signed by the end of June. Further, we agreed to implement a memorandum of understanding for hydroelectric development project co-ordination. We hope to be able to sign that memorandum this month. On May 10, the Minister of State for Science and Technology (Mr. Siddon) signed a memorandum of understanding on science and technology with his provincial counterpart. We are also investigating the feasibility of a trade development organization that will concentrate on the Prairies, which will likely have its main base in Winnipeg. When we met with our Manitoba counterparts, we agreed, in consultation with federal and provincial Health Ministers, to explore joint initiatives in health care products and services.

I could go on to cite the various things which we are doing of an IRDP nature in Manitoba. I can only say that we are encouraged by the agreements which we have been able to achieve to date. Second, we are encouraged by the fact that the private sector is responding.

The Hon. Member for Winnipeg-Fort Garry referred to Crown corporations. I believe he will find that the Crown corporations which we inherited are now running more effectively and have a greater backlog of orders—be it de Havilland or Canadair—than they have had for many years. In the case of the Cape Breton Development Corporation, it has had a profitable year for the first time in its history. I do not only regard that as good regional development for the sake of the regions concerned, but good economic development for Canada.

The target of this Government is to bring down the 11 per cent or 12 per cent unemployment level which the previous Government left. The previous Government took the country from a rate of unemployment which was approximately 4 per cent when it first took power to what it is today. This Government's target is to bring down the unemployment level to something which approaches full employment in the country. Anything which the Government does of an economic development nature is designed to relieve the unemployment tragedies which exist in Canada at regional and provincial levels.

As far as this Government is concerned, the course is clear. The Budget will outline some of the new initiatives which we intend to take. Unlike the Official Opposition and its socialist allies, this Government has confidence in the country. This Government believes that there is room for Canadian and

non-Canadian investment which will help to harness the potential which exists in Canada. We believe that investment will begin to create the jobs which were not created as a result of previous policies. In short, this Government will once again get the real economic growth in the country, both on a regional and a national level, up to the potential which can be ours. It can be ours if, once again, we return confidence to Canada and turn away from the debilitating attitudes and thrusts of the previous Government.

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

Mr. Manly: Mr. Speaker, I would like to ask the Minister several questions about the situation in British Columbia. He referred to agreements which have been reached with other provinces, but there are still no dollar figures forthcoming for British Columbia. British Columbia is still waiting for money to flow under the forestry agreement. It is becoming crucial.

Last Friday, when the unemployment statistics were released, the Prime Minister (Mr. Mulroney) bragged that the Government had created some 201,000 jobs across Canada. If British Columbia had received its fair share of those jobs, it should have received 20,000 additional jobs. However, in April, unemployment went up by 1,000 jobs. British Columbia has 23,000 fewer people working today than when the Conservative Government took office. The unemployment rate in September was 14.1 per cent and today it is 15.4 per cent. In September, 1,226,000 British Columbians were employed. Today, 1,203,000 British Columbians are employed. That represents a loss of 23,000 jobs. Can the Minister tell us when the dollars will start flowing to British Columbia? Why have the dollar figures not been reached? Is it because this Government is not prepared to give British Columbia a proportionate share compared to what Quebec has received? Or is it because this Government does not have confidence in the Government of British Columbia and in the way it wants to spend the money?

Mr. Stevens: Mr. Speaker, the Hon. Member, who comes from British Columbia, has the answer ready at hand. I suggest that he talk with his friends in Victoria to find out why they are not willing to accept the figures which we offered them. Those figures were on a comparable basis to what other provinces accepted with respect to ERDA funding. Perhaps he could tell us what the Government in Victoria feels at the present time. Certainly, we are willing to sign and start the funds flowing.

● (1200)

Mr. Axworthy: The Minister's comments only reinforce the case we are making that this Government has a wonderful inclination for self-delusion. He ended up his grand peroration by talking about the performance of the Crown corporations based upon the last annual report of companies like Canadair, de Havilland and Devco. Those corporations, of course, are all reporting for the year 1984 when the Liberal Government was their proprietor and manager for nine months of that year. What we are saying is that in the coming Budget the Government will not be able to hide under those programs any longer.

Mr. Stevens: Who does your research?

Mr. Axworthy: The research is pretty obvious as I read the reports. I suggest you do the same.

Mr. Stevens: Take a look at the dates on them.

Mr. Axworthy: I do want to raise some interesting questions concerning Manitoba. The Minister tells us what wonderful things he is doing there. I would like him first to explain why it is that when our Party left the Government, Manitoba had the second highest rate of growth of any province in Canada and now it has the lowest rate of growth as of the latest figures of this year? Has that been the result of all the grand initiatives taken by this new Government? It has turned around a province which had momentum and development.

I would like the Minister to comment also on a statement made by one of his own officials, a member of his own Department in that province. The industry Minister of the provincial Government, Mr. Kostyra, publicly complained that requests for a number of major industrial grants had been turned down by the Minister's Department with respect to companies such as Canada Packers and Melrose Foods. He had a whole list of companies which would have provided a number of jobs and development which had all been turned down by the federal Department of Regional Industrial Expansion. I quote from *The Winnipeg Free Press* of May 6, 1985, as follows:

> A spokesmen for the federal Department said it would be impossible to determine whether more applications are being accepted now compared to two years ago because the program has been changed—

That's true.

> He noted the federal Government reduced the nationai budget of the industry and regional development program by $200 million last November. He also said changes to the program have made it much more difficult to obtain funding.

That is a clear indication that one region, which had a very high rate of growth and was beginning to develop the confidence about which the Minister talks, now has the lowest rate of growth in the country and does not have that confidence any more. And one of the key reasons for this has been the withdrawal and reduction of federal investments in that province.

I would like the Minister to explain the words of his own official, who clearly put the finger on the problem, which was the reduction of the budget for IRDP, and the program changes, which mean that a city like Winnipeg is eliminated from any tier one financing. I would particularly like to know if he can now guarantee, or give us assurances, that come the Budget next week, there will be no further cuts in IRD programs and no further cuts in regional development incentives for the province so that while the present level of funding is inadequate and is obviously having a drastically negative effect, the federal Government will not simply throw the province into a state of total disarray by further cuts and reductions?

Mr. Stevens: Mr. Speaker, we really have to feel sorry for this fellow. In spite of the fact that the Treasury makes hundreds of thousands of dollars available to help the Hon. Member with researchers, he relies on a news story out of a 25-cent newspaper. He refers to a turn-down of Canada Packers and implies that somehow or other we did that. He totally ignores the fact that it was the former Government—

Mr. Axworthy: Oh no, it wasn't.

Mr. Stevens: —and the Hon. Member for Winnipeg-Fort Garry as the western Cabinet Minister who turned down Canada Packers. We have indicated that if the company wants to reapply, we will look at it. We will deal with it fairly and judiciously. But do let him not start blaming some mythical $200 million figure as being the problem for the turn-down of Canada Packers. It was the former Government itself which turned it down.

Mr. Axworthy: No, it wasn't.

Mr. Stevens: As far as the Melrose Food Company is concerned, again, poor fellow, it is a subsidiary of the major international conglomerate known as Nabisco. We offered it $300,000, but we said we thought, in view of the fact that it was a very profitable company, that perhaps it would care to repay the money. That is the only difference. It has indicated it would like an outright grant.

Mr. Darling: Who wouldn't?

Mr. Stevens: Notwithstanding the fact that it is a multi-national—and at other times the Hon. Member is very critical of these multi-nationals, he has a little bit of hate for them—in this instance he says, "Give it the money. How dare you ask that it should ever repay the $300,000?" That's what the Hon. Member is talking about. And on the strength of the article out of that 25-cent newspaper, he feels he has something to stand up and expound on in this House. It is pitiful, Mr. Speaker.

[*Translation*]

Mr. Malépart: Mr. Speaker, I want to speak on behalf of the men and women of Quebec. In his comments, the Minister mentioned that he was happy with the agreement signed with the province of Quebec. In that case, I would like to ask the Minister why the first thing his Government did was to cut $770 million from the amount to be transferred to Quebec this year. They are bragging about signing a billion-dollar agreement, but the money is to be spent over a period of five years.

As far as equalization is concerned, Mr. Speaker, not the Liberals but the Quebec Minister of Finance, Mr. Duhaime, has been saying that he disagrees with the decisions made by the Progressive Conservative Government... Mr. Speaker, unemployment figures may have gone down in Quebec, but this morning, we heard that the problem is not unemployment but 700,000 people who are drawing welfare benefits. That is what your policies have brought us!

[*English*]

Mr. Stevens: The Hon. Member has referred to certain funding with respect to the Province of Quebec which he says we have scrapped. I would like him to document that. I know of no funding which has been scrapped. In fact, we have grandfathered the various programs which had been identified for Quebec, and clearly the agreement which we have with Quebec not only says that whatever funding was directed toward Quebec would stay in place, but that there would be new supplemental funding. The new funding of $415 million in total, to which I referred, includes an industrial development agreement for $175 million; tourism, $50 million; communications, $20 million; cultural infrastructures, $20 million, and forestry, $130 million. That is just the federal share. The total agreement comes to $830 million because those agreements are all on a fifty-fifty basis. In short, the Province of Quebec received an add-on in addition to whatever had been earmarked for it previously.

The Acting Speaker (Mr. Paproski): The time for questions and comments is now completed. Resuming debate.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have to start out by congratulating my hon. friend in the Liberal Party for moving this motion.

Mr. Stevens: What else is new?

Mr. Langdon: He has, I think, made the heroic discovery that in fact there are, on the part of this Government, industrial policies. I have watched and looked carefully since September 4 and I have not been able to detect any policies or any direction, so I have to say that it is heroic and admirable that my hon. colleague has been able to identify such a thing. It is a particular pleasure, Mr. Speaker, to speak this morning on the aftermath of yet another vote of judgment on the policy direction of the Conservative federal Government. I refer, of course, to Yukon and to the fact that the Deputy Prime Minister (Mr. Nielsen) has received his welcome reward for the long months of work he has contributed.

I must start out by telling you, Mr. Speaker, that the Minister of Regional Industrial Expansion (Mr. Stevens) has been referred to this morning as an "enigma". I frankly think that one of the most difficult challenges in this House of Commons is to pinpoint exactly what the Minister of Regional Industrial Expansion is trying to do. I spent this morning, Mr. Speaker, jogging, as I find occasionally I have to do in order to cope with the frustration of trying to understand the direction of the Minister. It came to me, finally, as I jogged across the lawns of the Governor General's house this morning, that in fact we are talking not about an enigma, but about an octopus, the octopus of the 1980s, the Hon. Minister of Regional Industrial Expansion. His arms stretch out in all directions. Everything from IRDP to Devco to IRDA agreements, his arms are everywhere. Yet there is a kind of writhing quality about those arms, which betrays the lack of direction and strategy. There is also, characteristic of the octopus, a camouflage of ink spewed in all directions, trying to obscure, hide

and cover up what is taking place. One might think that somewhere among all this writhing of arms and spewing of ink, the ink coming from his interviews with the press, there is an agenda, a direction, because that is what the Minister tries to suggest in the interviews he gives.

• (1210)

Frankly, he has got a remarkably good press. The press has suggested that somewhere below all of this *ad hoc* activity there is a strategy. I have looked at the latest effort to set out that strategy in *The Financial Post* article which has been referred to in this debate, and I must tell you that there are some very interesting ideas in that article. Many of them, things such as industrial agreements, long-term government-company arrangements, are things we as a Party wrote about in 1978 in talking about an industrial strategy for this country. So it is most gratifying to see the Minister finally, eight years later, starting to speak in those terms. But I do not believe that that is the reality. As I look at the record, I do not believe that it shows the sense of direction the Minister claims is there.

It is now about eight months since this Government was elected. The Minister has the longest memory of those in this House and he delights in getting up and attacking the previous regime. But that starts to ring hollow after a while. While the Government might have had excuses after two months, four months or, stretching it, even after six months, after eight months you cannot continue to blame the previous Government for the lack of an industrial policy direction in this country. That Minister has to carry the responsibility. He has had the time to do more than give interviews to *The Financial Post*. He has had the time to set out a direction and follow that direction in the activities of his Ministry, but, frankly, he has not done so.

I want to take you, Mr. Speaker, through some of those key cases which demonstrate just how inadequately, how shortsightedly, how foolishly that Minister has performed in the eight months he has been in office. Let me illustrate first that industry which is very important not just to my constituency but to the whole manufacturing industry in this country, that is, the automobile industry. In *The Financial Post* the Minister talks about encouraging industry-government agreements, setting out a plan for that industry. But he has had a task force report on that industry sitting on his desk from day one. It shows him a direction which has been agreed on, not just by the companies in that industry but by the trade unions as well, a direction which would put into effect Canadian content requirements in order to produce jobs here. Yet there has been absolutely no action on that report. Indeed, it has been worse than that. With respect to the renewal of quota arrangements with Japan, the Minister has led us in a song and dance. He promised that he would have some kind of firm signal on Japanese auto quotas by mid-May, yet there is nothing. So the industry limps along with a sense of uncertainty about the future. Yet the Minister has the temerity, the self-righteousness, to speak to *The Financial Post* about his commitment to industry-government agreements. He has refused to respond positively to the danger signs which exist in that industry.

These danger signs have been evidenced in the decision by Chrysler Corporation to put major parts production in South Korea. I have pressed the Minister to raise with Chrysler Corporation the fact that if it has the financial resources to do that, it should also have the financial resources to reopen the engine plant in Windsor. It committed itself to doing so when it asked for $200 million worth of loan guarantees from the Canadian Government. It got that commitment, which in turn got it the $1.5 billion in loan guarantees from the U.S. Government, yet the Minister will not press Chrysler to get those extra jobs. It seems to me that this Minister is not living up to the challenges which face him.

Another challenge, and frankly one that I expected this Minister and this Government to take most seriously, is that of showing the Canadian people that the money we spend to help the private sector companies is in fact leading to jobs. On March 20 I wrote to the Minister about a classic case involving $275 million given to Bell Helicopter by the previous Government supposedly to result in over 3,000 jobs in Quebec. I suggested in the letter that serious questions had come up with reference to that particular project, and I can tell Hon. Members that I am now in possession of material which makes the importance of those questions even clearer. We have received copies of a secret Science Council report which studied that project. The Science Council in preparing its report had access to the Cabinet memorandum that went to the previous Liberal Cabinet describing this project. Within that Cabinet memorandum there was a commitment that the Bell Helicopter proposal would create the largest number of jobs, an average of about 2,773 over the life of the project. That Cabinet document indicates that Bell Helicopter agreed to place work of equivalent quality and value in Canada in the event that its job targets were not met. That Cabinet memorandum said as well that Bell Helicopter is seeking 67 per cent of the total cost of $409 million for this project.

• (1220)

Each of those statements made in that Cabinet memorandum has clearly emerged as being false. One can only draw the conclusion that that Cabinet memorandum conveyed information to the Government which, intentionally or unintentionally, was grossly inaccurate. The Government was misled with respect to the number of jobs to be generated by this project. It has become clear that only 600 jobs are to be generated by the project.

Second, Bell Helicopter has not been prepared to put extra production of other kinds into this country, despite its failure to produce the original number of jobs suggested, and despite the fact that it made a commitment, according to that Cabinet document. Finally, it has become clear that there was an attempt, after this Cabinet memorandum was presented, to obscure and change the proportion of the financial contribution from this private company to Bell Helicopter.

In this case all sorts of misinformation was put before Cabinet and a decision was made on that basis. It seems to me that the Minister has a responsibility in such a case to have a

public inquiry to give Canadians across the country a sense of commitment from Bell Helicopter in the context of this project. The Minister has not been prepared even to answer the latter, let alone to launch a public inquiry, which is crucial to give the people of the country the sense that their money is being well spent.

I would like to talk about the high-tech sector and the fact that the Government clearly does not have a strategy for that most important part of our economy which will give us the jobs that we need in the future. Instead, to my utter amazement, members of the Government stood up in the House yesterday and applauded the takeover of a prominent, viable, dynamic Canadian firm by a British state-controlled corporation which has existed for years as a regulated monopoly. I could not believe the sense of irony and delicious contradiction that the Minister must have recognized he was engaged in as he stood on the floor of the House. He was an opponent of Canadian public enterprise seeking to reduce the public sector in this country. He applauded the fact that a state-controlled corporation from Britain will have control in the future of Mitel Corporation, one of the most important high technology Canadian firms. It is incomprehensible to me, Mr. Speaker, that the back-benchers who are present today would permit the Minister to carry forward such a lack of strategy and planning as representative of the Conservative Party of Canada.

I will conclude by saying that the world according to this Minister is a world in which foreign investment and privatization will somehow save us. It is a world in which Government abdicates responsibility. It abdicates responsibility to provinces, to private oil companies, to foreign investors, and to trade with the United States. There is a challenge for the country to reduce the tragic double digit unemployment which we face in this country.

In our report, *Canadian Unlimited*, we have suggested a direction in which that challenge can be met. We want to give our communities the power to shape the future for themselves. We want to put responsibility where it belongs, on the Government front benches in the House of Commons. We want to offer leadership instead of obscurity, direction instead of an *ad hoc* sense of flailing away with octopus arms in every direction.

The challenge is there, Mr. Speaker, but it is not being met. Eight months after the election of the Government it should be met. The Minister can no longer rely on interviews with *The Financial Post* to attempt to mislead us into believing that he has a strategy for the industrial development of the country. Instead of the octopus of the 1980s we look for direction and leadership. We challenge the Government to provide that for us in the future.

Mr. Manly: Mr. Speaker, I was very interested in some of the comments made by my colleague. He spoke of the need for a new direction. Next week there will be a Budget presented. Would my colleague expand on some of his ideas and indicate the direction in which he feels it is necessary to move and what Budget initiatives would help us to move in that direction?

Mr. Langdon: Mr. Speaker, in *Canada Unlimited* we have set out what we suggest is a counter-Budget. This approach does two things. In macro-economic terms it shows very clearly that without a significant increase in the deficit it is possible to have a much more expansionary fiscal policy which would give us a tremendous increase in jobs and a significant decrease in the unemployment rate. It suggests that rather than giving tax breaks and grants to large corporations and companies, we should put that direction on its head and give the tax breaks to middle and lower income people who will spend that money and stimulate consumer demand within the country. We also suggest that the grants, which should no longer be directed to large scale corporations, be redirected to the communities of the country, to young people, and to women's groups. They should be redirected to groups that have shown dynamism and sense of exciting new ideas that would put millions of creative possibilities into force at the local level.

• (1230)

We have suggested that this kind of decentralized community-based support, which was the policy thrust of our successful colleagues in the Yukon Territory during their campaign that just concluded, is a thrust that meets the goals of Canadians today. They do not want to see Governments controlling and running their lives. They do not want big businesses on Bay Street and St. James Street to take all the decisions that shape their future. They want community self-direction.

The Budget proposals that we have set out in a responsible, straightforward and clear way offer that direction.

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

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take part in today's debate on an Opposition motion that is specifically concerned with the need to fight regional disparity and the fact that we think the present Government is totally insensitive to this phenomenon, which, as you know, Mr. Speaker, has been a matter of concern for politicians since Confederation. Hon. Members must realize that regional disparities, whether they concern the economy, employment or the search for equal opportunities, are as old as this country.

Mr. Speaker, Canadians have become very aware of regional disparities, especially since the beginning of the Second Word War. At that time, regional disparities became very obvious. Ontario had become the industrial heartland of Canada, while other regions depended strictly on their natural resources, and we can say that since that time, the federal and provincial governments have been concerned about regional economic development.

Mr. Speaker, we know that at that time, the Atlantic provinces and Quebec, especially, were lagging behind on employment, income and all other economic indicators. Unfor-

tunately, in spite of all the efforts focussed on this situation by successive administrations, the situation continues to exist in Canada today.

Mr. Speaker, you probably will not remember, but in 1937, the Rowell-Sirois Commission started its inquiry into regional disparity and the Canadian economic union, and at that time, recommendations started being made for providing equal opportunities for all Canadians. The House will also recall that 1957 marked the begnning of equalization payments as we know them today. Also in 1957, the Borden Commission examined the situation of the Maritime provinces and recommended better economic co-ordination in order to help this part of the country.

Mr. Speaker, the real thrust for regional economic development was given in 1969, when the Department of Regional Economic Expansion was established, and I think everyone will remember how this department, with its growing awareness of our various regional situations, has helped the Canadian Government to become an active partner in regional development and to become more sensitive to regional needs including the need to attract more investment to certain less advantaged areas and thus create jobs. The Department's specific terms of reference at the time were to make sure that all federal departments were fully aware of regional aspirations, that regional interests were considered in Cabinet discussions, and that Government policies were tailored to the various regional realities.

As you know, Mr. Speaker, the Department was also responsible for promoting regional economic development policies and coordinating the activities of other departments. Finally, I think it had quite an impact on decisions made by the many Cabinet committees, in the sense that, more often than not, a decision serving national interests did have a negative impact in certain regions which thus were left to play second fiddle to the rest of the country.

Mr. Speaker, all Members of the House acknowledged as formally as possible the urgency of regional economic development when, in 1981, both major parties unanimously adopted the Canadian Constitution Bill. I am sure we all remember Section 36:

36. (1) Without altering the legislative authority of Parliament or of the provincial legislatures, or the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the government of Canada and the provincial governments, are committed to

(a) promoting equal opportunities for the well-being of Canadians;

(b) furthering economic development to reduce disparity in opportunities; and

(c) providing essential public services of reasonable quality to all Canadians.

(2) Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

Mr. Speaker, you were a Member of this House when the Bill was adopted, and we all endorse those principles. Since the new Government took office, although the Constitution may be clear, definite and specific, in practice however, we have every reason to worry.

There has been a sharp increase in the number of IRDP applications turned down since September. Private promoters came to see me with regional economic development case files which were once deemed quite acceptable but which are now rejected for all kinds of considerations.

Of course, the Minister of Regional Industrial Expansion (Mr. Stevens) did not further the cause when he agreed to a $200 million Industrial and Regional Development Program cut-back. I can readily see why applications are refused in ever increasing numbers. That is what has me worried because more and more businessmen and businesswomen come to see us and say: What can we expect! We deal with the federal Government, but DRIE is no longer interested in promoting economic development in the Eastern Townships, DRIE could not care less about job creation in other regions of Quebec. I would suggest that the Minister responsible for the Department considers international trade a more challenging venture. Indeed, he is walking all over his colleague in External Affairs and has downgraded the role of the Minister for International Trade. We all know that. Mr. Speaker, you should go to External Affairs and ask who is the boss. If you see trade commissioners abroad, just ask them who looks after international and trade policies. Most will say it is the Minister of Regional Industrial Expansion. He is not satisfied with his small kingdom, he wants more. In fact, Mr. Speaker, you probably remember that he was External Affairs critic when in Opposition, and it does look like he still harbours ambitions in that respect even if the Right Hon. Member for Yellowhead (Mr. Clark) got the job. With that in mind, I think it is unfortunate that the Minister—I would describe him as the stand-in Minister of External Affairs, or the self-appointed Minister for International Trade—does not look after his own bailiwick, which is regional economic development. To put it another way, Mr. Speaker, he is so busy minding other peoples' business that he has precious little time left for his own.

• (1240)

The Minister has made a name for himself, Mr. Speaker. For instance, Mirabel residents, including town councillor Hubert Meilleur, have said that Ottawa's decision to deny funds for upgrading the city's infrastructures is unfair.

Mr. Speaker, the people of Port-Cartier on the North Shore are still waiting for the Minister to stop navel-gazing and make decisions about the future of ITT Rayonier. I know the people in the Gaspé region. Go to Newport and see what they think of the Minister of Regional Industrial Expansion (Mr. Stevens).

Mr. Speaker, they all know that the Minister did not dare meet with them, that he dispatched his official interpreter—the Minister of State (Small Businesses) (Mr. Bissonnette)—to mend his fences. Mr. Speaker, nothing has been settled in

that case. Year in and year out, their party denounced make-shift job creation projects, but now we know the Newport plant will stay closed, which is why the Minister of State (Small Businesses) went over there to promote Canada Works projects. That is exactly what they beefed about for years on end. All they want to do now with funds allocated to the Gaspé region is to make sure that those people will have their ten weeks of unemployment insurance benefits. But their plant will stay closed.

Mr. Speaker, I could talk about a lot of people. The Minister had been sitting on the Petromont file since September 4, but the Right Hon. the Prime Minister (Mr. Mulroney) twisted his arm until he finally agreed to give $15 million to rescue Petromont. But, Mr. Speaker, that is a temporary measure until the Minister of Regional Industrial Expansion can come up with what he called a long term solution. It was one way to buy time, rather expensively at $15 million, but he had to keep everybody at bay until March 31. Well, Mr. Speaker, what has the Minister of Regional Industrial Expansion been doing since then? Did you hear him announce his long term solution for Quebec's petrochemical industry? Everything was supposed to be settled after March 31. No, Mr. Speaker, the Minister of Regional Industrial Expansion would much rather dabble in international trade than settle the Petromont issue.

Talking about major regional economic projects, Mr. Speaker, whatever happened to the French coal plant? It is another project that has been shelved because this Government does not want to make decisions. We are talking about a $500 million plant, yet the Minister and the Government keep putting off the construction of this plant so vital to the Bécancour region.

Mr. Speaker, the Minister's pitiful performance in the Melchers case is well known. The President of the Treasury Board (Mr. de Cotret) was also against temporary job creation programs—band-aids on festering wounds, he said—but what did they offer to Melchers workers? More of the same, Canada Works! Mr. Speaker, I am sure that the people of Berthierville would not appreciate seeing the Hon. Member for Gatineau (Mrs. Mailly) laugh at their serious problems. The people of Berthierville are entitled to steady and well-paid jobs.

Mr. Speaker, I will not mention the Wabasso fiasco, another horror story. The first thing I heard about when I got up this morning was that Quebec had another problem—550 more jobs lost in Montreal. Stelco will be meeting the unions today and tomorrow to say goodbye. It is as simple as that. Five hundred and fifty people out of a job, who will probably get a severance bonus that the Minister of Employment and Immigration will deduct from their unemployment insurance. Mr. Speaker, this is appalling. This is a government that claims it is very sensitive to regional realities and to the problems of the little man. Mr. Speaker, what is the Government going to offer the workers at Stelco?

Mr. Speaker, this Government is terribly confused, and I am referring to the soft sectors of our industry. The Minister of Regional Industrial Expansion told people in the textile and clothing industry that they were going to be guaranteed a share of the Canadian market. The Minister for International Trade goes abroad and says that the Government is in favour of free trade. Could these two Ministers perhaps get their act together, Mr. Speaker? One is in favour of global quotas, and one is for a totally open market, and then our national "kid kodak", the Prime Minister, went to Bonn and said: We are going to set an example for dealing with Third World countries, and we are going to open our borders to their textiles and clothing. Mr. Speaker, people who make a living in this industry expect some kind of policy from this Government, and that is the kind of concern that exists throughout Quebec.

Mr. Speaker, I could give you some examples, but I would like to summarize the position taken by the famous Ministers from Quebec. Their colleague, the Minister of State for Small Businesses, was speaking on their behalf when he said that the Minister wanted to make it clear that the 10 Conservative Ministers from Quebec were not working for the benefit of Quebec. Mr. Speaker, this is the kind of statement we get from the Minister of State for Small Businesses, who said that for him, Quebec's interests were not a priority. I realize he has a national role, but he was not elected nationally, Mr. Speaker, and he should at least have the decency to acknowledge the concerns of the people who elected him, and his Cabinet colleagues should also make sure that Quebec's concerns get special attention.

Mr. Speaker, I want to take advantage of the fact that the Minister of State for Transport is in the House, and I am sure he is concerned about economic spinoffs for Quebec—

The Acting Speaker (Mr. Paproski): The Hon. Member for Gatineau.

Mrs. Mailly: The Hon. Member referred to the presence of specific Members in the House, and I would also like to say that he is abusing his privilege, because the relevance of his comments is starting to break down.

[*English*]

The Acting Speaker (Mr. Paproski): I do not believe that this is a point of order. The Hon. Member for Shefford (Mr. Lapierre).

[*Translation*]

Mr. Lapierre: Mr. Speaker, I would say that ever since the Hon. Member set foot in the House, ever since September 4, she has done nothing but utter insignificant remarks and interrupt Hon. Members. If she has nothing constructive to say, let her shut up, Mr. Speaker.

What I want to say is that the Minister of State for Transport, whose presence I acknowledge in the House—and I do not think you will object, Mr. Speaker, because the Minister is an important Member of this Cabinet—I want to tell him that I wish he would look into the Canadian North Warning System. On March 23 of this year, *Les Affaires* reported that the Federal Government was refusing to make any commitments or even to examine potential regional spin-offs from the contract to upgrade our Canadian North Warning System, and I am asking the Minister to ensure that Quebec gets its fair share of this defence contract, as has been the case in all major contracts awarded by the Canadian Government, Mr. Speaker. I think we have a whole list of other issues. I could comment on the problems at Air Canada, Canadian National, VIA Rail, Canadair, Teleglobe Canada, the Corporation of the Port of Montreal, the National Film Board, Katimavik, the C.B.C., the Aviation Safety Board, all of which have suffered at the hands of the new Government. Mr. Speaker, regional economic development means ensuring that the interests of Quebec are properly safeguarded. I could talk about the airport at Rouyn, and I know the Minister of State for Transport is very much aware of that airport because he has received a request from the Rouyn-Noranda Chamber of Commerce, and I am sure he will give them a positive answer, but speaking of transport, and of discrimination, there is one issue a Member from Quebec dared to raise, and which he promised to look into, during his election campaign, and that is the toll on the Champlain Bridge. And I am sure, Mr. Speaker, that the Government will honour whatever commitments were made by its own Members. Every week I fall victim to that discrimination of a special tax on South Shore residents, and I am convinced the Hon. Member who made that distinct promise will be able to fulfill it, with the assistance of his colleagues from the Quebec caucus.

But speaking of the Quebec caucus, Mr. Speaker, since you may think I am not an impartial observer I am going to quote from an editorial written by Mr. François Roberge in the newspaper *Finance*, who had this to say: "I do not know whether Quebec is now gaining anything through the good will of the Mulroney Government, but certainly it is losing its shirt on many issues because of the weakness of the Quebec caucus".

Mr. Speaker, that was not written by a Liberal. In that respect, I am convinced that my colleagues opposite will overcome their timidity. They will ask themselves questions. How was it that a matter like the Western Bank was solved within a minute, while matters relating to Quebec have been dragging along since the election? And all of them have such problems in their respective constituencies.

An Hon. Member: Which one?

Mr. Lapierre: Which one? Had we not been here, Mr. Speaker, to raise the example of the Domtar issue, they would have been in for it. That is the kind of defenders we have for Quebec. The Official Opposition has to work double time, twelve or eighteen hours a day keeping an eye on them, because they do not look after their own interests. Which one? There is the Hon. Member for Duvernay (Mr. Della Noce), to whom I want to pay tribute because he is not afraid to speak his mind. There is also of course the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers), but each court has its jesters, Mr. Speaker.

What I mean is if we are to address other matters, let they be farm matters. We know that in Quebec the pork industry is now in serious trouble, for their American friends have put a surtax on them. How can Government Members justify their not reacting violently to a surtax that will put that industry in absolute shambles? I am keeping an eye on them, to see what kind of position they will be taking with respect to the Crows' Nest rates. I am keeping an eye on them in connection with the Canadian Dairy Commission. How is it that not one of them has opposed the $32 million cuts? Where are you, for heaven's sake? This is why, Mr. Speaker, Quebecers and Members in this party are worried because of those 58 silent MP's and we are anxious to see them take some self-assurance and defend Quebec's interests in this Parliament.

• (1250)

[*English*]

The Acting Speaker (Mr. Paproski): Before we get into questions and comments, I want to make sure that Members know that when they are debating, they are not to mention the absence of specific Members in the Chamber. I should read the "blues", but I did not hear the Hon. Member for Shefford (Mr. Lapierre) indicate a particular Member in the House. If he did, he was out of order.

We will now go to questions and comments.

[*Translation*]

Mr. Bouchard: Mr. Speaker, unfortunately, we do not have as much time as the Hon. Member for Shefford (Mr. Lapierre), but in any case, we would not want to try the patience of the House which was especially tested by the intervention of my Hon. friend.

We rediscovered a picture with which the Canadian people have been familiar for many years, that of the nightmare years preceding the coming into power of this Government, and I simply want to remind the Hon. Member for Shefford about the need for the cut-backs which the Minister of Regional Industrial Expansion (Mr. Stevens), along with his other colleagues, reluctantly agreed to apply to a number of worthwhile programs, and we concede to the Hon. Member that some initiatives of Quebec businesses are still as valid as under the previous Government, but unfortunately, the money is no longer there. The funds are no longer there. Of course, it is always the same, but contrary to the previous Government, we

do not claim to be miracle-workers. We cannot make money and we use only what is available.

The definite project called Petromont was not started under this Government. In my opinion, the previous Government cannot consider its record on this matter as a success.

As far as transportation matters, with which I am somewhat more familiar, are concerned, I believe that Quebecers appreciate our realistic approach to those questions, whether we are dealing with Air Canada or Via Rail, where we shall very soon be in a position to restore a number of passenger services, and the Hon. Member is from a region which will benefit from this decision. We are trying to deal with the airports very fairly. As for secondary matters such as tolls, we consider that this special tax, as you call it yourself, was not imposed by our Government and that it would be totally unrealistic to abolish them in the present economic situation. The Minister of Regional Economic Expansion treats all matters related to Quebec with a great deal of fairness and honesty. I believe that he does so under extremely difficult economic conditions which we inherited without asking for them, but we shall have the courage to face them, and I am convinced that in the future the policies we implement will improve the situation of Quebec businesses at least as well as those of the previous Government. We are convinced that they will actually be much more successful.

Mr. Lapierre: Mr. Speaker, I wish to thank the Minister of State for Transport (Mr. Bouchard) for his comments, but I wish also to ask him to please remove his pink-coloured glasses.

Mr. Speaker, I know that I am here to call my hon. colleagues' attention to the areas which are hurting. And the Minister of Regional Industrial Expansion has done enough to brag about.

I wish especially to warn him that, as he is applauding the commendable efforts of his colleague, he should be aware that a proposed automobile plant had been planned in Canada since September 4. And can you guess where that plant ended up? In the Minister of Regional Industrial Expansion's own riding, which is certainly not the poorest in Canada. The point I want to convey to my hon. colleagues is that things are not all white or all black. They are certainly aware that in politics, there are a great many grey areas. I want the Minister to be vigilant and to make sure that Quebec's interests are protected. Also, I am not a veteran in politics, but as one who has been in this House for a number of years, I can tell him that his enemies are not sitting across the aisle from him. We are his opponents. His true enemies are sitting alongside him.

Mrs. Mailly: Mr. Speaker, I should like to make a very brief comment.

The Hon. Member for Shefford (Mr. Lapierre) came in my constituency during the 1984 election campaign to try and help my opponent, the former Liberal Member, Mr. Cousineau, who misused a majority of 38,000 votes on his closest opponent.

The issues that were outstanding are now being solved one after the other. There is the customs clearance issue in which the previous member had taken no interest. A teledetection sector, a high technology field, will be set up in Gatineau, an area which the Liberal government ignored during decades.

An agreement between Ottawa and Quebec has already allowed to develop the tourist industry in the Gatineau riding where unemployment varies between 30 and 40 per cent, a situation about which the previous member had done nothing. Why? As soon as Mr. Cousineau had some interesting plans and contractors came to see him, they were swiped by his colleague Mr. Fox who referred to plants set up in other constituencies. All this shows that the Hon. Member for Shefford (Mr. Lapierre) is a good speaker, but he should remember that politics require some sense of responsibility as well as the showmanship he obviously has.

The Acting Speaker (Mr. Paproski): Questions and comments are over.

[*English*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

AERIAL SPRAYING OF PESTICIDE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Agriculture Canada has approved aerial spraying of Delta Methrin, a pesticide, despite claims by officials in Environment Canada and Fisheries and Oceans that the chemical threatens fish and waterfowl. Delta Methrin has been approved for aerial spraying of grain and potato crops until December 31. The spraying will be allowed only once on each crop this year, and must occur at least 100 metres from water bodies that might be damaged by the pesticide.

The concept of a buffer zone is almost impossible to enforce in eastern Canada and in the northern Prairies. The large amount of surface water and numerous sloughs make it impossible to avoid spraying without affecting water bodies.

S.O. 21

Budget cuts announced last November by the Minister of the Environment (Mrs. Blais-Grenier) stopped a Canadian Wildlife Service study of whether or not aerial spraying of Delta Methrin would endanger millions of waterfowl that start life on prairie sloughs. A partially completed National Research Council review of the chemical was also scrapped. When will the Minister of Agriculture (Mr. Wise) announce that which he has promised several times, the pest management advisory board, so that he may listen to advice on health and environmental consequences from officials of other Departments?

* * *

FORESTRY

IMPORTANCE TO ECONOMY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, Prince Albert, Saskatchewan, was named Forestry Capital of Canada for 1985-86. The honour draws to the attention of the nation Prince Albert's long dependency on forestry and its present contribution to the industry.

Along with other Prince Albertans, I had the honour of welcoming the Minister of State for Forestry (Mr. Merrithew) to Prince Albert. We thanked the Minister for his visit and called upon him to impress upon his colleagues the importance of forestry in our economy, and to recognize that we are dangerously close to a crisis because of government neglect of our forests.

The federal Government spends less than 20 per cent of the funds it receives from the industry on replenishment of the forests and on research into the care of the forests. Our forests are suffering from acid rain, lack of replanting, and lack of intensive silviculture. We are devastating our own future by our neglect of the forests.

Members of the New Democratic Party call upon the Government to pass a national Forestry Act which would establish a legal base for forestry care and an instrument for making sure that our children, and our children's children, will have use of this wonderful resource with which we in Canada are blessed.

* * *

[*Translation*]

WOMEN

HOMEMAKERS' CONTRIBUTION TO THE ECONOMY

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, in the area of social equality between men and women, this Government is fully aware of the problems involved and there is no doubt that concrete actions have been taken and certainly will be pursued further.

As we must point out for the record, Mr. Speaker, it would be an error to underestimate any longer the role of the person in charge of domestic tasks and to ignore her economic contribution, for the only reason that this is, no "employment" as traditionally defined. Homemakers who amde legitimate choices justified by their relationship with their spouses should not be penalized economically because most women now make choices that are different.

Mr. Speaker, more and more men share the following vision, and I quote:

> Equality of women now and in the future is basically the opportunity to chose and the assurance that they are not less privileged than men because of their choice, and they receive for their contribution the same benefits as men, quite apart from the context of "chosen employment".

* * *

[*English*]

WESTERN GRAIN STABILIZATION ACT

REVIEW OF PROVISIONS URGED

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, as prairie farmers know, recent amendments to the Western Grain Stabilization Act introduced by the Government brought about a record interim payment this spring. This $450-million payout was a welcome injection of capital into the western economy, and is allowing thousands of western producers to put seeds into the ground this season.

Looking now to the future, many producers know that the program must undergo further changes if it is to play a more effective role in stabilizing prairie grain farm incomes. I have noted, as have many producers, that the program is not always as sensitive as it might be to regional crop differences. For example, some producers who had bumper crops last season collected the same interim payment this year as did producers who had very poor crops. Yet in other years payouts were not triggered even though it was clear that prairie grain farm incomes in specific regions were in need of a stabilizing influence.

The program has been around for 10 years, and I believe a review at this time could be very healthy. I commend the Minister responsible for recognizing past deficiencies in the program, and for rectifying them. I now call upon the same Minister to continue the process of updating the Act so that the program becomes more relevant to the producers it serves.

* * *

HELSINKI ACCORDS

OTTAWA CONFERENCE—ROLE OF NON-GOVERNMENTAL ORGANIZATIONS

Mr. John Nunziata (York South-Weston): Mr. Speaker, in Helsinki, Finland, in 1975, 35 nations solemnly signed the Final Act of the Conference on Security and Co-operation in Europe. Since that time regular meetings have been hald to review the implementation of the Accords, by the signatory states. At the Madrid conference the former Liberal Govern-

ment invited experts on human rights matters to meet in Ottawa this year.

Many non-governmental organizations have been actively preparing for this conference. These organizations have developed and possess valuable expertise which could be of considerable benefit to the Canadian policymakers. However, the present Government, which said it places great stock in the consultative process, has done very little to ensure meaningful participation by the various NGOs in the formulation of the Canadian delegation's position. The Subcommittee on Human Rights of the Standing Committee on External Affairs held one meeting on eastern Europe, a meeting that was hastily organized and poorly publicized, to receive briefs from the various NGOs. That is hardly adequate preparation for a conference as important as this one.

The promotion of human rights warrants a process through which the concerns of all Canadians would truly be represented. Indeed, this consultative process also requires a permanent forum to monitor and publicize compliance with the human rights provisions of the Final Act. The former Liberal Government was fervently committed to the protection of human rights, not just in Canada but all over the world. The present Government would do well to emulate the distinguished Liberal record.

* * *

NATIONAL HERITAGE

PRESERVATION OF HISTORIC BUILDINGS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, heritage groups throughout the country are looking to the federal Budget, which is to be announced on May 23, for some indication that the preservation of our past in the form of the protection of the buildings and communities of early Canada will be assisted by tax changes, thus making it possible to rehabilitate these buildings and communities.

The city of Winnipeg, the city in which I grew up, contains a downtown commercial area with examples of stone and brick buildings that have been the focus of many restoration efforts. Perhaps less well known are the many examples of warehouse buildings which reflect Winnipeg's role in the opening of the West during the pre-First World War period. These buildings are now being celebrated by the Heritage Winnipeg annual Heritage Preservation Awards which were presented in February.

Given this increasing interest in our past and in our environment, organizations such as Heritage Canada are once again asking the Government to consider renovation as a means of stimulating our construction industry while preserving many of our finest buildings. The Minister of Finance (Mr. Wilson) has every opportunity to give them the assistance they deserve.

S.O. 21

INDUSTRY

PETROCHEMICAL INDUSTRY—CREATION OF EMPLOYMENT

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, Canada's petrochemical industry represents an important and vital part of the economy. Over 200,000 Canadians are directly or indirectly employed by the industry, and in my riding of Sarnia-Lambton nearly 10,000 people are employed by the petrochemical industry.

The success of the petrochemical industry demonstrates Canada's potential in world energy markets. The Western Accord, signed in the new spirit of federal-provincial co-operation, not only demonstrates the Government's commitment to the industry but also fuels desperately needed new confidence in the energy sector. The industry can play an even greater role in the creation of jobs for Canadians.

This spirit of renewed hope and enthusiasm is clearly evident in the unemployment figures for Sarnia released last week. The number of people collecting UIC benefits decreased in April to 11.4 per cent, a decrease of nearly 1 per cent from February, 1985. Undoubtedly we will continue to see a positive seasonal adjustment to the unemployment rate as the positive effects of the Western Accord filter through the system.

* * *

● (1410)

[*Translation*]

HISTORIC EVENTS

BATTLE OF BATOCHE CENTENNIAL

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, we have just been celebrating the centennial of the Battle of Batoche in Saskatchewan, in which the Western Metis opposed the central government's troops. That fight for freedom, under the leadership of Louis Riel, is the symbol of an ongoing fight for the safeguard of the rights of minorities in Canada, and the safeguard of the respect for the various Canadian regions, especially Western Canada.

[*English*]

It is our duty to ensure that justice is done in our time. Louis Riel was a man who sought justice in his own time, not only for his own people, the Métis, but also for all the native people of our country. I wish to salute and thank him for fighting for justice for western Canadians and minority groups.

May we have the courage of our convictions to continue Riel's search for freedom, justice, and respect for all Canadians.

Some Hon. Members: Hear, hear!

S.O. 21

[*Translation*]

FINANCE

THE BUDGET—REQUEST FOR FUNDS TO CREATE JOBS IN QUEBEC

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, this morning we heard the unfortunate news that 700,000 people are on welfare in Quebec. In the press we read that Stelco is closing three of its plants, which will result in the loss of 550 jobs in Quebec.

Mr. Speaker, last Friday the Prime Minister (Mr. Mulroney) was proud of the fact that according to the statistics, the unemployment rate in Quebec was going down, but what he ommitted to say was that instead of being unemployed, Quebecers are now on welfare. The people of Quebec are asking the Minister of Finance (Mr. Wilson) not to cut back on job creation programs and to earmark funds for job creation to get people off welfare.

* * *

[*English*]

POLITICAL PARTIES

NEW DEMOCRATIC PARTY WINS YUKON ELECTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it is very rare that all sides of the House agree on an issue, but I think that today is one of those very rare and special days. I am sure all Members will join with me in celebrating the results of yesterday's election in the Yukon.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Tony Penikett and his NDP colleagues ran a formidable campaign, and will form a formidable Government.

But, despite the fine work of Mr. Penikett, I think he and progressive-minded Canadians everywhere could rightly criticize me if I did not single out for special attention the election role which was played by one Canadian, the Deputy Prime Minister of Canada (Mr. Nielsen)—Yukon Eric.

Some Hon. Members: Hear, hear!

Mr. Nystrom: The Hon. Member for Yukon looked at what the Prime Minister (Mr. Mulroney) did for Frank Miller, and decided that he could not do any worse for Williard Phelps. He was wrong.

The Deputy Prime Minister spent more days in the Yukon during the past few weeks than he has in his entire parliamentary career. He told the people up there that they should vote Conservative because he could offer them good connections in Ottawa. But Yukoners voted for good government, not good connections.

In closing, I hope the Deputy Prime Minister is not too discouraged by yesterday's results—

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

* * *

HUMAN RIGHTS

U.S.S.R.—MANDATORY MILITARY TRAINING IN LATVIA

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, we believe that there is a fundamental right to life for all persons, especially children and youth. Although the Soviet Union signed the Helsinki Accords in 1975, and by so doing pledged to uphold the principles set out on human rights, it continually violates them in Latvia.

Last year the Soviet Union intensified its program of military training in schools. On December 18, 1984, in Riga, Latvia, Iveta Zutere, a tenth-grade student, was mortally wounded when a gunshot penetrated an artery in her neck during mandatory military training. By the time a nurse arrived on the scene, the 16-year-old girl had bled to death.

1985 has been designated as International Year of Youth. It is reprehensible that military training and military exercises using live ammunition are part of the curriculum in high schools in Latvia.

A military order dated September 20, 1984, made it mandatory for all high schools, professional vocational schools, and special middle-educational institutions, to develop Young Soldiers' platoons and batallions. These young soldiers are then sent for active duty in Afghanistan. Clearly, these acts are violations of the Accords, and the Canadian Government would be justified in making the Soviet Union aware of our abhorrence of such actions.

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

ORAL QUESTION PERIOD

[*English*]

FINANCE

CAPITAL GAINS TAX ON SALE OF FARMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance and of the Prime Minister, I would like to direct my question to the Deputy Prime Minister, if he does not feel too insecure today as his base in the Yukon has been severely eroded.

Last July the Prime Minister said in Prince Albert:

A progressive Conservative Government will abolish the imposition of capital gains tax on the sale of farm property for continued agricultural purposes.

That was an important promise for farmers who are generally cash-poor and who look to their land as a potential retire-

ment fund. My question relates to the fact that the promise was made and the farmers, perhaps mistakenly, are relying upon it, which is immobilizing farmland, particularly in western Canada.

Would the Deputy Prime Minister impress upon his colleague, the Minister of Finance, and recall to his mind the promise which was made by the Prime Minister in Prince Albert, to ensure that the abolition of capital gains tax on farmland transfers will be inserted in the Budget?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure that not only as a former Prime Minister but as a former Minister of Finance the Right Hon. Leader of the Opposition would not expect us to speculate on the Budget at this stage.

AGRI-BOND PROPOSAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am not asking the Minister of State for Finance to speculate on the Budget. I am asking her to remind, through the Deputy Prime Minister, the Minister of Finance of the undertaking which was given by the Prime Minister in Prince Albert. By the way, this is the most overdue Budget, in terms of the period between an election and a Budget being brought down, in modern Canadian history.

Would the Deputy Prime Minister remind the Minister of Finance of the undertaking which was given by the Prime Minister in Prince Albert last August that a new style of agri-bond would be make available to farmers with a long term and a low rate of interest? Would he also remind the Minister of Finance that the promise included that the interest rate would not be taxable for purposes of income tax? Would the Deputy Prime Minister remind the Minister of Finance of that particular undertaking which was given by the Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will certainly undertake to continue my discussions with the Minister of Finance and others of my colleagues who are very busily engaged in assisting in the preparation of budget material; so much so that I wish that what the Hon. Member for Yorkton-Melville said about my absence from this place and my presence at home was, in fact, true.

I would recall to the mind of the Leader of the Opposition that it was in 1971, when he was a member of the Cabinet, when the capital gains tax was imposed on farmlands in the first place.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Fair is fair. I will certainly undertake to remind those around me who may need reminding, but I think it is only fair to remind those opposite, particularly the Leader of the Opposition, from time to time of actions which were not taken or of actions which were taken that were harmful to the farmers during his time.

PART-TIME FARMERS' LOSSES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I can understand the Deputy Prime Minister's selective memory. It is true that capital gains taxes were imposed across the board in 1971. But I am sure he would also recall that when I was Minister of Finance I lifted the capital gains tax on the transfer of farmlands from one generation to another in families. He recognizes that.

When the Deputy Prime Minister is in a selective mood, perhaps he could remind his colleague, the Minister of Finance, of the promise of the Prime Minister to lift the limit on farm losses for part-time farmers. When he does that, would he also consult his colleague, the Minister of Justice, who undoubtedly is up to date on his portfolio? The judgment this morning of the Federal Court of Canada in the Graham case defeats the Government's appeal against those part-time losses. Would the Minister get an undertaking from the Minister of Justice that he will not appeal that case and at least restore the position of the farmers?

• (1420)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am glad that the hon. gentleman is determined to undo the damage which he did in the Budget he introduced in the early 1970s.

* * *

TRADE

IMPORT QUOTAS ON BEEF IMPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister for International Trade in the absence of the Minister of Agriculture. I wonder if the Minister for International Trade can confirm press reports that in fact the Government of the day has sold out the beef producers of Canada and is going to increase beef quotas to the European Economic Community from some 5.9 million pounds to 23.5 million pounds? That is a 300 per cent increase above the quotas which the Government imposed in December of 1984, amounting to something like a thousand carcasses a week of subsidized beef coming into Canada, which will have a devastating impact on our agricultural community and on the beef producers. Can the Minister confirm that in fact he has sold out these groups?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can certainly advise the Hon. Member that at no time has this Government, nor will this Government, sell out the interests of the Canadian beef producers.

Some Hon. Members: Hear, hear!

Mr. Kelleher: I can also advise the hon. gentleman that Canadian officials have indeed initialled an agreement with the officials from EC, but under the GATT procedures the

agreement must be ratified by both parties. Therefore I am not in a position at this time to reveal the details of the settlement.

BONN ECONOMIC SUMMIT DISCUSSIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, it seems to me that it is very clear that in fact the Government has sold out these beef producers. This is just a continuation of its policy of abandoning the livestock producers and allowing a flood of subsidized EC beef into the country. Can the Minister say whether the Prime Minister, in his recent meeting with four heads of Government of the European Economic Community, raised this matter? And why was he so unsuccessful in negotiating a lifting of the countervail which the European Community is trying to impose on Canadian agricultural commodities as a result of the Canadian quota? I wonder if the Minister—

Mr. Speaker: Order.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the hon. gentleman that the Prime Minister, in his attendance at Bonn, was not there to negotiate a beef agreement. That was being left with the relevant Ministers. I can advise the House, as I already have, that a settlement has been reached. It is now required to be ratified, and the terms of that settlement will be released in due course.

* * *

EDUCATION

BRITISH COLUMBIA—DISBANDMENT OF LOCAL BOARDS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Justice. A week ago Monday the Government of the Province of British Columbia took the extraordinary action of disbanding the democratically elected Board of Education in Vancouver. Yesterday it went one step further and disbanded a democratically elected Board of Education at the provincial level in Cowichan, British Columbia. Could the Minister of Justice inform the House whether or not he has investigated this situation? If so, has he made any public statement on it?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, as far as my knowledge of the Canadian Constitution goes, education is a matter within the jurisdiction of the provinces. This is a matter involving the educational system in British Columbia. I, therefore, have not investigated the situation, nor do I intend to, unless there is some allegation that somehow, in some way or other, the Government of Canada should involve itself in this matter.

It is a matter for the electorate of British Columbia to decide. It is an educational matter in British Columbia. I do not propose to interfere where no interference by the Government of Canada is required, nor expected, under the Constitution.

REQUEST FOR STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, with respect, and with seriousness, I say to the Minister that what is involved here is not simply a matter of education. It is a matter of fundamental democratic rights. Because the issue is serious I would like to preface my supplementary question by saying that in Cowichan the Board made it clear that it was prepared to administer a program imposed by the provincial Government. What it indicated was that it refused to violate its democratic conscience and own mandate by actually voting in its legislation for that—

Mr. Speaker: Order. I appreciate that the Hon. Member thinks the matter is quite serious, but does he have a question, please?

Mr. Broadbent: My question to the Minister of Justice is this. Considering that a fundamental democratic right of conscience is involved here, would he make it clear that the action taken by the Government of British Columbia, which is to deny the democratic rights of both the board members and the community, is unacceptable both in British Columbia and anywhere else in Canada?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, this Government intends to observe the Constitution which governs Canada. We are a federal state. Our predecessors, and the hon. gentleman, might take the position that this is a unitary state and that the federal Government has the right to interfere everywhere. We do not take that position.

This is a matter having to do with the school system of British Columbia which is up to British Columbians to decide in the usual way. If they disagree with the policy, there will be an election in British Columbia in the next several years and the matter will ultimately be decided in that way. I do not feel that there is any place for interference which would only exacerbate the situation in British Columbia.

Mr. Broadbent: Mr. Speaker, we are a federal state with a Charter of Rights with a preamble which commits everyone to fundamental democratic rights. I say that to the Minister of Justice as well.

FEDERAL POSITION

Hon. Edward Broadbent (Oshawa): Considering that this House, including the Minister's own Party when it was on this side of the House, joined in joint resolutions which have as their force moral leadership, not simply constitutional divisions of power, does the Conservative Government of Canada agree, or disagree, with this denial of basic democratic rights in the Province of British Columbia?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): I am surprised, Mr. Speaker, that the Leader of the New Democratic Party in British Columbia

needs to call upon the Leader of the New Democratic Party here in the federal Parliament for assistance.

My answer to the hon. gentleman is that we are only going to interfere in matters which are within our jurisdiction. We have a Charter of Rights. Any citizen of British Columbia who believes what the hon. gentleman believes, can take action in the courts, and the Charter of Rights in the courts will be there to protect him if the Charter has been violated. Go to the courts where you should be going, not grandstanding in the House of Commons which has no jurisdiction.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

STEEL INDUSTRY IN QUEBEC

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

The Minister is no doubt aware that Stelco, the biggest steel company in Canada with headquarters in Toronto, is about to close three of its plants in Quebec, which means permanent lay-offs for about 550 employees. In view of this threat, I want to ask the Minister what kind of assistance his department would be able to provide immediately to Stelco, first to prevent a situation where hundreds of families would be without an income, and especially to ensure the viability and growth of the steel industry in Quebec.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, we, of course, noted the news account on which the Hon. Member is presumably basing his question. We got in touch with the Stelco executives and they have indicated that to date no firm decision has been made. They want to have certain discussions, and until they have their position clearly identified I think it is very difficult for the Government to respond to the Hon. Member's question.

● (1430)

[*Translation*]

FUTURE OF EMPLOYEES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, that is not the information we have on this side of the House. In fact, we believe the company will be announcing the shut-downs very shortly, and I hardly think the Minister's remarks are going to reassure my constituents.

I will try again with the Minister of Labour, and ask him, assuming the worst scenario, if he would be willing to provide employees who would be laid off with pre-retirement benefits, under the appropriate legislation. Actually, I am asking him to let us know whether he would be willing to designate the steel sector in the Quebec region, so that these workers, if they are laid off, could benefit from pre-retirement provisions.

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member's entire question is hypothetical and it would be unreasonable to expect anyone to answer a hypothetical question at this time in the House.

* * *

CHARTER OF RIGHTS

PAYMENT OF LITIGATION COSTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice. Last week he suggested it would be the height of idiocy for the Department of Justice to pay its own legal costs for the very important court action by Operation Dismantle, which action established the fundamental principle that Cabinet decisions are subject to the Charter of Rights. Having consulted with the Prime Minister, will the Minister reconsider his initial response and agree at least to absorb the Government's legal costs, and not effectively cripple Operation Dismantle in its very important work for peace and disarmament?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, Operation Dismantle took action against the Government to stop the testing of the unarmed Cruise missile in Canada. That is the reason they took the action, not to establish some principle as to whether the Cabinet of Canada was subject to the Charter of Rights or otherwise. Let's get that clear.

There are two situations here. One is that the Supreme Court of Canada has ordered that Operation Dismantle should pay the court costs of the Government. That question is under consideration. The court costs could possibly amount to something like $15,000 if they were taxed. The question the hon. gentleman referred to was whether we would pay the legal costs of Operation Dismantle for this action, and my answer is no, we are not going to pay the legal costs of Operation Dismantle or any other group which takes action against the Government on such frivolous grounds as this. The Supreme Court of Canada found the claim to be thin and frivolous, that there was no claim disclosed by the Statement of Claim, and we are certainly not going to pay the costs of that.

Mr. Speaker: Order, please.

Mr. Robinson: Mr. Speaker, the Minister has a strange definition of frivolity when the Supreme Court of Canada said there was a fundamental principle at stake here.

Oral Questions

FUNDING OF COURT CHALLENGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, during the last federal election campaign the Prime Minister gave a solemn undertaking to provide financial assistance to groups such as the disabled, women's groups, and others, to pursue Charter challenges on important questions of national concern. In view of the fact that April 17 has come and gone and the promise is unfulfilled, when is the Government finally going to stop stalling on this important promise and ensure the Charter of Rights is available to all Canadians, including those citizens in British Columbia whose school boards were undemocratically wiped out, and make the promise a reality so that the Charter will have teeth and there will be funding in place?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, there is a Charter of Rights here in Canada. It is alive and doing well. Any citizen or any group can apply to the courts if they believe they have a case under the Charter. They do not require financing by the Government. If they believe they have a good cause, they can find the money for that cause. That, Mr. Speaker, is the way it is and always has been in our country.

In the meantime the Government is considering whether or not to expand the present policy, which deals with assistance regarding bilingualism policy, to cases of national significance which affect the equality rights in the Charter, or otherwise. When that review is completed an announcement will be made. In the meantime I do not believe there are any pressing cases at the moment which have to be dealt with, but the principle will be announced as soon as we are finished our consideration of it.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC PETROCHEMICAL INDUSTRY—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister knows that, during the election campaign, his leader made a personal commitment to save Quebec's petrochemical industry. The Minister himself authorized a $15 million payment to Petromont to keep the company afloat until March 31. March 31, that was a month and a half ago, closer to two months. I would like to know whether the Minister can tell us what measures he has in mind in the case of Petromont and the Quebec petrochemical industry so as to find the long-term solution promised by his Government during the election campaign.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member undoubtedly knows, it is not a question of finding a long-term solution for the petrochemical industry in Quebec; the problem is to find a long-term solution for the petrochemical industry in Canada. Perhaps the Hon. Member will be pleased to know that we have been meeting with representatives of that industry. We have, of course, included in our discussions representations from the industry in Quebec, in particular from the Quebec Government. I want to assure the Hon. Member that in our view it is a Canadian petrochemical industry long-term solution that we are seeking and we believe we can achieve.

[*Translation*]

FUTURE OF QUEBEC PETROCHEMICAL INDUSTRY

Hon. Jean Lapierre (Shefford): I have a supplementary question, Mr. Speaker.

I appreciate the Minister's arguments, but what I want to know is how many months or how many years will the Minister need to find a solution? I would like to know whether the Minister has received the Bechtel report on the petrochemical industry and whether he has heard concrete proposals from the Quebec Government concerning the future of the provincial petrochemical industry?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member's party led us into this problem in the past decade; surely they will give us a few months to lead the country out of the problem.

* * *

DECENTRALIZATION

PROPOSAL TO PLACE MAPPING INSTITUTE IN SHERBROOKE, P.Q.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of State for Mines.

[*Translation*]

As we recall, the Right Hon. the Prime Minister made an election promise to the people of the Eastern Townships last July 24. He promised the establishment of a cartographic institute in Sherbrooke.

Here is my question. Can the Minister, as Minister of State (Mines), now assure the House and particularly the residents of the Eastern Townships that his Government will live up to its election promise and free the funds required for Sherbrooke's cartographic institute?

[*English*]

Mr. Della Noce: Have you ever been in Sherbrooke? Do you know where it is?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, this has been raised on a number of occasions over these past months. There was a discussion yesterday in the adjournment debate, and it is on record in *Hansard*. The Government has not taken a decision on this project, and it becomes one of

those major projects to be reviewed, along with others, by the task force and by Cabinet, so that the fiscal disorder we found can be corrected.

[*Translation*]

INQUIRY WHEN DECISION WILL BE MADE ON LOCATING INSTITUTE AT SHERBROOKE

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary question, Mr. Speaker. The Prime Minister made an election promise on July 24. I am talking about 400 jobs for the people of Sherbrooke, eight months have gone by since then, and all I want to know is when the Government will make that decision on behalf of the people of Sherbrooke?

[*English*]

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, the problem has been produced by the Liberals over a period of 10 years.

Mr. Nystrom: When?

Some Hon. Members: Twenty years.

Mr. Layton: Twenty years, I am advised by my colleagues. I can assure the Hon. Member that this will be one of the subjects discussed in the near future as the Budget is presented.

* * *

LABOUR RELATIONS

STRIKE IN STEEL INDUSTRY

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of Labour. Atlas Steel, Canada's major producer of stainless steel, is on strike in both Welland, Ontario, and Sorel, Quebec. Because of the importance of that industry to Canada's economy and international trade, and considering the welfare of the workers in my community of Welland, I wish to ask the Minister if he has any plan for the development of a strategy to outline new ways of uniting management and labour the better to meet today's challenge in the steel industry.

● (1440)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I cannot comment on the industrial dispute to which the Hon. Member referred. However, in response to the latter part of his question, I can refer him to a steel conference which took place in Sault Ste. Marie last weekend, put together by Labour Canada with the assistance of our colleagues from the Departments of Employment and Immigration, and International Trade. We brought together 50 representatives of the largest industrial union in Canada, the United Steelworkers, and 34 leaders in management from all the leading steel companies in Canada, including the one to which the Hon. member referred.

That group broke into four separate sections to explore, among other things, offshore imports, fair trade with the United States, technological change and its impact upon industry, the status and future of the steel industry, and the requirements—

Mr. Speaker: Order, please. The Hon. Member for Renfrew-Nipissing-Pembroke.

* * *

NATIONAL DEFENCE

LOW LEVEL AIR DEFENCE CONTRACT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. In his low level air defence announcement of May 8 the Minister stated that two of the companies on the chosen list were from Switzerland and one was from Sweden. Neither of those is a NATO country, and not all of the equipment has been proven or established. Indeed, the missiles are all new to NATO countries in Europe. It is crucial that an anti-aircraft gun, missile, and electronics system, blend with those of our NATO allies.

How does the Minister of National Defence justify to our NATO allies that his Conservative Government has selected non-NATO countries for the entire short list to produce a low level air defence system? How does he explain his acceptance of certain non proven equipment, when he and his Conservative colleagues advertised for an established or proven system? Is this why the $600 million project ended up back on the Prime Minister's desk?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is not back on my desk at all. The announcement was made in the House of Commons last week, I believe. I thought the Hon. Member was here, but perhaps he was absent at the time.

It is not uncommon for allies within NATO to acquire their equipment from outside the alliance. This goes on all the time, as it has for years. In this particular instance I was very gratified to be able to say that a very minimum of 70 per cent of the requirement in fulfilling the LLAD commitment—

Mr. Speaker: Order, please. Order, please! Supplementary question.

Mr. Hopkins: Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hopkins: Thank you, Mr. Speaker. I like your civility much better than the new civility brought in by the new Government.

Some Hon. Members: Hear, hear!

Mr. Hopkins: I said it was back on the Prime Minister's desk, not the Minister's desk. I would not want him to get that promotion yet.

NATO REQUIREMENTS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, it is a well known fact that the Swiss Defence Department has not purchased a system made in its own country, but has opted for the Rolland Missile System which is made by a French and a German company and is used by many of our NATO allies.

Is the Minister of National Defence willing to assure all our NATO allies, without any equivocation whatsoever, that any one of these three non NATO country proposals will meet the NATO requirements for standardization of equipment, and the NATO requirements—

Some Hon. Members: Order, order!

Mr. Speaker: Order, please. Order, please!

Mr. Forrestall: I never said a word.

Mr. Speaker: Then why can I hear you?

Mr. Forrestall: Not me.

Mr. Axworthy: Because he was shaking his head.

Mr. Speaker: I think the Member's question was long enough. The Minister may want to answer the question that has been asked.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the question of the Hon. Member would require quite a complex answer. In a word I can tell him that the very high standards of our NATO allies will be met. It will not be the first time that Canada's Armed Forces have led the way in new ventures, new fields and new technology. That has been quite seriously submerged in the last 12 years. However, we intend to rectify that and raise those standards in the hope that in this particular instance we will be providing a lead for our NATO allies.

* * *

INDUSTRY

WHITE FARM EQUIPMENT COMPANY—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister responsible for DRIE. Tomorrow the President of White Farm Equipment will be meeting with DRIE officials, possibly for the last time before the June 14 deadline. Peat Marwick is advertising all over Canada, and I believe in the United States, to sell off the assets of White Farm Equipment. In view of that, is the Minister prepared to come to the financial rescue of White Farm to save 600 jobs in Brantford, and possibly another 400 jobs across the country?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member certainly knows, we have been having discussions with Mr. Sinclair. We have been having discussions with others who have indicated an interest in possibly acquiring the company, or certainly the assets of White Farm. In short, we have been trying to facilitate a viable takeover of the White Farm operation to ensure that it may continue.

AUCTION INQUIRY

Mr. Derek Blackburn (Brant): Mr. Speaker, would the Minister guarantee the House that the federal Government will not sit back in the final analysis and allow White Farm Equipment to be sold off piecemeal on the auction block, but rather that it will be preserved as a viable farm implement operation?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if the Hon. Member reads in *Hansard* the answer I gave to his first question, he will see that his supplementary question has already been answered.

* * *

VIA RAIL

EXTENSION OF NEW BRUNSWICK SERVICE

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is directed to the Minister of Transportation. As the Minister is aware, VIA Rail has announced its intention to discontinue the dayliner service between Fredericton and Saint John, New Brunswick, on June 1 of this year. The Minister must also be aware that Saint John is hosting the Canada Summer Games, and that Fredericton is celebrating its bicentennial as the capital of the Province of New Brunswick and centre of the universe.

In view of these two important events, will the Minister consider extending the life of the dayliner, at least until September?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would like to thank the Hon. Member for his question, and also for the numerous representations he has made on behalf of his constituents and all of those who are affected by this service.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Yes, Mr. Speaker, I have considered the representations that have been made. Accordingly, I have asked VIA to extend the service until September 15.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: That will provide for a morning departure from Fredericton and an afternoon return from Saint John.

* * *

● (1450)

UNEMPLOYMENT INSURANCE

REQUEST FOR EXTENSION OF BENEFITS FOR FISHERMEN

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I, too, am after an extension of a season. I hope I have as much luck with the Minister of Employment and Immigration as my colleague had with the Minister of Transport.

I remind the Minister that tomorrow is the cut-off date for unemployment insurance for fishermen. After tomorrow they cannot collect. The Minister knows that the ice blockade is still around the shores of Newfoundland and the coast of Labrador. It has been there for a long while. As a matter of fact, this is the third year that it has happened.

As she knows, there are thousands of small boat fishermen who cannot fish and earn a living. In view of the fact that this has persisted, will she bring forward an amendment to the Unemployment Insurance Act to treat fishermen like all other workers, and prolong unemployment insurance benefits until such time as the fishing season begins?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to advise the Hon. Member that I am indeed very well aware of the situation. We have been monitoring it on a day by day basis. We know that the ice situation has been very heavy this year.

I want to advise him that the final unemployment insurance cheques will be issued on March 21—

Mr. Lapierre: March 21?

Miss MacDonald: May 21. I want to advise the Member that we are working very closely with the Department of Fisheries and Oceans to see what additional moves should be taken in this regard. But that decision will not be forthcoming for a few days.

SPECIAL FUND SUGGESTED

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, can the Minister give us an assurance that if the situation still persists after March 21—

Some Hon. Members: May!

Mr. Rompkey: See what effect the Minister has on the House, Mr. Speaker. Will she ensure that there is a special fund set up, as was done in past years, in order to ensure that that income for fishermen will continue until such time as the ice goes and the fishing season can begin?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I realize that the Hon. Member and I are in the same category today, looking at March as May, but I want to assure him that I will make every effort to follow the situation in the next few days and I will make an announcement with regard to the situation by the 21st.

* * *

VIA RAIL

CONSTRUCTION OF DOUBLE-DECKER CARS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. The decision to replace VIA's outdated and expensive rail cars with new double-decker cars was made several months ago, to the applause of many. However, the workers in my riding who would be involved in the construction are still waiting for the contracts. The railroad groups and consumers of Canada are still waiting for the contracts.

Now, we find that the awarding of these contracts has been put on hold on account of the upcoming Budget, and these groups are naturally truly concerned that the hackers and choppers in the Cabinet will destroy this program like they have done to others. Will the Minister give us his guarantee that the Government will live up to its commitment and bring in the revitalized rail program that he announced in January?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can assure the Hon. Member that we are committed to revitalizing rail passenger service, and we are also committed to bringing in new equipment. The Hon. Member will just have to wait a little longer before a formal announcement will be made with respect to the ordering of equipment.

AWARDING OF CONTRACTS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, is the Minister aware that the delay in the awarding of these contracts could well lead to layoffs during the retooling phase for the plants involved? Will he move to avoid this unnecessary hardship by awarding the contracts at once?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, yes, I am aware of all of those implications. Quite frankly, however, we intend to build the cars in Canada. We intend to spread the business throughout all regions of the country, at least to the extent that that is possible. Taking those matters into account, it requires a certain amount of preliminary work before the orders can be placed. I am sure that the Member will not be disappointed when the final decision is taken.

[*Translation*]

EXTERNAL AID

UTILIZATION OF SMALL PORTS

Mr. Albert Girard (Restigouche): Mr. Speaker, my question is for the Minister of External Relations.

Since the Canadian International Development Agency grants each year hundreds of million dollars in aid to Third World countries which then purchase goods and service from Canadian businesses, would the Minister specifically ask CIDA to change its policies and practices so that small sea ports such as Belledune, Saint John, Dalhousie, Rimouski, Churchill and Vancouver can be used to ship goods to developing countries as this would give an opportunity to small- and medium-sized businesses to bid for the supply of finished and semi-finished goods, as required under those assistance programs for Third World countries?

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I want to thank my colleague for this very important question. I can tell the House that I have already asked my officials to report on the purchasing and transport practices for all projects financed by CIDA. I have also asked for a report on the pros and cons of regrouping at a single port the goods to be shipped, and I have asked that information be made available to all cities and municipalities so that the businesses you have just mentioned can take advantage of our programs. I am waiting for the results of this review and I shall be happy to keep you informed.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

PESTICIDE STUDIES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister knows, or should know, that pesticides seriously endanger the environment, particularly fish, waterfowl, the quality of water, and ultimately human health.

The Minister's announcement last November brought to a grinding halt a number of studies on the environment, on the effect of pesticides, particularly on the water environment and the elements I have mentioned. Is the Minister willing to restore the budget of the Canadian Wildlife Service so as to permit the continuation of these studies?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, as the Hon. Member is interested in the use of delta-metryl as a pesticide in agriculture, I can tell him that I have been informed by my officials that they approve the controlled use of this pesticide and have so advised their Department of Agriculture colleagues.

[*English*]

OFFICIALS' ADVICE

Hon. Chas. L. Caccia (Davenport): Evidently, Mr. Speaker, the Minister does not realize that the views of her officials have been completely overruled. Therefore I will direct my supplementary question to the Minister of National Health and Welfare. I know that the Minister is very keen on the effectiveness of his Department in implementing its mandate.

Considering the fact that in recent months his officials have been overruled twice by the Minister of Agriculture, in the case of Alachlor and Delta Methrin, which are very powerful pesticides, what action does the Minister intend to take to prevent this from happening in the future?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I should tell the Hon. Member that it is not a matter of overruling. He will know, from his own experience when he had the responsibility, that there are discussions between the various Departments and Ministers. Those discussions are carried on between the Minister of Agriculture and myself. Obviously there is a concern at any time in regard to the use of pesticides, but that must also be balanced with cost benefits. I think he is aware of that as well.

* * *

INDUSTRY

MITEL CORPORATION—BRITISH TELECOM TAKEOVER OPTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have another question about the British Telecom proposed takeover of Mitel. Is the Minister aware that, as an alternative to taking 51 per cent of the shares of Mitel, thereby taking control of the second largest telecommunications company in Canada, British Telecom has an unconditional option to take only 18.5 per cent of Mitel, which will leave control in Canada? In view of that option, which is clearly a fallback position for British Telecom, will the Minister not intervene to negotiate that British Telecom only takes that much of Mitel, so that control of this important company can stay in Canadian hands?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, we have not received any formal notification, or certainly any application with respect to the FIRA process, concerning this transaction. I can only tell the Hon. Member that when we get the detail about the nature of the proposal, we will look at all of the alternatives and act in the best interest of Canada.

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in view of the fact that the 18.5 per cent option would give the benefit of a link-up with a major company in Britain, without the loss of Canadian ownership, will the Minister undertake that that will be the first option considered by the Government, rather than giving up control of Mitel to British Telecom? Then it

could in fact stay in our hands here in Canada, where it was born.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I have indicated to the Hon. Member that we have not seen the provisions of the agreement, and I am very interested to hear how he fancies himself as a business consultant.

* * *

• (1500)

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, May 13, 1985, meet the requirements of the Standing Orders as to form.

Order, please. Order, please.

I am in receipt of a verbal notice of a Question of Privilege from the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins).

* * *

PRIVILEGE

DISRUPTIONS DURING QUESTION PERIOD

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, it is quite obvious today from Question Period that the large numbers of Members in this Government are purposely trying to disrupt Question Period and to prevent those in the Opposition from putting their questions.

Some Hon. Members: Hear, hear!

Mr. Hopkins: I am well reminded, as are all in this House, that the present Prime Minister (Mr. Mulroney) promised that he was going to bring new civility into this House. If today is any example of that, then it is time someone left this House.

Some Hon. Members: Oh, oh!

Mr. Hopkins: Not only was I not allowed to put my question without a lot of shouting and clamouring and, you, yourself, had to intervene on two occasions—

Some Hon. Members: Oh!

Some Hon. Members: Shame!

Mr. Hopkins: —then, before I had my supplementary question completed, as a result of all this, you, Mr. Speaker, cut me off in Question Period.

Some Hon. Members: Shame!

Mr. Hopkins: I am quite willing to stand here all day if the groaning wants to continue, Mr. Speaker. The people of this country have to know that the new civility in the House of Commons is not working. If we are going to carry on a Question Period, there has to be some decency extended to Members who have the floor. No one can speak on the floor of this House if everybody is shouting, and screaming and the Speaker is interrupting; which takes up the time of Question Period.

I hope that you will have a very firm hand when this happens in the House, Mr. Speaker, and that you will ensure that the time lost by a Member standing in his place waiting for shouting Members to be quiet is not deducted from his question time.

I thank you, Sir, for intervening a couple of times, but I only wish you had given me time to complete my supplementary instead of cutting me off because of the rabble-rousers across the way.

Mr. Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) wish to respond to the same question of privilege?

Mr. Deans: Why don't you just leave it alone?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as you can see, the hooting and hollering is not only one way now. Members of the Official Opposition apparently do not want to hear what I have to say on this important topic.

I share the concern of all our Members with respect to the decorum in this place. I think the question raised by the Hon. Member is one which in technical terms is more a point of order in terms of our procedure. I rather suspect that from time to time you are obliged to stand in your place for the very purpose of bringing order, Mr. Speaker, so that both questions and answers may be heard by Hon. Members, including yourself, Sir. I know that the Deputy Prime Minister, the Minister of National Defence (Mr. Nielsen), heard all of the question and the supplementary posed by the Hon. Member. I think the record will show, if not the electronic record, that he attempted to deal with the question in a serious and forthcoming manner.

In terms of the matter that has been raised, Sir, I think all Members understand that it is important for both questioners and those who are giving answers to have the courtesy of the House. Some of us who have been here for a while understand that enthusiasm on important issues sometimes causes an exchange that is not part of the official record. I hope that since the Hon. Member has raised this matter he will deal with his own colleagues in his own Party. I can assure him that I will deal with Members in this Party on the government side to make sure that the common and usual courtesies are extended to all Members. I think that this matter is one we should all pause to consider; and I am glad the Hon. Member raised it in this context. As I say, it is a matter on which Parties on both sides can take advice from the Hon. Member and myself.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to make a brief comment on the important point raised by the Hon. Member a few moments ago.

There is a fundamental obligation on the part of all Members of this House to enable points of view to the expressed, to be heard, and to enable responses to be given and to be heard. I respectfully suggest, Mr. Speaker, that today in particular Members on the Government side of the House overlooked this important point. I urge you, Sir, in the carrying out of your very difficult duties to make sure in particular that Members on the government side do not take the view that somehow or another they were elected to form a one-Party state and use the numbers that they may have for the time being to prevent Members on this side of the House from being heard. In not being allowed to be heard they are prevented from carrying out the duties for which they were elected, duties all too necessary because of the way Members on the government side are overlooking the basic courtesies and responsibilities so important in this Chamber.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I had not thought it necessary to rise on this point other than to say one thing. It would be nice if we could have what the Hon. Member for Renfrew-Nippissing-Pembroke (Mr. Hopkins) was asking for. Let us face it. The problem lies on all sides of the House and cannot be solved either from the Chair or by the House Leaders. It can only be solved if the Members show some discipline and some understanding of each other.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think all Members know that I agree absolutely with the sentiments that have been raised, particularly the comments made by the Hon. Member for Hamilton Mountain (Mr. Deans).

If I inadvertently misheard the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) and cut him off in the middle of a question, if is because I thought he had completed at least the first part of his question and was proceeding to a second part. If I misheard him, I owe him an apology and I am more than happy to extend it to him.

May I simply say this. I have tried to tell the House occasionally how much time we are losing in Question Period because of the continual noise. I have also tried to tell members of all Parties that, in my view, the problem lies with members of all Parties. I have also tried to tell Members that in the end it is the Members' Question Period, and if the practice in which we have begun to indulge continues, it is not the Speaker that will lose, it is the Members of the House themselves. Therefore, I beg of you to help yourself and bring Question Period back to where I think we all want it to be.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF PAPER ON INTERNATIONAL RELATIONS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 46(2), I rise to table, in both official languages, the Government's green paper on International relations entitled Competitiveness and Security: Directions for Canada's International Relations.

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PARLIAMENT

TABLING OF REPORT ON REVISED SALARIES OF MEMBERS OF PARLIAMENT AND SENATORS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 46(1) I have the honour to table in both official languages copies of the report of the commission set up to review salaries of Members of Parliament and Senators, which should be referred to the Standing Committee on Management and Members Services pursuant to Standing Order 46(4).

* * *

PETITION

HUMAN RIGHTS VIOLATIONS IN CZECHOSLOVAKIA AND ROMANIA

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I am honoured today to be able to present to the House a petition on behalf of concerned Canadians, many of whom are of Hungarian origin, regarding well-documented human rights violations in Czechoslovakia and Romania. These violations have been aimed at the Hungarian minority living in both countries and have included the closing of Hungarian schools, imprisonment of Hungarian dissidents and curtailment of cultural activities. The facts have been documented in the British journal *The Economist* and the situation was seen by the European Parliament in Strasbourg to be—

• (1510)

Mr. Speaker: The Hon. Member knows that he may make only a brief summary of the petition, not a reading, no matter how serious the situation is. I appreciate that it is a serious subject.

Mr. Witer: The petitioners petition this House and the Canadian Government to issue a clear statement of condemnation of these acts and that the countries involved be made aware of our abhorrence of such actions. I hereby submit 10,000 petitions in support of such a statement by the Canadian Government.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 71 will be answered today.

[*Text*]

PENSIONS

Question No. 71—**Mr. Nunziata:**

Does the Department of the Solicitor General or agencies under his responsibility, currently employ individuals now in receipt of a pension from the public service, the Canadian armed forces, the RCMP or other service to the Crown in the right of Canada and, if so (a) how many (b) in which agencies are they employed (c) what are the total salary expenditures?

Hon. Elmer M. MacKay (Solicitor General of Canada): (a) and (b) Ministry Secretariat 8 (Employees—one under contract); National Parole Board, one (board member); Royal Canadian Mounted Police, 59 (public servants and 195 members of the RCMP); Canadian Security Intelligence Service, 7 (employees); Correctional Service of Canada, 5 (employees under contract).

(c) Ministry Secretariat, $296,604; National Parole Board, GIC-5, $58,620 to $68,990; Royal Canadian Mounted Police, $7,630,600; Canadian Security Intelligence Service, $201,500; Correctional Service of Canada, $72,750.

[*Translation*]

Mr. Dick: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: The question mentioned by the Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—REGIONAL ECONOMIC DEVELOPMENT

The House resumed consideration of the motion of Mr. Axworthy:

That this House condemns the Government for undermining the will of Parliament and the Legislatures by failing to use industrial, decentralization, agricultural, transportation and equalization policies as well as its Crown Corporations to further economic development in all communities across Canada.

Supply

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am quite pleased to rise in the House and to deal perhaps in a somewhat brief but no less confident way with the rather unexpected issue we must address today. The purpose of this ill-advised motion is to condemn the government for undermining the will of Parliament by failing to use equalization policies to further economic development; that is in part how the motion moved by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) reads.

Mr. Speaker, I strongly object to this motion which I find without either rhyme or reason. Moreover, I find it passing strange and somewhat paradoxical that a few weeks after having fully debated in this House Bill C-39, to provide for the making of supplementary fiscal equalization payments, and at a crucial moment when the Standing Committee on Finance, Trade and Economic Affairs is called upon to consider this equitable and fair legislation, that the author of this bizarre motion has the audacity to put forward such a motion, or perhaps is it due to a lack of understanding of the Parliamentary system.

Since he appears so anxious to deal with the subject-matter of Bill C-39, I hope to meet him shortly during the forthcoming meetings of the Standing Committee on Finance, Trade and Economic Affairs, if his party appoints him as a substitute for the next few weeks. I am really eager to see him get together with his friends, the members of the old guard of federal politics, the self-appointed champions of Manitoba interests, who have the gall to condemn the government of Canada for providing Manitoba with $115 million in total supplementary fiscal equalization payments.

I ask myself, and you as well, Mr. Speaker, whether the Government . . . and I quote:

[*English*]

Has the will of the legislators been undermined by this measure?

[*Translation*]

And when, immediately before that, reference is made to equalization payments, are these also against the interests of Manitoba? The Premier of that Province certainly does not agree with the Hon. Member for Winnipeg-Fort Garry, because he quite freely and aptly said, and I quote:

[*English*]

I think it is a good step for Manitoba.

[*Translation*]

To my knowledge, the Hon. Pawley is not known to be a Liberal.

What about the *Winnipeg Free Press* editorial of April 3, which bluntly stated that this was, and I quote:

[*English*]

Ottawa's fair decision.

[*Translation*]

—and had this to say about what our distinguished Minister of Finance said, and again I quote:

[*English*]

The federal Finance Minister got it right.

[*Translation*]

Mr. Speaker, while I am not a regular reader of that excellent newspaper, would it be that the editor himself is also wrong, that he also thinks that the federal Government's intention, as mentioned by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), while thus supporting the highly worthwhile nature of extra equalization payments, or would there still be confusion in the mind of Manitoba's Premier, in the mind of the Manitoba newspaper editor, or again in the minds of the very large majority of Members in this House who wholeheartedly approved the Bill on additional equalization payments a few weeks ago? Or would it be more likely that such blatant confusion would rather lie in the clustered mind of the sponsor of that dismal motion? It goes without saying that I entertain doubts as to the seriousness of that motion as put forward.

Mr. Speaker, the sponsor of that motion has shown his personal lack of understanding, even his party's lack of understanding of the inherent complexity of social policies. Without any reference to his own concept or that of his party, Members of this valiant Government team fully realize that notwithstanding the essence and importance of equalization programs, these transitional measures and their additional adjustment measures have never been, are not and will never be indirect instruments of economic development.

Let us therefore recall, to clarify the nebulous and esoteric points made by the Hon. Member for Winnipeg-Fort Garry, a few functions related to that equalization. Certainly this will help understand the facts.

Again I beg for your patience while I state once more that basic principle underlying equalization programs and their possible adjustments. The aim is to make sure that all Canadians have access to quality public services reasonably equivalent under reasonably comparable taxation measures. This essential definition was originally recognized and confirmed in successive equalization programs and the implementation of temporary programs. It was also largely complied with when the Minister of Finance (Mr. Wilson) set the additional equalization payments provided in Bill C-39.

Moreover, Mr. Speaker, an additional lump sum adjustment was considered necessary by this government to correct a situation entirely created by a defective legislation passed under the previous government in 1982. Since the supplementary voluntary payment has been decided on a moral basis by the present government as a result of substantial changes in the assessment of basic criteria of the temporary formula, namely the changes in growth rate, the energy crisis, the fluctuations of inflation, it has been clearly established that the temporary steps as well as the original formula had become inadequate. The setting up of a new and complex equalization formula will be discussed later when the government will have heard and exchanged views with all those concerned in the consultation process which will soon begin in order to come to an agreement on March 31, 1987. The bill will then be debated in the House of Commons.

Let us remind the essence of Bill C-39 so that members of this House may be aware of the decisive reasons and the courageous measures undertaken by our Government to make sure that all Canadians enjoy a fair treatment within the Canadian confederation.

Since the great change which occurred on September 4 last, the very responsible Government which we represent as well as possible has been deeply concerned about the severe reduction of equalization payments, especially to some provinces. This drastic reduction was the result of the transitional measures spread out over three years which guaranteed adjusted payments on the basis of a shaky program extended through the use of a financial crutch to alleviate somewhat the expected catch-up necessary by the projected evolution of financial conditions in a given period in 1982. Indeed, these transitional measures had been developed by the administration of which the mover of this motion, which is at the very least paradoxical, was a member.

As they say in English, it is the pot calling the kettle black. If I may suggest a very free interpretation of this saying, another way to put it would be that people in stone houses should not throw stones.

• (1520)

An Hon. Member: In glass houses.

Mr. Lanthier: People in glass houses should not throw stones. I stand corrected. This new Government of change, in a spirit of fair play and equity, in spite of the serious deficit unfortunately inherited from the previous Government and the mover of today's motion, obviously realized that it had a moral duty to provide additional assistance under the other existing programs, even though it had absolutely no legal responsibility to do so.

The cheeky Member for Winnipeg-Fort Garry (Mr. Axworthy) has accused our Government of not giving high enough priority to the equalization program. Through you and with your permission, Mr. Speaker, I would like to tell him that it is precisely because our Government gives all the priority required to the equalization program and the conditions in certain provinces that we made sure to provide additional payments proportional to their functional needs and our reduced ability to pay.

Our Government therefore acted quite responsibly in a very healthy spirit of national conciliation and exemplary co-opera-

tion, two qualities which are quite new at the federal level. The electoral decision of last September was quite clear: The voters had enough of this mish mash of systematic confrontation and organized discord! We now work in a harmonious climate which is quite appropriate in a federal administration. We sincerely believe that this new reality has not been fully understood yet by the Members opposite, especially the Hon. Member for Winnipeg-Fort Garry and his colleagues who still long for the atmosphere of negative rigidity typical of the former administration, which was already exhausted at the time.

I therefore find it unrealistic and even unbelievable that the Hon. Member for Winnipeg-Fort Garry should now want to condemn this Government on its record which however short is quite remarkable, what with its approach of consultation and its friendly relations with the provinces and other Canadians.

Once more, I cannot believe that the Hon. Member for Winnipeg-Fort Garry was serious when he moved such a motion and I urge all right-thinking Members of this House to take a stand and to rise against this questionable and ambiguous legislation.

I want to repeat, Mr. Speaker, that I am the sole author of these comments and that my hesitations were due to the fact that I had trouble deciphering my own handwriting since I wrote this speech during the lunch hour.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Shefford (Mr. Lapierre).

Mr. Lapierre: Mr. Speaker, I wish to congratulate the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) on his speech.

I would like to comment that he was rather selective in the quotes he made. In fact, throughout his speech, he never quoted a full sentence. All he gave us was bits and pieces. One of the things he forgot to quote was the reaction of the Minister of Finance of Quebec. When he talks about this new attitude and not being rigid and all that, I wish the Parliamentary Secretary, who is from Quebec, would give us his position on the so-called legitimate claim by the Government of Quebec that what the Parliamentary Secretary refers to as an additional lump sum adjustment is in fact a payment to which it is morally entitled, and I would like to know what his reaction is to comments by the Quebec Minister of Finance, who claims, and rightly so, that the Federal Government owes him more money, and when he refers to the consultation process, I remember clearly that here in the House, his Minister said that he was still open to discussion, and a few days later, he decided that everything was settled, and so much for discussions. Consequently, I think that in addition to referring to Manitoba's position, the Parliamentary Secretary should have mentioned the position of Quebec, which after all should be of greater concern to him.

I also want to say that although the Parliamentary Secretary ought to know that regional economic development is not just a matter of equalization payments, he only touched on one aspect of the motion. There are all the other elements, and I am thinking of the industrial, agricultural, and transportation decentralization policies. I think the Parliamentary Secretary has given us a very restrictive view of the Opposition motion, and in trying to narrow its focus he did not do it justice. Perhaps Hon. Members failed to grasp the scope of the motion, but in any case, we on this side wanted to submit for consideration not just one isolated aspect but a comprehensive set of factors that are vital to the economic development of a region. I would therefore like to know what the Parliamentary Secretary has to say to that, and I also wish he would take a broader view and look beyond the narrow perspective provided by the Minister of Finance.

Mr. Lanthier: Mr. Speaker, part of the question of the Hon. Member for Shefford (Mr. Lapierre) was directed at himself, so I hope he will answer that part. As to the question he asked me, it is threefold: first, he wants to know why I dealt with only one aspect; second what is my opinion as a Quebecer; third, he implied that I have a selective memory, as he put it. I hope that sums up his question.

First, we discussed only one aspect because I am speaking in my official capacity. I am very proud to represent the riding of LaSalle, Mr. Speaker, but I am now speaking on behalf of the Minister of Finance, I am Parliamentary Secretary to the Minister of Finance (Mr. Wilson). So I dealt with the part of the motion mentioned here and, of course, I had to be selective because other Members will speak to the motion. I was selective on one aspect, the part of the motion blaming the Government for undermining the will of Parliament by failing to act responsibly or to give due consideration to equalization policies inasmuch as they affect economic development. I wanted to deal with that particular aspect of the motion, Mr. Speaker.

Second, as a Quebecer, I think that the words fair play are well chosen. As to the remark of the Quebec Minister of Finance, I would say he made more than one and I had an opportunity to study them thoroughly. I was able to debate this question with the Hon. Member for Laval-des-Rapides (Mr. Garneau)—to his satisfaction, I hope—and I think I answered it. I would urge the Hon. Member for Shefford to read *Hansard* where that complex issue was fully debated.

Third, the scope of my quotations was limited because I tried to select those which are relevant to the arguments raised by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who, unfortunately, made the thrust of his debate bear on only one province. I had to answer his allegations. That is my answer to the Hon. Member for Shefford.

The Acting Speaker (Mr. Paproski): Questions and comments are over.

• (1530)

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not intend to take my full time as I do not believe the motion justifies that. However, I want to deal with it as best I can in a few moments.

I would begin by saying to my colleagues in the Liberal Party that, of course, we support the intent of the motion. We believe that the Government should use the industrial, decentralization, agricultural, transportation and equalization policies as well as the Crown corporations which it has available to it in order to further economic development in all communities across Canada. We subscribe to that. I find no fault with the Liberal Party's suggesting that that ought to be a matter for debate on a day such as this. However, I do seriously question whether or not the Liberal Party is accurate in suggesting that the Government should be condemned for undermining the will of Parliament and the legislatures by failing to utilize all of those available vehicles to enhance and improve the economic stability of the country.

I would like to make it quite clear that I do not for one minute believe that among the 211 Conservative Members who were elected to Parliament there is a will to use those particular methods in order to create the economic stability which we all desire. Neither do I believe that many of the provinces of Canada which have Conservative or Social Credit administrations, would suggest that Parliament ought to exercise its will and utilize those particular means available to the Government in order to solve the economic problems within the various regions over which they have jurisdiction.

I see the motion as being flawed. I agree that it is important to take advantage of everything which we have at our disposal in attempting to find ways to combat the economic downturn which has occurred in Canada. I also agree that it is appropriate to pay particular heed to the examples which have been set out by the Liberal Party in its motion. But I do not agree that it is the will of Parliament that the Government do these things. I do not believe that there is a will among those on the Tory benches to do any such thing. I do not think it has ever been exercised because I do not believe it exists.

There is a sense among some that this Government is wandering aimlessly in an economic sense and that somehow the Government does not know what it is trying to accomplish. Some people believe that the Government does not have available to it the knowledge which is sufficient to be able to chart the course, even if it did know what it wanted to do. Again, I am not sure that is true. In fact, I have begun to come around to the view that this Government knows exactly what it is doing. What we are seeing across this land is, in fact, what the Government desires to have happen. The Government does not utilize the levers of economic power it has available to it because it has chosen not to do so. The Government does not move in the public sector in order to try to create the economic stability and, therefore, the job opportunities because the Government has chosen not to do so.

I believe the Government knows what it is doing. I believe the Government has a plan to return to the so-called good old days of private enterprise. This Government has in its mind that if only it could get rid of all the public ownership and involvement, somehow the private sector would re-emerge as the engine of economic power, and that this would result in prosperity beyond our wildest dreams. That is absolute nonsense and poppycock.

We could look back in history at the so-called good old days when, in fact, it was the order of the day for the private sector to have the first and final say. The Government never got involved. In those days how did the private sector manage to build up its fortunes and manipulate the system? It did it by paying low wages, forcing, people to work long hours, paying little if any benefits, not providing adequate health care systems, and forcing young children to work in factories and mines. That was a system which existed in the so-called good old days. That, I say to the House, is the system to which the Conservative Party of Canada would love to see the country return.

I find it most aggravating. I believe the Government does have a plan and knows what it is doing. I do not doubt for one minute that there are those on the back-benches and those on the Treasury benches of the Conservative administration who, not unlike their colleagues in many of the provinces—B.C. being an excellent example—would have absolutely no qualms about moving to longer hours of work for employees and getting youngsters to enter the workforce at an earlier age rather than seeing them become educated. There are those who would have no qualms about seeing cut-backs in health care provisions and cut-backs in education, and this at a time when the future lies in becoming better educated, not less educated.

I believe the Liberal Party has missed the boat in its criticism. It is absolutely correct in that those kinds of measures and levers are the right ones to use, but I believe it is wrong to suggest that the Government is not exercising the will of provincial Governments or the will of Parliament. I think the Government is exercising the will of the Tory administrations across the land and the Socred Administration in British Columbia. I think it is exercising the will of the 211 Conservative Members who were elected in 1984. In fact, I believe those are the very people who determined, upon being elected, that they would undermine the social fabric of Canada and move toward adding more to that great pool of unemployed who would be able to fight with each other to get lower and lower wages simply to have a job. I would say to my colleagues in the Liberal Party, well intentioned though their motion is, that it may be misdirected.

I look at what this Government has done and its almost blind adherence to a system which never worked when it was

in place, if it ever was in place. It is a system which could only work if it allowed almost uninhibited exploitation. That appears to be the kind of system which this Government is now attempting to put back in place. I hope my colleague, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), will agree with me when I say that is not the system which Canadians want. That is not the kind of system which we in the opposition benches want to see. It is not the kind of system on which Canada was built. Good God, we have devoted most of our lives on attempting to eliminate exploitation and to raise the lot of the average working families to make it possible for those average families to own their own homes rather than to live in accommodation which is owned by others. I have spent most of my adult life attempting to improve the health and safety conditions in the factories and in various industrial undertakings in Canada. I don't want to see those things slip away. I don't want to see us disregarding those kinds of things as this Government pursues the ideological utopia of private enterprise based on unfettered exploitation. I hope there are other Hon. Members in this House who feel likewise. I hope there is at least someone in the Conservative Party—anyone, sitting anywhere, I don't care, in the most obscure corner of the House, who will rise and say that he or she disagrees with this Government's intention to create the larger and larger pools of unemployed who will be deprived of the economic future which we have fought to create.

• (1540)

There should be an opportunity for everyone to find a job and to work at it and to use all of the available economic means to achieve success. That is where this Government has failed. It may have failed in a lot of other areas as well, but that is the area in which the Government has no understanding, where its Achilles heel lies, as I look at it today. It is a Government which has fond memories of something which no one liked when we had it, a Government which wants to take us all back to it, notwithstanding that it would be disastrous, not only for the generation which is presently employed but for many of the young people who will come into the work force in the future.

I did not intend to take up all of this time but I did feel it important to put on the record my views on how this Government is operating and what is wrong with it. I venture the opinion that by 1988, when we go back to the polls again, more of Canada's industrial base will be owned by foreigners and less of Canada's industrial base will be secure in the hands of Canadians who have a long and abiding interest in ensuring Canada's economic future.

I say to you, Mr. Speaker, that the kinds of conditions which we have built up in the social, welfare and health care systems, which guaranteed that those who were in need could receive without being degraded, will be undermined by this administration. I remember prior to Christmas when we were in debate on universality—you will recall that yourself, Mr. Speaker—that Party argued that it did not really believe in doing away with universality, but we all know the truth. The truth was self-evident in the embarrassed looks on the faces of the various Ministers as they had to rise and try to explain their blurting out of ill conceived thoughts.

I can say to you, Mr. Speaker, that the hidden agenda of this administration is becoming less hidden with every passing day. That is where the public of Canada will look when it finally has to make its decisions. It is no accident, and I know you would agree with me, Mr. Speaker—if you were able to—that the Conservative administrations in the provinces of Canada are now beginning to fall like ten pins. They are falling because the Mulroney-led Government is not living up to the promises it made. It is not fulfilling what it said it had as a mandate. That will be what will ultimately undermine all of the provincial Conservative administrations, not only the administration in British Columbia led by Mr. Bennett and his Socreds, who are the kissing cousins of the Conservatives, in any case. That is what will ultimately undermine the credibility of this administration itself because it speaks out of both sides of its mouth. It will, on the one hand, say whatever is required to be said in the most melodious, most mellifluous tones, making sure it is said with all of the care necessary to have it clearly understood. But someone else can rise a day or two later and say something quite different.

It is not that this practice came to that Party only after it became elected as the Government of Canada. You will remember yourself, Mr. Speaker—you might not admit it because you cannot, but I remember quite well—that in the Parliament prior to this one, on every single issue without exception, there was a Conservative who spoke on each side of the question. It did not matter what the issue was, there was a Conservative for it and a Conservative against it. That is on the record, by the way. That is still the practice. I remember it because it afforded that Party such a wonderful opportunity. If someone wrote in and said he was in favour of lowering the taxes, the Conservative Party could send out the speech of one of its members who was in favour of it. If someone wrote in to say, "It's time we taxed the buggers more", the speech of the Hon. Member who agreed would be sent out. That Party was in favour of nuclear development and opposed to it at the same time. I can remember going through that exercise; it was an exercise to behold.

I say to the Liberal Party that it could have been more focused and more pointed in its motion. There are ways in which we could have brought about a more speedy recovery from the disastrous economic conditions which the Liberals left to the Conservatives. We could have used the methods which the Liberals have set out in their motion. But don't let yourself be fooled, Mr. Speaker, the agenda the Tories are following is the agenda the Tories believe in. It is an agenda which all 211 Conservatives support. It is an agenda based on further deprivation and economic chaos.

The Acting Speaker (Mr. Paproski): There being no questions and comments, we shall resume debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to join in this debate this afternoon because it is very clear that after six, seven or eight months in office, the Government does not really have an economic agenda for this country. Last week I had the opportunity to visit two provinces in western Canada. Time after time I was told, in talking to people in Alberta and Saskatchewan, it was clear that the Tories had a very active political agenda but a very fuzzy nondescript economic agenda.

The Prime Minister (Mr. Mulroney) has a wonderful press organization. It is able to put together massive conferences where all these things can be discussed, but the Government never actually brings into the House any bills to improve the economy. It goes from one great show to another.

First, we saw that wonderful meeting of the Prime Minister and the premiers in Regina. It cost about $500,000 or $600,000. Dozens of officials were flown in first-class from all over the country. Great co-operation was promised and then, as a final stroke of economic determination, we were told the Government was going to spend some $695 million on job-creation and direct employment programs and it was going to allow the provinces to have a say in how it was distributed. Everyone sat around the table saying, "Isn't that marvellous. The amount which the Prime Minister has put into job-creation and job training is marvellous". But someone at the back of the room asked, "Well, how much was spent last year?" The answer came back, "Just about exactly the same". So I believe, Mr. Speaker, we really have to give the Government credit for putting on wonderful, wonderful shows.

When it announces job-creation and job training programs worth $695 million, the Minister of Employment and Immigration (Miss MacDonald) doesn't just announce it here in the House, which is good parliamentary etiquette, but a conference is put on and $400,000 or $500,000 is spent to bring all the premiers in to say, "Isn't what we are doing wonderful?" But the actual impact is just about the same as in previous years.

• (1550)

There was an editorial in the May 12 edition of *The Toronto Sun* headed: "Will Budget be Worth the Wait?" It went on to describe all of the wonderful things the Prime Minister promised in the election campaign. It talked about how he was going to reduce the deficit. It said:

> Remember how stirring he was on waste? That was before such trifles as the $525,000 bill for entertaining the Reagans one night. The PM was offkey in singing *When Irish Eyes were Smiling*—and so was the bill.

The Prime Minister also ran into a lot of trouble in London with the Palace. He wanted to make a real production of his visit to the Queen. His press agent tried to hustle over there and make all the arrangements. There was to be some good pictures which would really show what a tremendous international figure this man is. But those guys in the Palace, you know, they always let you down. They just would not allow those pictures to be taken. Well, the Prime Minister will just have to make other arrangements in the future in order to get suitable pictures.

The motion before us today specifically condemns the Government for undermining the will of Parliament and relates that to agricultural policies in the development of communities across the country. In spite of the fantastic PR job that the Prime Minister does in promoting shows and extravaganzas, there is a touch of uncertainty and concern creeping into almost all sectors of our economy. This is the man who was going to create hundreds of thousands of jobs. He was going to bring down a Budget within a month and really set the economy straight. But here it is May 14 and we are waiting for May 23 to see what the Budget will provide.

We know pretty well from the economic statement last fall what the Government is opposed to. It is opposed to renewable energy. It is opposed to things like the CHIP and COSP programs. It is opposed to programs like RRAP which help people across the country. It is opposed to providing funding for the CBC. It is opposed to programs which protect our environment, and to the construction of a new world class toxicology centre in Guelph. It is opposed to things like the Canadian Wildlife Service. The list goes on and on. But we really do not know what the Government is in favour of, and we are hoping that we will find out in this Budget exactly what the policies of the Government are regarding economic matters.

I would like to quote from an article by Barry Wilson in *The Western Producer* of May 9, 1985, which talks about how the uncertainty about the future bothers many farm groups. He says:

> A large part of the unease flows from ignorance and confusion about the Conservative agenda for agriculture mainly because minister John Wise has yet to articulate a clear vision of where he wants to take the industry.

The task forces are combing through Government programs. As far as agriculture is concerned, I do not think there is anyone from west of Toronto on the task force; they are mainly from big corporations. They are deciding what is going to happen to various agricultural programs. The same thing is going on in Indian Affairs, and that report happened to be leaked this week and the Prime Minister immediately disowned it. But there is a great deal of uncertainty among groups, like the Canadian Federation of Agriculture who are quoted in this article as seeing these secret communities working away without even the Minister knowing what is going to be decided. I had the opportunity to attend a meeting with the Minister of Indian Affairs and Northern Development (Mr. Crombie) the day after these cuts were leaked and clearly he had no idea of what programs were being cut. That

is why there is a great deal of unease in the country in this regard.

We have the crisis with the Farm Credit Corporation. Last November or December the Minister of Agriculture (Mr. Wise) announced a moratorium on FCC foreclosures, and said he was going to set up debt review boards as a pilot project. That pilot project has gradually faded away. The people who worked on it tell me there was a great problem with that concept, not because the people involved did not work hard, because they did, but because there was no support from the Minister of Agriculture. He refused to give the FCC the flexibility to make it work, or bring in legislation so it could be more flexible. So we will look with great interest at what the Minister decides to do about that concept, whether he will let it die, or will give the FCC the flexibility it requires.

When we look at the White Paper brought out in January by the Minister of Finance (Mr. Wilson) we can really see the policy of this Government with regard to agriculture. Clearly there was no sympathy in that document for the farmers of this country. The paper was written as though the Tory promises on taxation had never been made. Certainly they were never mentioned in the Minister's paper. In fact, it portrayed the agricultural community as being very well off. It said they earned twice as much as the average Canadian but paid only one-quarter as much taxes, suggesting that the farmers of this country are not paying their fair share. It went on to say that the average farmer is seven or eight times as well off as the average Canadian, quoting very questionable figures. The response of the agricultural community was swift and violent. Every farm organization in the country denounced the paper as unrealistic and unfair.

● (1600)

If, before issuing that paper, the Minister of Finance (Mr. Wilson) had taken time to look at the Farm Credit Corporation report of last November, in which the desperate financial situation of many young farmers in our country was set out, he would never have allowed it. If he had read that report, he would have seen that approximately 17 per cent of our farmers are in serious financial difficulty and that another 7 or 8 per cent are in medium stress situations. They are facing very difficult times.

When the Committee on Finance, Trade and Economic Affairs reported on that paper of the Minister of Finance it completely rejected his view of the agricultural situation in the country. It outlined major recommendations for a program to set aside debt by the provision of lower interest rates for a good share of the 17 per cent or 39,000 farmers who face serious financial difficulty. We are waiting. We hope that after having had his white paper on financial matters of the farming community rejected the Minister of Finance will adopt some of the recommendations of the Committee on Finance, Trade and Economic Affairs. It proposed a program that would require nearly $100 million of financial aid. We will have to wait until May 23 to see whether the Government is prepared to accept the recommendation of that committee. It proposes that up to $300,000 be provided through the Farm Credit Corporation at an interest rate of 8 per cent over a five year period and that the interest paid by the individual would not be tax deductible. Therefore, this would clearly be for the benefit of those who are in serious financial difficulties.

In the FCC report of last November the criteria used to establish serious financial difficulty was, equity of less than 15 per cent, payments to service debt of over 40 per cent, or spending more on borrowings than that being put back in capital expenditures.

Looking at the farm situation which has developed since last November when that survey was carried out, we see a much darker and gloomier picture. Let us look at some of the other problems facing agriculture. There has been the imposition of countervail of 5.3 cents a pound on hogs being sold into the United States. That has the devastating impact of a 10 per cent or 12 per cent reduction in price. It is estimated that it is already costing millions and millions of dollars every week.

As well, the EEC dumped 51 million pounds of subsidized Irish beef into Canada last year. It took the Government three and one-half months to make a decision to impose quotas. Now that the quotas have been imposed, the Government is backing off. We could not get a straight answer from the Minister for International Trade (Mr. Kelleher) today. Clearly, the Minister intends to increase that quota from 5.9 million pounds to 23.5 million pounds. That represents 1,000 carcasses of beef per week, subsidized at up to 48 cents a pound coming onto the Canadian market during the coming year. We will hear the final word on that later, but I do not think there is any question in anyone's mind as to whether or not the Government has in fact capitulated on that.

That is not the end of the EEC beef story. Clearly this is a secret agreement, but it will eventually be made public. The quota of 21 million pounds for the United States is being increased to 65 million pounds. Nicaragua's quota is being increased from 600,000 pounds to nine million pounds. These are all very adverse impacts on the Canadian agricultural community in the coming year.

Mr. Gurbin: Mr. Speaker, in the Hon. Member's comments he forgot to mention several significant factors. When discussing the agricultural sector, which has been under pressure for a long time, it is important to understand the impact which the Government has had in the short time it has had to deal with the problems which exist. Is the Hon. Member aware of the $100 million tax relief which the Minister of Finance (Mr. Wilson) indicated last November for the farm fuel sector? That represents very nearly $100 million in tax relief to agricultural users.

The Minister of Agriculture (Mr. Wise) introduced a farm credit measure early this year; it will cost the Government approximately $16 million to lower interest rates which the previous Government allowed to rise to 16.75 per cent. They are now at 12.75 per cent. That is a significant indication of the awareness of the Minister of Agriculture and the Government of the serious impact that high interest rates have on agricultural producers and of the necessity of bringing those interest rates down to levels that farm producers can cope with.

The Member spoke about the exportation by the EEC of subsidized beef into this country. He neglected to mention that the previous Government allowed that level to rise to above 48 million pounds last year. That represented a very significant impact. The Member neglected to mention those things, Mr. Speaker. Does he recognize that those measures have been taken? We all know that the agricultural community is under severe pressure because of the cost price squeeze. Does he recognize that the directions which have been taken indicate an understanding of that problem and a real desire and intent on the part of the Government to deal with it as effectively as possible?

• (1610)

Mr. Foster: Mr. Speaker, the Government reduced the excise tax on gasoline. It also increased the tax on the petroleum compensation charge. This affects vehicles coming to and from the farm. We are awaiting for the other shoe to drop with respect to the Western Accord, to see whether or not there will be an excise tax increase. There has been no indication from the Minister of Finance as yet as to whether that excise tax increase will be placed on farm fuels. However, we do know that major farm service charges are being imposed on farmers for inspection and grading of farm crops and red meat. Although we have not heard the final figure, hopefully it will be something less than the $32 million estimated.

I am glad the Hon. Member raised the question of the Farm Credit Corporation. In fact, the federal Liberal Government had a budget last year of some $825 million in funds available in the FCC both from the Consolidated Revenue Fund and borrowings in public markets. Since approximately $575 million of those available funds were not utilized, FCC officials recommended to the Minister that farm loans over 14 per cent be written down to 12-3/4 per cent, utilizing those funds which had been borrowed by the FCC under the Liberal Government which were not going to be used for farm loans. In my opinion it cost the Government very little because the funds had already been made available to the FCC and had benefitted those 5,600 farmers. Of course, there were some 6,800 farmers with loans from 13 per cent to 14 per cent that were not written down.

It is particularly disturbing that the funds from the Consolidated Revenue Fund allocated for the Farm Credit Corporation were reduced to $90 million as a result of the estimates of the Farm Credit Corporation and the Government of Canada that were tabled this year. This suggests that the Government is not planning any massive assistance to the agricultural community this year in the form of adopting the report of the Standing Committee on Finance, Trade and Economic Affairs or other recommendations.

With respect to the EEC beef, the agricultural community is most disturbed by the fact that after 3 months the Government imposed a quota of 5.9 million pounds on the EEC for 1985. Clearly, they were using subsidized beef and apparently will be doing so again. It appears that the Government will increase that quota to 23.5 million pounds. I am told by the Canadian Cattlemen's Association that this will amount to at least the equivalent of a thousand carcasses a week coming on to the market.

That is not the only increase. The quota from the United States will be increased by some 44 million pounds, up to 65 million pounds. I understand that the Nicaraguan quota level will be increased from 600,000 pounds to nine million pounds. Therefore, our total imports will be well over 215 million pounds when one considers other countries. This creates possible problems with Australia, New Zealand and other been trading partners. The EEC beef and the pork countervail is having a devastating effect on our red meat industry for both hogs and beef.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I want to interrupt proceedings with a point of order in relation to business of the House. I rise to advise the House that I designate this coming Thursday as an allotted day.

[*Translation*]

Mr. Malépart: I rise on a point of order Mr. Speaker. Could I put a question to the Government House leader?

The Acting Speaker (Mr. Charest): No. You do so after I have read the question to be raised at the time of adjournment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions

to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Regional Economic Development—(a) Nova Scotia—Cape Breton coal resources. (b) Federal funding; the Hon. Member for Hamilton East (Ms. Copps)—Social Security—(a) Child tax credit—Treatment in Newfoundland. (b) Request for legislation; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Public Service—(a) Federal unions—Government position. (b) Pension negotiations.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Charest): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Mr. Speaker, I should like to put a question to the Government House Leader (Mr. Hnatyshyn) who has just mentioned—I wonder if he could come back in this House—that Thursday will again be an allotted day. I should like to know whether the Government has no bill nor motion to introduce ... Quebecers and Canadians are unemployed. I think that the Government is really tired after only eight months in office.

The Acting Speaker (Mr. Charest): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) knows that it is not a point of order.

We will resume the debate. The Minister of Transport (Mr. Mazankowski).

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—REGIONAL ECONOMIC DEVELOPMENT

The House resumed consideration of the motion of Mr. Axworthy (Winnipeg-Fort Garry):

That this House condemns the Government for undermining the will of Parliament and the Legislatures by failing to use industrial, decentralization, agricultural, transportation and equalization policies as well as its Crown Corporations to further economic development in all communities across Canada.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure that if the Hon. Member who just spoke is willing to give up one of his Opposition days we would be very happy to bring forward legislation. I think it is quite obvious that the Opposition is running out of subjects, judging by the motion that has been presented here today. This motion has to be the weakest and perhaps the most incoherent motion that I have ever seen presented in the House of Commons. One wonders what goes on in the mind of the Hon. Member wo

presented this motion, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Perhaps the Ottawa *Citizen* had it figured it right in its article on May 3, when it called him "Spaced Out Lloyd". The article said that as soon as he sees space he sees stars and starts attacking. Today we are dealing with an omnibus motion that does not zero in on any particular policy, issue or concern in the country. Rather, it is a grab bag, scatter gun approach to give all members opposite a chance to rant and rave and whine while presenting nothing in terms of a constructive or positive nature.

I also noticed that this motion condemns the Government for its failure to utilize Crown corporations to further economic development. Again, that is another matter of inconsistency. The Hon. Member who sponsored this motion, the Hon. Member for Winnipeg-Fort Garry, tells us that we must sell our Crown corporations. The headline in the Montreal *Gazette* says, " 'Tories must sell Air Canada' Axworthy says". Again, that is an example of the inconsistency.

The other day he challenged the Minister responsible for the Canadian Wheat Board to assure the House that we would ship 700,000 tonnes of grain through the Port of Churchill. He failed to remind the House in his question that during his tenure as Minister of Transport his government shipped the lowest amount of grain—437,000 tonnes—through Churchill in the last five years. The fact that the member is losing credibility is a reflection upon the credibility of the Opposition Party.

It is also very interesting to note that, as I understand, the Hon. Member who presented the motion made his speech and left the House. At least we have three of those Members in the House today. The last time there was an Opposition motion, there was one of them here most of the time, and once in a while there were two.

• (1620)

Mr. Dingwall: I rise on a point of order, Mr. Speaker. The Hon. Member should know very well that he should not try to impute motives with regard to those Members of Parliament who may or may not be in the Chamber. For the record, Mr. Speaker, the Hon. Member to whom he refers is at a committee meeting. I think it is quite unfair and quite inappropriate for the Hon. Minister to make slurs with regard to attendance in the House of Commons.

The Acting Speaker (Mr. Charest): I think the point made by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) is well taken. Without even going that far, the Minister or any Member imputing motives, they should not refer to the fact that a Member is present or otherwise in the House. It is not necessary to speak of motives.

Mr. Mazankowski: It was not my intention to impute motives, Mr. Speaker, it was just to state the facts.

Mr. Dingwall: Withdraw.

Mr. Mazankowski: This motion really has its genesis in the terrible state of the economy in which this country was when we assumed office. We all know that the economy of this country was in trouble at that time. Most if not all of our basic wealth generating job creating industries were barely hanging on when we assumed office. This motion condemns us for failing to address some of those very difficult issues which we are addressing and which we are turning around. I think it is worthwhile to review some of the facts. Let us look at one of our basic industries.

The Member who preceded me talked about agriculture. Let us look at the state of the agriculture industry at the time we assumed office. Farm bankruptcies reached a record of 551 in 1984; there were 488 in 1983, 410 in 1982 and 125 in 1979. Over 1,500 farm bankruptcies occurred during that four year period. That does not tell the whole story. It does not illustrate the number of people who voluntarily gave up, packed their bags, went away and left the land.

Realized net farm income in 1984 was $3.9 billion, less than half what it was 10 years ago in real inflation adjusted dollars. As a matter of fact that net farm income reached its lowest level since 1970 and the third lowest level since 1938, some 45 years ago. That was the state of the agriculture industry when we assumed office. Land values in many areas dropped as much as 50 per cent of the purchase value. The Farm Credit Corporation estimated 39,000 or 15 per cent of Canadian farmers were in serious difficulty.

Our Government acted immediately; we acted immediately to assist our farmers in alleviating some pressures of the cost price squeeze. We removed the federal sales tax on farm fuels. We triggered a $450 million interim payment for the 1984-85 crop year from the Western Grain Stabilization Act, the largest payment ever made. We brought in legislative measures to make sure that this legislation would conform to the realities and the needs of the producers. We brought in a freeze on the St. Lawrence Seaway tolls which has saved the farmer $1.5 million to $2 million. We imposed a moratorium on Farm Credit Corporation foreclosures. There has been a significant decline in interest rates since we assumed office. We are restoring branch lines which were dismantled, or were to be dismantled by the previous Government. We have established an inquiry into the future of branch lines to determine if short-line operations or other options are available and can be utilized for the provision of services in those areas where branch lines are being threatened. We are looking for new ways and means to improve the grain handling transportation system. We are amending the Western Grain Transportation Act by removing the volume cap, smoothing out the erratic fluctuations, providing a freight rate ceiling over the next two years. We have introduced a red meat tri-partite stabilization program. We have fulfilled our commitment with respect to dual labelling of farm chemicals to avoid costly mistakes and confusion arising from the arbitrary metric only system imposed by the previous Government. We have introduced a shared risk mortgage plan to the Farm Credit Corporation to help protect farmers from possible interest rate increases. We have provided matching federal-provincial support to the Canadian sugar beet industry in order to make sure that the immediate survivor of this industry is secure while developing a long-term, long-range stable sugar policy in this country.

Those are the things we are doing, Mr. Speaker. That is not a complete list, but when you look at the commitments we made in Prince Albert, most of them are being acted upon or have been fulfilled.

Let us look at another of our wealth generating industries. Let us look at the state of energy. We all know that the former Government delivered unto western Canada and the energy sector the most pernicious policy ever delivered upon any industry or region in the country. The impact and the fall-out from that was absolutely disastrous.

I will quote from the Petroleum Resources Communication Foundation of 1982 on what happened after the National Energy Program. We have to remind this House and the Canadian people of the policies of the past Government which led us to the state of economic chaos we were delivered into, particularly that which we took over on September 4, 1984. This article reads in part that, with the National Energy Program:

> —drilling activity plummeted from record highs to record lows. Of the estimated 10,000 wells to be drilled in 1981, only 6,900 were actually drilled.
>
> Canada's drilling rig fleet is one third the size that it was a year ago with more than 200 drilling rigs moved to areas outside of Canada.
>
> Geophysical activity is down 45 per cent.
>
> Industry exploratory budgets are down 40 per cent.
>
> The decline in exploration activity has a significant impact on Canadian oil reserves. Remaining reserves at year end were down to pre-1962 levels.
>
> Cash available for reinvestment has been reduced 20-25 per cent; current taxes from the industry rose 75 per cent and interest payments on debt are up 100 per cent.
>
> Alsands, Cold Lake and expansion plans for the Suncor and Syncrude plants have been cancelled.
>
> 20,000 jobs have been lost primarily in the drilling and service sectors of the industry. Hiring freezes have been adopted by many companies.

I could go on, Mr. Speaker. That is the kind of situation and policy which delivered the economic pay-off that we inherited when we assumed the Government of Canada.

This Government was elected on a mandate of change, to bring about economic renewal and national reconciliation. The two energy accords that were negotiated are a clear indication that the national reconciliation has been achieved and that we have recognized that energy can be used as a major instrument, the major engine for economic growth and development. I think these two accords truly demonstrate the new spirit of co-operation and harmony that exists between the two levels of Government. We have only to look at clippings from newspapers to bear that out. For example, *The Globe and Mail* in its March 30 edition reads:

> This accord is good for Canada. It enjoys the support of those who own and develop the resources, the vast majority of whom are Canadians. It reduces inefficiencies and distortions while it increases incentives and rewards. It does not ask the energy industry to "save Canada" or bail out the federal treasury; it asks the energy industry to produce oil, gas and jobs.

The same thrust is suggested in *The Gazette* of March 30. It quotes the Canadian Chamber of Commerce as follows:

● (1630)

We welcome the March 28 energy agreement because it sends a positive signal to all investors about the Government's willingness to consult, to work with industry and the provinces, and to rely upon the market forces. We believe that all Canadians will benefit not only from the resulting revitalization of the energy industry, but also from the reverberations this will have throughout the economy.

I quote a *Calgary Herald* editorial:

Canada is the winner.

The Edmonton Journal states this is a good deal. It's taken some time, but it's a good deal.

The Halifax *Chronicle-Herald* states that Canadian rigs are trickling back home. That is a good sign. The *Calgary Herald* of March 6 indicates that drilling crews are smiling now. The drilling fleet's employment rate fell on average 61 per cent in 1981, slumped more to 49 per cent in 1982, dove to less than half the boom time high to bottom at 39 per cent in 1983 and struggled back to 50 per cent last year.

We now have a revitalization in the energy sector. Those jobs that are being created through exploration and development activity are going to be a boon not only to western Canada but, indeed, to all regions of the country.

I will not go into the details of the Accord; the Accord clearly speaks for itself. It is clearly another example of this Government acting on and addressing those major and very important basic industries which can provide the kind of growth, wealth and the potential for jobs, not jobs on a temporary basis but jobs on a permanent basis.

The tourist industry is another of our basic natural strengths. We have a $2 billion tourist trade deficit in this country today. In 1972 we had over 5 per cent of the world trade in tourism. Today we are down to 2.7 per cent. We recognize that there are more than 100,000 Canadian businesses involved in the tourist industry. We recognize that this is a very important industry which we must utilize. It can be used as a wealth generator and a generator of jobs.

During the course of this past Liberal Government, our world trade fell from 6 per cent in 1968 to under 4 per cent in 1984. I could go on. I talked about the agriculture sector. I could talk about the small business sector.

In the course of the last four years of the previous Government, many small businesses were decimated; 80,000 closed their doors in 1981 alone and 750,000 jobs were lost. Bankruptcies averaged about 50,000 per year. Over 100,000 individuals went bankrupt during that period of time.

I could go on and talk about the fisheries industry, the forestry industry and the mining industry. They are really all the same. This Government neglected those basic industries, those industries which generate wealth, jobs and direct and spin-off economic activity. This Government has a mandate for economic renewal and national reconciliation.

The Hon. Member for Winnipeg-Fort Garry, who sponsored this motion, has been criticizing us for not consulting enough. A couple of months ago they were criticizing us for consulting too much. One of our major challenges is to put our economic house in order and to establish a climate of growth and confidence so that jobs can be created.

Here is a report card. Unemployment declines. The unemployment rate has fallen from 11.6 per cent in September to 10.9 per cent in April and 201,000 new jobs have been created. Interest rates have fallen from 12.38 per cent on election day to 9.93 per cent on May 9. Business confidence grows. Business confidence rose in the first quarter of 1985. The latest Conference Board survey of business attitudes and investment spending intentions indicated a growing confidence in Canada's short-term economic prospects. Consumer spending rises. Consumer spending is rising and that is good news for retailers. Retail sales climbed by 4.3 per cent in the six months following the election. Manufacturing orders are rising. New orders in manufacturing rose by 5.3 per cent between September and February. Price stability returns. The inflation rate in March was 3.7 per cent. The Consumer Price Index has been at or below the rate of inflation in the United States for the past six months. Farm cash receipts are starting to rise. The value of farm cash receipts in the first two months of 1985 was up by 9.5 per cent over the same period last year. Exports are rising. Exports rose by 11.2 per cent in the first quarter of 1985 relative to the same period in 1984. What about bankruptcies? Bankruptcies declined. In the first quarter of 1985 business bankruptcies were down 16 per cent from the first quarter of 1984, consumer bankruptcies were down 21 per cent, farm bankruptcies were down 10 per cent and total bankruptcies were down 20 per cent.

What a report card. Those are the facts. That is where we are at today. Then we have a silly motion like this suggesting that things are not improving. It is very clear that our policies are indeed working. It will take a little time, a little hard work and co-operation, but we are seeing the results in the evidence I just quoted.

I would like to turn briefly to transportation. The transportation policies that we announced during the course of the election campaign were very important. As I said, in most cases most of the issues have been acted upon. For example, we are working on a new revised National Transportation Act which will be put in draft form by the end of June.

On February 27, the provincial Ministers and I signed a memorandum of understanding that will provide for a greater degree of ease of entry, the elimination of rate setting and a more harmonious regulatory regime throughout Canada with respect to extra-provincial trucking. We are looking at ways and means of creating more inter and intramodal competition within all transportation sectors. We have asked the CTC to examine ways and means of freeing up the railway system. We have asked them to examine the effects of the Staggers Act in the United States, and the effect that may have on domestic transportation in Canada.

An aeronautics Bill has been introduced, C-36. It is currently before the committee. Amendments to the Western Grain Transportation Act have been introduced. That Bill is before

the House now. It will implement most of the commitments made during the course of the election campaign, particularly the Prince Albert Conference, which really set the stage for our western manifesto.

We are restoring services that the former Liberal Government unilaterally dismantled. Twenty per cent of those services were dismantled without public hearings or debate. We are restoring many of those services. We are going to bring forth a new rail passenger act. Hopefully we are going to provide some new equipment to revitalize this system. We promulgated the Transportation of Dangerous Goods legislation. We are engaging in a tremendous investment throughout all parts of the country with regard to capital regions in air, marine and surface.

We have fulfilled most of the campaign commitments with respect to Atlantic Canada. Yes, we are rationalizing some services and trying to reduce waste and inefficiencies, but, nonetheless, this is part and parcel of the mandate that we have. We have approached this in a balanced manner. We recognize that transportation is an instrument for economic development and it will continue to be. Transportation is important to this country. Certainly we will ensure that the transportation services and infrastructure will be maintained and utilized as an important tool for economic development throughout all regions of the country.

Mr. Henderson: Mr. Speaker, I was interested in listening to the Minister's report card. However, there are a few items on which he gave himself an A—in fact in most categories—where I believe there should be a few Es, or probably something further than that down the scale.

The Minister mentioned that tourism is a very important industry. I believe all Members of Parliament will agree that tourism is very important. He mentioned the deficit which we would all like to see rectified. His Government, under his jurisdiction as Minister of Transport, has increased ferry rates in my Province of Prince Edward Island and in the Province of Newfoundland, thereby restricting the third most important industry in the Province of Prince Edward Island. With regard to park fees, the Minister of the Environment (Mrs. Blais-Grenier) is responsible for Parks Canada. She increased park fees for the national park in Prince Edward Island. We have seen an increase in gasoline prices. All of these things fly in the face of an attempt to improve the economic picture for the tourism industry.

● (1640)

Regarding agriculture, the Hon. Minister mentioned some of the things the Government has done for agriculture that he thought were wonderful. I agree that there have been a few good moves on the part of the Government. As far as the Farm Credit Corporation is concerned, interest rates are not exactly where I would like to see them but at least they have stabilized. We should all be thankful for that.

What about inspection fees for potatoes and red meats? Since those inspection fees were announced last week my office has been inundated with calls from representatives of the Canadian Federation of Agriculture in the Province of Prince Edward Island, the National Farmers Union and, indeed, even from the provincial Government of Prince Edward Island. The Premier and, indeed, the Minister of Agriculture of Prince Edward Island are totally against any inspection fees for potatoes or red meats. This is the consultation process to which the Minister and the Prime Minister are referring. If this is it, then it is certainly not working. All these individuals, organizations and groups representing the farming community feel that they have been betrayed by the Government through its initiatives.

Indeed, there is no question that the action taken on the gasoline and fuel taxes for farmers and fishermen was a step in the right direction. However, I tried to get the Minister when he put the Bill through the House earlier this year to take into consideration highway transportation for potato producers and shippers who are taking their produce from the field to the market or indeed in some instances to the warehouses. Loggers and miners, for instance, were overlooked.

I hope to hear some comments from the Hon. Minister regarding those things. I hope he will take them seriously since he is a very important Minister in the Cabinet. I hope he will exert his influence on the Cabinet before the Budget is brought down on May 23. Perhaps he can have some of those inequities rectified for us.

Mr. Mazankowski: Mr. Speaker, I always take the Hon. Member seriously; I have in the past and I will do so today.

With respect to ferry services, I hope that the Hon. Member will check his facts, because I think he will find that in some cases the rates for ferry services that apply to the tourist industry have been reduced.

Mr. Henderson: For trailers.

Mr. Mazankowski: All right, for trailers, but that is a fairly important element of tourism. Where increases have occurred we have tried to recognize the impact on the tourist industry. I have to tell the Hon. Member that there were fairly extensive bilateral discussions with the province.

We in this House must recognize that we recover less than 20 per cent of the cost of operating the ferry services in this country. When we asked for a 15 per cent increase in revenues we did not imply that we wanted a 15 per cent increase in fares. We wanted to arrive at a 15 per cent increase in revenues through a combination of more efficient use and some fare increases. We treated this matter very, very carefully and gave it special attention. We may not have been perfect in the application of those measures, but I want the Hon. Member to know that we certainly took the tourist industry into consideration. I know the tourist industry is an important industry to the Hon. Member's province. It is an important industry to Canada. We certainly do not want to do anything that would unduly deter the growth and future of that industry.

I would remind the House that what we are talking about here is very minuscule compared to what has occurred in the last four years. The Hon. Member wants to talk about high costs. Let us apply that to tourism. In the four-year period between 1980 and 1984 the cost of gasoline rose by 75.5 per cent. I am sure that had an impact on the tourist industry. The cost of transportation rose by 56 per cent during the four-year period that the Hon. Member was a member of the Government. The cost of alcoholic beverages, a cost which some associate with tourism, rose by 43 per cent. Those are components of the tourist industry. However, the 75 per cent increase in the cost of gasoline is a far cry from the modest increase that we placed on the tourist industry. I think the Hon. Member should recognize that as well.

Inspection fees are under the purview of the Minister of Agriculture (Mr. Wise). I know that the Minister is now engaged in bilateral discussions with his provincial counterparts and representatives of the agricultural industry trying to work out a better arrangement to ensure that there can be some compromise. I am not fully aware of all the details, but I am aware that the Minister has received many of those representations and I am positive that he will be acting on them.

Mr. Manly: Mr. Speaker, the Hon. Minister referred to the new energy deal that was worked out with the western provinces. At the heart of that is the whole question of de-control of prices by which the price of old oil, brought on stream before 1974, will rise some $6 or $7 a barrel and the price of new oil will probably be brought down a bit. The net effect of this will be that the companies involved with old oil will pick up some $1.7 billion more or less and the companies that are involved with new oil will have their incomes decreased by about $500 million.

The fact is that the companies involved with old oil are largely the multinationals, while some of the smaller Canadian-controlled companies had a larger stake in the development and production of new oil. For example, 65 per cent of Texaco's production is of old oil. With Gulf, the figure is 70 per cent; with Shell, 75 per cent; with Mobil, 70 per cent and with Imperial, 50 per cent. The multinationals have a very large stake in old oil. Yet the policy that the Minister has lauded will have a detrimental effect on some of the smaller Canadian-controlled companies.

I would like to ask the Minister how he believes that this policy, which he thinks is so good, will really benefit Canada as a whole, and how it will benefit Canadian-owned or controlled oil companies which are not in control of old oil.

Mr. Mazankowski: Mr. Speaker, members of the NDP talk about jobs, jobs, jobs. The National Energy Program which we dismantled cost Ontario 90,000 jobs and Alberta 70,000 jobs. I can cite figures for the entire country. What the Hon. Member is failing to recognize is that the new and smaller oil companies to which he is referring are not complaining about the new western energy accord. In fact, it quite delights them by virtue of the fact that the PGRT is literally removed on all new production, and particularly on enhanced recovery, the tar-sands and those kinds of facilities. Those are the basic job generators.

In so far as the multinationals are concerned, the PGRT will be phased out; they will have to continue to pay it, albeit on a phased-out basis. We will have a taxation system in this country. If the Hon. Member is suggesting that there are some deficiencies in the tax system, perhaps I might agree with him, but that does not necessarily mean that we have to put in place a whole series of alphabet soup programs which no one really understands, which cost millions upon millions of dollars to administer, which strangle the industry and which take away the potential for job creation, economic development and wealth generation.

Generally speaking, the Western Accord has been heralded as a major breakthrough for Canada. There may be some imperfections in the system but there are a heck of a lot fewer imperfections in this system than there were in the old one.

• (1650)

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak to the motion presented by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), condemning the Conservative Government for its indifference to providing regional development assistance.

Mr. Speaker, the Minister of Transport (Mr. Bouchard) told us about his interest in and satisfaction with the agreement on energy policies concerning the multinationals in Western Canada. I only hope that the Budget to be brought down by the Minister of Finance (Mr. Wilson) will not include tax provisions to help the multinationals which will no longer have to pay as much in corporate taxes and that the consumers will not have to pay the cost of this new policy.

Mr. Speaker, I do not share the views of the Minister of Transport, because I think Quebec is going to pay the bill. I realize the Minister could not care or less, since he is from Western Canada and is going to get all the jobs and we in the province of Quebec are going to pay the piper. I am sorry, but my first duty is to defend the interests of Quebec within Canada.

Mr. Speaker, I would like to tell the House what this Government did as soon as it came to power. First of all, on November 8, the Minister of Finance cut more than $770 million from projects that were to be carried out this year in Quebec. Some of these projects come under the Minister of Transport, such as VIA Rail. A number of major projects were to be implemented in the area around Trois-Rivières, at Victoriaville—this was a pharmaceutical laboratory. There was also the natural gas branch line program worth $85 million, and now that money will not go into Quebec's economy, and there are the jobs that have been lost as well. I could mention

the old Port of Montreal, the marina in Chicoutimi, the electronics institute in Shawinigan, and many more.

With respect to the Government's policy of privatizing or selling its so-called "lame ducks", nothing has been announced yet, and Quebec is at risk in view of this Government's decisions concerning Canadair. Five thousand jobs are at stake. At Teleglobe, 1,400 jobs. At VIA Rail, non-implementation of this project means a loss of 3,000 jobs. At Air Canada 500 jobs are at risk. At CN, 220 jobs are lost. And, Mr. Speaker, I could go on to mention the contract that Versatile lost because the Minister of Regional Industrial Expansion (Mr. Stevens) decided to make a new call for tenders, although Versatile Vickers in Montreal was the second lowest bidder and the contract should normally have been awarded to that company. Mr. Speaker, there again, it means so many jobs that Quebec has lost.

Mr. Speaker, I said earlier that the Conservative Government had cut $770 million in job creation projects for this year. There was also the fact that Quebec was asking for more than $640 million in additional equalization payments. The first request was for $730 million. Quebec was prepared to negotiate for $430 million. After all the promises and commitments made by the Prime Minister, it was only normal that the Government of Quebec, which I do not think is Liberal at all and which is still headed by René Lévesque with Mr. Duhaime as Minister of Finance all they got as a consolation prize was a scant $110 million. It was entirely normal that the Government of Quebec, considering the remarks made by the Prime Minister and by all Progressive Conservative candidates that relations would improve and that according to the Conservatives, Quebec had been penalized by the previous Government, it was normal that the present Government of Quebec should expect, considering the offer it had made, which was, instead of asking for $730 million, to settle for $430 million. But no. What this Government said when it came to power was, that it could not care less about René Lévesque and everybody else in Quebec. Here is your $110 million. Mr. Speaker, as far as equalization payments are concerned, Quebec is the only province that is losing out. Other provinces like New Brunswick and Newfoundland were not in a loss position to start with. However, to help their Conservative friends just before an election in Newfoundland, they gave that province some extra money. But in Quebec? Nothing! Mr. Speaker, this was not said by us Liberals, but by Duhaime. "Says, Duhaime: Equalization will go on harassing Quebec Conservatives".

The problem is, how can we understand this Government? "Says Wilson: Quebec must recognize that the federal Government could not do any better in the circumstances." Two weeks later, he signed a $2.5 billion agreement with the oil multinationals. That was not in Quebec. And then: "Equalization—Ottawa ready to listen". So another flip-flop. All of a sudden, another headline: "Mulroney agrees to reopen the equalization file from a more comprehensive angle." Another statement, "Duhaime will not concede defeat". According to Jean-Louis Roy in *Le Devoir*, "An unfinished compromise". And finally, Mr. Speaker—those Tories are impossible to understand—another article by Maurice Jannard in *La Presse*: "Equalization—File closed, says Wilson".

Mr. Speaker, this will show that Quebecers can take neither the word of the Prime Minister (Mr. Mulroney) nor that of the Minister of Finance (Mr. Wilson). As far as the Minister of Finance's word is concerned, he himself clearly admitted that, with respect to universality, he did not state the truth during the election. He only stated it after the election. But, Mr. Speaker, people in Quebec and in Canada are asking themselves: Has the Minister of Finance told untruths only as concerns the universality of social programs? On how many other matters will his budget indicate that during the last election campaign the commitments were fake, that he was going to do the opposite?

Another area in which I would like to point out this Tory Government's lack of interest for Quebec's regional development is housing.

In that area, this Government has cut $9 million from social housing projects under the Section 56.1 program aimed at providing public housing with the co-operation of the Provinces, co-operatives, non-profit organizations.

In addition, it has cut $25 million from the RRAP program, the Residential Rehabilitation Assistance Program. This is a very important program in Quebec and in the Maritimes. It is very important to improve the quality of housing, but it is also very important to create jobs. Also it costs much less to the Canadian taxpayers, through the Canadian Government, to create hundreds and thousands of jobs than to change the color of the Armed Forces' uniforms, or to send 1,000 soldiers in Germany. Perhaps the Tiffany in Germany will be happy to get 1,000 extra customers, but what does that give Quebec or Canada? Not a cent more, Mr. Speaker!

As far as Quebec is concerned, not only the Minister of Finance, the Minister of Labour (Mr. McKnight) in charge of CMHC, or the Treasury Board executioner—because there is no way we can tell who makes decisions in that joint, probably somebody who was in school with the Prime Minister, because outside of them he trusts no one—not only did he slash, but where Quebecers are concerned he chose to penalize them. Because the people in Quebec decided for once to trust the Conservatives, in return the Prime Minister tells them: We will put the screws to you. As for Westerners, they are the Conservative Party. And to people in Ontario, he said: Here is a bunch of newcomers, we will give it to them. Before they wake up let us make a killing. And before they find out where the toilets and the offices are, the trick will be done.

Mr. Speaker, Quebec is losing at the RRAP level $17 million that were to be invested in all the Quebec constituencies . . . Those $17 million cuts especially affect rural constitu-

encies. Ontario is only losing $2 million. The Minister, to the question I asked him, and the President of the Canadian Mortgage and Housing Corporation had this to answer on that matter, to a reporter from *La Presse*: We had to make up under the RRAP because Ontario needed it and had less funds than previously. Then, Mr. Speaker, I said to the Minister: This is untrue because under the Liberal government we know quite well that Quebec and the Maritimes needed more funds under RRAP, because they had more units to repair while Ontario and the Western provinces received more funds under the program for the construction of rental units, because their rate of vacancy was lower than in Quebec. The Minister beat around the bush as usual but I am fortunate today, because I have learned what the amounts are. I was shocked to learn that Quebec was penalized. It should be emphasized that such a decision was taken before the Ontario elections to help a good friend, one Mr. Miller. But that was done to no avail and it cost Quebecers $17 million to help Mr. Miller who was almost defeated. If he was not this time, he will be the next time. Not only are we penalized under the RRAP, but I received today from the Minister's office budget figures for the construction of rental units. For Ontario, a first instalment of $15 million, a second one of $6.7 million and another one of $415,000 for a hefty total of $22,115,000. Quebec, you will be pleased to learn, will get nothing. It is as simple as that. Quebec gets nothing under that program, period. I hope that the Progressive Conservative members of Quebec who are here—they would normally have a caucus this evening—will ask the Minister some explanations and the list for their constituencies as well as their losses under the RRAP.

The Chicoutimi area received $268,000 in 1984 but only $97,000 this year, Mr. Speaker. In the Hull area, it is too bad that the Hon. Member for Gatineau (Mrs. Mailly) is not here. She is often too eager to rise on points of order to prevent opposition members from stating the truth and defending the interests of the Canadians, but I will say to her, Mr. Speaker, that she should shout this evening in caucus; Gatineau received $480,000 in 1984, but that amount has been reduced to $209,000 this year. In the Laval-Deux-Montagnes area, $225,000 was spent in 1984 but only $30,000 will be spent this year Mr. Speaker. I could go on and on and I am now trying to find the constituencies in the Beauce area.

● (1700)

Mr. Blais: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary to Minister of Agriculture on a point of order.

Mr. Blais: Mr. Speaker, the Hon. Member for Montreal-Sainte-Marie should know that it is not considered parliamentary to refer to members' absence from or presence in the House. He often calls his colleagues' attention to this rule. Because of his many years experience, he should practise what he preaches, especially after his colleague lectured us this afternoon on the need to live up to our Standing Orders.

The Acting Speaker (Mr. Charest): I recognize the Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: I shall continue because I was precisely coming to this Hon. Member who is present. Something interesting in the Vaudreuil-Soulange riding, Mr. Speaker: $739,000 in 1984; $362,000 in 1985. Near Quebec City, in the Beauce riding—it sounds vaguely familiar to you, does it not?—$417,000 in 1984; $200,000 this year. Bellechasse, there we are! In the Bellechasse riding, $445,000 in 1984, $240,000 this year.

Mr. Speaker, I could continue with the list of all Quebec communities, both rural and urban, and indicate just how much this Conservative government has taken away from Quebecers: $17 million under the Residential Rehabilitation Assistance Program, which is very important for the population as a whole, not only because it improves the quality of housing, but also because it creates a great many jobs.

Mr. Speaker, here is the heading of a newspaper article: "Demonstration at the office of the MP for Verdun-Saint-Paul (Mr. Chartrand) against the cancellation of the RRAP in connection with housing co-ops". The mayors of the municipalities in Rimouski County—they are not Liberals, Mr. Speaker—are very disappointed with the cuts made by this Conservative government.

There are cuts also to RRAP in the Arthabaska riding. According to this article, the funds made available by the Conservative government will make it possible to rehabilitate only one house or housing unit in each municipality. That is ridiculous, Mr. Speaker.

Same thing in the Rouyn-Noranda area: the constituents are anxious to meet their Member of Parliament.

Let us turn to the Sherbrooke area now, Mr. Speaker. All the mayors in the Eastern Townships and the members of the Quebec Construction Association strongly object to the Conservative government's decision to make cuts to RRAP in their region, in view of the great many applications received and of the expectations of the people in these communities.

Mr. Speaker, the prefects in Eastern Quebec have formed a common front, in Matane and Bellechasse. According to a regional newspaper, their member of Parliament met them and said: "Ladies and gentlemen, be patient because you are not going to get a cent. I have decided it was better to change the colours of our military uniforms than to help you." That was his reply, Mr. Speaker.

Mr. Speaker: The Hon. Member for Bellechasse (Mr. Blais) on a point of order.

Mr. Blais: Mr. Speaker, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is referring to some remarks allegedly reported in the newspaper he has. I would be pleased if he were to table it, because what he has just said is completely false. I cannot accept that.

Mr. Speaker: The Hon. Member knows full well, I presume, that the Hon. Member is not allowed to table documents, only a Minister can do that.

Mr. Malépart: Mr. Speaker, I would be prepared to table the document. I could remind the Hon. Member for Bellechasse (Mr. Blais) of what he said to his constituents, that there was no money for housing, but then in caucus he voted to waste money on military expenditures, he does not want senior citizens to have more generous allowances, but he is quite satisfied to give out $2.5 million to the oil multinationals. I hope he realizes that his constituents are intelligent people. I know they are.

Mr. Speaker, I think I have amply demonstrated that, in the field of housing, Quebec has been and is still being taken for a ride. Tonight, hopefully, the Conservative Members will put that on the agenda and bring the Minister to his senses tomorrow at the national caucus. I am not asking them to rise in the House. I do expect them to rise in caucus and see to it that the $10 million funding goes back in the housing program. I will find out who rose and who did not at tonight's caucus.

I do not have to be there, Mr. Speaker, I have my sources of information.

Concerning the general agreement, Mr. Speaker, after all those cut-backs the Minister of Regional Economic Expansion and the Conservative Members get up at their mutual admiration meeting and say: We signed a $1 billion general agreement. We reduced it by $770,000 million, $300 million less for equalization . . . I am just about finished, Mr. Speaker. Then they turn around and say: We took that away from you for a year, but we are going to sign a five-year agreement to spend money.

Mr. Speaker, I conclude my remarks by saying what the newspapers of Quebec think of the Minister of Regional Economic Expansion: Confused, Stevens unable to explain his policy.

Mr. Speaker: Question, comments? No questions, no comments. Debate. The Hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Blais)

• (1710)

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I welcome this opportunity to respond today to the suggestion contained in the Opposition motion that this Government has completely failed in its agricultural policies, especially since this is said with reference to all regions of Canada.

[*English*]

The facts tell quite a different story and I am glad to set the record straight at this time. Where are they now? Where are they? I would like to refute—

Mr. Riis: Point of order, Mr. Speaker. My hon. friend reminded Members earlier that it was not considered parliamentary to refer to Members' absence from the Chamber. I just wanted to remind him of that point.

Mr. Speaker: That is a perfectly *bona fide* point of order.

[*Translation*]

Mr. Blais: Mr. Speaker, sure enough when we are challenged for minutes and minutes on end and asked to answer and to prove them wrong, and someone rises to answer, of course, they are surprised. I will comply with the rules, Mr. Speaker.

[*English*]

I would like to refute the Hon. Member's allegations, one at a time, starting with the action the Government has taken in support of Canadian agriculture, then the action we have taken jointly with the provinces, and finally I would like to review some of the ways in which this Government has engaged the knowledge and talents found in this House in the development of agricultural policies.

Let us consider for example the fuel tax rebate. The economic statement of the Minister of Finance (Mr. Wilson) in November included a rebate of 4.8 cents per litre on farm fuel taxes. That is made up of 1.8 cents to offset the petroleum compensation charge, and a 3 cents rebate on the federal sales tax. These rebates will save Canadian farmers between $100 million and $150 million per year.

[*Translation*]

Those are accomplishments, Mr. Speaker, not smokescreens. This is not 20 years of waiting. Those are accomplishments that can be measured; they are visible and can be assessed by Canadians. This is important. I hope that tomorrow, many will read *Hansard* and find out the facts if they cannot get them elsewhere.

Another example, the Western Grain Stabilization Act. After final payments that amounted to $123 million last fall—

[*English*]

The Government set to work to amend the Western Grain Stabilization Act to allow for interim payments. As a result of this Government's swift passage of that legislation, western farmers enrolled in this program received payments this spring totalling $450 million. That money was extremely helpful to a great many western farmers in defraying planting expenses for this year's grain and oil seed crops.

[*Translation*]

Mr. Speaker, $450 million, that is a lot of money. Reference was made to $450 million cuts earlier. There you have it, $450 million that were paid to help Western producers. This is important, because this Government thinks that agriculture is

still important in this country, after having been neglected for so long.

[*English*]

The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) suggests that this Government has not used federal corporations to the benefit of the agri-food industry, but again the facts tell a different story.

[*Translation*]

What about the Canadian Farm Credit Corporation? Despite the tremendous financial difficulties faced by this Government, we have made money available to Canadian farmers through the Farm Credit Corporation.

[*English*]

Since the FCC clients are generally the low equity, high risk farmers most in need of assistance, we recognize that this Crown corporation is ideally placed to ensure credit availability and agricultural development across the country. Here are some specifics.

[*Translation*]

In November, the Minister of Agriculture (Mr. Wise) announced temporary relief, the withholding by the Farm Credit Corporation of legal actions taken against farmers, until at least the Government could develop new solutions to farm credit problems. Part of those solutions were announced the following month, when the authority of the FCC appeal offices was extended—

[*English*]

—to allow for input from the Board before foreclosure action is undertaken.

[*Translation*]

In January, the Minister of Agriculture announced—

[*English*]

—an interest write-down program for FCC clients who borrowed money in 1981-1982 when interest rates were 14 per cent and higher. Those loans could be written down to 12.75 per cent, which represents a saving of $80 million for affected farmers over a five-year period. In March the Minister announced another FCC program to help farmers cope with volatile interest rates, the Shared Risk Mortgage Program. Farmers who wish to use this program will generally get a lower interest rate than normally offered five-year mortgages, but the interest rates will fluctuate from year to year.

[*Translation*]

Those are our achievements, and I am pleased to see that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is in the House to hear this, because as I am pleased to emphasize, that is money that has been invested in agriculture, those are initiatives that were taken, rather than having 20 years of smoke-screening. Concrete steps that have been taken in 8 months, making up for 20 years of neglect of Canadian farmers.

[*English*]

In addition to those measures, the Minister of Agriculture (Mr. Wise) is continuing to explore innovative new approaches to farm financing, with the FCC again playing a central role in policy formulation and implementation.

Just to mention one other Crown corporation reporting to the Minister of Agriculture, there is the Canadian Dairy Commission which continues to be the Government's instrument for administering the dairy program, valued at about $300 million per year, for co-ordinating industrial milk production and surplus removal, and even for special functions such as the donation of skim milk powder for African hunger relief programs.

I would now like to address another aspect of the Hon. Member's motion that the federal Government has not adequately consulted with provincial Governments. There are a great many examples of close co-operation, including the following. On October 1, Ministers of Agriculture for Alberta, Saskatchewan, Manitoba and Canada, announced a $60 million federal-provincial prairie drought assistance program for livestock producers who had been hard hit by last summer's drought. This program has greatly helped to maintain the prairie livestock industry, and its success is in large part due to the teamwork between federal and provincial officials in administering the program.

[*Translation*]

Last November, the federal Government and Minister of Agriculture and the Ontario Minister of Agriculture announced a joint fund of $15 million to purchase and process Ontario grape surpluses to be sold later on when the market conditions would allow it. We all know, Mr. Speaker, that agriculture is a major industry throughout Canada. The needs are great and so are the interests. This industry seems to me, perhaps because I am Parliamentary Secretary to the Minister of Agriculture, the most important one in Canada and it deserves all our support.

Mr. Speaker, Canada finally needed a Government which would support farmers and agricultural producers throughout Canada and which would be able especially to have producers from the Maritimes, British Columbia, Ontario, the Western Provinces and Quebec sit down around the same table. This was important, not to urge the provinces and the farmers and agricultural producers of all the provinces to confront each other, but to try to find true solutions to our problems, and I emphasize the word "try" because, unfortunately, we do not have the answer to all problems. However, we did solve many of them and we shall try to do the same in the coming weeks and months. Indeed, we have already started.

Last December, Mr. Speaker, the federal Government and Minister of Agriculture (Mr. Wise) and the Quebec Minister of Agriculture announced a compensation program for crop losses in the province of Quebec for the year 1983.

• (1720)

[*English*]

It was subsequently announced that the federal Government's share of the program would be $27 million and Quebec would contribute $4 million plus administrative costs.

[*Translation*]

Now that was an agreement! It was a settlement reached by two responsible governments after negotiations in an attempt to determine the needs in each region of Quebec, Mr. Speaker. I took part in these negotiations personally and I can say that many members of the Quebec caucus worked hard on these issues and held many meetings with farmers from all areas to ascertain their needs, to understand them and be able to meet those needs adequately through a procedure and a program approved by Quebec and its producers.

I received yesterday a letter of thanks from the president of the APU, the Agricultural Producers' Union of three great regions, Quebec East, Quebec West and Quebec Centre. This letter, which I received this morning at my office, thanks me personally and the Quebec Members who are interested in agriculture for having worked with the agricultural producers. This was not achieved after 20 years, but after six months. We worked at it, we came to an agreement and some $30 million have been spent in Quebec.

Mr. Speaker, another important issue was resolved a few weeks ago, that of assistance to sugar beet producers. On April 18, the Government announced—

[*English*]

—that it would provide assistance of up to $8 million, or $10 per standard tonne, to sugar beet producers in Alberta, Manitoba and Quebec in co-operation with the provincial Governments of those provinces. Since that time agreements have been reached with Manitoba and Quebec, but Alberta producers will not be growing sugar beets this year.

[*Translation*]

We made an agreement with sugar beet producers. We were made aware of this issue. We sat with them, we thought it over, and agreements were reached. Some negociations are still going on. We are still experiencing difficulties with one of the provinces, but all the same we went to bat for our farmers who were struggling against serious difficulties. I think it is important to realize what has been achieved in that area, Mr. Speaker. We knew that sugar beet producers all across the country were in trouble because of poor foreign market conditions, and we supported them. That is not hot air. Those are facts, concrete facts for anyone to see.

[*English*]

I will now turn to the subject of the Ontario Veterinary College animal pathology lab. When the Minister of Agriculture was in Guelph on April 29 he announced that the federal Government would contribute $6.5 million to match funds provided by the provincial Government for the renovation of the Ontario Veterinary College. He also announced the construction of a $5 million animal pathology laboratory at the University of Guelph, which will not only serve area livestock producers, but will also be used in the training of students. Through numerous federal-provincial agricultural agreements the federal Government is helping to develop the unique production and marketing potentials of every region of Canada.

In the interest of time I won't go into the details of those programs. I would, however, like to mention some clear examples of the Government's respect for the authority and the talents of Members of this House in response to the false accusations made in the Member's motion.

[*Translation*]

It is not true, Mr. Speaker, to say that we did not further economic development, especially in agriculture. This is one sector where it cannot be said. I think no one in this House has the right to suggest that we have done nothing to further economic development in agriculture. Agricultural issues were raised more than 70 times since September, and I think it is important that we let the people hear about it or that, wherever they are, they read about it in *Hansard* tomorrow. I hope they do so that they know what really goes on.

[*English*]

Following up on our election campaign promise to take action in regard to Section 31 of the Income Tax Act, the capital gains tax on farm land and the possibility of establishing an agri-bond program to facilitate farm credit. On February 25 the Minister of Finance instructed the Standing Committee on Finance, Trade and Economic Affairs to hold hearings on the three tax issues. The Committee's report was presented early last month.

I hope the Opposition Parties will agree with me that the Committee's observations and recommendations vividly demonstrated the value of Parliamentary study of a pressing issue. All concerned parties had an opportunity to present their views on the three subjects and the Members of Parliament on the Committee were as straightforward in their analysis of the situation as they were bold in their recommendations.

[*Translation*]

We have not left this issue up in the air. We were committed to consider these matters during the election campaign but one cannot simply snap one's fingers and table legislation without giving it some consideration and without consulting the Canadian people. I can tell you, Mr. Speaker, that I, for one, have sat with Members of my party to consult groups and associations throughout the country, the people of Canada, who were anxious to be consulted, Mr. Speaker. When you have not been consulted for twenty years, you are pleased to see Ministers and Government Members sitting down with the people to ask them what they want, what their real interests and their expectations are, and to be able to discuss with them on how to achieve those expectations after giving the matter some consideration and assessing the impact. Now is not the

time to engage in extravagant expenditures and end up with a accumulated deficit of $226 billion, as we now have. We cannot be expected, Mr. Speaker, and I think it is important, to introduce programs here and there and everywhere. We must be good managers. This is why the youth have elected us last September 4. They have made a harsh judgment on the previous Government, and they told us: We have trusted you, go and put your house in order, and that is what we have been doing since September, Mr. Speaker. It is not an easy task and it will take some time. We need the confidence of the people, as well as the good will of all parties, including the Official Opposition and the New Democratic Party. Given the circumstances, Mr. Speaker, I think that we are now in a position, after eight months in office, to present an interesting picture to the people that shows how seriously we have taken the fiscal problems of the Government.

Mr. Speaker: Questions or comments. Debate. The Hon. Member for Kamloops-Shuswap.

• (1730)

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity to speak in support of the principle of this motion. I have listened carefully to speeches by Hon. Members today. I think it is fair to say that in the past Liberals have accomplished some good things for agriculture, although I could not find too many examples.

Mr. Nickerson: Name one.

Mr. Riis: Surely if one is in power for 40 years something good must take place sometime, somewhere and somehow. While I am unable clearly to identify any, indeed there have been some rather minor assistance packages for the farm sector.

Let me open my remarks by referring to what has happened in my constituency in the last three weeks. I come from a constituency where agriculture plays a very major role. There are 1,200 full-time farms and a number of part-time and hobby farms.

I notice that the Minister of National Revenue (Mr. Beatty) is in the House. We are still awaiting for that clarification with respect to how the tax system affects part time farmers. That clarification was promised before the election, during the election and after the election—it has been eight months. I simply want to flag that for the Minister in the hope that we will have that clarification in the near future with respect to how the tax system affects this critical area.

Three weeks ago I spoke to a sheep rancher in my constituency. He is from a large sheep farm that has operated for three generations. His grandfather had settled in the area and commenced a large sheep operation. He took over this operation from his father and I believe his son will look forward to taking over this family operation. I say this merely to point out that this case does not involve an overnight introduction of sheep ranching into the area but indeed an operation that has lasted for three generations.

This distraught sheep rancher came to me to say that the production costs of raising sheep on his ranch were far higher than the prices he was receiving for his animals. In short, he was saying that it is no longer profitable to run a sheep ranch in central British Columbia, no matter what the size of the ranch. Furthermore, he was using the most modern methods and sophisticated management techniques. He suggested that three generations of sheep ranching was about to end unless the federal Government could assist him. He asked if I believed that the federal Government could assist him by implementing measures to assist the farm sector in a real way. I am always honest with my constituents and therefore had to answer no. While I hope the federal Government would do so, it was my honest opinion, based on information I had at the time, that it likely would not. Of course, this was not encouraging to my constituent.

Later that week I talked to some 40 cattlemen in my constituency. They also told me that their cost of producing cattle was higher than the prices they were receiving and therefore they could not continue any longer. It is impossible in a cattle ranching area of western Canada to continue such an operation, despite the most modern equipment and sophisticated management techniques. These are very learned food producers who simply cannot continue without some support from the Government.

They told me that they had heard of a proposed red meat stabilization bill and asked if such a bill would solve the problem. I said that it would not solve the problem because if such a bill were passed the price that beef producers would obtain would be an average of the prices which I have just stated are too low to cover the costs.

Until the Government recognizes the value of the family farm in agriculture and that those people must obtain a fair price that is reflected in the cost of their operation, we will not have family farm operations in Canada. It will be replaced by agri-business and corporations. A very efficient way of food production will be removed from the agricultural landscape of Canada.

I met another individual in my riding who, along with others, was introducing a rabbit operation; they would raise rabbits, slaughter and sell them. He asked me if there was any federal support for such a venture and I advised him that he could receive assistance through the IRDP. He indicated that those running the IRDP were not interested in supporting such a venture. They did not have any faith in this type of food production and would not provide assistance. This is another clear signal that people in my constituency are receiving from the federal Government.

I was also approached by a number of people who were becoming involved in the potato producing sector. They had approached the federal Government for assistance in developing a processing storage facility. They were simply asking for assistance to begin operations and were quite prepared to repay the loan. However, when they made their inquiries to the

various Departments there was no money for this type of development.

I am beginning to sound like a broken record, but the point is that after all the assurances from the new Government, food producers in my constituency are telling me they cannot make a living and continue their operations. I think these human stories and tragedies that are unfolding speak for themselves.

I am asking Government Members to take these concerns seriously because there is a sense of disappointment in our constituencies. On behalf of our constituents in the food producing sector, we are appealing to the Government to introduce policies that will enable agriculture to continue in this country in a viable way.

During the election, the Prime Minister (Mr. Mulroney) said in my constituency that his Party had a whole set of solutions to agricultural problems. Agri-bonds was one solution, but these will not be introduced any longer. The Conservative Party said it would change the tax laws to allow many deductions that are not presently available. However, there is no indication that this will happen.

The Conservatives said they would bring in legislation, such as the United States Farm Home Administration Program, that will allow people to deal with these large debts they have accumulated. We have heard no discussion about such a proposal.

The Government said it could introduce a bill immediately that would assist hard pressed farmers and ranchers. It is called the Farm Creditors Arrangements Act. That legislation has been left off the list.

There has been no indication that the Government appreciates the plight of the agricultural sector. As a matter of fact, in many cases the Government is turning its back on food producers of this country.

We heard the Minister of International Trade (Mr. Kelleher) stand in his place today and allude to the fact that the Government had a great idea that would allow tens of millions of pounds of heavily subsidized beef from Europe to be imported into the country in order to undersell all the Canadian beef producers. That is almost as ludicrous as when the Minister of Regional Industrial Expansion (Mr. Stevens), talking about industrial policy, announced that he had great news for the House. He said that Mitel, a world leader in telecommunications technology and the second largest telecommunications company in Canada that is extremely well respected on the international stage would be sold to a foreign company. All the Members on the Government side applauded for some 15 or 20 seconds at this good news. It is a pathetic day when Parliament applauds the Minister responsible for developing industry in this country for saying the best news he has is that one of our best companies has been sold to a foreigner, and that technology that we as taxpayers—tens of millions of dollars by the way—will now be drained out of the country and taken advantage of by a foreign corporation. That is the good news. If that is the good news, Mr. Speaker, what on earth is the bad news we are about to receive as people warn us of the up-coming Budget.

• (1740)

This motion before us today suggests that we ought to condemn the Government because a number of its policies regarding Crown corporations have not been developed properly. I listened to the Hon. Member across the way talking about things the Government has done to assist the food producers. There is one Bill I am waiting to receive in the House of Commons and to hear Members opposite debate it; that is the Bill to do away with Canagrex. The Minister of Agriculture (Mr. Wise) said: "Listen, at a time when we are trying to expand into new markets and trying to provide economic opportunities for our food producers to sell their wares overseas, we have a good idea. We are going to scrap the Crown corporation that does this". Again there was some applause on the Government benches when the Minister stated that Canagrex is history now.

In the first few months Canagrex operated millions and millions of dollars of sales were organized overseas to assist our farmers. I asked the Parliamentary Secretary about it. Here was a Crown corporation set up to assist the farmers in Quebec, Ontario, in western and eastern Canada and it was doing an excellent job. I have not read a single report that said Canagrex was not performing beyong the wildest expectations that people had for that Crown corporation. But the Government is going to torpedo it and wrap it up. As a matter of fact, the Government already has.

When you consider what is going on today, Mr. Speaker, and when we hear from the Government that it has done certain things to assist farmers, let us recognize that the situation in the country is growing worse. Let us measure what is going on in terms of farm bankruptcies, and I am not certain this is the most appropriate way to measure the health of the agricultural sector, but it must be one way. When you look at the record going back to 1979, there were 125 farm bankruptcies in Canada. In 1980 there were 222; in 1981 there were 261; in 1982 there were 410; in 1983 there were 488; and in 1984 there were 551. In 1985, if you extrapolate the number we have today, there are over 600. Over the last five years, in every single year farm bankruptcies have increased in the country. This is surely only a tip of the iceberg when you consider all of those people who are walking away from their farms, price collapses and so on.

Look at the debt the farm community was facing in 1979. Total farm debt was $14.6 billion at an average interest rate of 11.6 per cent. In 1981 that amount had increased to $18.5 billion with an interest rate of 15.46 per cent. Today farm debt is in excess of $20 billion and increasing. I do not know how you would measure the health of the agricultural sector of our country. The only way we have before us would indicate that things are deteriorating and the situation is worsening. Now is the time to call for extraordinary measures on behalf of the federal Government to show the leadership necessary to provide an environment for this sector to develop properly.

What can be done? I listened to the Hon. Member with all due respect—I mean that—when he talked about Farm Credit, the tinkering and how this was helping farmers. The number of farmers that were helped is minuscule and the way they were helped by lowering debt a couple of percentage points is hardly the kind of leadership we were expecting from the Government. I think the tinkering and adjusting of the Farm Credit rate is at best a good joke. It is no solution.

What we need to do is look to our financial institutions. On November 7 last year I remember opening up *The Globe and Mail* and finding on one side this great, huge headline, "Financial Woes Assail Farmers". That is expected under present conditions. On the other page of *The Globe and Mail* it said, "Bank Profits in Canada the World's best". While the farmers of this country were literally being driven to their knees, the banks of Canada were identified as the most profitable banks in the entire world. Therein lies part of the problem. It is time we looked to our bankers and said, it is time they shared in this dilemma. Why are their profits up substantially while the farming sector is being crushed as a result of these high interest rates? Some of the European countries asked their banking communities to recognize the value of the family farm. They said to them, why not have interest rates for 25 years at say 8 per cent for the family farm?

Mr. Nickerson: Who is going to pay for it?

Mr. Riis: The Hon. Member for Western Arctic (Mr. Nickerson) just said: "Who is going to pay for it?" I will tell you who is going to pay for it, Mr. Speaker. The banks will. Because their profits have been some of the strongest in history, and because the Canadian interest rate spread is the largest and widest in the world, I think it is time Members of Parliament, including the nice fellow from Western Arctic, asked themselves why Canada has to tolerate the widest interest rate spread in the world. We go on to ask, is what is good for the banks good for everybody? It is not, Mr. Speaker. It is certainly not good for the farmers. I think it is time for the banks to carry their share of business and to stop foreclosing prematurely on some of these ranches and farmers as they struggle back into position.

How can this be done, Mr. Speaker? If the Government across the way had the guts and the commitment to help, farmers having difficulties in whatever part of Canada, it would introduce right now the Farm Creditors Arrangement Act 1985 which would allow relief to those hard-pressed farmers. When people ask, what can we do, that is one thing. We can look to the banks and expect them to share. We can introduce measures such as the Farm Creditors Arrangement Act that was introduced in the late 1930s and 1940s. It helped a lot of farmers at that time. Or we can look to our colleagues in the United States, in particular, the United States Farmers Home Administration. We could say that we will set aside without interest for five years as much as 25 per cent of debt owed by farmers in distress up to a maximum of $200,000; that the private lender is willing to write down a portion of loans, and to reschedule repayment obligations one could apply to the FHA for a guarantee of the remaining outstanding debt of up to $400,000 for operating credit and $300,000 for real estate.

This is not a radical program. This is in place in the United States. Again as an example of what can be done, there it is. There are many things that can be done. I refer to the work done by the National Farmers' Union in the last few weeks as they have been visiting the various caucuses, laying out a variety of proposals that would assist the farm sector.

In closing I want to say that I do hope the Government gives some consideration to the point in this motion we are debating today on decentralization. Decentralization is an opportunity for Canadians in their own communities to solve their own problems. There is a great deal of interest in the idea of people getting on to solve their own difficulties and not waiting for the Government or for large corporations to do it, particularly foreign corporations. What about giving people an opportunity? We could assist local areas to develop food processing plants, assist in the development of food storage facilities and so on to allow potential food producers to develop lands that are presently not in development. Again, there are a variety of things the Government can do. Let us hope it has heard the points made today, and that a week from Thursday when the Budget is introduced all of these suggestions are included therein.

• (1750)

[*Translation*]

Mr. Speaker: Questions and comments. The Hon. Parliamentary Secretary to the Minister of Agriculture (Mr. Blais).

Mr. Blais: Mr. Speaker, I heard the Hon. Member talk of the tip of the iceberg referring to farm bankruptcies. If this is the tip of the iceberg, I think that the bottom of the iceberg would be to have an NDP government in office in Canada. Such is not the case, and I hope it never is.

Mr. Speaker, it is obvious that we agree to listen to the opinions of the Canadian people and of the Opposition on the problems we face in agriculture, but we had to wait for almost half an hour this afternoon for a single Opposition member to show up so that the Standing Committee on Agriculture could sit to study credits earmarked for agriculture, and officials from everywhere were kept waiting. It is not serious, Mr. Speaker. It is not serious. When the time comes to put forward your opinions on budgetary matters, as you have a right to do, you should do it then.

Mr. Speaker, since Canagrex was mentioned earlier, I want to say that a decision has been made by the Government and that investments as well as Canadian initiatives abroad have continued. When a Crown Corporation is done away with, the NPD obviously . . . It is difficult for a socialist party to accept the possibility that a Crown Corporation might disappear.

However, when you try to make the budget work, the economic situation—

Mr. Speaker: Order, please!

Mr. Blais: Don't I have ten minutes to answer, Mr. Speaker?

Mr. Speaker: Standing Orders provide for a brief question or comment, as is the case during Question Period.

Mr. Blais: It was brief, Mr. Speaker.

[*English*]

Mr. Riis: Mr. Speaker, in responding to a question or a peculiar statement—one of the two—in order to allow my colleague to end the debate which his Party sponsored today, I will keep my answer very brief. If the Hon. Members wants to put up the farm sector policies of countries that have been led by social democratic Governments—every one of those countries—which are extremely viable, I will put them up against the Canadian experience any day of the week.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, in closing the debate today on this motion, I want to pay particular attention to that part concerning the activity or lack of activity of Crown corporations, and the role they can play in re-energizing the Canadian economy. I make mention of Canadian National and a number of its subsidiaries, whether it be CN Marine, Ports Canada or a host of other subsidiaries. I bring to the attention of the House that the role that these Crown corporations are playing or not playing is crucial to the poorer regions of this country.

I made mention before, as did the Hon. Member for South West Nova (Mr. Comeau), of the cut-backs in ferry service by the *Bluenose* from Yarmouth to Bar Harbour. Members on the government side, particularly the Minister of Regional Industrial Expansion (Mr. Stevens) and the Minister of Transport (Mr. Mazankowski), find this to be no big deal. However, in that area of the country, particularly in that area of the Province of Nova Scotia, it is a very serious matter. In fact, the Premier of our province travelled to Ottawa to speak specifically to the Minister of Transport about this very important issue.

This gives ample evidence that this Government in its so-called desire to create economic wealth in this country has allowed these Crown corporations to abandon the responsibilities to those areas of the country which are perhaps in greatest need. The stalling tactics of the Minister of Transport to give us a positive decision with regard to changing that policy in Yarmouth is absolutely appalling to the people of Nova Scotia. It is a repudiation of the provincial Government, the provincial Tory MLAs, and certainly a repudiation and a shot in the face to the Hon. Member for South West Nova who has been attempting, as I have, to have this ferry service restored.

Another issue of great concern, which I believe the Opposition motion covers quite well, is the request made by the Maritime Farmers' Council. The Minister responsible sat in his office and received briefs, delegations and representations from the provincial Premiers and Members of Parliament on all sides. He has elected to do nothing for the maritimes farmers. The request for emergency funding in the amount of $9 million has not even been answered.

The list goes on. It does not stop there. We recently heard that the European Economic Community may take action in terms of imports of various goods. This Minister has refused to send able negotiators there to represent the best interests of Canada. The beef industry is allegedly going to receive a slap in the face. Further importation of beef will be allowed into the Canadian market. I realize that some tough stands have to be made in order to represent Canadian interests. I find the stalling tactics used by the various Ministers not to be acting in the best interests of the Canadian economy.

What about Canagrex? That Crown corporation was set up to benefit the farming community in this country. Without any consultation whatsoever it was slashed. The operative word during the Throne Speech was "consultation". We found that the substance contained in the economic statement of the Minister of Finance (Mr. Wilson) in November 1984 was not "consultation", but "cut, cut, cut". Canagrex has gone. So much for assisting the farming community in Canada.

The New Democratic Party Member referred to the Minister of Regional Industrial Expansion as the optimist. He stood in his place today and bragged about the agreements he had concluded with provincial Governments. I think he referred to 19 agreements. He failed to mention that the ones that he concluded in Newfoundland were concluded during the provincial election. Most of the background of those agreements was well in place before this Government took office.

The Minister bragged about the agreements he has signed in Nova Scotia. The Minister of State for Tourism (Mr. McMillan) is travelling across this country seeking greater input from Canadians with regard to tourism and additional moneys from the Canadian Government to further the aims of his portfolio. He finds that they have given a meagre $14 million to an entire province for tourism. I say shame! That will not cover one region of the Province of Nova Scotia.

The Minister failed to mention in any debate the agreements that he has not concluded with provincial Governments. This Minister is dragging his feet with regard to the SYSCO modernization plans, an agreement concluded in writing by the provincial Government of Nova Scotia and the Government of Canada. The Minister responsible is refusing to live up to his part of the agreement. The rationale has never been explained in this House or to the Canadian people. We only hear the Minister say they might review it, or they are going to review it. Meanwhile, hundreds of jobs are being put in jeopardy.

• (1800)

I could go on, but let me conclude with two points regarding decentralization. The decentralization of offices and services from areas which do not really need them to other areas of this country has been terminated by the Government. Of course, Canada Mortgage and Housing Corporation is an economic

tool that the Government ought to utilize for the benefit of all Canadians. We are seeing the complete opposite. The Government is trying to wind down the Canada Mortgage and Housing Corporation. I believe that the motion put forward by my colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), is right both in its spirit and its substance.

Mr. Speaker: It being six o'clock p.m., it is my duty to inform the House that, pursuant to Standing Order 62(11), proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

REGIONAL ECONOMIC DEVELOPMENT—NOVA SCOTIA-CAPE BRETON COAL RESOURCES. (B) FEDERAL FUNDING

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I put a question to the Minsiter of Regional Industrial Expansion (Mr. Stevens) on May 8, and I was somewhat surprised by his answer. He said that money was approved for the further opening of a tunnel at the Donkin Mine. Since that time, statements have been made by the Chairman of the Board of the Cape Breton Development Corporation, as well as by the President, indicating that no money has been approved. The press secretary to the Minister of Regional Industrial Expansion is not aware of any money being approved for the opening of new tunnels to new coal mines in Cape Breton. There has been absolutely no such approval. Such a request is before the Treasury Board in Cabinet, but the Minister quite conveniently said to the House, and to you, Sir, that the expenditure of this money had been approved. I am not suggesting that the Minister intentionally misled the House, but there are certainly some very strong arguments to suggest that one could conclude that that happened.

Notwithstanding the Minsiter's comments, I am afraid that his answer is not satisfactory. We in industrial Cape Breton want a clear commitment on the part of the Government of Canada with regard to new and expanded coal developments in that area of Canada. I remind the Parliamentary Secretary that the energy policy, both in spririt and in substance, is based primarily upon the utilization of Cape Breton coal. That is the fundamental policy thurst of the Conservative Government of Nova Soctia.

The Minister of Regional Industrial Expansion has an obligation to the provincial Government of Nova Scotia. He has an obligation to those coal mining communities that depend in large part on the viability and future of those coal mines for jobs, for economic wealth and for job opportunities for their families. For the Minister to give no commitment to the Nova Scotia Government and the people of that area is, in my view, and abdication of his responsibilities as a Minister of the Crown, and it is an outright repudiation of a Tory Premier, John Buchanan.

Before a large audience in industrial Cape Breton the Prime Minister (Mr. Mulroney) clearly spelled out that he was committed to coal and steel. I suggest that when commitments are made by politicians, particularly those who go on to become the Prime Minister of Canada, they ought to be lived up to. This Prime Minister is allowing his Minister of Regional Industrial Expansion to allow a particular resource industry in my province to go on without a firm commitment from the Government of Canada.

• (1805)

It is fine and dandy for the Minister to tell us that Devco has made a profit for the first time in "X" number of years. But, the fact is that the Minister had nothing to do with that. The present President had nothing to do with that. It was well in place before the Government assumed power. It is an irrelevant point. It is particularly odd that the Minister stood in his place and told us that Devco had made a profit, but could not tell us what the profit was because the statements had not been audited. I find that very misleading; or, I would suggest to you, Mr. Speaker, that it could be argued as being misleading.

Why does the Minister not come clean and tell us the answers? I will tell the House why. It is because this Government has said no to the Government of Nova Scotia with regard to future coal developments on the Island of Cape Breton. The Government has said no to the mining communities in those areas. It will not put additional moneys into the coal industry. The Government will flirt with some research moneys, but it will not continue assisting with new coal developments in Cape Breton.

The Minister said that the company has broken a promise. A total of 1,200 miners are walking the street as a result of the lack of commitment by the national Government. It is not only unfair in terms of regional development policy, it flies in the face of everything which the Prime Minister has allegedly tried to do in terms of co-operation with both levels of Government. It is not going ahead.

Two things could have happened. The Government of Nova Scotia could have backed off on its request for additional moneys for coal development in Glace Bay—and I would like to hear the Parliamentary Secretary zero in on that—or the Prime Minister could have given a directive to the Minister of Regional Industrial Expansion to change the mandate of the Cape Breton Development Corporation, and to run it like a business, because the Government would not provide further dollars for coal developments. I say that is a sick energy policy by a sick Minister, with a sick Prime Minister and a sick Government.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, with the same aggressive tone used by the Member of the Opposition, I would like to refer him first to the answer given by the Minister of Regional Industrial Expansion to his question last May 8. Had he been here, he could also have heard the position of the Minister and the Government during the allotted day of May 3 and today. I think he would have had some of the answers.

[*English*]

Mr. Dingwall: I was here. Mr. Speaker, I rise on a point of order.

Mr. Speaker: I am sorry but we do not generally hear points of order during the Adjournment Debate. In order to allow everyone to have their time, we do not allow points of order.

[*Translation*]

Mrs. B. Tardif: I think you could at least have listened to what the Minister said today and last May 3 as well.

When it comes to federal-provincial co-operation, it is a fact indeed that co-operation between this Government and the provinces, including Nova Scotia did improve.

Last April 30, the Minister of Energy and Mines of Nova Scotia, the president of the Cape Breton Development Corporation and the new chairman of the board of the corporation got together to discuss mining development projects, the corporation's production and the market outlook.

Mr. Matheson stated that better corporation management had put Nova Scotia's coal industry in a better position than it had known for years. He was pleased to learn that production and productivity have improved at Lingan Mine and Prince Mine. The unions full co-operation was an important factor. Mr. Matheson also welcomed the fact that coal production facilities will be able to meet the increasing needs of the Nova Scotia Power Corporation.

This press release shows evidence of the co-operation that exists between the federal government and the Government of Nova Scotia concerning coal and energy policies, and the development of coal resources in the province. Besides it was agreed that the Cape Breton Development Corporation and the Nova Scotia government would meet on a quarterly basis to discuss matters related to this industry.

As was mentioned by the opposition member, the profits of the Corporation are under review. The financial data for the current fiscal year are being gathered and examined by external auditors.

For the preceding fiscal year, ending on March 31, 1984, the Corporation had declared $49.6 million in operating losses. The Corporation intends to allocate 10 per cent of its operating profits to its Coal Division employees.

• (1810)

[*English*]

SOCIAL SECURITY—CHILD TAX CREDIT—TREATMENT IN NEWFOUNDLAND. (B) REQUEST FOR LEGISLATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am sorry that the Minister of National Health and Welfare (Mr. Epp) is not in the House today—

Mr. Lewis: That's a cheap shot.

Ms. Copps: It is clear from the comments of my colleague from Nova Scotia that this Government is ignoring eastern Canada. That is one of the reasons for my request tonight to speak on the issue of the refusal of the Minister to act on the Newfoundland Government's total abuse of the tax credit system as it affects single parents, particularly those people who need the money the most.

You will no doubt recall, Mr. Speaker, that Hon. Members on this side of the House were incensed to discover that the Government of Newfoundland was using the federal tax credits to gouge money from single parents; people like Shirley Parsons who could not even pay her electric bill because the money she was receiving as a single parent was insufficient. She went to the welfare department to ask for help. This was not a lolly-gagging layabout. This woman had a part-time job and she was seeking full-time employment in a province where the level of unemployment is higher than anywhere in Canada. She was supporting a family and she needed some help with her electric bill. Before the Newfoundland Government would give her help to pay the bill for the utility, which is in fact contracted for by the Newfoundland Government, it forced her to sign a statement to the effect that she would turn over her federal child tax credit to the Government.

When we raised this issue in the House, the federal Minister of National Health and Welfare denied any knowledge of such a request. He denied any knowledge of the fact that the Newfoundland Government was intent on squeezing blood from a stone. The Minister, instead of embarking on a nationwide study to see whether this type of practice is being followed by other provinces, washed his hands of the whole situation and said it did not exist.

I will tell you, Mr. Speaker, that the Newfoundland Government could not take the political heat, and in the few days leading up to the elections in Newfoundland it went to Mrs. Parsons and said, "We will pay your heating bill. We will pay you everything as long as you keep your mouth shut". But I must say that this woman had the courage of her convictions. She laid it out before the public. She told the Newfoundland Government that she was not speaking just on her own behalf, but on behalf of literally thousands of other people, primarily women and single parents, who find themselves in the position of being unable to pay the exorbitant charges inflicted on them by the Newfoundland Power and Light Company.

Unfortunately, Mr. Speaker, the federal Minister chose to ignore his responsibility to ensure that the child tax credits are not used by provincial Governments to extract dollars from

single parents and needy individuals. The purpose of the child tax credit from the very beginning was to assist those people who need help the most. It is clear that the Newfoundland Government's policy, which was stated in documents distributed in welfare offices across the province, was a clear violation of the spirit of the child tax credit as enacted by former Liberal federal Governments.

● (1815)

Notwithstanding the statement by the Minister of National Health and Welfare about how they were going to preserve universality, preserve the child tax credit, did he use this opportunity to send a clear message to the provinces? Did he use this opportunity to say no, you are not going to touch that money because it belongs to Shirley Parsons and all of those single parents who are out there struggling to make ends meet? Did he lay down the law and tell Brian Peckford and the Newfoundland Conservatives that they were not going to pay the provincial heating bills on the backs of poor single parents? No, he washed his hands of the issue and said it was not his fault, it was the fault of the Newfoundland Government, or it is a misunderstanding. Who cares that hundreds if not thousands of single parents are being gouged for their electrical bills.

In the same manner the Minister has washed his hands of the medical crisis in British Columbia. When confronted with a clear and present violation of the Canada Health Act, did the Minister fight for the rights of Canadians, as did the former Minister, Monique Bégin? Did the Minister go to the Government of British Columbia and say, Bill C-50 is a travesty, a violation of the Canada Health Act? Did he say that Bill C-50 must be nipped in the bud? No, Mr. Speaker, the Social Credit, cum Progressive Conservative Government in British Columbia, was aided and abetted by the Minister of National Health and Welfare, who has known about this violation of the Canada Health Act for months but has chosen to wash his hands of the issue because he does not have the political guts to go to his colleagues in the provinces and say that this Government is committed to ensuring accessibility under the Canada Health Act; this Government is committed to ensuring accessibility to the child tax credit for all those who need it.

No, Mr. Speaker, when push comes to shove this Government is prepared to kneel and bow and scrape to those provincial Governments who would utilize mechanisms like the child tax credit and the Canada Health Act for their own gain.

This Party introduced the child tax credit and the Canada Health Act, and we are going to fight for Canadians, a job which is not being done by this current Progressive Conservative Government.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member for Hamilton-East (Ms. Copps) asked the Minister of National Health and Welfare (Mr. Epp) about the situation in Newfoundland where people were required to sign over their child tax credit before they could get any help from the Department of Social Services to pay their heating bills.

The Minister answered that officials in his Department had spoken with officials of the Newfoundland Government who had stated very clearly that it was not government policy to ask people to sign over their child tax credit before they could get any financial help. The provincial officials stated that the form signed by Shirley Parsons had never been approved by the Department of Social Services. They regretted what had happened to Mrs. Parsons and informed the officials of the Department of National Health and Welfare that she would get the financial assistance needed to pay her heating bill without signing over her child tax credit.

Mr. Speaker, I would like to read now a Telex sent to the Minister of National Health and Welfare by the Hon. R. C. Brett, Minister of Social Services in Newfoundland:

[*English*]

This will serve to confirm information provided by my officials during the past few days that it is not the policy of the Newfoundland Department of Social Services to require or request assignments to the Department of Child Tax Credit payments for any purpose. Unfortunately this did occur in error in a very small number of cases. The matter has been corrected and the practice discontinued. The clients concerned have been notified accordingly.

We regret this occurrence and any difficulty this may have caused you.

[*Translation*]

This convinced the Minister of National Health and Welfare, Mr. Speaker, and should convince all Members that the Newfoundland Government does not require that people sign over their child tax credit before they can receive help.

I want to assure the Hon. Member for Hamilton-East (Ms. Copps) and all the Members, that Newfoundland abides by the terms of the agreement signed with the Federal Government under the Public Assistance Act. I would like to add that the federal Government does not require that the Child Tax Credit be considered as income when determining eligibility to provincial social assistance, and all provinces exclude it totally in their social programs.

● (1820)

PUBLIC SERVICE—FEDERAL UNIONS—GOVERNMENT POSITION. (B) PENSION NEGOTIATIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the subject this evening is Public Service pensions and the promise made by this Government to maintain indexing for the pensions for which public servants have paid premiums and to which they are entitled.

The House will recall that I asked the President of the Treasury Board (Mr. de Cotret), following his statement in the House, to table the so-called agreements he signed with the two largest unions, and I am referring to the Public Service Alliance and the Professional Institute. The President of the Treasury Board refused to do so at the time, saying that if we

wanted information, we would have to see the unions, that everything was confidential, and that for the time being it was impossible to judge whether or not there was a good case for settling a problem that has been with us for a long time, that is, four or five very controversial points, including the indexing of pensions.

A few minutes ago, when I was listening to the other speech, at the same time—in the House it becomes second nature—I was reading over a speech I made on December 7, 1982 on the same subject, namely, Bill C-133, which I feel destroyed the indexing of Public Service pensions forever by setting the maximum allowable indexing at 6.5 per cent for one year and 5.5 per cent the following year.

Mr. Speaker, at the time I objected strenuously to this measure, but the fact is that the measure was adopted and I think this injustice should be dealt with very shortly. We were led to believe that an agreement had been reached, that public servants, through their union, had agreed to a remedy and had ratified an agreement they were to submit to management and which would subsequently be ratified by the public servants themselves.

Mr. Speaker, on May 10, after a series of misunderstandings and comments on both sides, both in the press and by spokesmen, by people who we assumed were knowledgeable, we had a rather serious problem, namely, that the unions were saying that what the Minister had read and their interpretation were not the same thing. With respect to pensions, the Minister had said: Unlimited indexing is finished. We are not going to talk about it anymore. We are now going to have an adjustment formula, which I will explain later on, and that is it. He also said: The right to strike was let go in favour of an agreement on other items that were more likely to meet with the general approval of union members. In other words, the right to strike was dropped. The union presidents denied they had dropped the right to strike. They also denied they had agreed to a non-indexed pension plan. In any case, all this created a wave of protest in the press and the media, and finally, last week on May 10, I asked the Minister: Listen, could you put an end to all these misunderstandings and table the agreements in the House? The President of the Treasury Board agreed to do so, and Hon. Members were able to see that quite obviously, the agreements were not what we expected from this Government, which was a settlement that would deal, after so many years, with a problem of major concern to us, and I am referring to pension indexing.

Mr. Speaker, in the few minutes I have left, I would like to comment on this very important subject of pensions. In the memorandum of agreement signed, as far as I know, by Mr. Donegani for the Professional Institute and by Mr. D. Bean for the Public Service Alliance, it says very clearly:

> Premium rates will be set at a level commensurate with the cost of current benefits under the base plan and with the ability to provide full protection against inflation if the economic assumptions on which these rates are based are realized.

Mr. Speaker, that means that the committee will be chaired by an individual allegedly independent of the minister, but who will be nonetheless responsible to him, and who will try to anticipate economic assumptions on inflation interest rates. The system will be based on those factors. How will they manage when, for years, we have been unable to do so with the assistance of so-called professional actuaries, I do not know.

Anyway, here is clause 4 of the agreement:

> It is agreed that the present commitment to unlimited indexation will be repealed.

It is clear. For my part, it is the crux of this issue. The unlimited indexation is being repealed.

> No. 6. The real level of protection against inflation provided to present and future pensioners will be based on the revenues of the pension fund and determined by the president of the Treasury Board on the recommendations of the management committee.

Whom will the advisory committee advise? The President of the Treasury Board, who will have the final word. This means, Mr. Speaker, that instead of saying: Listen, this thing has been going on for years, it is difficult to explain it, is quite complex and we will start over, both plans are put together. The indexation plan and the pension plan will be placed in a common fund which will be used to purchase long-term bonds bearing current interest and it will be jointly managed not only by the present public servants but also by the 30,000 pensioners who will have their say in the administration of their pension plan.

Mr. Speaker, I would like to end my brief comments this evening by stating that I feel that pension indexation should be maintained. We should be able to negotiate. The minister told us: yes, the door is open, come and see me. However, it is the minister who should act and invite the retired public servants to call at his office to negotiate an agreement which I hope will be approved by all and will put an end to a debate which has been going on for 17 years. It would also end the injustice of constantly questioning the future of our pensioners, their means of living, which they have dearly earned.

• (1825)

[*English*]

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate the opportunity to respond to my Hon. colleague's remarks. I well remember his embarrassment during the six and five debate when he was completely abandoned by the Liberal Party and had to face his constituents. It was very embarrassing for the Member and I appreciate his efforts to try to regain lost ground.

Last Friday, the President of the Treasury Board (Mr. de Cotret) indicated a willingness to meet with the union representatives and discuss, further, pension plan reforms and the shape of a new dental plan. I am sure the Hon. Member appreciates that this is one more indication of our willingness as a Government to sit down and consult. I am sure the Hon.

Member realizes, as his constituents must be telling him, that there is a much better tone and atmosphere with respect to employer-employee relations under the Conservative Government than that which existed under the previous Liberal Government. Although the Hon. Member cannot admit that because of Party solidarity, he would admit that privately.

On April 17, the President of the Treasury Board, in all good faith, outlined a series of understandings that had been reached, through bargaining on both sides, with the unions representing the Public Service employees. Understandings in principle are worked out and have to be taken back to both sides. They provide a framework within which the specifics can be worked out. They anticipate flexibility, compromise on the details, and most of all they reflect an appreciation that there must be continuing consultation.

I am sure I speak for Members of all Parties when I say we regret the events of last week, but we as a Government do not for a minute abandon our hope for continuing constructive joint consultation on the issue of pension reform and a dental plan. Both of these subjects are of importance to present employees. The pension arrangements are naturally important to present employees and retired employees. We see a need to continue these consultations, and I regret that because of the time limit I do not have the opportunity to expand upon these remarks and reply further to my hon. colleague's question.

I wish to thank the House for this opportunity, Mr. Speaker.

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

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Wednesday, May 15, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

SOCIAL HOUSING IN ST. JOHN'S, NFLD.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I want to bring to the attention of the House the situation in the Province of Newfoundland with respect to the reductions which have been made by the Minister responsible for CMHC in social housing and special housing in that province.

Yesterday I received a copy of correspondence which was sent to the Minister from the Community Housing and Support Services Council of St. John's, from the Executive Director, Mrs. Penny Rowe. Mrs. Rowe pointed out that the reduction in social housing units in St. John's this year has reached the 67 per cent mark. She further pointed out to the Minister that there has been absolutely no allocation this year in the Province of Newfoundland for special purposes housing.

One has to recognize that while the Prime Minister (Mr. Mulroney) only a few days ago was celebrating the fact that unemployment had gone down in Canada, in the Province of Newfoundland unemployment went up by 2.3 per cent. In the city of St. John's, and indeed, in the entire Province of Newfoundland, there are many applications before CMHC to provide housing for battered women, children with special needs, and nursing facilities. Because the special funding is totally absent this year, the start-up funds will not be available to allow applications to proceed for those very worth-while and necessary projects.

The people of Newfoundland are extremely upset—

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

* * *

HOUSING

REDEVELOPMENT OF RAILWAY LANDS IN TORONTO

Mr. Dan Heap (Spadina): Mr. Speaker, for years the people of Toronto have been trying to find or create affordable housing against a vacancy rate of less than 1 per cent and run-away inflation of land prices.

Some years ago Toronto City Council began to plan a redevelopment of the huge railway yards near the waterfront; office towers near Yonge Street, and housing at the other end of the city, east and west of Spadina. All types of housing were planned, including rental, privately and individually owned, co-op, non-profit, singles housing, family units, assisted and market housing. The planning also included schools, community centres, work-places, and parks.

Now a bunch of tycoons are trying to destroy those plans. Canadian National, Imperial Oil, the Canadian Imperial Bank of Commerce, Coca Cola, Hiram Walker, McDonald's, Labatt's, and Olympia-York are using the Dome Stadium as bait. They are using free railway land, and mainly taxpayers' money. Through Canadian National, the Metro Council, and the Ontario provincial Government, they plan to redevelop the whole 75 acres as commercial land. That will wipe out the possibility of housing. It will also restart the Spadina Expressway from the south, which will destroy established residential neighbourhoods from Queen Street to Eglinton Avenue.

I call on the Minister of Transport (Mr. Mazankowski) to halt this give-away of public land by the CN for the purpose of private profit, and to ensure that the public land is used for housing, recreation, and the needs of ordinary Canadians.

* * *

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF ANATOLY SHCHARANSKY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, today approximately 70 members from the Beth Tikvah Synagogue of Willowdale, Ontario, tried to contact the Ambassador of the U.S.S.R. to Canada, to discuss the extraordinary case of Anatoly Shcharansky. Avitali Shcharansky, his wife, was also present.

Mr. Shcharansky epitomizes the struggle of Soviet Jewry and the pain and anguish of refusniks. The Shcharanskys' marriage was only 12 hours old when Avitali was given a visa and told to leave Russia. Mr. Shcharansky was arrested on March 15, 1977, and held incommunicado for 16 months. He was tried in 1978 and sentenced to 13 years.

What was his crime? Mr. Shcharansky simply chose to help organize a group of people who wanted to ensure that Russia abided by the Helsinki Accords which were signed in 1975.

The world was once again vividly reminded of Mr. Shcharansky's plight when he endured a four-month hunger

strike in 1982. He won that battle and was finally allowed to receive visitors and mail.

This is not just a struggle to free one more political prisoner; it is a struggle for fundamental human rights. Members attending the Human Rights Experts Conference here in Ottawa need to be strongly reminded of Anatoly's struggle.

Some Hon. Members: Hear, hear!

* * *

VICTORIA DAY

REASONS FOR COMMEMORATION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise today to remind the House of some very important dates in the history of Canada.

May 20 is Victoria Day. That date is more than simply a weekday departure from the work-place. That holiday commemorates the birth of Queen Victoria, daughter of Edward, who was the son of George III.

Victoria ascended the throne in 1837 and reigned 63 years. She died at the age of 81 in the year 1901.

It was during her reign that a very special country was born in North America. The breath of life was given to Canada, transforming a British colony into a productive and powerful country.

Since that time the Royal Family has retained the respect and admiration of the people of Canada and countries around the world.

Her Majesty Queen Elizabeth II, who was born on April 21, will formally celebrate her birth date on June 15 this year. According to tradition, her subjects will join in the festivities led by the Trooping of the Colour. That fabulous military parade constitutes one of the high spots of spring in England.

Canada's love for the Queen was much in evidence during her visit here last year from September 24 to October 7. From the bottom of our hearts, may we all say to her: "God save the Queen!"

Some Hon. Members: Hear, hear!

* * *

TRADE

BLUEBERRY EXPORTS TO EUROPEAN ECONOMIC COMMUNITY

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I was pleased to learn today that the Government has reached a tentative agreement with the European Economic Community with respect to the proposed tariff on Nova Scotia blueberries. That is very welcome news.

The blueberry industry in Nova Scotia is one of the brightest spots for employment in that province. The industry grows $15 million to $20 million worth of blueberries annually. There are at the present time some 1,000 or more blueberry growers in the Province of Nova Scotia who employ approximately 800 full-time workers and 4,000 seasonal workers each year.

● (1410)

In March of this year the various states within the European Economic Community announced they would be imposing a new 25 per cent tariff on Canadian blueberries. This proposed tariff would pose a very real threat to the industry in Nova Scotia. The European market is, after all, the single largest importer of Nova Scotia blueberries.

I think it is obvious, Mr. Speaker, that the Government cannot afford to protect one industry at the expense of another. I call upon members of the Government to ensure that this tentative agreement is ratified as expeditiously as possible, because the Province of Nova Scotia cannot afford to lose any of the economic benefits which are associated with the blueberry industry, not only in mainland Nova Scotia but also in the Highlands of Cape Breton Island.

* * *

MEMBERS OF PARLIAMENT

REMUNERATION—OPPOSITION TO PROPOSED INCREASES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, as Hon. Members of the House are aware, it has been proposed that salaries and benefits of Members of Parliament be improved. As chairperson of the New Democratic Party caucus, I wish to inform the House, and all Canadians, that we do not share the conclusions of the task force report. It is our view that Members of Parliament are already adequately compensated—

Some Hon. Members: Hear, hear!

Mr. Riis: —and, indeed, at a time when so many Canadians are unemployed and waiting for the Government to take constructive steps to improve the Canadian economy, it would be misguided and inappropriate to put the salaries of Members of Parliament on the government agenda. The priority of the Conservative Government should be to put Canada's unemployed back to work, and it should review the tax system which allows thousands of wealthy Canadians to avoid paying income tax, which results in an increased tax burden on an overwhelming number of Canadian taxpayers.

* * *

[*Translation*]

EMPLOYMENT

DESBIENS (QUEBEC)—REOPENING OF ST-RAYMOND PAPER MILL

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, today, speaking on behalf of the regional Saguenay-Lac-Saint-Jean caucus and its constituents, I would like to congratulate

and thank the Hon. Member for Roberval (Mr. Bouchard) and Minister of State (Transport), who was intrumental in re-opening the St-Raymond paper plant in Desbiens.

Mr. Speaker, since last Sunday, Desbiens has been in a state of euphoria now there is hope once again for all those people who were laid off for 42 months. The day after the election the four Members from the Saguenay-Lac-Saint-Jean area made the Desbiens dossier one of their regional priorities. Desbiens became a symbol for the region, and following the regional economic summit, we agreed to do everything in our power to help the people of Desbiens regain their dignity as workers.

Thanks to the work done by our Minister of State (Transport), our Government will be providing more than $4 million, in addition to a substantial tax credit, to help the plant get started again this summer. Quebec and the company that owns the plant are also doing their share.

Mr. Speaker, once again I want to say that our colleague deserves to be congratulated for successfully managing this very difficult dossier, unusually so within the present context, with the result that the people of Desbiens in the Saguenay-Lac-Saint-Jean area can start to live again.

* * *

[*English*]

BROADCASTING

COMPOSITION OF POLICY TASK FORCE

Mr. Jim Edwards (Edmonton South): Mr. Speaker, a week ago the Minister of Communications announced the appointment of a seven-person task force to review the Canadian broadcasting system, the first such review in 17 years. In line with this Government's commitment to appoint people of merit to key policy positions, all but one of the appointments are non-partisan or contra-partisan.

Next Tuesday the Caplan-Sauvageau task force will begin its work. By early 1986 it is to make recommendations to the Minister on the following points: appropriate public policy objectives, cultural and economic, of our unique mixed system into the 21st century; the role and mandate of the three components of our system, national-public, private, and provincial; most significantly, the demands and desires of the public, taking into account the diversity of our no longer solitary linguistic, regional and ethnic communities; the role of such policy instruments as regulation and the public purse; and the unshackling of the system to see what it can do culturally and economically.

The array of talent comprising this task force will assure that it takes its task seriously. It is hoped that, in the absence of any task force member representing the millions of small-town and rural Canadians, the seven distinguished appointees will pay special heed to the needs and wishes of our heartland.

● (1415)

FISHERIES

SITUATION OF BRITISH COLUMBIA TROLLERS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, at this moment a fishery protest is taking place in the Gulf of Georgia by a group of British Columbia trollers. As a result of the Minister of Fisheries and Oceans' (Mr. Fraser) failure to develop a West Coast fishing plan, the Minister and his Department have deprived these trollers of an opportunity to earn a living in the 1985 fishing season. In addition, by failing to declare an early opening date, the Minister will likely prevent many of these trollers from qualifying for UIC this fall.

Instead of making himself available to consult with established user groups, as well as failing to make himself available to answer questions in this House and monitor the activities of his Department, the Minister has decided to spend extensive periods of time in the U.S. and Europe. This particular Minister made personal election promises that he would not only consult with fishermen but that he would be readily available when problems arise. The reality is that this Minister is generally unavailable, and in the last several months has rarely been in Canada.

Members of this Party request that the Prime Minister (Mr. Mulroney) ask the Minister of Fisheries and Oceans to return to Canada and fulfil his responsibilities, or resign.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

GREEN PAPER ON FOREIGN POLICY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I do not know if the Government is on lock-out or strike, because I wanted to ask a question of the Prime Minister or the Secretary of State for External Affairs, but I will ask it of the Deputy Prime Minister.

Mr. Crosbie: Look behind you.

Mr. Chrétien: Mr. Speaker, yesterday Canadians were presented with the Dick and Jane primer on external affairs. It is a kind of sad day when Canadians are presented with a bland document like that, and this is really not acceptable. It was supposed to be a document opening the door to serious participation by the public, but it is in fact the opening of the door to ridicule. We see great statements like "we and the United States are neighbours"; or "Africa is a vast and diverse continent."

Mr. Turner (Vancouver Quadra): How about that.

Mr. Chrétien: I would like to ask the Deputy Prime Minister if he read that document, and if we can take it as the sum of the brains and talents of the Government when it tells us that we will have a committee and at the same time the Government intends to make decisions on a daily basis, making a farce of participation by the Canadian public?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I really do not understand the negative attitude of the former Minister. Here we have a process which is unique; for the first time ever a Green Paper on foreign policy has been produced for public discussion. This has never occurred before. Already, without even approaching such discussions in a positive way, the Opposition is ridiculing the consultation and public discussion process. But that is exactly what it is—to stimulate and encourage public input with respect to our foreign policy.

Yes, I can tell the Hon. Member I have read that document and it is stimulating, and hopefully—

Some Hon. Members: Oh, oh!

Mr. Axworthy: You don't need very much.

Mr. Nielsen: It takes a good deal more to stimulate the Hon. Member for Winnipeg-Fort Garry than it does me.

Mr. Axworthy: You'd be surprised.

Mr. Hnatyshyn: Get hold of Len Hopkins.

Mr. Chrétien: I am very sorry. I have known the Hon. Minister since 1963, and his admission that he read it and found it very good means he has gone down in my esteem very rapidly.

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am glad the Deputy Prime Minister says it is a serious discussion, but, if it is, will the Government agree that the committee to be formed can have public hearings right now and that, as it concerns his own Department, we will be consulting Canadians right now on star wars, and not wait to make the report after the decision has been made by the Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Here they go again, Mr. Speaker. They howl about having the Standing Committee on External Affairs and National Defence obtain a reference about NORAD, but my colleague, the Government House Leader, has made offer after offer to those opposite to bring a NORAD reference before the committee so it can be discussed, and they refuse to have that discussion.

● (1420)

I am surprised at the Hon. Member, because he used to be a lawyer. Most people would want to come to value judgments based on facts. He knows as well as I do that we are now in the process of gathering those facts through a group headed by a very distinguished civil servant, Dr. Kroeger, who is marshalling sufficient information upon which some value decisions might be made.

* * *

[*Translation*]

NORTH AMERICAN AIR DEFENCE

STAR WARS—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to inform the Deputy Prime Minister and Minister of National Defence that I am in charge of that committee, and that the offer made by the Government House Leader was never transmitted to me, not by him, not by yourself nor by the Secretary of State for External Affairs.

Seriously, before we agree to put up names for this committee, I would like to ask the Deputy Prime Minister whether the Government is willing, at this time, to make consideration of Star Wars a priority, as well as the question of trade with the United States, which is now the subject of negotiations, and if the Government agrees to priority consideration of these two issues that are of major importance to Canadian policy, we will sit on this committee, and if the Government does not agree with these priorities, we will have to tell Canadians that it is just another exercise in public relations, and the Canadian people will start getting thoroughly fed up.

Mr. Speaker: Order, please.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I really would have expected more from a responsible Opposition. The Hon. Member has said that the Official Opposition is adopting the same abdication of responsibility which is to be expected from the NDP, namely, the abdication of its responsibility to participate in the parliamentary process. The NDP made up its mind long ago that it would not do that. I would not have been a bit surprised to hear that from the NDP, because it has always had difficulty in coming to grips with the parliamentary process. However, I am really astonished at the irresponsibility of the Official Opposition taking that kind of stand.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps all Members might remember that at the end of Question Period yesterday all Members asked that everybody be able to hear. It is amazing how quickly we forget. The Hon. Member for Winnipeg-Fort Garry.

KROEGER INQUIRY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to ask a question of the somewhat over-

stimulated Deputy Prime Minister. On May 8 during this session the Secretary of State for External Affairs indicated in the House that the Kroeger inquiry was to go to Washington simply to look into the technical and economic details of the American invitation to join the SDI research program.

Last night in the Committee on External Affairs and National Defence senior officials of the Department admitted that the Kroeger inquiry is in fact looking into the broad range of domestic, international, strategic, and political questions related to SDI. They further admitted that the Defence White Paper, which we will not see for several months, is also going to take the same considerations into account.

How can the Government make a decision based upon the Kroeger Inquiry when the Minister has only spoken to American officials and has not consulted with any Canadians on the broad strategic defence requirements? How can a decision on defence matters be made when we have not seen a Defence White Paper? In other words, how does the Minister resolve this confusing and contradictory way of making vital decisions in the interest of the country?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I may be over-stimulated, but I am not under-brained. As many times as the Member for Winnipeg-Fort Garry hears the answer, he chooses not to listen. The discussion that will be stimulated by the Green Paper on External Affairs should be welcomed by him. I can see that he has the same lock-brained attitude as his colleague, the critic for External Affairs.

If the Member wants to make a positive contribution as a Member of Parliament in the Official Opposition, he will join in the efforts of the special committee which has been set up to examine the foreign policies of the country.

• (1425)

UNITED STATES INVITATION—REQUEST THAT GOVERNMENT POSTPONE DECISION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I might say that I would never, in the House, question the intelligence of the Deputy Prime Minister, although he has given no evidence so far to show that he has much.

Mr. Broadbent: Good shot.

Some Hon. Members: Oh, oh!

Mr. Axworthy: On April 18 the Prime Minister, again in response to questions on SDI, said, as reported at page 3859 of Hansard:

> We will consider these matters within our own time frame and not with regard to any limitations of time imposed by anyone else.

Last night at that committee senior officials stated that while the Kroeger Inquiry will report in June, the Minister will not necessarily make a decision.

Taking these statements into account, will the Minister commit himself and his Government not to take any decisions on SDI involvement, or research involvement in SDI, until a committee of this Parliament has had a full opportunity to discuss the SDI program, based upon the Green Paper? Will he make a commitment that there will be no commitment until that examination takes place?

Mr. Speaker: Order, please.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, logic would compel one to the conclusion that one cannot have a discussion until one is seized of the facts. That is the purpose, even though the Member for Winnipeg-Fort Garry refuses to hear that.

Once we have those facts before us, then we are in a position to make value judgments as a Government.

Mr. Axworthy: Will you consult us?

Mr. Nielsen: With respect to the level of intellect that the Hon. Member for Winnipeg-Fort Garry draws, I would ask him to apply the same logic that I have applied in my response to his question, by comparing our relative positions in the House.

GOVERNMENT CONSULTATION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in the absence of the Prime Minister and the Secretary of State for External Affairs, my question is directed to the Deputy Prime Minister. Does he believe in consultation with the Canadian public on an issue like star wars? Their views have not yet been heard.

He indicated in an earlier answer that he does believe in consultation. If so, why is the Government planning to make a decision about whether or not Canada will participate in star wars before he has heard the views of the Canadian public? If the Deputy Prime Minister wishes to hear the Canadian public, will he commit the Government not to proceed with a star wars decision until the parliamentary committee has heard the Canadian public, listened to their concerns, and reported to Parliament?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, here is a surprising question, coming from the foreign affairs critic of a Party that has already made up its mind not to participate in the special committee.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Here is a Member who complained most vociferously in the House about my failure to appear before the Standing Committee on Defence—

Mr. Hovdebo: Answer the question.

Mr. Nielsen: —to answer the kind of questions she is putting now. When I did appear—who was absent at the time to put those questions?

Mr. Broadbent: Oh, come on! Where is the Prime Minister today?

Mr. Deans: Where is the Secretary of State?

Mr. Nielsen: She will forgive me if I view with some skepticism the question she puts. But I would encourage her and her Party to participate in the parliamentary work of that special committee, and to put her views where they belong, in the parliamentary committee.

Mr. Speaker: Order, please.

Ms. Jewett: The Deputy Prime Minister is being as insulting today as he can possibly be. That is a great deal. I have told him many times that I was ill for that one single session.

An Hon. Member: How many times?

Ms. Jewett: I have told him many times with respect to that 64-minute session that he was at the committee.

MINISTER'S POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I do not know how long one can go on listening to insults from the Deputy Prime Minister. Does the Deputy Prime Minister care about listening to the various views of the Canadian public on star wars? The Government can still make its decision. We will still make our decision on it. I am not saying that the Government should have a referendum. I am asking does the Deputy Prime Minister care about listening to their views on star wars? External Affairs officials say there has not yet been time for the public—

• (1430)

Mr. Speaker: Order, please.

Ms. Jewett: —to express views—

Mr. Speaker: Order. Order, please.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Member has had quite a long time to ask the question. I now need the answer.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member should be aware of the fact that I appeared before that committee not once but twice. She was in attendance at one of the meetings but not at the other—

Mr. Broadbent: She was sick.

Mr. Guilbault (Saint-Jacques): What about consultation?

Mr. Nunziata: Sleaze bag.

Mr. Nielsen: —at the time it concluded work. I certainly did not mean to be insulting, if she took my remarks as being insulting to her. I thought that in my normally abrasive fashion I was being kind in responding to her question. The Hon. Member should see me when I am really insulting.

Some Hon. Members: Oh, oh!

Mr. Nielsen: With respect to the specific question she put, the Green Paper on foreign policy is broad enough to entertain the kind of discussion that the Hon. Member would like to have, and that others would like to have, as they say they would like to have—

Mr. Broadbent: A real winner.

Mr. Nielsen: —and if the Hon. Member and her Party would participate as members in the work of the special committee that has been set up to discuss that Green Paper for precisely the reasons that—

Mr. Speaker: Order, please. I have to be fair.

Mr. Axworthy: Good.

WORK OF COMMITTEE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a supplementary question. Why bother having a special committee spending a year discussing the matter upon which the Government has already made a decision? Why bother? Why put that enormous expense on the backs of the taxpayers when the Government has decided on its defence policy, or will by fall in its White Paper; when it has decided on its trade policy or will by fall, according to the Quebec City summit; when it has decided, or is about to decide, on star wars? Will the Minister tell me why bother?

An Hon. Member: Right on.

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure the Hon. Member would not like to leave the wrong impression with the House, as is the wont of so many members of the Official Opposition in questions of this nature, that there have been decisions taken on SDI, or that there have been decisions taken on trade, or that there have been decisions taken with respect to defence policy. Those decisions have not in fact been taken. Again I would encourage the Hon. Member to approach her task, as a Member of Parliament with specific responsibilities in the area of foreign policy, in a positive way and participate in the parliamentary process by participating in the work of that special committee.

Ms. Jewett: It is a charade.

[*Translation*]

HUMAN RIGHTS

GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the document entitled "Directions for Canada's International Relations".

In this 47-page report, the chapter on human rights is very well hidden, and after much patient searching, we find a meagre paragraph which in French bears the unfortunate title of "Les droits de l'homme". If the Deputy Prime Minister read the report, he probably noticed that it contains only 17 lines—a quarter of a page—on human rights, and that those 17 lines are a collection of clichés. The Government gives no indication of the directions—

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

Mrs. Killens: My question is as follows: What does the Government intend to do about human rights?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I suppose that if one paid attention in the drafting of such a Green Paper to all of the interests of all of the Members of the House of Commons, the least amongst which is not human rights, it would generate a multi-volume Green Paper. The very fact that the subject was introduced in a Green Paper is an indication of the Government's concern with human rights as an element of our foreign policy.

Mr. Axworthy: Surely more than three paragraphs.

Mr. Nielsen: We take back seats to no one with respect to our work in human rights, as evidenced by the recent visit of the Secretary of State to Russia, and by the recent meeting that took place here in Ottawa and our ambassador's work in that committee.

Mr. Axworthy: There is a whole blank page you could deal with.

[*Translation*]

Mrs. Killens: Mr. Speaker, if the Deputy Prime Minister had read page 17, he would have noticed that three quarters of the page is blank. There is absolutely no text, and there was ample space to express the Government's position.

INTERNATIONAL DEVELOPMENT

GREEN PAPER—GOVERNMENT POSITION

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my second question is also directed to the Deputy Prime Minister and it concerns international dvelopment. Here again, we find only generalities. The only thing that is clear from this chapter is that there will be more budget cutbacks. The Government has already cut $180 million from the development aid budget. My question is as follows: Where is the voice of the Third World, the voice the Prime Minister promised would be heard in Bonn two weeks ago? What specific solutions does the Government intend to provide, and if no clear answer is given today, how can people give their views on a document as vague as this one?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have a very quick and positive response to the Hon. Member's question.

Some Hon. Members: Oh, oh!

Mr. Nielsen: That is that she, and others with similar interests, should participate as parliamentarians in the work of the special committee that has been set up to make inquiries into those matters.

TIMING OF DECISION ON UNITED STATES STRATEGIC DEFENCE INITIATIVE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Deputy Prime Minister. I sat up late last night reading this document.

An Hon. Member: Where you stimulated?

Mr. Deans: Can the Deputy Prime Minister explain to the House what purpose a committee will serve, unless the Government is prepared to commit itself not to take a decision on star wars until the committee has completed its deliberations and reported back to the House of Commons? With that in mind, will the Deputy Prime Minister undertake on behalf of the Government not to have a decision taken on star wars until the committee that will be set up to investigate whether or not Canadians are in favour or opposed to such a commitment has had a chance to study it and report to the House of Commons?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Here, Sir, is a Member who is asking questions with respect to the Green Paper, who has already made a decision—

Mr. Fulton: Cut the B.S.

Mr. de Jong: Answer the question.

Mr. Nielsen: —that he and no member of his Party is going to participate in a special committee set up for a parliamen-

tary purpose of examining the question the Hon. Member raises, and many other questions.

Ms. Jewett: Why bother?

Mr. Nielsen: The world does not stand still while the parliamentary process continues.

Ms. Jewett: This is a mockery.

Mr. Nielsen: The Government has to govern. I know that he and members of his Party have an extremely difficult time in coming to grips with the parliamentary process.

Mr. Broadbent: Come off it.

Mr. Nielsen: I urge the Hon. Member in this instance to have his Party participate in that process in the examination of the Green Paper.

BILATERAL TRADE WITH UNITED STATES

Mr. Ian Deans (Hamilton Mountain): Why should we shore up a lame duck committee?

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Who do you plan putting on the committee?

Mr. Deans: Let me ask the Deputy Prime Minister a question on a related topic contained in the report. Will the Deputy Prime Minister at least acknowledge that on the question of bilateral trade with the United States there is already in place a mechanism, including the Minister of Trade in Canada and his equivalent in the United States who are to report to the heads of the two countries within six months? Will he, therefore, acknowledge that a further study in Canada of bilateral trade could not be completed within six months? Will the Deputy Prime Minister undertake on behalf of the Government not to complete any bilateral trade agreements until this committee has reported to Parliament?

• (1440)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I find that an extremely negative approach, but it is not an unusual one for that Member and the members of his Party to take. What he is suggesting is that there is no need in the next six months to do everything we possibly can to enhance our trade relations, not only with the United States but with other countries of the world as well. Certainly trade is addressed in the Green Paper because it is one of the most important matters with respect to our competitiveness as a nation. Surely this is the kind of thing which he and members of his Party should be discussing in the discussions which will be going on in the special committee.

[*Translation*]

TRADE

PROPOSED FREE TRADE WITH UNITED STATES

Hon. Jean Lapierre (Shefford): Mr. Speaker, having listened to the answers given by the Deputy Prime Minister and Minister of National Defence, I am ever more convinced that it had to be the best world junket organized for frustrated Progressive Conservative Members—at taxpayers' expense to boot.

Seeking evidence to the contrary, I would ask the Minister for International Trade—used as he is to being pushed aside by the Minister of Regional Industrial Expansion, as he was again yesterday by the Secretary of State for External Affairs—how he can reconcile his recent country-wide consultation tour about free trade with the United States with the fact that, being now totally ignored by the Secretary of State for External Affairs, he is seeking public approval to appear a second time before a parliamentary committee, with photocopies and all.

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to advise the hon. gentleman that I am standing here on my own two feet and that I am not being pushed aside by anyone.

Some Hon. Members: Hear, hear!

Mr. Kelleher: I would further like to advise the Hon. Member that I work in very close consultation and partnership with my colleagues, the Minister of Regional Industrial Expansion and the Secretary of State for External Affairs, and that the trade discussions are continuing with full consultation with the Canadian public.

[*Translation*]

CONSULTATION WITH CANADIAN PEOPLE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): I have a supplementary question, Mr. Speaker.

There is no need for the Minister to tell me that he stands on his own two feet, I also know he is performing a balancing act between the two Ministers involved. He is telling me that there is ongoing full consultation with the Canadian people. Can he explain why he ordered renewed full-scale consultations yesterday since we know he wants to begin negotiations with the United States before this fall? He and the Prime Minister have assured us that negotiations will begin before the Fall. Can the Minister tell me whether he will wait for the committee report before initiating those consultations, or are his own consultations the real ones and the others a mere make-believe exercise? Which are real and which are phony?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member to refer to the foreword contained in the paper, and to page 33 of the said paper in which it is set out that the consultations may move ahead on Canada-U.S. trade in advance of talks and discussions on the Green Paper. However, I would also remind the Hon. Member that the Green Paper speaks to more than just Canada-U.S. trade. It speaks to the whole matter of world and multilateral trade negotiations.

* * *

ENVIRONMENTAL AFFAIRS

GREAT LAKES POLLUTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister will be aware of reports by her own Department which show that pollution in the Great Lakes is much worse than we thought it was, and even then it was bad. Could the Minister tell the House what plans she has to accelerate the process by which the Great Lakes and the Niagara River, in particular, can be cleaned up? Will she be making any special representations, as of now, with this new knowledge, to the United States to have the $150 million which was cancelled for sewage treatment restored, and on various other things which the Americans could be doing to get serious about cleaning up this important environmental problem?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank the Hon. Member of the New Democratic Party for his question. He will be glad to hear this has already been done. I handed over the figures myself in Washington last week, and the result is that planning for the Niagara River clean-up is being accelerated.

[*English*]

HERRING-GULL EGG PROGRAM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, we are aware that we have a promise of a plan by the fall, not a promise of action. So that the Minister is better able to ensure that that plan is translated into action soon, will she undertake to reinstate fully, not partially, not one out of six, the herring-gull egg program which she cancelled last fall and which has made our credibility on Great Lakes pollution weaker than it has to be?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, we must see the question in its current context. It is being said that pollution in the Niagara River has increased, but we must not forget that under the previous Government, only two types of effluents were analyzed, the industrial and municipal type. We are now analysing many more kinds of effluents using far more sophisticated techniques, and now we must find out whether there really has been an increase. If so, we shall certainly inform our U.S. colleagues accordingly.

* * *

CANADA DEPOSIT INSURANCE CORPORATION

GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of State (Finance).

Considering recent bank failures and bearing in mind that since 1983, bank deposits have been guaranteed up to a maximum of $60,000, and considering the inflation factor, does the Minister intend to amend the Canada Deposit Insurance Corporation Act to enable the Corporation to guarantee deposits up to a maximum of $100,000?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his question. As I have pointed out to the House on previous occasions, we have undertaken a full study of deposit insurance and financial institutions. We are taking all suggestions into account, in order to ensure the best possible and most stable financial systems for depositors.

* * *

RESEARCH AND DEVELOPMENT

LEVEL OF GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Deputy Prime Minister. One of the more profound statements in yesterday's Green Paper was that all industrialized nations saw technology and innovation as the most critical elements in today's economic equation. This harkens back to the statement made by the Prime Minister in February, 1984, that we have to double our R and D commitment and triple our resolve to reach it. However, yesterday the Minister of State for Science and Technology said that the Government would not keep its promise. In a masterful display of doublespeak, he said that a promise had now become a distant goal.

When will the Ministers of the Government stop mouthing meaningless platitudes and fulfil the promises which they made to Canadian people? Does the Deputy Prime Minister agree with his Minister that a promise is not a promise when it is a goal?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): When you cut through, Sir, all these questions that have been asked today concerning the subject matter of the Green Paper, you are forced by logic to come up with only one conclusion. For instance, the Hon. Member for

Winnipeg-Fort Garry and his colleague are really saying that they are against space research of any nature or kind whatsoever. The questions of those Hon. Members are disguised, but that is their position. They are just opposed to it, and they will twist and turn anything at all to escape that conclusion.

SCIENTISTS AND ENGINEERS—GREEN PAPER COMMENT

Mr. David Berger (Laurier): Mr. Speaker, I would like to try out another question on the Deputy Prime Minister. Another statement which was made in the Green Paper yesterday was that it was uncertain whether Canada was producing the number of scientists and engineers required to develop and sustain an advanced industrial structure. Recently Mr. MacNabb, the President of the Natural Sciences and Engineering Research Council, was much more frank about it. With the numbers of students presently in the sciences, we just cannot achieve—

Mr. Speaker: Does the Hon. Member have a supplementary question?

Mr. Berger: —anything like the 2.5 per cent goal. Does he agree with the Secretary of State for External Affairs that this situation is uncertain, or does he agree with Mr. MacNabb? Will his Government back up its promises with swift action rather than equivocation?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member knows that the earlier statements which he ascribed to myself are incorrect. In fact the Government is committed to moving toward the goal of increasing our investment in science and technology to the economic benefit of Canada; to creating permanent jobs in the new areas of technology; and to continuing to support the Natural Sciences and Engineering Research Council and other initiatives of the Government in a very ambitious way, to the benefit of Canada and our young people.

* * *

● (1450)

INDUSTRY

MITEL CORPORATION—BRITISH TELECOM TAKEOVER PROPOSAL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I had a question for the Minister of Regional Industrial Expansion who has been acting like a wandering gypsy during this Question Period. If I could, I will direct my question to the Minister of State for Science and Technology.

An Hon. Member: Oh, here he comes.

Mr. Langdon: Here by popular demand. Yet more problems for Mitel are appearing from the proposed takeover by British Telecom, with the announcement made by Bell Canada that it is reconsidering its purchases from Mitel because British Telecom is one of its major rivals. Would the Minister commit himself to meet urgently with Mitel management in order to urge them to adopt the 18 per cent minority proposal for participation rather than the majority takeover?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member undoubtedly knows, we intend in due course to meet with the Mitel people in order to hear more about the nature of the deal. With respect to the statement attributed to Bell Canada by *The Globe and Mail*, as the Hon. Member probably knows Bell Canada was investigated some time ago with respect to vertical integration in procurement practices. As a result of this story I have asked two of my colleagues, the Minister of Communications and the Minister of Consumer and Corporate Affairs, at least to check into the story to find out if there is some substance to what was reported by *The Globe and Mail*.

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the same Minister. Is it not activities like the kind of activity undertaken by his Ministry, in allowing a major corporation that is so involved in research and development to go into foreign hands, that contribute to the fact that the Government has now indicated publicly that it has abandoned its promise to double R and D spending in Canada by 1988?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, once again the Hon. Member is stating something that is just not true. We have not allowed or disallowed anything in that respect. All we have done is acknowledge that there is a deal and that in due course we will undoubtedly have an opportunity to review that deal.

I pointed out, and will point out once again for the Hon. Member, that Mitel was in difficult financial straits. The Hon. Member cannot have it both ways. This company has offered to put into Mitel over $300 million of fresh equity, which will at least ensure that 2,500 Canadian jobs, and 5,000, including international, jobs will be preserved. I am on the side of the workers of Mitel, and I think it is time that the Hon. Member got on the side of the workers of Mitel as well.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

INQUIRY IF EVIDENT SIGNS EXIST OF IMPROVEMENT IN CANADIANS' QUALITY OF LIFE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Minister of the Environment.

Following steps taken by the Minister in March this year in the fight against acid rain, could the Minister inform the

House whether she has already seen any signs of changes that will improve the quality of life of Canadians?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank the Hon. Member for his question and welcome this opportunity to announce to Hon. Members that Inco, without waiting for the regulations to be introduced by the Province of Ontario, has already announced a 50 per cent reduction in its acid emissions, which is good news for all Canadians. I hope this announcement will persuade other companies, such as Noranda, to follow suit.

* * *

EXTERNAL AFFAIRS

PREPARATION OF ANOTHER PAPER—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the circumstances, and I am referring to the publication of this working paper, I would have expected the Secretary of State for External Affairs to be in the House. In any event, I will direct my question to the Deputy Prime Minister and Minister of National Defence.

I was hoping he would finally explain to the House the reason for publishing this insignificant document on foreign policy. The Green Paper on External Affairs is an embarrassment to Canadians and an insult to the intelligence of the people of this country.

My question to the Deputy Prime Minister and Minister of National Defence is as follows: When is the Government going to publish a really serious paper on issues relating to the nuclear arms race, external trade and human rights—a paper that can be taken seriously?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Right Hon. Member now enjoys a position in this House of being the Leader of a political Party whose roots go to the very heart of our parliamentary traditions. One of those traditions is that Members who are elected and are paid to attend to the parliamentary process do participate in it. It ill behooves the members of the Right Hon. Member's Party not to participate in a special committee of the House of Commons which will answer that very kind of question, and explore that and many other areas of the Green Paper. It does not assist the system whatsoever, nor does it enhance the image or credibility of the Opposition, when the Opposition refuses to participate in the process and then seeks self-righteous justification here in the House of Commons.

REQUEST THAT GREEN PAPER BE WITHDRAWN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in view of the Deputy Prime Minister's failure today to commit the Government to the delay of any decision on star wars or on the completion of negotiations with the United States on the international trade picture, will he withdraw this embarrassing document which does not read much better than a high school text book, and will he forget the committee hearings which the Government has turned into a farce?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the right hon. gentleman who just asked a question was once the member of a Government that produced White Papers while it was in office, and while those White Papers were before committee that Government made decisions recognizing the fact that the world does not stop while discussions are ongoing. The Right Hon. Member would not only be fulfilling his responsibility but would achieve a meaningful and constructive participation in the parliamentary process if he would urge his colleagues, and indeed instruct them, to participate in the work of that committee which will examine all of the questions, including the one he just asked.

* * *

CANADIAN ARMED FORCES

EQUALITY RIGHTS COMMITTEE ORDER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Defence and concerns an attempt by his Ministry to muzzle effectively all members of the Canadian Armed Forces by denying each and every one of those members the right to make submissions to the Committee on Equality Rights, through an internal order that was issued the day the discussion paper was issued. I have a copy of that order here. In view of the fact that this committee is dealing with issues of basic concern to many rank and file members of the Forces, will the Minister immediately rescind this gag order and stop denying the men and women of the Armed Forces their rights to full equality before the law?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have absolutely no knowledge whatsoever of any such order. I welcome participation in the discussion of equality rights at any time. It is my intention to appear before the subcommittee that is examining that question, if that is the subcommittee's wish. However, there was certainly no gag order issued by me. Indeed, I wonder just how effective it would be to gag 83,000 members of our Armed Forces and 33,000 civilian personnel through any such order. It has not been done by me.

REQUEST THAT MINISTER APPEAR BEFORE COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister may not know about the order, but the order exists and members of the Armed Forces are bound by it. Will the Minister rescind that order? Furthermore, will the Minister agree to appear with his officials before the committee, by the end of next week at the very latest, instead of refusing to

appear before the committee as he and his officials have done so far? Will he finally summon the courage to come before the committee and defend his Neanderthal policies on women and minorities in the Canadian Armed Forces?

● (1500)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe I answered that question a moment ago when I said that I would welcome an opportunity to discuss equality rights.

Mr. Robinson: Rescind the order.

Mr. Nielsen: The Hon. Member has asked me to rescind something which I have not seen. Surely even his reason, as limited as it might be, would compel him to the conclusion that I certainly would not be expected to be *au fait* with every single order which is issued in an armed forces which are 83,000 strong. If he will make the document which he is waving about available to me, I will certainly examine it and take whatever action that I deem to be reasonable under the circumstances.

* * *

CLERK OF PETITIONS' REPORT

HUMAN RIGHTS VIOLATIONS IN CZECHOSLOVAKIA AND ROMANIA

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Parkdale-High Park (Mr. Witer) on Tuesday, May 14, 1985, meets the requirements of the Standing Orders as to form.

Order, please. I am in receipt of a notice of a question of privilege from the Hon. Member for Sudbury (Mr. Frith).

Perhaps the Hon. Member for Sudbury and I could be heard. The Hon. Member for Sudbury has a question of privilege and the Speaker would like to hear it. Could the Members of the House please allow that, particularly Members on my right.

* * *

PRIVILEGE

CHALLENGE '85

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I rise on a question of privilege as I believe that my ability as a Member of Parliament to properly service my constitutents is being infringed or impeded. The question of privilege relates to a directive which was issued by the Department of Employment and Immigration concerning the Challenge '85 program.

Some three weeks ago the Minister of Employment and Immigration (Miss MacDonald) circulated to all Members of Parliament a memo which indicated that we would have free and open access to the approval process for projects under the program and the number of dollars which would go into each riding. Since that time I have been informed by officials within the Employment Development Branch in the City of Sudbury that they had received directions from their regional headquarters which stated that the officials working for the Department had been instructed not to release information on the projects or the number of people who would be involved.

I think, Mr. Speaker, you as a Member of Parliament as well as the Speaker of the House, will realize that a number of those project sponsors are in contact on a daily basis with constituency offices wanting to know the status of the projects. Therefore, I believe that the directive which was issued by the Department of Employment and Immigration is infringing on my ability to properly service my constituents.

I hope, Mr. Speaker, that you will instruct the Minister who is responsible for that Department to allow that information to be made available to every Member of Parliament.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, obviously I am not aware of the specifics of the matter which has been raised by the Hon. Member for Sudbury (Mr. Frith). I rise only to suggest to you, Sir, that it is not a question of privilege. I believe it is a question which deals with the administration and operation of government. Therefore, on a technical basis, I suspect that it is not a question of privilege. It may be a matter on which the Hon. Member would want to have discussions with the Minister, and I am sure the Minister would be very receptive to hearing representations to determine if something should be done. Indeed, the Minister, as I understand it, was before the committee yesterday and attempted to deal with the matter at some—

Mr. Allmand: She thought it was a wonderful policy.

Mr. Hnatyshyn: Well, Mr. Speaker, yesterday we had a lecture from the Liberal Party about interrupting its Members when they are speaking. Today I cannot make myself heard, because the Liberals are trying to shout me down. They cannot have it both ways.

Some Hon. Members: Oh, oh!

Mr. Speaker: I am sorry. Order, please. Again, I am addressing my remarks to all Members. I previously indicated that one side was being excessively noisy. Now the other side is being excessively noisy. Is it not possible, even on a question of privilege, for back-benchers and front-benchers on all sides of the House to allow me to hear what is being said?

Mr. Hnatyshyn: Mr. Speaker, I am sorry the truth is causing so much irritation. I am only attempting to suggest to the Hon. Member that he does not have a question of privilege within the meaning of that phrase for parliamentary purposes. I am sure the Minister will be glad to receive representations and that she will discuss the matter in the usual competent and outstanding way for which she is known across the country in the performance of her responsibilities.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, may I raise a question of privilege?

Mr. Speaker: Is this on the same question of privilege? Otherwise I will have to wait until the first one is finished.

Mr. Malépart: It is on the same question of privilege, Mr. Speaker.

Mr. Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I would also like to raise a question of privilege, considering it is my duty and my right as a Member of this House to represent the constituents of the riding of Montreal-Sainte-Marie to the best of my ability.

Mr. Speaker, employees of the Department of Employment and Immigration confirmed to me, on the telephone, that departmental employees are not allowed to give any information to any Member of the House. I am raising a question of privilege not because the instructions issued by the Minister are an infringement on the rights of public servants and project sponsors, but because they infringe on the privilege of Members of this House. Mr. Speaker, this is a very important question because the instructions issued by the Minister are aimed directly at parliamentarians, at all Members of this House, and these guidelines are aimed at all Members as far as Quebec is concerned, whatever their party affiliation. I think it is very important to protect the privilege of Members who are here in the House to defend the interests of their constituents, and I also think the Minister should be asked to withdraw these instructions.

[*English*]

Mr. Speaker: I thank all Hon. Members for their contributions. I think it has been recognized many times in the House that a complaint about the actions or inactions of government Departments cannot constitute a question of parliamentary privilege. By saying that, I do not want to diminish the nature of the complaint or the seriousness which Members apply to what they believe to be a legitimate grievance.

I must say that I was intrigued by the suggestion of the Hon. Member for Sudbury that somehow I had the capacity to instruct or control a Minister. I seem to be having enough trouble with Members of the House. I appreciate the goodwill which was included in the suggestion.

I believe Hon. Members know that the purpose of parliamentary privilege is to protect our speech in the House, the institution itself, and the institution and Members from threats, obstructions and intimidations in the exercise of our duties. The Hon. Member clearly has a complaint on a matter which concerns him, as well as other Members, with regard to the actions of a government Department.

Point of Order—Mr. Gray (Windsor West)

Mr. Frith: Opposition Members are not being allowed information.

Mr. Speaker: The Hon. Member is saying something which he did not say for the record. When the Hon. Member spoke for the record he said the complaint had to do with a refusal with regard to all Members. In any event, this is a matter which involves a government Department. There are remedies available for that. I suggest, therefore, that I would have great difficulty in finding this matter to be within the realm of parliamentary privilege. I appreciate the sincerity with which his view is held.

* * *

POINT OF ORDER

NOTICE OF MOTION—STANDING ORDER 82

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to raise a point of order regarding today's Order Paper. The Government has given notice of a motion which it purports to be pursuant to Standing Order 82, and has given 48 hours' notice under Government Notices of Motions. That means that when Government Notices of Motions are reached on Thursday, May 16, this motion will be transferred to Government Orders. It could be called at the Government's will, including eleven o'clock on a Monday, Tuesday or Thursday morning.

On every previous occasion when Standing Order 82, formerly Standing Order 75(c), was applied, the motion had been proposed on Motions during Routine Proceedings. In accordance with Standing Order 82, notice has been given orally by a Minister from his place in the House and has been moved pursuant to Standing Order 36(1)(p) on Routine Proceedings. When the debate on the time allocation motion has had to be interrupted or adjourned before the debate was concluded or terminated, that is before the maximum two-hour limit had been reached, and only in these cases, further consideration of the motion has been transferred to Government Orders pursuant to Standing Order 49(2).

● (1510)

Nothing has ever prevented the Government from supplementing the required oral notice with a written Notice of Motion to be printed on the Order Paper in the appropriate place. In the case of a Motion pursuant to Standing Order 82, the appropriate place is not Government Notices of Motion, but rather under Motions. This is required by Standing Order 36(1)(p) which establishes the proper place for the consideration of a motion relating to the management of the business of the House.

For example, when the Government decides to provide for an adjournment of the House for a period of time, not provided for in the Standing Orders, it gives 48 hours' notice and the motion appears in the Order Paper not under Government Notices of Motions but under Motions. In the case of a motion pursuant to Standing Order 82, of course, written notice is not

required. But, if written notice is given, it still must be initially taken up by the House, not under Government Notices of Motions but under Motions. By giving 48 hours written notice of a motion to be put down under Government Notices of Motion, the Government is not giving notice of a motion pursuant to Standing Order 82, but is giving notice of a substantive motion which, at the appropriate time, will be transferred to Government Orders for eventual debate without being subject to the special time limits applied to a motion pursuant to Standing Order 82.

To conclude, Mr. Speaker, if the motion of which the Government has given notice is supposed to be a motion pursuant to Standing Order 82, it ought to appear under Motions rather than under Government Notices of Motions. Only then would the limits on speeches, the over-all limit on the length of debate, apply. Any written notice of a motion pursuant to Standing Order 82, if it is to be treated as a motion subject to the provisions of that Standing Order, must be taken up under the heading assigned to motions relating to the management of the business of the House, that is to say, Motions.

I want to draw to your attention, Mr. Speaker, the serious defect in today's Notice Paper and I would ask you to take the appropriate action.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on the same point of order to support the representations made by my colleague. In attempting to determine whether or not such a move has been undertaken by a Government in the past, my staff and I have been unable to come up with a situation similar to this. The normal practice has been in the past that the question of time allocation, which this is, be dealt with under Motions during the routine business of the House, and the transferral from the normal practice to a practice generally reserved for considerably different types of motions is a practice which I think would set a dangerous precedent which this House would live to regret.

I would ask, Sir, that you ask the Government to simply adhere to the procedures which have heretofore proved to be satisfactory, and require of the Government that it deal with this motion in the appropriate and normal way.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am quite frankly somewhat surprised to hear this point of order. I thought I was doing the Opposition a great favour in proceeding in this particular manner. The position of giving appropriate notice to the Opposition so that it would be in a position to proceed on any debate is one which I had thought would have been welcomed with open arms by Hon. Members of the Opposition. We have completely complied with every procedure available under our Standing Orders, and I have to tell you, Mr. Speaker, in all fairness, that the Standing Orders do speak for themselves. It is not a question of the Government deviating from the Standing Orders. There has been no suggestion made that we are deviating from the Standing Orders. We have complied in every respect with the Standing Orders.

The House Leader of the Official Opposition makes reference to the appropriate motion and the procedure available with respect to time allocation. I think that particular Standing Order is one which is clear, unequivocal, and in fact is one which is quite properly the subject of moving because it is in the name of a Minister of the Crown, and is only available to a Minister of the Crown as an item which is subject, and can be subject, to a Notice of Motion with respect to Government Orders.

This is a Government Order, a government initiative, which clearly is contemplated by the Standing Orders which allow us to give notice so that the matter can be debated on a timely basis and the House can arrive at a decision. The purpose of the rules and the Standing Orders is not to avoid coming to conclusions. They have to be interpreted, Mr. Speaker, as being established so that Hon. Members can vote on issues and come to conclusions, not the contrary.

What I have done here is criticized because it has not been done before. I take that as a compliment. As the Government House Leader, I like to look at the Standing Orders and take their clear and direct meaning. It is clear to me that the Standing Orders do contemplate that we can, in fact, proceed by way of Government Notices of Motions. We can have discussions—I am in discussion with the Opposition House Leaders about appropriate timing—and try to come to agreement with respect to the extent of a debate.

However, what I have done here, I repeat, Mr. Speaker, is for the purpose of allowing Members of Parliament, and especially Hon. Members of the Opposition, an opportunity to be well prepared for any debate which may come along with respect to this important step of time allocation. I have bent over backwards to be helpful to the Opposition, Mr. Speaker, and I am now faced with the proposition—which surprises me—that the Opposition is somehow challenging the Standing Orders, when in fact I have complied in every respect with all of the facets contained in the Standing Orders.

When a Standing Order speaks in very specific terms about a particular procedure it speaks for itself. I know that in the past this has been done under Motions, and that is quite acceptable. But for the reasons I have outlined, Mr. Speaker, when a motion is in the name of a Minister of the Crown, and can only be in the name of a Minister of the Crown, there can be nothing clearer than the fact that this is a matter of a Government initiative with respect to time allocation.

I believe that if you give this matter some serious consideration, Mr. Speaker, you will come to only one conclusion. Whenever we abide by the Standing Orders we do so for the purpose of going along with orders under which this House operates, not for the purpose of deviating or using any device which does not reflect the rules. It is the wisdom of this House that we operate under these Standing Orders. The fact is that I did not have a part in the drawing up of the Standing Orders. They were the subject of great debate and were brought in by the Party of the House Leader of the Official Opposition who now complains about these Standing Orders. But he was a party to bringing these matters in.

All I am saying to you, Mr. Speaker, is that I have taken a very straightforward view with respect to the Standing Orders and I have complied in every respect. I believe if you read the Standing Orders, Mr. Speaker, you can come to only one conclusion, that this is an appropriate method of proceeding. I would ask you to rule accordingly.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, first I would like to say that we are not going to be thankful to the Government House Leader for, as he said, bending over backwards to be pleasant to us. Once we have had the unpleasant notice about closure on Bill C-15, we know it is coming, so he does not need to bring it forward a second time. He has done so now in writing. There is no problem; we don't quarrel with the fact that he is giving us supplementary notice. The gist of what our House Leader was trying to put forward is that if the Government House Leader wants to give a second notice—which we agree he has a right to do—he should do it at the right place, namely, under Motion. That is the main point we are trying to put across, and that is what we would like you to rule on, Mr. Speaker.

• (1520)

Mr. Speaker: I fully appreciate that that is what I will have to rule on. I think Hon. Members will agree that the suggestion that the Standing Orders are always clear and permit only one interpretation has to be of interest to all of us who deal with these matters.

Since I do not think it affects debate today, and I think I have the time, I am going to reserve on this matter. I have had some preliminary thoughts on it, because when I saw the matter on the Notice Paper I started to ask some questions. I have come to no conclusions. I am grateful for all the learned advice I have been given, and I will of course make sure that a ruling is ready for the House in sufficient time that the matter can be appropriately resolved.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, as vice-chairman of the Standing Committee on Transport, I have the honour of tabling the Second Report of the Standing Committee on Transport.

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

[*English*]

PETITIONS

ESTONIAN CENTRAL COUNCIL OF CANADA—IMPRISONMENT OF MART NIKLUS

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I am pleased to present to the House today a petition on behalf of the Estonian Central Council in Canada. The Council petitions the House for its assistance in protesting the continued imprisonment of an individual who represents the voice of freedom in Estonia. Mart Niklus has been imprisoned for speaking out against the Soviet regime and has embarked upon a hunger strike in protest. Niklus is now suffering from poor health caused by the extended hunger strike—

Mr. Speaker: Order, please. Has the Hon. Member finished summarizing the petition?

Mr. Witer: The petitioners implore the Canadian Government to protest his continued imprisonment and demand his release.

PROPOSED POSTAL RATE INCREASE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present to the House of Commons a petition from residents of the constituency of Calgary South, Alberta. They petition the House to take their views into consideration, namely that the proposed increase in postal rates is unjustifiable in view of the present standard of service.

UNEMPLOYMENT INSURANCE BENEFITS—SEVERANCE PAY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the petition I present is from the Canadian Airline Flight Attendants Association. They call upon Parliament to reverse the regulation passed by Cabinet which takes severance pay into account when calculating unemployment insurance benefits.

SASKATCHEWAN'S SENIORS ACTION NOW ASSOCIATION—RECOMMENDATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, it gives me great pleasure to present a petition on behalf of Saskatchewan's Seniors Action Now Association, the leadership of whom are in the gallery today. If I may summarize very briefly, they make seven recommendations to this Parliament, including the fact that retirement income for seniors should be at least the minimum wage, and the total retirement income should be at least at parity with 75 per cent of the average income for all Canadians. They also talk about establishing a Department of Senior Citizens—I am sorry I cannot go on, but they make seven excellent recommendations and I am sure if you were in my position you would present their petition.

Mr. Speaker: Order. The Hon. Member also knows that there are rules in the House about references to the presence of anyone in our gallery.

UNEMPLOYMENT INSURANCE BENEFITS—SEVERANCE PAY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to present on behalf of a few thousand constituents in British Columbia a petition asking that all laid-off employees be able to keep their severance pay and receive their unemployment insurance benefits, as was the case prior to March 31 when the Minister of Employment and Immigration (Miss MacDonald) changed the regulations.

Mr. Speaker: Petitions? The Hon. Member for Yorkton-Melville (Mr. Nystrom)?

[*Translation*]

Mr. Nystrom: I have another petition, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. I am now required to seek unanimous consent of the House for the Hon. Member to present another petition. Members are supposed to present all their petitions at once. Is there unanimous consent for the Hon. Member for Yorkton-Melville (Mr. Nystrom) to present a further petition or petitions?

Some Hon. Members: Agreed.

Mr. Speaker: There is such consent.

[*Translation*]

NEW INCOME INFRASTRUCTURE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have the honour to present a petition on behalf of students in the Department of Political Science at Laval University, Quebec City, concerning unemployment in Canada and the need for increased investment in this country and for a new income infrastructure.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 237 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that question No. 237 be made an order for return?

Some Hon. Members: Agreed.

[*Text*]

INFORMATION PACKAGES PRODUCED BY DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Question No. 237—**Mr. Howie:**

1. From January 1, 1984 to date, what public information in print form and on film or slides has been produced by the Department of National Health and Welfare concerning (a) drug abuse, including alcohol (b) young runaways (c) family planning (d) venereal diseases (e) family violence (f) the causes of family breakdown (g) health concerns of senior citizens (h) special needs of the handicapped?

2. For each information package produced, what was its (a) availability to the public (b) corresponding French title (c) cost to the public to obtain or borrow a copy, if applicable?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—GOVERNMENT LEADERSHIP

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

That this House recognizing the lack of economic leadership provided by the Provincial Government of British Columbia, condemns the Federal Government for its failure to provide economic leadership and for its failure to fulfil its election promises to the people of British Columbia.

He said: Mr. Speaker, I feel very badly today because we find it necessary to bring forward such a motion. After all, when one comes from a province like British Columbia, noted for its richness and optimism, it is a sad thing to find people in many parts of the province walking around almost in a state of shell-shock. They cannot believe what has happened to their hopes and aspirations, watching their farms and ranches foreclosed by the banks, watching their small businesses disappear around them as bankruptcies continue to march upwards.

There is a feeling in British Columbia that something has gone dreadfully wrong. Yet when one looks to the federal Government for leadership, let alone the provincial Government, there appears to be nothing there. It was that situation which encouraged us to put this motion forward for debate today, and I am very pleased to rise on behalf of my Party to make a few opening remarks.

I think it is fair to say that the situation in British Columbia is very serious by almost any indicator. This past year housing starts reached a 20-year low in that province. Retail sales are a good indicator of how things are going and how confident people are about the economy; they have declined in every year over the last four years. I think it is fair to say that the largest single source of income in British Columbia is now welfare. What a condemnation that must be of the political leadership in that part of Canada. Just the other day we received the unemployment statistics for Canada. In every province things were essentially looking up, with two exceptions. Newfoundland is one, and we all appreciate that that province has traditionally been very hard hit. But we also have British Columbia where the situation has gotten worse. Unemployment levels went up in April of this year. It is the only province in Canada where the situation continues to deteriorate. I think it is fair to say that when we mention British Columbia people start to look at you kind of peculiarly, and kind of laugh at what is going on in that part of Canada. The British Columbia Government has turned that province into a laughing stock, and people do not invest in laughing stocks.

Look at the Vancouver stock exchange, Mr. Speaker. The majority of the money being raised on that exchange is for investment outside of the province. What does that tell us about that economy? In parts of British Columbia today unemployment is in the range of 25 per cent to 30 per cent. That is a very serious situation, yet what is the provincial Government doing about it?

The Provincial Government keeps telling us when people ask for support that there is no money for education. There is no money for the school system as we have known it. There is no money for the colleges and universities. They have to take cuts, as do the technical and vocational schools. There is no money for the expansion of hospitals and health care in that province. There is no money for senior citizen housing or child care. There is no money to help the hard pressed food production sector, the farmers and ranchers of British Columbia. There is no assistance for the forest or mining sectors. There is nothing for tourism other than Expo. There is no assistance for the hard-pressed business sector. There is nothing until after Expo in 1986.

● (1530)

As a matter of fact, the other day someone was saying that there is a new "wine" in British Columbia. It is called "We can't do anything until after 1986". We are hearing that repeatedly from every Cabinet Minister and the Premier of that province. However, that is not quite true. They instantly found $500 million to assist with the debt of B.C. Rail. That was no problem. Then they needed $1 billion to develop that north-east coal project. That happened just before the election and many geologists and mining people were wondering if that was a wise move. They had doubts about what the Government was doing. However, the Government insisted that the north-east coal deposit was the big employer, the megaproject, the opium for the people. It cost over $1 billion to provide infrastructure for the development of the Tumbler Ridge town site. Just a few weeks ago we found out that the mine was dug in the wrong place. The coal was not where the mine was dug. It is going to cost in excess of $300 million to move the operation to the proper location. We made a $300 million mistake. We went against the advice of our geologists.

The Government is pumping hundreds of millions of dollars into Expo, yet there is nothing for child care or senior citizen housing. There is nothing to help college and university students. There are cut-backs on loans and increasing tuition fees. However, for Expo there is all kinds of money.

There are some peculiar things in relation to Expo as well, Mr. Speaker. We needed some trees to beautify the Expo site. They said they could not find any trees in British Columbia. They had to import trees from the United States to British Columbia. That is like saying you have to import sand into the Sudan. It is ridiculous that British Columbia could not provide trees for its own Expo site.

One could go on and on with a vast list of examples of how the Government has provided absolutely no leadership. Any leadership it has provided is laughable and despicable. It is a slap in the face of British Columbians that these people are supposed to be providing economic and social leadership in that province.

If one went downtown in Vancouver, Nelson, Trail, Kelowna, Prince George or Prince Rupert and asked people where the province is going over the next 10 years, they would tell you that it is going down. There is no sense of vision, strategy, or a plan for the future. Everyone is fumbling and stumbling over themselves as the critical fishing, mining and forest sectors of our economy cry out for support, direction and assistance. They are simply turned down. The Government walks away as it continues its scorched earth policy in British Columbia.

I do not want to continue to talk about the lack of political and economic leadership in British Columbia. It becomes distressful after awhile. The most distressful aspect is that Cabinet Ministers and the Premier in British Columbia are still suggesting that the most important resource in that province is timber or copper or coal or fish. The most important resource in that province is the people. To cut back on educational funding is an improper way to treat the people of British Columbia.

Mr. Siddon: Don't get so angry, Nelson.

Mr. Riis: The Member for Richmond-South Delta (Mr. Siddon) says "Don't get so angry, Nelson". That is probably fair advice. However, Mr. Speaker, there is no other emotion left with which one can react to the serious, dreadful, and

horrible situation which is occurring in that province. Quite frankly, I wish there was one single item about which I could be optimistic. I suppose that Members opposite will stand up and tell us about the wonderful things the Socreds are doing in that part of Canada. I hope they do, Mr. Speaker, because I would love to make a few comments on what they have to say in support of the Social Credit policies.

I would now like to turn to the Conservative Party, Mr. Speaker. Nine months ago after the election it was conceived that the new Conservative Government would do all sorts of things for British Columbia. There were Conservatives through-out British Columbia saying that they were going to help the agricultural, forestry, fishing, and small business sectors. People actually believed them, just as they believed the Socreds when they said they were going to create jobs and improve the economic situation. Well, the Socreds brought in a policy of restraint and cut-backs. I suspect that a week from tomorrow when the Budget is introduced in the House we will see a repeat of that mindless approach to the development of the economic infrastructure of a country in a sound and progressive way.

The Conservative Government promised a reforestation agreement immediately. My colleagues and I in the New Democratic Party, have stood in the House every week since October 7 asking the Minister of Regional Industrial Expansion (Mr. Stevens) or the Minister of State for Forestry (Mr. Merrithew) where that agreement is. They have told us it may be ready next week or next month.

Mr. Siddon: It was signed in November.

Mr. Riis: The Minister says it was signed in November. How can he say that without smiling? Well, he is smiling. I can see why he would. Where is the tree planting, the road building, and the reforestation?

Mr. Siddon: Patience.

Mr. Riis: He says "patience". This is planting season, Mr. Speaker. You do not plant trees in the winter-time or in the fall. If that agreement is not signed soon we will lose tens of thousands of seedlings and another planting season. The tree planters of my constituency have brought their contracts. On those contracts it says that the job will proceed subject to the signing of the forestry agreement with the federal Government. There are thousands of those agreements in British Columbia, Mr. Speaker. The entire reforestation industry is poised ready to provide jobs, and the Government refuses to sign the necessary forestry agreement. We suggested that it be pulled out of the greater agreement if that was the hold-up, but they would not do that.

The Government said it would be providing funds for more research and development in the forestry sector. That was before forestry research was cut by $3.5 million in the November statement. The Government then said it was going to start a National Forestry Internship Program to provide student jobs. That has not been done, Mr. Speaker. The Government said it was going to start an Indian Lands Forestry Program. That has not been started either, Mr. Speaker. It said it would give more tax incentives to enable the forest industry to develop new technology and product lines. That was a $60 million promise for this year but British Columbia has received nothing. The Government promised $10 million in enhanced funding for the fishery sector. The Estimates show only $1.6 million for the fisheries sector under the Pacific Salmonid Enhancement Program. There was supposed to be $5 million for the agricultural program and $5 million for the Freshwater Fisheries Enhancement Program. We have seen no money for either of those programs. The federal Government was going to provide loans to fund a voluntary boat buy-back program to reduce the size of the West Coast fleet. That has not been done. As a matter of fact, the only thing the Government did was to levy user fees on fishermen, increasing total fees by $6.3 million following the November statement.

Where are those commitments and promises, Mr. Speaker? When will the Government deliver? Is eight months not long enough? Never in the history of our Parliament has a Government waited so long before introducing a budget. It is disappointing that the federal Government, when one considers the promises it has made, has not acted more quickly to provide assistance to the people of that hard pressed part of British Columbia on whom the present provincial Government has simply turned its back.

• (1540)

With respect to energy and mines, the Government has not fulfilled its promise of a new taxation system for northern workers. There has been no mention of its promise of a portable pension plan for miners, which is particularly important in British Columbia. The Government has not taken any action with respect to new tax incentives to encourage mineral exploration. I could go on with other unfulfilled promises.

When Hon. Members opposite are discussing the Budget with their Ministers, I urge them to recognize that British Columbia is suffering some special pains. The people in that part of Canada have been abandoned by their elected representatives in the provincial Government.

The Government has said repeatedly that it is the private sector that will create the jobs. This may apply to central Canada, to some extent, where the recession has been lightened and businesses are in fact expanding. However, room for expansion in the private sector in Atlantic Canada and the far western part of Canada is simply not there. The small and medium sized business sectors want very much to expand but there is no demand for their goods or services. People are not prepared to spend their savings on new cars or appliances, expand business operations or begin ranching operations when that part of the country has the highest level of unemployment and a deteriorating economic situation. It has absolutely no political, economic or social leadership.

It is time the Government realized that it has a special obligation to that part of Canada, that it must make some provisions in its Budget to provide relief for the people of British Columbia. The provincial Government has turned its

back on that part of Canada. It is up to the federal Government to show the appropriate leadership by giving British Columbians, like all Canadians, a sense of hope. That hope can only be realized when people have a dream for the future. An old Hungarian proverb states that where there is no dream the people perish. In British Columbia there is no dream, just a nightmare.

The federal Government has the obligation to provide that dream through leadership in such areas as the forest sector. It can show that it is committed to the development of programs to encourage research and development that will allow the forest sector to expand into new product lines, plant modernization and the development of new markets.

The Government can provide leadership by assisting the agricultural sector in the same way. That leadership is not shown by abandoning a Crown corporation like Canagrex. In its first year of operation that Crown corporation discovered hundreds of millions of dollars of new market opportunities for the food producers in Canada. Many of those producers are from western Canada, including British Columbia. The federal Government in its wisdom decided to abandon that assistance program and not use it to find new markets for the food producers in British Columbia and other parts of Canada. I raise the question of Canagrex because it is an example of a direction the Government should not be taking with respect to that sector.

We have submitted many suggestions for the Government's upcoming Budget that will assist the people of British Columbia and all Canadians. I beg the federal Government, its Ministers and the Prime Minister (Mr. Mulroney), when they bring down the Budget, to recognize the particular plight faced by the people of British Columbia. They have particular difficulties and a need for assistance in the restructuring of almost every major sector of the economy. It is time for some special and extraordinary consideration for that part of Canada. I encourage the Government to allow us to get on with the proper development of that province to its fullest potential.

Mr. St. Germain: Mr. Speaker, I would like to take this opportunity to change the tone of the debate here today. I believe it is time for us to take a more positive attitude in this country. The Hon. Member for Kamloops-Shuswap (Mr. Riis) has not proposed one positive solution for the problems facing the people of British Columbia, problems of which we are aware.

I replaced a man who resigned his seat in the House of Commons to run provincially. After listening to the first ten minutes of the speech by the Hon. Member for Kamloops-Shuswap, I thought for a moment that he would be running provincially. He has lost sight of the fact that we are representatives of British Columbia at the federal level. I realize that solutions can be made at the federal level as well as the provincial level, but the co-operation that is required from the provincial Government, whether it is Social Credit, NDP or Liberal, in order to achieve those solutions will not be achieved if we continually take a confrontational approach. The election is over. We must work together as Canadians to begin programs that will benefit the Hon. Member's constituents as well as mine.

I stand in the House today as a small businessman who gave up my business because of the plight of British Columbians and all Canadians. The plight they face is the result of the devastation brought on by the Liberal Government and its coalition friends, the NDP. Today I saw them applauding together, as they always have, over the destruction of this country.

Mr. Riis: Try to be positive.

Mr. St. Germain: Let's talk about the most important resource and the most important industry we have in British Columbia softwood lumber.

Mr. Riis: People are the most important. That is where you are wrong. You think it is a bloody tree! You think trees are more important than people!

Mr. St. Germain: We did not disturb the Hon. Member during his speech and this does not call for heckling. We have the Hon. Member upset.

Mr. Riis: You say that trees are most important in the Province of B.C. That is precisely the point; "Let's get coal, let's get codfish".

Mr. Deputy Speaker: Order, please.

Mr. St. Germain: Let us examine the forest industry in which most British Columbians are employed. Those Members stand up in the House every day to slam our best trading partner and best friend, the United States of America. They are jeopardizing the very industry in which British Columbians have jobs today.

Mr. Riis: They are putting up tariff walls against the softwood industry.

Mr. St Germain: That party is totally irresponsible.

On a more positive note, the Hon. Member referred to Expo '86. That will be one of the greatest success stories this country has ever seen because Canadians will make it succeed in spite of the negative approach by the Hon. Member and his Party.

Mr. Riis: Let's bet on that.

Mr. St. Germain: I will bet on that any time. We are the leaders in this country and we will show what leadership is. We will make Expo '86 succeed in spite of those Members.

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member. Does the Hon. Member for Kamloops-Shuswap (Mr. Riis) wish to respond?

Mr. Riis: You bet I would, Mr. Speaker.

An Hon. Member: Are you going to talk about doom and gloom?

Mr. Riis: It is easy to talk about doom and gloom if you come from British Columbia. I respect the Hon. Member, but I think he really betrayed his true opinion when he said that the most important resource in that province, and probably Canada, is trees. It is not young people, elderly people, workers, managers, entrepreneurs or industrialists. Trees are the most important. He said it. I cannot believe that he would have that kind of courage. That is where he is coming from and that is that. I will have to mute my criticism because I understand that particular perspective.

• (1550)

Let us be positive. If he wants to help British Columbia, Let him sign a forestry agreement, a tourism agreement, sign a mining agreement and sign an economic development agreement. B.C. is the only province now in Canada where that has not been done. It is the Minister's responsibility. It is the Government's responsibility. It is not ours in the NDP. It is not theirs in the Liberal Party. You are the Government. You are supposed to be signing those agreements. Why is it that British Columbia is the last province to receive that kind of financial support? We are talking about hundreds of millions of dollars from the federal government. Deliver it. Help out. Be positive.

Mr. Manly: Get the money.

Mr. Angus: Mr. Speaker, I would like to ask my colleague what he thinks the ramifications will be to his province of the planned investment by a Canadian pulp and paper company to construct a paper mill in Washington State? We gather that will compete directly with the producers in British Columbia. Will that make things better or worse for the people in the Province of British Columbia?

Mr. Riis: That is a tough question, Mr. Speaker. I will give it a try. I appreciate the point. When the Hon. Member was speaking, I remembered the announcement a few months ago about how the Government had assisted to the tune of tens of millions of dollars in the development of a new copper mine in Peru and how our taxpayers' money was being used to develop that copper mine to compete with the copper mines in the Highland Valley and other parts of Canada. It is the same type of approach, Mr. Speaker. It is very thoughtless. If you like, it is based on the assumption that what is good for business is automatically good for the country, it is good for everybody. I am not saying that everything business does is bad. Of course not. I am saying that we must not as responsible parliamentarians have the approach that what is good for any pulp and paper company or any copper company or any industry is automatically good for the entire country. That is not the case.

Concerning the question my hon. friend asked, we have to look very carefully at how we support industry. If we are going to support industry, it is through the tax system or through grants, but for gosh sakes let's make absolutely certain that it is in the best interests of Canada and Canadians and, in this case for today of British Columbians.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am always amazed at how far behind events the socialists are in this House. I just listened to the Hon. Member for Kamloops-Shuswap (Mr. Riis): say: "sign a forestry agreement, sign a tourism agreement, sign an agricultural agreement" in very dramatic fashion. I do not know where the Hon. Member has been. Does he not realize that a release was issued this morning pointing out that we have reached an agreement with the Province of British Columbia—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, I rise on a point of order. All I can say is that is about bloody time, after about eight months of waiting, that we have got that particular agreement.

Some Hon. Members: Oh, oh!

Mr. Siddon: Always doom and gloom.

Mr. Stevens: Mr. Speaker, if I came from British Columbia I would be proud. I would feel that it is an honour to come to Ottawa and tell the people of Canada about my province, that it is one of the finest provinces in which to live.

Some Hon. Members: Hear, hear!

Mr. McDermid: He was against Expo '86.

Mr. Stevens: When we read this motion which the Hon. Member has put before us, talking in terms so negative about his provincial government and, of course, about the federal government—

Mr. McDermid: And about Expo '86.

Mr. Stevens: —I would like to show the contrast through a joint press release that was issued this morning. I will read if I may:

The British Columbia and Federal Governments have reached agreement on a $525 million Economic and Regional Development Agreement.

Some Hon. Members: Hear, hear!

Mr. Stevens: The announcement goes on.

An Hon. Member: What do you say now, Manly?

Mr. Manly: It is falling short.

Mr. Stevens: The announcement goes on:

The announcement was made jointly today by Industry and Small Business Development Minister Bob McClelland and the Honourable Sinclair Stevens, Federal Minister of Regional Industrial Expansion.

Some Hon. Members: Hear, hear!

Mr. Stevens: It goes on:

The five-year agreement, with each government contributing 50 per cent or $262.5 million, will provide joint funding for provincial initiatives in forestry,

industrial development, tourism, agriculture, mineral exploration and development and science and technology.

Some Hon. Members: Hear, hear!

Mr. Stevens: It goes on:

McCelland and Stevens expressed pleasure that an agreement has been finalized.

It continues:

The federal government is well aware of British Columbia's program for economic renewal and this agreement will allow the province to move ahead without any additional delay—

That is attributed to me.

Some Hon. Members: Oh, oh!

Mr. Stevens: It continues:

McClelland said the $525 million in joint funding clears the way for provincial government action in priority spending areas.

Let me just divert from the press release. I think it should be made abundantly clear that what the NDP did during the negotiations with the Province of British Columbia is unforgiveable. The NDP cast doubt on our negotiations. The NDP indicated there was some doubt whether we would reach a final agreement—

Mr. Riis: $600 million.

Mr. Stevens: I can only tell you, Mr. Speaker, through that entire period there was the best of faith on both sides, namely, the provincial government and the federal government, in arriving at the agreement we announced today.

Mr. Turner (Vancouver Quadra): It was $650 million.

Mr. Stevens: The press release goes on to state:

The Minister noted that the discussions with the federal government during the ERDA talks have also resulted in the establishment of a framework under which the two governments will also share equally in the spending of an additional $450 million under the Industrial and Regional Development Program.

The net effect of this IRDP agreement, which I anticipate will be finalized at a meeting of industry ministers—

That is of the other provinces, the territories, and the federal government to be held in Vancouver on May 27. The release continues:

—will see our two governments jointly spend a total of $575 million over the next five years on economic development here in British Columbia.

Some Hon. Members: Hear, hear!

Mr. Stevens: The press release goes on:

There could be no better proof that there is a new and productive relationship between the federal government and the province.

What a contrast, Mr. Speaker. What a contrast with the Leader of the Official Opposition (Mr. Turner), the Opposition itself and certainly with the socialists. We are here to help build British Columbia, to help build Canada.

Mr. Siddon: How many B.C. Members are over there?

Mr. Stevens: We are not here to go out of our way to tear B.C. down and discredit some worthwhile enterprise in that fine province.

The press release continues:

To my mind, it demonstrates that governments working in a co-operative fashion, can together develop mutually acceptable and fair agreements in the interests of job-creation and new economic activity.

That is Mr. McClelland speaking.

In short, I am very pleased to say that not only were we able, where the former Government was unable, to conclude an ERDA agreement on November 23 last year with the province, but once that agreement was in place we were able to work out the funding to which I have referred and have now in place the various agreements that will be signed, including a forestry agreement to be signed very shortly by the Minister of State for Forestry (Mr. Merrithew) in the amount of $300 million alone.

Some Hon. Members: Hear, hear!

• (1600)

Mr. Stevens: In short, there may be Members from British Columbia on that side of the House who do not believe in their province, but I can tell all citizens of British Columbia that there are 19 Members of Parliament on this side of the House who put British Columbia first and foremost, and that it is as a result of their efforts that such favourable ERDA funding has been arranged. When I say that, we must bear in mind that this is the largest by far of any funding arrangement of an ERDA nature which has been agreed to between the federal Government and the Province of British Columbia.

An Hon. Member: In history.

Mr. Stevens: In history.

Mr. Riis: How does it compare with other provinces?

Mr. Stevens: Again that socialist friend of mine is catching up. Province by province the funding which British Columbia is receiving, any way one wants to look at it, is one of the highest that we have been able to sign to this date. There is no doubt about that.

Mr. Riis: "One of".

Mr. Stevens: As far as I am concerned—and the Hon. Member will see the various agreements which will be concluded as a result of this funding—it is something that we can all be proud of. I can assure him that the Government of Canada is very pleased with the arrangement we have been able to arrive at.

Mr. Riis: It took an Opposition Day motion to get this announcement.

Mr. Stevens: Mr. Speaker, I guess you have to give credit when credit is due. Maybe the Hon. Member gave us a nice platform, but it certainly was not, in the slightest, his efforts or

the efforts of any of the opposition Members that led to the conclusion of this agreement. It was scheduled for today and the Hon. Member conveniently gave us a motion to which we could respond to make the official announcement. I thank him very much.

Let me conclude by saying that I think it is a fine agreement, certainly for Canada, certainly for the people of British Columbia, but it is just one type of funding into which we have entered to help. If one listens to the words of my hon. friend, one might have the feeling that the federal Government is doing nothing. That is the typical doom and gloom type of atmosphere which the NDP seems to love to foster. That is its stock in trade—to pull down, to destroy, to belittle. Let us not overlook the record.

Mr. Riis: Remember what happened to Frank Miller. He said the same thing.

Mr. Stevens: In the fiscal year just ended, the total ERDP cases which have been offered and accepted in British Columbia were for $17.5 million and were 81 in number. The Defence Industry Productivity Program awards were four in number, totalling $13.8 million. ILAP amounted in one case to $1,300,000. The Native Economic Development Program had three cases for about $500,000 in total. The Hon. Member referred to the plight of small business. In many cases I agree that it is a problem, but the Small Businesses Loans Act had guarantees in favour of 3,874 firms for a total of $105,660,000. Shipbuilding through SIAP had 17 awards for $3.7 million. The Western Transportation Industrial Development Program had one award for $181,000; the Canadian Industrial Renewal Board, CIRB, $625,000; Federal Business Development Bank loans to 410 companies for $73,684,000. In those items alone we have over $200 million worth of loan, guarantee or grant type assistance for those who are in business in British Columbia. Perhaps the NDP does not like to hear of that, but as far as we are concerned there are people and businessmen to be helped in British Columbia. We have been doing it, we will continue to do it, and we will continue to show fine leadership, notwithstanding the negative motion of the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I just want to put a question, if I could, to the Minister who is enjoying, in his smugness, his own delicious self-satisfying words. This morning we called the communications advisor to the Minister and asked her whether there was to be any release or announcement today on these agreements which he just announced. She said: "No". I consider that to be a direct misrepresentation from the Minister's senior staff in an attempt, I suppose, to try to lure in the NDP or myself. I consider that completely misleading, and I will tell him that I will not trust his Department again. We asked a specific question. I want the Minister to look into this, and I want an apology from the Minister on behalf of his staff for having incorrectly responded to our question which was quite direct. He was given his little smug time in the House this afternoon—

An Hon. Member: Did it affect your speech?

Mr. Turner (Vancouver Quadra): It did not affect my speech at all. The Minister responsible for research and development can smile, but if that is the kind of tactics which this Government is going to use in response to a question from the Office of the Leader of the Opposition, the civility about which the Prime Minister (Mr. Mulroney) talks is not going to last very long in this House.

We called again just after the Minister made his announcement to ask for a copy of that release. The same people said: "The release has not yet been prepared. We can't give you a copy". Take it under advisement, Mr. Speaker, that we will know how to deal with this Minister in future.

Mr. Stevens: Mr. Speaker, of course I am not aware of the conversation which a representative from the Official Opposition Leader's office apparently had with an official in my Department, but I can tell you there may have been an honest—

Mr. Turner (Vancouver Quadra): A deliberate lie, that is what it was.

Mr. Stevens: No, no.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Not from the Minister, from his staff.

Mr. Stevens: There may have been an honest misunderstanding, because the truth is that it was not until this morning that the Cabinet of British Columbia gave its final agreement to what has now been announced. We waited for that. Second, the drafting of the release took place at that moment when British Columbia sent on telex what it felt would be the suitable joint release. In turn we replied. That release, if it has not been released, is certainly being put out in British Columbia and in Ottawa currently. My understanding is that it is already out. The thing that I want to emphasize is that Mr. McClelland announced this in the B.C. legislature, certainly if not before Question Period during Question Period in this House. There was absolutely no intention on our part to withhold information or, certainly, to mislead the Leader of the Opposition or his staff in the way he has indicated.

• (1610)

Mr. McDermid: Mr. Speaker, I have a question to put to the Minister. I have listened quietly to the debate all afternoon. Coming from Ontario, I was very happy for the people of British Columbia. I listened to the Hon. Member for Kamloops-Shuswap (Mr. Riis) knocking Expo '86. He said that it was not going to be a success and he was making bets across the floor of the House that it would be a failure. Does this type of attitude on the part of socialists in British

Columbia encourage tourism in that province? Does it encourage people to visit Expo '86? Is this the type of thing Members of Parliament should be doing for their own provinces?

Mr. Stevens: Mr. Speaker, of course not. I think it is time that we in this House, to a Member, got supportive of Expo '86. When I was in the Far East, I was very pleased to hear people from Thailand, Singapore, Indonesia and other areas indicate that they were looking forward to coming to Expo '86; some of them were looking forward to having pavilions at that fine exposition. As far as I am concerned, this exposition is not just for British Columbia, it is a Canadian showcase and it is time we got behind it and made it a success.

Mr. Riis: Mr. Speaker, I would like to make one statement and follow it with a quick question. So that there is no misunderstanding regarding Expo '86. I did not in any way say that it was not an appropriate forum for developing a tourist infrastructure. The point I was making was that an awful lot of money was being spent and all indications are that it will be a losing proposition financially.

Mr. St. Germain: You wanted to bet on it.

Mr. Riis: I said it will not be a financial success. That was my wager.

Mr. St. Germain: And I'll take it.

Mr. Blenkarn: Do you want that?

Mr. Riis: It is not what I hope will happen, it is what every analyst has indicated will happen. I am simply reflecting what those who have analysed the situation have said.

The Minister knew that he would be embarrassed today if he did not come up with a negotiated settlement. I am pleased to see that he has used this opportunity to say that an agreement has been signed. Would the Minister be prepared to indicate whether or not he will table this agreement? When will we know the precise details of it? When and where will they be made available? Literally thousands of people from that province have been waiting for months and months with pent up ambition, waiting to go ahead. When and where will the details of the agreement be made available so that we may release this pent up ambition?

Mr. Stevens: Mr. Speaker, as the Hon. Member probably knows, the ERDA agreement has already been made public. It was signed on November 23. What we have agreed to with the Province of British Columbia is on the over-all funding that will take place under the ERDA, being $525 million. The first agreement to be signed will likely be signed by my colleague, the Minister of State for Forestry (Mr. Merrithew). That is an agreement for $300 million which of course will be made public when it is signed.

Mr. Riis: It hasn't been signed yet.

Mr. Stevens: As I said, we have agreed on the over-all funding. We have agreed on which agreements will receive what amount of funding from the $525 million.

Mr. Riis: When will the signing take place?

Mr. Stevens: The Hon. Member had better ask my colleague, the Minister of State for Forestry. I would presume—

Mr. Riis: I'll ask you, you're responsible.

Mr. Stevens: I would presume that he will sign it as soon as his counterpart in British Columbia is available, at a time convenient to both of them.

Mr. Merrithew: Very soon.

Mr. Riis: You said in October.

Mr. Merrithew: Very soon.

Mr. Stevens: The agreement is there.

Mr. Angus: Mr. Speaker, I would like to follow up on the question put by my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis). Am I correct in understanding that there is no detail in the announcement? Is it my understanding that there are some dollar figures but that there is nothing that will allow work to begin tomorrow in the Province of British Columbia to implement this agreement? Are we still some time away from having the Minister of State for Forestry (Mr. Merrithew) sign the forestry agreement which would then allow for planting, road construction and the like to begin?

Mr. Stevens: Mr. Speaker, there goes another one of the socialists demonstrating that he either does not understand or does not realize how the ERDA process works. Under the ERDA process there are subagreements, but before the subagreements are signed there is an agreement on over-all funding between the two jurisdictions. The forestry agreement is ready to be signed. It is not a question of any delay in the implementation. The only thing that was holding it up was the agreement on the over-all funding, and we now have that agreement. We know that $300 million will be devoted to the forestry agreement so that can be signed forthwith. The other agreements will be signed very, very quickly.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this is the first time we have had an opportunity to deal specifically with issues affecting British Columbia. It is not often that the Parliament of Canada is used as a forum in which reflections are cast on the economic leadership provided by a provincial Government. I am not sure that it is wholly advisable as a practice to use the floor of the House of Commons to impinge upon the activities of a legislature of a sovereign province. To a certain extent, this motion deals with other jurisdictions, but it has been put. I feel that it may simply be theatrics on the part of members of the New Democratic Party.

A provincial New Democratic convention will be taking place in my riding at the University of British Columbia on Friday. Canadian Press has said the following about that convention:

This year's provincial New Democratic party convention may lack the excitement of last year's leadership race—

That is for sure. It is going to be a big yawn. It is going to be so dull that the Hon. Member for Kamloops-Shuswap (Mr. Riis) wanted to hype it up a bit this afternoon.

I believe we should primarily be concerned with our own jurisdiction and I will deal with that in a moment. However, I might suggest to the Hon. Member who introduced the motion, and to his colleagues, that the New Democratic Party happens to be part of the problem in British Columbia. The polarization between the Social Credit on the right and the NDP on the left has paralysed that province for several years. There is no feeling of compromise, there is no attitude of consensus and there is no civility in discussion. There is a crying need, I believe, for a moderate voice in that province.

[*Translation*]

It cannot be said too often that the situation in British Columbia is extremely polarized. Instead of having a consensus, instead of having a civilized debate, there is perpetual confrontation, which makes for an extremely unhappy political environment.

[*English*]

That is why I believe that moderate voices will prevail. Hon. Members opposite may not agree, but I believe that there is an opportunity for Liberalism and for moderate voices to gain a threshold in the legislature of the Province and in the Parliament of Canada.

I believe that if one has suggestions to make to the Government of another jurisdiction, one should go to that jurisdiction and tell the Government about them in person. I did that in Kamloops last Friday when I was in the riding of the Hon. Member for Kamloops-Shuswap, and I did the same earlier in the day in Kelowna, the provincial riding of the Premier of the Province, the Hon. William Bennett. I talked about issues in which the federal Government had a joint role to play.

The most pressing issue facing the province in terms of investment for the future is education. It is the key to our future right across the country and is or should be the number one priority. Education in British Columbia is now in a shambles. There has been no commitment from either the provincial or the federal Government to rescue that situation. New technology is upon us and, unless the Province of British Columbia educates its young people to respond to that technology in terms of training, we will not be able to compete with the Pacific Rim, our natural market.

Retraining of members of our older workforce who are being replaced by machines and robots and affected by economic cycles over which they have no control is absolutely crucial. Technical education is fundamental to the future of British Columbia. If we are going to allow the young people of the province to reach their potential, to contribute to the country and to retain hope in the country, then education must be given more attention than it has been given in British Columbia.

• (1620)

Yes, it is primarily a provincial jurisdiction. But, there is a federal role. When I was Minister of Finance I can recall negotiating post-secondary education agreements with the provinces. The idea was that 50 per cent of every dollar came from the taxpayers of Canada, as was authorized by Parliament, and 50 per cent came from the legislature of each province. The people of British Columbia, through their Government, have seen those federal funds, contributed to by the taxpayers of the country, diverted to the extent that next year, instead of the fifty-fifty relationship between the taxpayer and the country and the taxpayer and the province, the people of Canada will pay over 100 per cent for post-secondary education operating costs in British Columbia because the funds have been diverted from education for other purposes.

As a result, the universities in British Columbia are in trouble. The universities are losing their best researchers and professors. Student aid is also under attack, rendering less accessible university education to the broad population, regardless of family income or background. That investment is being neglected, primarily in British Columbia.

We want to reach out to the Pacific Rim and the markets of the Far East. We should be concentrating on educating our young people in British Columbia in the Chinese, Japanese, Korean, Russian and Far East languages. We should be learning their cultures and business practices in order to allow British Columbia to compete on a world scale. The Government of British Columbia is not meeting that challenge, nor is it responding to federal initiatives.

George Pedersen, formerly the President of the University of British Columbia, which is in my riding, resigned. He said:

What I find completely impossible to accept is the uncertainty and complete lack of planning that is going on in this province as it relates to our university system.

At the primary and secondary level the Minister of Education for British Columbia is now firing school boards. Well, I may disagree with the political opinions of some of the trustees in the Vancouver School Board, and other school boards, but those trustees were democratically elected. We have local school boards to better co-ordinate the priorities of the parents and the priorities of the teachers in the operation of the schools in individual communities. The schools are better run from the communities. The schools are not better run from Victoria, and they are certainly not better run from Ottawa. Those trustees were fired. I find that heavy-handed. I find the action Draconian. As I said in Kelowna, which is the constituency of the Premier, I find that action to be a rape of the democratic process.

I would like to speak about the medicare situation. The Supreme Court of British Columbia judgment said that the Government of British Columbia was violating the Charter of Rights and Freedoms and the Canada Health Act in restrict-

ing billing numbers for doctors. Chief Justice McEachern said that the Government's conduct was: "Orwellian, Draconian" and "the antithesis of fundamental justice". In Kamloops last week I met with Dr. Rizhya Mia. She is the young doctor who raised the issue in the first place. She had a lot of guts. She stood up against the entire governmental structure of the Province to make her point and the point of young interns and doctors of the country. Now, despite that judgment, the Government of British Columbia is introducing Bill C-50, which attempts to circumvent the Charter of Rights and Freedoms, the Canada Health Act and the judgment.

Last week when I questioned the Prime Minister (Mr. Mulroney) he said that the federal Government would "maintain the integrity" of medicare. Where is the action by the federal Government? What has been done to maintain the integrity of the Canada Health Act and our universal medicare system? On this, as on other issues, we are getting great rhetoric from the Government benches, as we heard again this afternoon, although I have seldom heard it quite that smug. But we are not getting any action.

I believe the Hon. Member for Kamloops-Shuswap was entitled to ask where the underlying agreements lie within the overriding umbrella of the ERDA. The Minister rose with some fanfare and said that there was a press release. This morning we were told that there would not be an announcement. We asked for the press release, but it had not been completed. The only thing which has happened is that the funding amount has been agreed upon at $525 million. None of the underlying agreements for forestry, mining, the environment, fisheries, or tourism have been signed. We are no further ahead. The Government managed, however, to present the press release in an attempt to embarrass the mover of the motion.

That $525 million is well short of the $650 million which the Province of British Columbia felt it was entitled to. In the reading of that press release, I noticed that the money would respond to provincial Government priorities. What concerns me is that the federal Government is not insisting on a national agenda for ERDA. It is all very well to respond to provincial priorities, but we have a national agenda for reforestation, fishing, mining and tourism. We will be putting further questions to the Minister and to the Minister of State for Forestry (Mr. Merrithew) when we have those agreements, asking how that national agenda will be maintained. What guarantees do we have that the provincial Government will not divert funds from the underlying purposes of the agreement for other purposes, along the priorities which that particular province may set for itself, in complete denial and repudiation of the purpose of ERDA? It has been done in other areas and it can also be done here.

Fifty cents of every dollar in British Columbia comes from the forest industry. Reforestation is critical. Analysts have indicated that there are only 38 years of trees left in that province, maybe more or maybe less. The modernization of that industry must continue. The competition of trees which come from a shorter harvest in the southern United Sates, Latin America and elsewhere is becoming more and more damaging for the Province of British Columbia.

The province needs research and development. We are not contributing to the technical innovation of the natural resource industries in British Columbia. I see nothing concrete in terms of research and development in British Columbia. The Minister of State for Science and Technology (Mr. Siddon) admitted yesterday, before the committee, that the promise of the Prime Minister to double research and development, which he made during the election campaign, would not be realized within the term of this Government. It is another broken promise. We now know that research and development is no longer a priority.

I would like to deal with mining. The Mining Association of British Columbia, in its brief which was presented to the Standing Committee on Transport, said that transportation was absolutely fundamental to the infrastructure of the mining industry. We have heard nothing about that this afternoon. The mining industry in the Province of British Columbia is now competing world-wide against subsidized metallurgical competition, which is subsidized by governments and owned by governments which sometimes sell those metals under cost. That is what British Columbia is having to compete against.

A lot of geophysical research should be applied. We should be looking at new ways to discover ore bodies. At the moment the companies are not able to do that. In the last three years the mining industry in British Columbia suffered a total loss of one-third of a billion dollars. If we add provincial property taxes and hydro taxes—which, after all, are just taxes on gravity representing costs which must be passed on we see that money is not recoverable. In British Columbia we should be looking at taxes which are based on profits, not taxes which are taken at the root, making the cost infrastructure of the industry non-competitive world-wide.

I have not heard a commitment for small business. Nor have I heard much about tourism. What has happened to employment in the tourism industry in British Columbia is roughly equal to what has happened in the mining industry. It represents roughly 8 per cent to 9 per cent of the total employment in the province. When we realize what is happening to the mining industry and the challenge which faces the forestry and fishing industries, then tourism is obviously the most immediate way to take up the slack. I hope we will receive more information from the Minister about what the Government intends to do by way of a federal response. All we have seen so far are cuts to the Canada Wildlife Service, cuts to the Parks Canada budget and the raising of fees to enter those parks. That is no way to sponsor the tourism industry in British Columbia. The Government should be imaginative. It should be converting Garibaldi into a national park.

I would like to speak about trade. I have said repeatedly in this House, since having had the honour of representing the riding of Vancouver Quadra, that Canada is no longer simply an Atlantic or an Arctic nation, it is now also a Pacific nation. We must reach out to the markets in the Pacific Rim. The need is urgent and the infrastructure must be supplied under

the agreements to which the Minister so smugly referred. It is crucial for the long-term economic development and growth in British Columbia. At the moment the economy in the province is probably sustained only by mega-projects. In September of 1986, construction on Expo '86 will have been completed—and I want to say quite categorically, as I said in Vancouver, that I am a strong booster of Expo. I think it will add a lot to our traditions—

• (1630)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I believe Senator Jack Austin, if I can refer to our colleague in the other place, deserves a lot of the credit for putting it through, and we are going to give it all the support we can. There comes a time when every province and every country has to show itself off to advantage, and I think the trading possibilities, as we welcome millions of people from the Far East, the Pacific Rim and the west coast of the United States, will be of great advantage to the province. I happen to be the only Member of Parliament who sat here both as the Member from Montreal during Expo 1967 and the Member from Vancouver for Expo '86. I can tell you, Mr. Speaker, they were and are worth-while ventures.

In September of 1986 the construction for Expo'86 will be completed. The advanced rapid tranpsort line will be completed. The Annacis Island bridge and the Coquihalla highway will be completed. There will not be any more of those mega-projects to boost the very weak economy of the Province of British Columbia which has the second highest unemployment rate in the county. So we have a very crucial and vital year ahead of us, which is why this debate has a good deal of relevance.

What we have at the provincial level is the New Democratic-Socred split—the confrontation I have already described—and the people of British Columbia are getting tired of looking at the same old faces, the same old ideas and the same outlook of that legislature. The Members of that legislature remind me of two punch drunk boxers who are still fighting the battles of yesteryear. We need a new attitude, some new moderation and some new political voices in the Legislature of British Columbia. This confrontation is frustrating both growth and investment.

At the federal level, it is good to see, for a change, so many Conservative Members in the House.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I am talking about Hon. Members from British Columbia. The only time we ever hear from them is when they are flapping their fins as if they were trained seals behind the Prime Minister (Mr. Mulroney). What have we heard from these 19 Conservative Members? They have been the most invisible, anonymous and silent group of Members of Parliament who were ever elected to the House of Commons.

An Hon. Member: We are working.

Mr. Turner (Vancouver Quadra): I asked some high school students at the Kelowna secondary school whom they could name as their Conservative Members of Parliament, and they hadn't the faintest idea.

Some Hon. Members: Oh, oh!

Mr. Axworthy: There are 1,500 students in the school.

Mr. Turner (Vancouver Quadra): Fifteen hundred students were at that meeting. It was broadcast live throughout the whole of the Okanagan Valley by two radio stations. It was the first real representation the people from the Okanagan have received for some time.

I have known the Minister of Fisheries and Oceans (Mr. Fraser) for a long time, Mr. Speaker. He brought in a fishery treaty on West Coast salmon, but not a single Member of Parliament saw that treaty before it was initialled. And we have deep problems in fishery. The catch is limited. With all the technology available to that industry, it could take the catch in four or five days if it went at it all at once. We need a salmon enhancement program desperately. And we have to look at reforestry because the silt which is a result of the failure to reforest is plugging our spawning grounds. But the Minister of Fisheries and Oceans brings in a treaty which no one saw before it was signed.

The Minister of Energy, Mines and Resources (Miss Carney) brought in her so-called oil and energy deal. She still has not settled the natural gas question which is very important to British Columbia. She also has not fulfilled the government promise of the Vancouver Island pipeline. We are very anxious to see what happens to that.

The Minister of State for Science and Technology (Mr. Siddon) had to admit yesterday that the promise of the Conservatives to double research and development was a flat and empty piece of rhetoric. That Party is long on rhetoric, but short on solutions.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I am glad to see those Hon. Members here, as I am sure you are, Mr. Speaker, those 19 Hon. Members. This may be the first time we have ever heard from them. Get their names. Here they are for the first time.

An Hon. Member: They are phantoms.

Mr. Turner (Vancouver Quadra): I think they are phantoms. What about the Prime Minister's commitment to British Columbia? He has travelled far and wide. He has been to New York—he borrowed a black tie and put on his Gucci shoes. He has been in Washington and he has been in London for a photo opportunity with the Queen. He has been to Bonn where he saved the world. But he has only made one trip to western Canada since the election. On St. Valentine's Day, February 14, he had a love-in session in Regina where not one single problem affecting western Canada was dealt with. But he has not been to British Columbia since September 4.

An Hon. Member: How many times are you out there?

Mr. Turner (Vancouver Quadra): I am out there every three or four weeks representing the riding of Vancouver Quadra.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I invite the Prime Minister, through you, Mr. Speaker, and if any of the 19 trained seals here from British Columbia can get his ear at the next caucus meeting, they can tell him that I invite him out to British Columbia to look at the food banks, the unemployment ranks, our native people on the streets looking for jobs, and the lost hope. I invite him to look into the eyes of our young people. I would like to show him around and let him see the concern of the people of British Columbia.

When I graduated from the University of British Columbia in 1949, there were Chamber of Commerce billboards saying, "Business is moving to B.C. We have men to match our mountains". It was not, in those days, a question of whether or not we were going to get a job; it was a question of what job we were going to choose. That is not the situation today. The unemployment rate in the Province of British Columbia, particularly for our young people, is acute. I agree on one particular point with the Hon. Member who introduced this motion, that is, that the potential is there. It is still an unlimited frontier. Now is the time to expand, not to retrench in British Columbia. It is the time to raise the horizons of the province, not to lower them. It is the time to restore the hopes of our young people, not to dash them. I look to the future, and within the scope of the motion put by the Hon. Member, I hope he can avoid the quarrels which have paralyzed that province for almost a generation. Let us give up the old fights and get away from what I see as a punch drunk boxing posture. Let us get on to something positive.

Mr. Schellenberg: Mr. Speaker, I have a comment and then a question. I certainly enjoyed the comments of the Right Hon. Leader of the Opposition (Mr. Turner). Although he got swallowed up in negativity toward the end, he was somewhat positive as he began, especially when he talked about Expo '86. As one of the 19 Members from British Columbia who worked quietly behind the scenes to help to make that ERDA agreement work—which, by the way, is five times what the previous Liberal Government ever came up with in my province—I do take exception to his comment about seals. If it comes to a decision between acting the way his gang of four act as they sit behind him every day in the House of Commons, and acting quietly behind the scenes in the way we act, I will choose the latter every time.

Some Hon. Members: Hear, hear!

Mr. Schellenberg: As you know, Mr. Speaker, I am a new Member of Parliament. I have been listening for some time now and I am learning about procedure in the House of Commons. I am doing my best to learn as much as I can. I do recall on several occasions, during Question Period in particular, the Liberal Party and the New Democratic Party demanding that major announcements be made in the House of Commons. Our Minister has done just that. I wonder if the Right Hon. Leader of the Opposition would not comment and perhaps compliment our Minister on making that ERDA announcement right here where it belongs.

Mr. Turner (Vancouver Quadra): I wish I could, Mr. Speaker. He made an announcement as to the funding, which is $525 million, but it is $125 million less than the Province of British Columbia expected.

Mr. Siddon: How much did the Liberals offer, John?

Mr. Turner (Vancouver Quadra): That is all he did. There are no underlying agreements signed. The forestry and fishery agreements still have to be signed. The tourism agreement has to be signed. So it is a bit of a camouflage we have here today.

What really annoyed me, Mr. Speaker, in response to the Hon. Member—and it is a very good question, yes, the major announcement should be made in the House, and this is one of the few which has been made in the House—however, I will not forgive that Minister's staff for misleading me this morning as to whether or not an announcement was going to be made.

Mr. Stevens: He was waiting for you outside.

Mr. Turner (Vancouver Quadra): And I want an apology from the Minister. I want an apology from someone.

• (1640)

Mrs. Collins: Mr. Speaker, I think—

Mr. Nunziata: Another stranger in the House.

Mrs. Collins: I am here all the time.

Mr. Nunziata: Who goes there?

Mr. McDermid: Don't listen to Nunziata.

Mrs. Collins: I would like to make a comment and then ask a question. First, I resent some of the comments the Right Hon. Leader of the Opposition (Mr. Turner) has made about the members of our Party from British Columbia. I may have been called a lot of things in my time, but I do not think I have ever been called invisible.

Mr. McDermid: He is nodding his head in agreement.

Mrs. Collins: I think he would agree, especially if he recalls last summer when we were on opposite sides of the bridge. I am also very disappointed because I would have thought that even he would have conceded that May 15 is a red letter day for British Columbia. Because of the work, the very hard work of members of the B.C. caucus in the Conservative Party, we have a signed agreement, an agreement which is, as my colleague said, five times greater than any agreement ever reached before.

I was also surprised by the Right Hon. Member's comment that he thought the priorities should be set in Ottawa. I will tell him that the people of British Columbia are tired of priorities being set in Ottawa. They want to be part of setting the priorities, and that is the kind of Government this is. We work jointly with the provinces to work out priorities which will create jobs and wealth for this country, including British Columbia.

The Right Hon. Member seems to write off all of our policy, so I ask him whether he would not agree that one of the most important steps—and he alluded to it—was the signing of the Western Accord on energy. As a result of that policy and the co-operative efforts of the federal and provincial Governments and I am sure he is aware of this—we had the announcement last week of a $600 million fertilizer plant in Vancouver. I talked to the people involved in that project last night and they said they had worked on it for five years but it was only after the Western Accord was signed that they could go ahead with confidence. That is a $600 million investment by the private sector. There are no government grants but there are jobs for Canadians. That is the kind of thing this Government is providing to the people of British Columbia.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think this is a very encouraging session. We are hearing some of these Members for the first time.

Mr. Mayer: Where have you been?

Mr. Turner (Vancouver Quadra): I want to encourage them to make some speeches of their own rather than responding to ours.

Mr. McDermid: Her comments were better than your whole speech.

Mr. Turner (Vancouver Quadra): After eight or nine months of a Conservative Government, including 19 Members from British Columbia, all we have is the ERDA agreement, which was virtually ready for signature when the previous Government was defeated.

Mr. Siddon: It was not.

Mr. Turner (Vancouver Quadra): So the Government signed that agreement. Eight months have gone by and all we have is a funding agreement, or a joint press release; we have no underlying agreement signed whatsoever.

Mr. Riis: No details.

Mr. Turner (Vancouver Quadra): So the announcement by the Minister today was a bit of spurious and deliberately coincidental camouflage.

Mr. McDermid: Jealousy does not look good on you.

Mr. Deputy Speaker: The Hon. Member for Kootenay West (Mr. Brisco) on a question or comment.

Some Hon. Members: Who?

Mr. Brisco: Mr. Speaker, I would like to ask the Leader of the Opposition when was the last time that his forestry critic stood in his place and asked the Minister of State for Forestry (Mr. Merrithew) a question.

Mr. Nunziata: We don't know who he is.

Mr. Brisco: Because I can tell him that he has yet to ask a question on forestry on the floor of the House of Commons. That is how effective his forestry critic is. The Right Hon. Member waxes eloquent about forestry. I can tell him that his critic does not seem to be a darn bit interested in it, and I do not think he himself is interested in it either. What he is doing is just giving us empty rhetoric.

Let me come back to the National Energy Program because I was in Alberta when that happened. I was not here; I had been defeated. I was in Alberta when that program came out and I watched the blue collar workers go down the tube, and those people over there helped drive them down. It was not the big buck guys; it was the little guy who took the beating, and the Liberals were ably supported by the NDP. It was the Right Hon. Member's Government that did it.

If we want to get a little bit personal about it, let me tell him what I did when I was defeated. They said to me, "Brisco, you have got to take your severance pay"; what is it, the pension fund? They said I have to take my pension money. So I took it and invested it in Canadian oil stocks. The Liberals brought in their program and my stocks went right out the window.

Some Hon. Members: Oh!

Mr. Brisco: It was his Government that did it. Sure, you people think it is funny, but I can tell you that to buy them back is going to cost me $20,000.

Mr. Nunziata: We can't help it if you are a lousy investor.

Mr. Brisco: Who the hell can afford it? But they sit over there and grin. Sure, you are a self-satisfied bunch of turkeys.

Let me give you another example. The people in my riding invested in a major hotel in Fort St. John. They invested in their country and their province. Then you brought in your program, the hotel went down the tube and Fort St. John became a ghost town. Don't you sit in your places and tell us what the hell to do! We're going to turn this country around, we're going to do the job that you totally failed to do. You are just useless!

Mr. Turner (Vancouver Quadra): I am glad the Hon. Member got it out of his system.

Mr. St. Germain: Mr. Speaker, I would like to take a moment just to compliment the Minister of Regional Industrial Expansion (Mr. Stevens). This man sat down with us hour after hour in negotiations as we worked out an agreement. We worked out that agreement in consultation and conciliation, something that the Right Hon. Leader of the Opposition (Mr. Turner) and his group never understood. The time has come in the history of this country when we are going to go forward

again, and we are going to do that in spite of the negative comments from the NDP—

Mr. Nunziata: That is not what Frank Miller said.

Mr. St. Germain: —betting against the success of Expo and against—would you mind being quiet?

Mr. Nunziata: Oh, you do not like hearing about Frank Miller?

Mr. St. Germain: Mr. Speaker, I have a question for the Right Hon. Leader of the Opposition. He said that he wanted to be positive. If that is true, how could he possibly get up and discuss the situation in a province? Under our Constitution the provinces have the right to run their business the way they see fit. We should not even be discussing the business of B.C., we should be discussing the business of the federal Government, business such as that which was brought forward today.

I honestly believe that the Right Hon. Member has an honest desire to help the people in Vancouver Quadra and the rest of the province, but if he wants to be positive, why is he getting involved in such a negative approach? He questioned tourism, and that was mentioned today; he questioned mining, and that was mentioned today. He stated as fact that there was no R&D in the forest industry, a natural resource which was neglected by his Party. They never put any money in R&D. That is why the forest industry today is on its knees. They did not look after that natural resource when they were in government. They did not even have a Minister responsible for forestry. But this Government had that foresight. Would he comment on that, please?

Mr. Turner (Vancouver Quadra): I have no comment.

Mr. St. Germain: That figures.

Mr. Belsher: It is rather discouraging to realize that the opposition Members have failed to congratulate the Minister for the signing of this agreement. The Right Hon. Leader has at least spoken somewhat positively about British Columbia and is starting to represent his constituency in the province where we all come from. But given the gloom and doom we have heard from the NDP this afternoon, you would think it was a disaster area. I can tell you that it is not.

Having visited his constituency in the last several months, would the Right Hon. Leader of the Opposition not agree that people there do find that a consultative process is taking place in Ottawa, something we assured the people of Canada we would start during our tenure here in Ottawa?

Mr. Turner (Vancouver Quadra): Mr. Speaker, the people of Vancouver Quadra feel that consultation is a very legitimate process but no substitute for decisions.

Some Hon. Members: Hear, hear!

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to express my appreciation to the Hon. Member for Kamloops-Shuswap (Mr. Riis) for bringing this motion forward. It was interesting to hear a bit of a debate between the Hon. Member for Mission-Port Moody (Mr. St. Germain) and the Hon. Member for Kamloops-Shuswap about whether our most important resource was trees or people. Certainly I would agree with the Hon. Member for Kamloops-Shuswap that people are our most important resource, but I would like to emphasize that Government, both federal and provincial, are neglecting both. If we want to look at the neglect of our human resource, we need only look at the way in which the provincial Government is neglecting the issue of education. We can look at the way in which it fired school boards which refused to knuckle under to budget cut-backs and the way in which it refused to pass federal funding on to universities. And we can also look at the way in which the federal Government has acquiesced to that.

● (1650)

The Right Hon. Member for Vancouver Quadra (Mr. Turner) questioned the appropriateness of using an Opposition Day in the House of Commons to criticize the Government of a province. Coming from British Columbia as I do, I feel this is entirely appropriate and necessary. Unlike the Hon. Member for Fraser Valley East (Mr. Belsher), when I go back to my riding I find that in many ways it is indeed a disaster area because of the high level of unemployment. I do not know the situation in his riding, but the situation in my riding cries out for government action. We are not seeing that action soon enough.

It was interesting that the Minister for Regional Industrial Expansion (Mr. Stevens) tried today to foist off on us the idea that everything had been agreed upon with regard to funding for the Province of British Columbia. I asked him about that yesterday and he was not able to give me an answer. A few weeks ago, Premier Bennett of British Columbia appealed to New Democratic and Progressisve Conservative Members of Parliament from British Columbia to try to get a decent deal from the federal Government on the issue of funding. Conservative Members of Parliament from British Columbia are now saying what a great job they have done. If any job was done, it was probably done on Premier Bennett by giving him the message that $525 million was absolutely the largest amount he was going to get rather than the $650 million which British Columbia had to expect under an ERDA agreement. The 19 Conservative Members of Parliament from British Columbia did the job on the Province of British Columbia rather than pushing the federal Government for adequate funding.

The importance of this debate can be seen simply by looking at the unemployment statistics. During the election campaign, the Prime Minister (Mr. Mulroney) promised that there would be tens of thousands of jobs. When we discussed unemployment statistics in Question Period on Friday, the Prime Minister claimed that some 201,000 new jobs had been created. He said, "Those are the tens and tens of thousands of jobs which we promised. Unlike the Liberals, we have delivered on our promise". The Prime Minister says he has kept that promise.

The people of British Columbia know that that promise has not been kept as far as they are concerned.

If 200,000 jobs were created across Canada, the people of British Columbia should have got 20,000 of them. Instead of 20,000 more jobs, British Columbia now has 23,000 fewer jobs than it had in September of 1984. It lost an additional 1,000 jobs last month. In September, 1984 there were 1,226,000 people employed in British Columbia. By April of 1985 that number had shrunk by 23,000 to 1,203,000. In September the unemployment rate was 14.1 per cent. In April it was 15.4 per cent. That is a 1.3 per cent increase. A recent study in my riding concluded that the real unemployment rate is 26 per cent. If British Columbia had taken the kind of initiatives taken by the Manitoba Government, and if our unemployment rate were at the same level as that in Manitoba, we would have 90,000 more jobs than we now have.

Statistics cannot begin to tell the real story of the poverty and misery which has been caused by this massive unemployment. We recognize that unemployment in British Columbia did not begin on September 4, 1984 when the present Government came into power. It is rooted in Social Credit policies which date back to the 1950s and 1960s and the sell-out program which was practised by the late W.A.C. Bennett, the father of the present Premier. At that time, our resources were alienated to large multi-national corporations which were interested in maximizing their profits. The people lost control over the planning and intelligent use of those resources. These policies were added to by the cut-back Budget introduced by the present Premier in 1983. All of this is compounded by the indifference of the Liberal Government over the many years that it was in power. The Liberals have now paid for their indifference, but the people of British Columbia continue to pay for that indifference and for the Social Credit and Conservative mismanagement of our economy.

In the last election, the present Government capitalized on the Liberal indifference. It made a number of promises, including one of a whole new era of co-operation with the provinces. To date, promised federal-provincial co-operation with the Social Credit Government has not led to any benefits for the people of British Columbia. The outstanding issue has been the failure to make a funding commitment for the ERDA agreement. The Government of British Columbia has knuckled under to the Minister of Regional Industrial Expansion and agreed to a less than adequate sum for the ERDA agreement.

Where was the stumbling block between the federal and the provincial Governments? It certainly was not ideological. The federal Government and the British Columbia provincial Government are soul mates with regard to ideology. When the Social Credit Government introduced its cut-back Budget in 1983, the then leader of the Opposition said that it was a step in the right direction even though he would have done things slightly differently.

We have now seen the document of the Deputy Prime Minister (Mr. Nielsen) relating to cut-backs in the native policy area. We see that the difference between the federal Government and the Government of British Columbia is one of style. It has nothing whatsoever to do with substance. The difference is that Bill Bennett's cut-back program of 1983 came with one great blow when he tabled 26 cut-back Bills on the same day as he introduced his Budget. The task force of the Deputy Prime Minister acts with slick media strategy, which includes news leaks, denials, and announcements of cut-backs on big news days of which little notice is given. However, the substance of the task force memorandum to Cabinet could have been written by any of the Socred Cabinet Ministers in British Columbia. I remind the people of Canada that there are five more cut-back strategy papers to come.

Let us look at some of the specific Tory promises. Shipbuilding is an important industry in the Victoria and greater Vancouver areas. The Tories promised $75 million in assistance to the shipbuilding industry. We see in this year's Estimates that $10 million has been cut from the shipbuilding assistance program. Last spring, when the present Minister of Fisheries and Oceans (Mr. Fraser) was the official critic in that area, he promised immediate movement to the second phase of the Salmonid Enhancement Program. He stressed the urgency of getting involved in its second phase. One can see from the Estimates that we are stuck in the transitional phase. There is no real commitment to salmonid enhancement beyond what took place under the previous Government.

• (1700)

The Prime Minister signed the salmon treaty with the United States. The Minister of Fisheries and Oceans encouraged him to do so, and now he is travelling in the United States and Europe while the fishery in British Columbia is in a shambles.

It is interesting to hear my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly), talk about the very serious situation facing the gulf trollers while the Minister is travelling in Europe. Those fishermen have not had any indication of when they can start fishing. Therefore, they have been involved in a deliberate breach of the law in order to protest their situation.

The sports fishery is still facing a great deal of uncertainty about its future. While there is an allocation of some 270,000 Chinook, it is common knowledge that this will not nearly cover the demand made by the sports fishery on a yearly basis.

British Columbia was one of the last provinces to feel the effects of the current depression. At a time when other parts of Canada were beginning to feel the effects of a recession, the economy of British Columbia was reasonably healthy. However, when the recession did occur in British Columbia, I believe it hit British Columbia harder than it did other provinces. While people here were talking about a recovery almost a year ago, British Columbia has yet to recover from the recession. This is largely due to the action of the provincial Government, combined with the cut-back mentality of the federal Government.

The crisis in unemployment in British Columbia, Canada and the world today is not simply a political and economic

problem, but a cultural and ecological problem. They require both long-term and short-term solutions.

Let me say a few words about the cultural problems. There is a lag between employment in the 1980s and the way we approach it. We continue to approach employment in terms of the 1950s or 1960s when there were 40-hour work weeks 50 weeks of the year until the age of 65. The fact is that new techniques make a great deal of that type of employment redundant.

As presently structured, our society cannot handle that redundancy. Therefore, we deal with it by creating a kind of caste system. At the top of this system are people who continue to have relatively well paid, full-time jobs. As well, these full-time jobs have fringe benefits which also vary with the job.

The level next to that cast contains a growing number of part-time employees who are generally lower paid and have few or no fringe benefits. They are usually called to work during periods of peak activity at jobs involving a great deal of stress. We can see this approach being taken by many supermarkets and department stores. In many cases, these stores have very few full-time employees and an increasing number of part-time employees. Unfortunately, that is the position being taken by the federal Crown corporation, Air Canada. That is why there is a labour dispute in that area. As our Leader pointed out recently, these people do not want to be involved in the labour force only to make pin money. They need jobs that have real income.

At the third level of the caste are those who work on short-term, low paying projects. These are job-creation projects. It is interesting to note that in many parts of British Columbia today these job-creation projects cumulatively become the largest single employer in that province. It is unacceptable that these people must live in uncertainty by working from project to project for which funding is often sporadic. There is no need for people to be stuck in a low wage, short-term project ghetto, because jobs for which there is a need in our society could be provided with the proper funding and planning.

Finally, there is the question of the unemployed. There are 1.5 million people unemployed in Canada, 220,000 of whom live in British Columbia.

A letter from the British Columbia Forest Industry Employee Adjustment Committee to the Minister of Labour (Mr. McKnight), the Minister of Employment and Immigration (Miss MacDonald) as well as to provincial Cabinet Ministers, tries to make some suggestions that will deal with some of these short-term cultural problems. It is important to recognize that this committee represents both union and management. It suggests that the entire British Columbia forest industry should be designated and thus be eligible for federal help. It suggests that there should be a program under that designation for voluntary early retirement at the age of 56 and that there should be such things as enhanced unemployment insurance benefits and skill upgrading. The committee makes the point that this will make a more effective use of Government funds by allowing some older workers to retire early, leave the labour force with a decent income and allow younger workers who are presently on unemployment insurance or welfare to have a chance to work.

The committee points out the very serious problems in the forest industry in British Columbia. The letter states:

> Over the past 5 years the number of production employees in the B.C. Coast Forest Industry has declined by 14 thousand. Of these, approximately 3,000 workers lost their jobs due to permanent closures and 7,000 to technological change. Most of the 14 thousand people are now unemployed and have no realistic prospects for returning to work. In addition, several thousand currently employed workers are working less than full time.

That is one reason why Members from our Party sometimes sound as if we were preaching gloom and doom. When we return to our ridings, we are faced with situations such as that. I am very surprised that when Conservative Members return to their ridings they do not see the same situations. They stand in the House, take a Pollyanna-like attitude and say that everything is rosy. They want to defend the Social Credit Government in Victoria. They suggest that the federal Government has taken initiatives to help British Columbia, but I challenge them to say what the Government of Canada has done during the past eight and a half months to alleviate the unemployment situation in British Columbia. It has done absolutely nothing.

We have 23,000 fewer people working today than when the Government came to power, and the Government is responsible. It promised jobs but it has not delivered on that promise, and I think it is time that the Government did so. It has finally been able to co-operate with the Government of British Columbia to the extent of issuing a joint press release. I would like to see those Governments co-operate to the point of creating jobs.

Mr. Brisco: Mr. Speaker, let me make the observation that there is only one mistake in the motion put forward by the NDP today. It concerns the date. The date of the motion is May 15, 1985, but to be more accurate and to give a proper perspective to the motion it should read, May, 1973, May, 1974 or May, 1975. I will tell you why, Mr. Speaker. In that period, the NDP Government was in power in B.C. During that time, a provincial Minister of Mines by the name of Leo Nimsick introduced mining legislation that shut and slowed down every mine in B.C. Those that were not shut or closed down never started up. The whole mining industry from the associated service sector to the mining sector collapsed. The Hon. Member for Kamloops-Shuswap (Mr. Riis) knows what I speak of. All he has to do is to tell this House what the miners still remember about that legislation. It took 10 years for the industry in British Columbia to recover. Let us not shove all the blame on my colleagues in the NDP. They are the federal component. I am talking about their provincial element. It was the most pervasive and destructive piece of legislation to impact on a mining industry, an industry which is slow to respond. If any of those Members had a grain of sense, they would know that it takes a long time for the mining industry to crank up, and it is just beginning to crank up again in British Columbia.

● (1710)

We should also look at the federal Government during the same period. Let us deal with one mine named Polaris. Does it mean anything to anybody over there? Probably not. It was a proposal put forward by Cominco Limited for the most northern mine in the world in the Arctic. That proposal for the mine was before the Liberal Government for seven years. Here are the Departments that had to deal with it: Energy Mines and Resources, Indian Affairs and Northern Development, Environment, Treasury Board, Transport, and National Revenue. Is it any wonder, Mr. Speaker, that no decision was ever reached? Nothing ever happened.

Let us look at today. The Conservatives have been in government for a period of seven months. Between the Minister of Transport (Mr. Mazankowski) and the Minister of National Health and Welfare (Mr. Epp), Polaris came on line. Polaris was approved. It took two Departments, the Department of Indian Affairs and Northern Development and the Department of Transport. That is all it took. That mine is in production today. By virtue of the experience of Cominco Limited and of the Inuit people as well as the partnership that Cominco reached with the Inuit, let me tell you about the next and final step. The richest zinc mine in the world known today rests at the northwest tip of Alaska. It is called Red Dog. When it was discovered, Cominco became interested. It is the newest zinc plant in the world, with the most modern state of technology and the cleanest operation. Cominco was immediately interested. This mine lies in a very sensitive environmental area. It lies in an area where the native people have their normal habitat. The Aleut of Alaska were approached by Cominco and by two giant American mining corporations. Do you know what the American mining corporations did, Mr. Speaker? They took the Aleut down to New York City, wined and dined them and said: "Have we got a deal for you?" What did Cominco do? It took the Aleut to Polaris. It said: "Meet your Inuit brothers. Here is how we work with them". Guess who took the deal? Cominco is going to be operating Red Dog. That is the kind of step that has evolved from the action of the Conservative Government of this Parliament.

Mr. Manly: Mr. Speaker, spoken like a true Socred. I hope my Liberal colleagues were listening to what the Hon. Member was saying. Some of them are getting a little bit sensitive after eight and a half months at having every failure of the present Government blamed on the previous Liberal administration. I hope they know that the Socreds, like my hon. friends, are going to go on doing that for 10 years. Every problem that has come up in B.C. for the last 10 years is blamed on the New Democratic Government from 1972 to 1975. It was the best Government British Columbia has ever seen.

I want to tell the Hon. Member that when the New Democratic Party was in government we saved industries and towns. We saved the town of Ocean Falls. Where is it now? We opened up the Action Mine. We had the only copper smelter in British Columbia.

Mr. Siddon: Where is it now?

Mr. Manly: When the Conservatives were running in the last election they promised there would be some $100 million for mining exploration. They promised money for research and development. Where is that money? When is the Government going to start delivering on some of those things? We have seen capital strikes in Canada before. We saw a capital strike in the mining industry when the New Democratic Party was in power. To be perfectly honest, Sir, I have not seen any influx of capital into Canada to open new ventures in the last little while.

Mr. Siddon: You are opposing it.

Mr. Manly: Where are the mines right now? How many mines have been opened lately? We do not see capital coming in except to buy up established businesses like Mitel.

Mr. Schellenberg: Mr. Speaker, I was very interested in the comments of my colleague, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), who is my neighbour to the south. In particular, I took great interest in his comments on the gulf troller situation which is blowing up, if I may use that terminology, in my riding today.

To give a bit of history, shortly after the Pacific salmon treaty was signed, the Minister of Fisheries and Oceans (Mr. Fraser) introduced Bill C-32 in the House of Commons which enabled him to allocate fish on the West Coast of Canada. That was two and a half months ago. That Bill was filibustered in committee by the Hon. Member's colleague, the Hon. Member for Comox-Powell River (Mr. Skelly). A lot of delay and confusion had taken place on the West Coast because of the delay by the NDP. We now understand, as that Bill is about to be brought back to the House of Commons, that it will be again delayed by the NDP. The irony is that it is the commercial fishermen, whom they pretend to protect, who will be hurt by that, because the Minister cannot issue spot closures to the sports fishermen out there.

In reality, the delay of Bill C-32 is harming the fishermen of all user groups on the West Coast. I must ask my colleague from Vancouver Island why his colleague, the Member for Comox-Powell River, and his Party are doing everything they can to delay passage of that Bill and not give the Minister of Fisheries and Oceans the tools he needs to get the job done.

Mr. Manly: Mr. Speaker, in connection with Bill C-32, we saw some very serious problems with that Bill. We wanted a chance to discuss those problems with the Minister. Naturally, we insisted on a full debate in this House and in committee. It is interesting that it is only when the Conservatives had a gun put to their heads that they consented to hear Indian people who have very serious concerns about that Bill. The Conservatives then forced the committee to sit all night. I think this was doing an injustice to witnesses who had been called to Ottawa. The Conservatives said they were in a hurry to get the Bill to the House. They forced sittings of the committee around the clock. We have had six Opposition Days in a row because the

Government is not prepared to bring forward its legislation. I have never heard such a bunch of hypocrisy in my life.

Mr. McDermid: That is nonsense.

Mr. de Jong: Mr. Speaker, I want to ask a question of my colleague. It is a question concerning a gas pipeline to Vancouver Island. I understood that this became a prominent federal election issue and the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) made some very explicit promises that such a pipeline would be built. The Conservative Party and the Province of British Columbia committed themselves to that project.

Is the Hon. Member aware of any efforts on behalf of the Government now to reach an agreement with the Province of British Columbia to build that pipeline? Does he think the people of British Columbia, particularly the people on Vancouver Island, can expect to see that pipeline built in the near future?

Mr. Manly: That is a very good question, Mr. Speaker. If election promises built pipelines, we would have seen that pipeline built many, many times in the past 19 years. I think it was first promised by the Socreds back in 1966. It has been promised at every election since then, and now even the Socreds have the good grace to blush when it is raised. The Hon. Member has not been in politics that long, so he does not feel that he has any obligation to blush for past promises. Certainly he made that promise. I believe that when we see the stairway to paradise, we will see the pipeline to Vancouver Island.

● (1720)

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I am delighted to participate in this debate today, notwithstanding the pessimistic language of the motion before the House. I think all Members would do their constituents greater justice if we spoke in a constructive way about the very important issues not only before the House today but before the country and for which we all have a tremendous responsibility.

I was somewhat dismayed by the partisanship and the tendency on the part of the Opposition not to be willing to concede good news when indeed there is much good news for Canadians to be thankful, even at this early stage under this new administration.

Without a more co-operative relationship being struck between the federal Government and the provincial Governments, organized labour and the private sector, we would fail to address adequately the serious economic dilemma facing the country. At the present rate of accumulation of the national deficit, our accumulated aggregate public deficit will equal our Gross National Product by 1990. At the present time it is less than 50 per cent of our Gross National Product. Notwithstanding the braying and the alarm being expressed by opposition Members, I think they realize as well as we do that we will have to take significant measures in a spirit of co-operation if we are to restore to Canadians, in particular young Canadians, the sense of opportunity and stability which was gifted to us by our ancestors, those who went before us.

I am proud of the obvious and premeditated plan of the Prime Minister (Mr. Mulroney) to seek a greater consensus, to sow seeds of goodwill in both official languages from one end of the country to another, as precedent to difficult decisions and important positive measures the Government could take to create a more optimistic and confident climate in the country of which we are all proud.

In the debate on this rather pessimistic motion, I hope the NDP and its cohorts to the right in the Official Opposition will recognize that since September 1984, 201,000 new jobs have been created in Canada compared with only 70,000 in the same period of time the year previous. It is a new year and there are new things happening. The bank rate has fallen two percentage points in the last six weeks. It is currently at a level of 9.9 per cent, the lowest level of the bank rate since the defeat of the Trudeau Government in 1978. Export sales have risen substantially, by nearly $9 billion in March of this year. Already, notwithstanding the alarm being expressed with respect to promises which the Opposition would have us fulfil overnight, there is growing confidence in the country and a new spirit of optimism on the part of all Canadians.

I must indicate that public opinion polls seem to support the notion that indeed we now have a Government in office which is setting about to manage the economy, not run it. I make that distinction quite deliberately. The NDP would have us believe that Governments are the only institutions which can properly manage and run an economy, and that this could be done by merely handing out more money. That is its approach. As the Hon. Member for Kootenay West (Mr. Brisco) pointed out a while ago in the House, that approach was the hallmark of an unfortunate coalition federal Government between 1972 and 1975. When we consider what happened in British Columbia during that period, I think we see the beginnings of the economic dilemma facing Canada today. I might add that during that period the Finance Minister of Canada was the gentleman who now sits as Leader of the Official Opposition (Mr. Turner).

I do not mean to show any disrespect to any of these individuals, but these old attitudes, this living in the past, are not what Canadians want to hear these days. They want to hear of hope and optimism. Therefore, it is with some considerable degree of pride that I stand in the House today and compliment the Minister of Regional Industrial Expansion (Mr. Stevens) for having completed and announced in the House of Commons this afternoon, where such announcements should be made, an important agreement and a conclusion to the negotiations for an economic and regional development agreement with British Columbia.

While we have some reason for concern about the current levels of unemployment in British Columbia, I have tremendous optimism that with the assistance of this agreement and its subagreement, and in co-operation with that provincial Government and other provincial Governments of all political

persuasions across Canada, we will indeed see the evolution of tens of thousands of new jobs from one end of the country to the other. I am growing rather tired of this pessimism. I suppose it is the role of the Opposition to be negative and the role of the Government to be positive. I think as Canadians, as honourable Canadians all, we should rise to a higher level of responsibility.

I have been in negotiation with my colleague in British Columbia, the Hon. Patrick McGeer, a former Liberal, concerning a subagreement on science and technology and its important role in creating new jobs and new economic opportunities in the province which I, together with my 18 colleagues on the government side, are proud to represent. On March 1, I signed with Minister McGeer a memorandum of understanding setting out the parameters of our co-operation. I expect shortly to announce a subagreement flowing from the economic and regional development agreement which was announced this afternoon by the Minister.

We in the Progressive Conservative Party believe that it is essential to make our existing industries more internationally competitive, to raise their productivity and to use new technologies, so that they will be able to survive in an increasingly competitive external world. That will not be a sufficient solution to the problem facing this nation, nor will the solution be found in more government programs to hand out money, which some other entity presumably earns and pays to Government, in order to increase the role of the service sector in our economy. If we do not have a strong, productive workforce, we cannot afford to support a strong service sector. The only solution, as I see it, to creating new economic opportunity in Canada, is to apply the emerging technologies in the most progressive way we can, in a climate of entrepreneurialism and in an envrionment where we encourage young people to rise to the height of their academic and intellectual potential, and then go out and create the new nuclei businesses which will become the new large industries of tomorrow. It will only be through the adding of value to our resources, which we have traditionally harvested, consumed and exported, that we will add new jobs, the permanent jobs which the country needs.

Therefore, I am proud to stand in the House today to indicate that the Government is committed to raising our national investment in research and development in partnership, not by handing out federal dollars in massive increased amounts, with the provinces, the private sector and the municipalities. We are committed to raising our national investment in the application of science and the technological evolution which flows from science to meet new challenges. It is my confident expectation that by 1990, we will indeed see our national level of investment in research and development rise to the level of that of our major competitor nations around the world. It is my confident expectation that we will reach a level of investment of 2 per cent to .5 per cent of Gross National Product, which is characteristic of those other countries which have been so successful in the modern industrial world.

• (1730)

Returning to the British Columbia situation, I am proud to have entered into this memorandum of understanding with the Ministry of Science in the Province of British Columbia and to be able to announce under the ERDA agreement an important subagreement in the amount of $20 million to aid in the strengthening of the already strong technological base in that province. To hear the Leader of the Opposition say that there is no high technology and research activity in British Columbia is merely indicative of the fact that he does not know his own province very well.

In fact, we have had many success stories in British Columbia, not only in the Lower Mainland of Vancouver but in the many communities throughout the province. What we need is to double and triple the activity levels of these companies and the new ones that are yet to come. These are the companies that can create true and lasting employment and the nuclei of new industrial opportunity throughout my province and the other provinces and Territories of Canada.

The thrust of the ERDA agreement which we are so pleased to have finalized today was reflected in a recent speech given in Trail, British Columbia. The next of that speech reads:

> There is a new realism that we can't rely solely on our basic resource industries to carry us through the inevitable fluctuations of the international markets where our products must be sold. We have also to broaden and expand the economic base by attracting new job-creating investment, new industry and new types of economic activity, while at the same time work hard to develop new levels of productivity in our resource industries so that they can remain competitive.

The speech went on:

> So what we are involved in is a dual process within our partnership for economic renewal. It is designed to encourage new growth and at the same time help our major industries, like forestry and mines, remain highly competitive in international markets.

While my colleagues and I have been accustomed to expressing these sentiments in every corner of Canada and in this very House, it is particularly significant to note that the recent speech from which I quoted was presented a few days ago in British Columbia by W. R. Bennett, the Premier of British Columbia.

I am pleased to be able to say that this partnership agreement which we have struck with a Government of another political persuasion is not unlike the partnership and accord we have struck in the Province of Quebec with a Party of another political persuasion and indeed the partnership that we struck in the Province of Manitoba with the provincial New Democratic Party. I am saying that we can make much greater progress if we work together as a team irrespective of our political differences. I must call upon members of the Opposition to give at least some small measure of credit to the Prime Minister and to the Government for having managed to accomplish what a year ago would have seemed impossible, namely, a new spirit of co-operation, consensus and goodwill between the provinces and the federal Government irrespective of political persuasion.

The motion is in two parts. It decries the lack of economic leadership, but, as I have already indicated, the statistical

evidence proves the contrary. The second part of the motion suggests that the Government has failed to meet its campaign promises. Any reasonable minded person would have to concede that within its first eight months of office, a new Government could not be expected to fulfil all of its promises unless, of course, it is the view that promises translate into hand-outs or into redistributing chunks of cash that we obtain from the taxpayers to other people who happen to get in line first. That is not the style of this Government.

Mr. Waddell: Like the ERDA agreement.

Mr. Siddon: The priority of this Government is to work in partnership—

Mr. Waddell: What is the ERDA agreement? Don't be a hypocrite.

Mr. Siddon: If the Hon. Member would give me an opportunity to respond, I would be happy to respond. The ERDA agreement represents seed money, the kind of effective investment by Government which does not buy jobs but makes a down payment on them. It flows from a partnership between two levels of Government and draws the municipal and regional levels of Government into the mix with the private sector and, hopefully, in many cases with the use of investment and resources from organized labour and other sources. I am speaking of the federal Government creating a positive climate and attitude together with its provincial partners.

Hon. Members opposite certainly do not expect promises to be fulfilled within a matter of a few weeks or a few months. I would suggest that if they are patient and watch the trends in the indices, they will see a significant improvement in the unemployment rates within the next two or three years and indeed they will see tens of thousands of new jobs from one end of the country to the other.

We have to create a more industrially intensive economy, bearing in mind the fragility of our environment and the importance of using our resources wisely. Therefore, for British Columbia, as well as the commitments that have been made under the ERDA agreement, the Industrial and Regional Development Program is proving to be of great benefit. The IRDP is the core program of my colleague, the Minister of Regional Industrial Expansion.

Last November 9, the Minister announced an increased emphasis on the use of this program to support innovation, technology and trade. Indeed, this program which is available to budding new industries, middle-sized industries and larger industries as seed money or front-end assistance either by way of renewable contributions, interest-free loans or grants, is going to be a very important element in the future development of the province. The Minister of Regional Industrial Expansion announced earlier this afternoon that an additional $50 million of that IRDP program would be managed jointly by the two levels of Government and targeted to the small and medium-sized industrial initiatives rooted in innovation and the development of new industry and enterprise in the province.

I might point out that the IRDP program is proving to be increasingly beneficial to British Columbia in that the traditional statistics have shown a bias toward the large industrial regions of Canada. In the past nine months, there has been tremendous flow of additional funding to new economic activity in British Columbia. For the nine months prior to March 31, 1985, 73 IRDP projects were approved for British Columbia with expenditures totalling over $23 million. This compares to the only 34 project and just over $5 million spent during the corresponding period of the previous year under a Liberal administration. We have seen more than a doubling in the number of projects since September 4 and more than four times as much IRDP money going into British Columbia under a Progressive Conservative Government.

In addition, I want to emphasize that the over-all effect of the November 8 economic statement will be a stimulation of private sector research and development. It is our objective to see the fledgling industries and the established high-tech industries in the province grow and contribute to a more diversified and stable economy. That is an area in which the Industrial and Regional Assistance Program will be very, very helpful to the future of the province.

There are a number of other initiatives which will create new economic activity, not only in British Columbia but across Canada. The Government's decision to spend $1.5 billion to upgrade the North Warning System will have major economic implications for Canada and particularly for our technology-intensive industries. Over 7,000 person-years of work will be created in the communications industry alone. One initiative of the federal Government that is of special interest to me is the one that I announced two weeks ago in the form of an interim space plan for Canada. The announcement was greeted as good news by the vibrant space community which is evolving in British Columbia and throughout Canada.

• (1740)

Of course, the Western Accord on energy has been of tremendous benefit. I received a news release at 2.30 p.m. today which indicated that Mobil Oil Limited and Petro-Canada had announced a participation agreement to establish a major LNG facility to export western natural gas to the Far East.

Some Hon. Members: Hear, hear!

Mr. Siddon: That announcement would not have been possible were it not for the new measures and the elimination of the retrograde provisions of the National Energy Program. That is the kind of initiative which this Government has taken.

We have also announced increased funding to granting councils for the Medical Research Council and the Natural Sciences and Engineering Research Council. In addition to science and technology and economic development, Expo '86 promises to be a great shot in the arm for British Columbia and, indeed, for all of Canada. I would like to indicate that a recent study of Expo '86 indicates that Canada will enjoy an increase in the Gross National Product of $3.4 billion. We will

enjoy a $1.8 billion increase of total value-added benefits to the Canadian economy. As well, approximately $1.1 billion worth of new salaries will flow from Expo '86. It relates to 63,000 person-years of employment and an increase of $487 million in combined provincial and federal revenues. Seventy per cent of the benefits will accrue to the Province of British Columbia.

In conclusion, I would like to say that this motion is entirely out of order and inappropriate in relation to the degree of optimism which I and my 19 colleagues feel about the future of British Columbia, especially in light of the very positive and significant announcement which was made in the House this afternoon by my colleague, the Minister of Regional Industrial Expansion.

Mr. Deputy Speaker: Questions or comments?

Mr. Waddell: Mr. Speaker, the Minister must be spending all of his time in Ottawa and not any in Richmond, British Columbia. He does not understand that B.C. is mired in a recession. It has a 14.8 per cent rate of unemployment. In the rest of Canada, unemployment statistics have decreased, but the statistics in British Columbia have increased. The Premier of British Columbia, who has mismanaged the economy of that province even to the extent of putting the northeast coal megaproject in the wrong place, has not concentrated on development. That Premier is complaining that the federal Tories are not doing anything for him.

There is no pipeline on Vancouver Island. The forestry research grant was cut by $3.5 million in November. The fees to fishermen were cut by $6.3 million. The Minister abolished the National Research Council Energy Division and all the economic spinoffs that it would have provided to private enterprise. There were cut-backs in research programs into fishery and salmon enhancement.

Now that a Budget will be brought down, I would like to ask the Minister a question. In the City of Vancouver, the Social Credit Government, his friend, has undemocratically cut the whole Vancouver School Board. Is the Minister, who comes from the greater Vancouver area, prepared to use the influence which the federal Government has to get the B.C. Government to stop its undemocratic actions and its restraint programs which are killing the people of B.C.? If the Minister is so concerned about the deficit, then why did he give $3 billion to 12 large oil companies, ten of which are American-owned? Those oil companies will benefit to the tune of $3 billion. Will the Minister assure us that he will not look for that $3 billion in the Budget which will be brought down next week? Will he assure us that that money will not be taken out of the hides of the ordinary people of Canada, especially those in British Columbia.

The Minister has been spending too much time in Ottawa. The people in B.C. are suffering. There are food banks in my riding. Other parts of Canada may be recovering, but British Columbia is not recovering. I do not want to hear things about ERDA, because the Government has been dragging its feet for months on that. There are a lot of loose ends with respect to that agreement. When will the Minister do something concrete to stop the restraint and punishment which has been forced on the ordinary citizens of British Columbia? When will the Minister stop talking about deficits and start talking about stimulating the Canadian economy, especially in British Columbia?

Mr. Siddon: Mr. Speaker, I tried to save the best news until last, but unfortunately I delivered it before the Hon. Member arrived in the House. Obviously, he has not been following the debate this afternoon. If he had, notwithstanding the points of debate which he raised, he would have realized that many of his concerns had been addressed. As he well knows, he has overstated the dilemma. Much as there is an unemployment problem in British Columbia, I believe that it is more important to approach the future with optimism, rather than with the paranoid, negative attitude which flows so frequently from opposition benches.

Surprisingly, he is the only opposition Member from British Columbia in the House. I travel to British Columbia virtually every weekend. I do not know where he spends his time because I do not often see him travelling to British Columbia. If he wants to criticize me for my attendance in my riding, I could do likewise. In fact, the people of my constituency are very pleased with the fact that there are several Members from British Columbia on the government side of the House. I think that is a reflection of the will which the people of Canada expressed on September 4, and I trust that it will continue to be expressed in the future.

I would like to make one final comment. The Hon. Member raised the question about who are our friends and enemies. He said that we should use some clout. The legacy which was left to this Government was a legacy of antagonism, frustration, aggravation and confrontation. That was created partly because of the dynasty of mismanagement which the country experienced under a socialist Prime Minister who was supported by his colleagues in the NDP. Our friends are to be found in the Parti Québécois in Quebec, in the New Democratic Party in Manitoba, and in the Social Credit Party in British Columbia to the same extent that they are found in Progressive Conservative administrations across Canada. This Government believes that if it does not start out with a common commitment to solve Canada's problems and stop living in the past, as our friends opposite constantly wish to do, we will never overcome the problems which face Canada.

Some Hon. Members: Hear, hear!

Mr. Foster: Mr. Speaker, the Minister spent quite a bit of time talking about the glowing prospects of the economy. I have not seen an economic forecaster project a growth in the Gross National Product this year of over 2.3 per cent or 2.4 per cent. If we compare that with 1983, when the economic growth in this country was 3.5 per cent and with 1984, when it was 4.9 per cent, and then look back at the Prime Minister's (Mr. Mulroney) prophecies and commitments during the election campaign that he was going to create literally hundreds of thousands of jobs, we start to wonder whether this Govern-

ment is really committed to creating those jobs. When all of the independent companies and groups like the Conference Board and the Economic Council are forecasting economic growth in this country of less than 3 per cent—and we know that it takes about 3 per cent growth just to keep our labour force at its present level and our unemployment level from not increasing—why does the Government wait for eight or nine months to bring in a Budget? In its economic statement the Government just told us the things it was opposed to. It was opposed to research and development and renewable energy. We had one of the best developed programs for developing a new policy in renewable energy in all of the OAC and from among the western industrialized nations, yet it was cut out. We saw the government cut out things like the protection and monitoring of the environment. We saw it lay off dozens of NRC people, the cream of the crop, so they could go off to the United States. We saw the Government reduce drastically the Canadian Wildlife Service. We had a model institute for toxicology research, at the University of Guelph, associated with the University of Toronto, which would have given us a world class institution for research and development and which would have brought into play not only the training of scientists but the creation of new designs and models for toxicology research. It was a centre which would have involved the private sector, the universities and the co-operation of the Province of Ontario, but it was cut out from under us. So I think the Minister should act in the way he did yesterday at the Standing Committee on Miscellaneous Estimates where he admitted that in fact the Government was not going to keep its promise for research and development. He should come clean on this issue this afternoon instead of giving us all this gobbledy-gook.

• (1750)

Mr. Siddon: Mr. Speaker, in regard to the final remark made by the Hon. Member, I suppose he was not in the House 25 minutes ago when I gave my response to the concern he has expressed. This Government does not believe we solve problems by throwing money at them. This Government believes in sound management and the determination of priorities.

Mr. Foster: That's why you fired the scientists.

Mr. Siddon: The fact that we inherited a deficit which amounts to one-third of our annual budget is a reflection of the poor judgment of our predecessors, and they have little cause to sit in this House and criticize a Government which, by its performance to date, has shown a clear sign of renewed confidence, and the statistical indicators are showing strong symptoms of economic recovery.

Mr. Foster: Tell us about economic growth.

Mr. Siddon: At the outset of the comments of the Hon. Member, he talked about projections. Unfortunately, we have economists in this country who project by looking back. They very seldom take into account the options which face a Government. That was a significant flaw in planning when the National Energy Program was introduced by the Government of which that Hon. Member was a part. That was a significant flaw in judgment, which was reflected in the MacEachen Budget of 1982. That was a significant flaw in judgment, which led us to take the wrong response to the oil embargo flowing from the Middle East in 1975. What I am saying, Mr. Speaker, in conclusion, is that people who have the power of political determination and choice between a number of optional policies have the power to influence the future of a nation in profound ways. I will assure the Hon. Member—

Mr. Foster: Why have you welched on your promises?

Mr. Siddon: I would ask the Hon. Member, if he lacks faith—to use another popular expression—to just watch us. Just watch us grow.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would just like to say something a little partisan to the Minister, and then I want to say something a little non-partisan. It always amazes me how the Minister can stand in this House—and he is an intelligent man, well educated—and say that the NDP's solution is to give money away. Then about ten minutes into his speech, he proudly announced how great the Government was today on ERDA, which he describes as grants, subsidies and interest-free loans to help the forest industry. The fact is that that is totally illogical. One cannot damn a process and then claim credit for it ten minutes later.

The Minister asks us to be positive. I think I am a positive person. I notice by the smiles of Hon. Members opposite that they agree. I live in a province, as do many of the Hon. Members who spoke today, which is out of step with the small recovery we are seeing in Canada. We have almost 15 per cent unemployment. In the beautiful Kootenay Mountains there is about 30 per cent unemployment. In Kamloops, the riding of the Hon. Member for Kamloops-Shuswap (Mr. Riis), the unemployment rate is 20 per cent or 25 per cent and up. There are tremendous problems. I think the people of British Columbia are beginning to realize that the present Government of that province has mismanaged its economy. It has been chasing fool's gold when I believe it should be chasing green gold.

I heard the Minister's notions about high-tech. He talks about free economic zones and so on. But let us use a little common sense. The real greatness and strength of British Columbia is in its resources and its people. Its resources are tremendous. We have terrific forest resources. I know the Minister and I do not differ on that. We can look at some of the European countries which have updated their technology, as we have not, with a few exceptions such as the pulp mills and the caribou. By and large, our forest industry is old and needs to be revamped. We are worried about the American trade barriers which could totally destroy our province. I think both the Minister and I agree that there is lots to be done in the forestry area. The Minister has my support in helping with the forestry agreements. But we believe that the federal Government has got off to a very poor start. We think it has dragged its heels in providing things for British Columbia. There is, however, some promise, and we will continue to press

the Government. There is the use of Petro-Canada, the government oil company, which got going in the Parliament of 1972 to 1974, of which the Minister spoke so badly.

Mr. Siddon: What is the matter with mixed enterprise?

Mr. Waddell: There is nothing the matter with mixed enterprise. I am not against that. I do not believe the Minister is. We should be using Petro-Canada, using private industry, to get things going for British Columbia. As a Member from British Columbia, I say to the Minister that we are going to keep after his Government to look after the interests of British Columbia, because the province is out of step.

We have great tourist potential. I know the Minister believes in education, as I do, and we cannot have this dispute between the provincial Government and the Vancouver School Board or the Cowichan School Board. Only the kids suffer. British Columbia somehow has to get hold of itself and get some economic leadership in order to develop the province in the way it can be developed. Let us go after what I call the "green gold", that is, the forest industry and our fisheries. We are going to keep after the Minister and that is why we proposed this motion today.

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that pursuant to Standing Order 62(11), proceedings on the motion have expired.

This House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, May 16, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FOREIGN DIRECT INVESTMENT—TIME ALLOCATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

That this House condemns the Government not only for its failure to protect Canada from potential problems of foreign direct investment as demonstrated by the Government's failure to take effective action in dealing with foreign take-overs in the cases of Mitel and of the book publishing industry, but also for its contempt for the parliamentary process by cutting off free debate on its iniquitous investment legislation without providing adequate time for consideration of dozens of important and constructive amendments.

He said: Mr. Speaker, we are now in our sixth straight day of Opposition motions and resolutions. This has to be one of the most incredible and unorthodox situations with which Parliament has been faced in decades. What it basically adds up to is that the Government has gone on strike, or perhaps on lock-out. The Government doesn't want to govern, Mr. Speaker. I think the real reason is that the Government has realized that once all the fun and games of making appointments and having public relations meetings and television interviews, is over, it really has to get down to the hard, difficult and serious business of governing this country and it doesn't want to do it.

Conservatives have never liked to govern. Their long history has shown that. Now that that Party finally has a chance to govern, what happens? We have six straight days in Parliament with no government business on the Order Paper. Can you imagine, Mr. Speaker, any Government in a western democracy so totally abdicating its responsibility that it has to rely upon the Opposition to maintain the entire parliamentary business for almost a whole week?

I have to say that this really is one of the most curious commentaries on this Government. It is perhaps not only that the Government doesn't like to govern any more, but, probably more importantly, it is embarrassed by what it has on the Order Paper and doesn't want Parliament to bring it out for public examination or review. All I can conclude from this strange and unusual period we are going through is that the Government is somehow hoping that if it keeps the Opposition presenting the business of the day in Parliament it will then be able to squeeze all its Bills and estimates into the very last weeks of Parliament, and rush them through in order to make sure Parliament does not get the opportunity to exercise its proper function, which is clearly to examine these issues and exchange different points of view. That is what we basically see in the attitude of the Government in this parliamentary procedure of having nothing but Opposition Days for a full week, and in its attempt to bring in closure on the only major piece of economic legislation that has been introduced. It is clear that they are afraid, and not prepared to defend their case in an honest, forthright, and effective way. Instead they rely upon all of the dodges; they hide behind procedure, and look for ways of avoiding and evading those responsibilities.

• (1110)

The fact is they cannot evade them. Holiday time is over. Canadians who are going to the polls are giving a very clear message.

Mr. Stevens: Fifty-four per cent in the last Gallup.

Mr. Axworthy: There is only one poll which really counts; that is when people put their ballots in the box.

Mr. Dick: You got 26 per cent.

Mr. Axworthy: They gave a mandate last September and we all admitted that. No one is shying away from that. The only people who are unprepared to live up to that mandate are the Conservatives themselves. We are prepared to admit that we were defeated and are no longer the Government. We are now acting as the Opposition. Unfortunately, the Conservatives have been unable to recognize that their role has changed. They do not want to govern.

The Canadian people are sending messages in one provincial election after another as they vote against the Conservative Party. A large part of that vote is directed toward the "Mulroney mugwumps" who do not know what they are up to. There is a very large counter-reaction taking place because the people realize that the Government is not prepared to effectively concentrate on the economic issues of the country.

In the past week we have seen clear examples of incredible confusion and contradiction. The Secretary of State for External Affairs (Mr. Clark) made one of the century's greatest jokes; he calls it a foreign policy review. However, if Canadians are to make any use of it, the Government had better send crayons out with it so it can be used as a colouring book. There is nothing in that document other than contradictions. It says they will review Canada's military strategy, but they will make decisions before making the review.

The grey or chartreuse document says that in order to stay internationally competitive we must ensure that Canadians

invest in research and development, that we control our own economic destiny, and that we hone our ability in high technology industries. Immediately after the paper was tabled the Minister of Science and Technology (Mr. Siddon) said that the Government cannot live up to its commitments on R and D. The Minister of Regional Industrial Expansion (Mr. Stevens) joyfully applauded the fact that a number of our major high technology industries are being taken over by foreigners. He said it is wonderful that a Canadian high technology industry is now owned by a company beyond our borders. He wants Canadians to agree that that is a wonderful thing. During the course of the hearings which were held on this Bill evidence was produced time and again that foreign owned companies produce far less research and development than do Canadian controlled companies. We are now simply selling off our birthright, our opportunity to do that which the Secretary of State for External Affairs says we should be doing.

Mr. Brisco: You sold your birthright, turkey.

Mr. Axworthy: We're not talking about agricultural policy. You are in the wrong chamber. You had better go to the other committee. Turkey is what they serve at Conservative fund raising dinners because they are all sitting at the head table.

During the very week that a paper is tabled on the need to develop research and development there is a take-over of Mitel and CTG. There are now reports in the paper that the Hon. Minister is trying to work out a sweetheart deal with foreign owned defence companies. In order to get them to buy Canadair and de Havilland he has to give them defence contracts. This is what we call purpose and direction in our economic affairs. This is what we call smart government. They have got to be kidding. Canadians have got to be asking themselves who is in charge here.

• (1115)

This Minister, who has a lot of time to go and give interviews to *The Financial Post* and all the business papers about his grand economic strategy, does not have time to do his job. His job is to be an economic development minister and establish clear guidelines and goals to make sure that control of a critical industry like high technology is retained in this country. Where was the Minister when he should have been trying to find alternative Canadian buyers? Where was he in trying to develop a pool of Canadian capital? We were told by the Minister of Finance (Mr. Wilson) in his Economic Statement that Canada has the largest pool of savings in the world; 13 per cent of our income goes into savings.

Mr. Stevens: Your Government was borrowing it all.

Mr. Axworthy: If that is where all the capital is, why is it not being allocated or directed into our high tech industries? Surely we can learn the lessons of the past and not sell off this industry, as we have the mining and manufacturing industries.

The Government has taken almost 200 days to come up with a Budget. The only initiative taken by the Minister of Finance was to cancel R & D spending. We desperately hope and pray that in the Budget next week there will be some initiatives which will provide incentives to Canadians to invest in the high tech industry. But in the meantime this Minister, who said he is going to be the economic Czar, is really acting like a Czarina. He is not dealing with the business of the economy, he is much more interested in telling people what he wants to do. But actions speak louder than words. We will test him, not on his rhetoric, but on what he does, and what he is really doing is nothing; he is simply standing still, with the exception of cheerleading every takeover which takes place. That seems to be his role and responsibility.

Mr. Brisco: Tell us about the ERDA agreement in B.C.

Mr. Axworthy: Let me talk for a minute about the book publishing industry.

Mr. McDermid: Oh, yes, tell us about that one.

Mr. Axworthy: Let me go back to the words of the Minister who said in this House that the one area of the Canadian economy which was another sacred trust to the Conservative Party was the Canadian cultural industry. We all know the book publishing industry is an essential ingredient in the maintenance of our cultural identity; the written word is critical. So what happens? On March 31 the program to provide direct grants to the book publishing industry ran out. Was it replaced? Was any action taken by this Government to provide grants, tax incentives or support of some kind to the Canadian book publishing industry? No, the program was allowed to lapse. In the meantime we had an application for another takeover, that of Prentice-Hall by Gulf & Western, a company which has already taken over four or five publishing firms. Here was an opportunity for the Minister of Regional Industrial Expansion to give a very clear signal to foreign investors that at least in this one area we were not going to accept foreign ownership; in this one area we were going to protect our Canadian culture. But six months later there has been absolutely no action, no decision, nothing from the Minister. As a result of that omission, that inaction, that ineptitude, we now have two other firms, including Gulf & Western, which want to buy a fourth Canadian publishing concern, having taken over two other Canadian publishing companies in the month of April.

The foreign business community is pretty smart; they know how to read signals, and the signal from this Minister is that he does not care, he is not interested, not involved. If you are going to wait six months to make a decision on Prentice-Hall, let's get these other acquisitions and takeovers in under the wire.

The real tragedy in all this, Mr. Speaker, is that we brought in amendments to the Investment Canada Bill which took note of these problems of foreign ownership, but this Government and this Minister refused to pay any attention. In the case of high tech we clearly telegraphed what is now happening with Mitel, because that is only the tip of the iceberg. We said that any company which receives R & D grants from the Govern-

ment of Canada under the Investment Canada Bill should be subject to review.

• (1120)

Mitel gets the publicity because it is a large company. However, there are hundreds of smaller high tech firms in Canada that will be totally vulnerable and unprotected under Investment Canada. Did the Minister pay any attention to that warning from the Science Council? Did he pay any attention to the representations made at committee that in such a critical area to economic growth in Canada there should be at least a requirement for a review of those companies? The Minister said no, let the foreign companies come in and take over because his Government believes that is a virtue.

That amendment was not brought in because we wanted to confront the Minister and the Government. We were not opposing the principle of the Bill. We were offering to improve it and make it better in an attempt to deal with this matter.

Similarly, in the case of book publishing, we brought in amendments to the House that clearly indicated a desire to have Parliament establish the criteria upon which reviews will take place in the cultural industry. Let us not have it subject to regulation that can be shifted on the whim and caprice of orders in council. Our amendment would have Parliament establish the criteria so that it would be clearly understood by those in our economy, including the cultural groups and publishing groups, that this is in fact the parliamentary sanction. Once again, the Minister said he had no business with that because his interest really is keeping power unto himself. There is a clear disregard for Parliament in these actions and a clear interest in maintaining his own arbitrary, discretionary powers without reference to anyone else.

The Investment Canada Bill is severely flawed because it gives the Minister total and complete power without any accountability for his decisions to anybody else. He is not required to answer to Parliament, to the committee or even to his own Cabinet.

Mr. Stevens: Not true. Why can't you stick to the truth?

Mr. Axworthy: He has no accountability whatsoever in these areas.

We introduced an amendment that would allow for this accountability in order to maintain some kind of balance in this area. Was there any willingness to consider these amendments or any willingness to debate? The Conservative Members sat in their places and would not debate the issue. Instead, the Government introduced closure.

Not only are the Conservatives not willing to administer the Government, they are not prepared to engage in the give and take of parliamentary exchange through the parliamentary process. They do not really favour Parliament because they believe that their large majority on September 4 gave them some form of divine right.

Mr. McDermid: You won't participate.

Mr. Axworthy: Time and again we have said that if Members opposite are going to use Parliament, they should use it legitimately. The Member for Brampton-Georgetown (Mr. McDermid) is cackling in his seat. I said earlier that we are not dealing with agriculture, so I do not know why he is cackling so loud.

Of course, we want a foreign policy review but it should be legitimate. The Government should ensure that the document does not consider decisions that the Government is going to take without reference to Parliament. It should not be turned into a charade.

Similarly with respect to the Investment Canada Bill, the Government should ensure that the report stage of the Bill provides an opportunity to carefully consider every amendment. However, that is not the intention of the Government. We are prepared to spend as many hours, days or weeks in the House debating these matters as is required. That is why, in one sense, the opportunity to have an Opposition day is a form of blessing in disguise, because at least it gives us an opportunity that is denied us through the normal process of Parliament to bring these matters to the attention of the public.

Mr. McDermid: You have never been denied anything.

Mr. Stevens: When are you going to say something?

Mr. Axworthy: We are quite prepared as an Opposition to sit down with the Government and discuss the Investment Canada Bill. We are prepared to work out timetables for debate and find a reasonable and rational way to present amendments. If the Minister offered to sit down with us, we would be prepared to discuss what might be useful and constructive amendments.

We recognize the Minister's right and responsibility to present legislation and maintain the principle of the Bill. However, I remind him that when we brought in the Western Grain Transportation Act over a year ago, which was equally controversial legislation, we accepted 15 to 20 amendments from the Opposition because they were legitimate, sensible and constructive amendments. We have tried to conduct ourselves in the same manner, but the Minister and the Government do not believe in that process. The Government does not want to get into such an exchange.

Mr. Stevens: You better start talking to Herb.

Mr. Axworthy: The Government should recognize the threat posed by the Mitel takeover this week. It represents the danger of an incredible loss of ability in this country to provide for growth and development in the critical area of high technology and the ability to maintain our international competitiveness. The Investment Canada Bill is severely flawed in that respect. It contains serious errors. The responsibility of this Parliament should be to correct those errors to provide for improvements and constructive amendments.

• (1125)

Let me say to the Government that we are prepared to negotiate and to deal on that basis, but it is the Government that must take the initiative. It must show at least a modicum of interest and goodwill to make that happen. Up to this time, as our resolution clearly states, there has been none of that. There has been a disregard of the committee, a disregard of Parliament, a disregard of the interests of Canadian industry and the economy because the Government is bringing in a Bill that will simply provide for "Open Sesame". The Government is going to allow for a pillaging of our economy that by comparison will make the rape of the Sabine women look like a church picnic.

I do not think this Minister really cares that much about this. I believe what is at the bottom of the whole approach to this issue is that the Minister really wants foreign investment to take over industry in Canada. He is not really concerned about Canadian investment or Canadian involvement. What he really believes is that Canada can operate most effectively as a satellite to other countries. That is the message this Government is giving. In the actions or lack of action it is taking on questions like Mitel, book publishing and legislation such as Investment Canada, the Government is showing what its economic philosophy is. The Government wants Canada to be a branch plant economy. The Government wants to take its orders from Cleveland. That is the kind of approach the Government is taking. It is not providing the kind of direction, purpose and goals that Canadian investors and Canadian business want to make sure that we maintain some control of our industry and ultimately some control of our destiny.

Mr. Duguay: Mr. Speaker, everyone in this House knows very clearly during the last campaign we put our position before the Canadian public on the Foreign Investment Review Agency. The contents of this Bill are not strange to Canadians. We told Canadians we would introduce this legislation and we have done so.

I want to comment for a second on the matter of contempt for the Parliamentary process. Up to and including May 1 the House had spent 36 hours on Bill C-15. In addition, the standing committee spent 40 hours. The Liberals have intervened 82 times and the New Democrats 72 times. Considering their number in the House, it seems that to have each member of the Opposition intervene twice on a Bill which the Canadian public knew we were going to introduce really demonstrates the weakness of the Opposition's position. It is a very weak argument if it has to be made more than once.

My point is very simple. The contempt of Parliament is on that side of the House. My constituents phone me on a regular basis and say: "What is stopping you from stopping Opposition Members from getting up day after day to make the same arguments they made yesterday?" The contempt is on that side of the House, not on this side.

Mr. Axworthy: Mr. Speaker, I would like some opportunity to respond to the Hon. Member for St. Boniface (Mr. Duguay).

Let me provide a contrast. The Hon. Member said we had spent some 36 hours or so on this Bill. A year or so ago when I was the Minister of Transport and brought in the grain transportation bill we spent several hundreds of hours in this House on the very same legislation.

Mr. Stevens: How much time did you spend on FIRA?

Mr. Axworthy: We spent hundreds of hours in debate in this House. We provided the Opposition a full committee hearing that went on for something like six months. Hearings were held across Canada. There were representations from every region. We then spent almost four weeks at report stage in this Chamber dealing with hundreds of amendments. We sat and listened. We also used that process in a creative way. We accepted amendments from the Opposition. We sat down and negotiated with them on amendments.

• (1130)

Mr. McDermid: That is because they were good amendments.

Mr. Axworthy: That is because they were good amendments. This Government, by showing its absolute disregard and its disdain for Parliament, has never made the offer.

Mr. Stevens: Untrue.

Mr. Axworthy: It has not even bothered to show up. It has not provided the opportunity to sit down to look at the amendments and decide which ones it should consider, which ones it should bring into effect, or how it could recognize what representatives of a number of distinguished and important Canadian organizations said before the committee. They were all voted down and thrown out in committee. The same is being done at report stage. That is the kind of disregard to which we are pointing.

The reason for the resolution this morning is to try to give these people a deathbed reprieve. We saw the case of Mitel this week. Is the Hon. Member for St. Boniface saying that he is speaking for his constituents and that they are condoning the sell-out of the Canadian high-technology industry? Does he want to see Burroughs leave his riding, disappear, and not have the world product mandate which was negotiated as a result of the FIRA process? Is that what he wants to see? That is what will happen with Investment Canada. Burroughs would not be required to have a plant in St. Boniface doing the kind of operation it is doing, had it not been for FIRA negotiating that world product mandate for that particular plant. It would be useful if the Hon. Member for St. Boniface looked more closely at what is going on in his own riding. Then he might come to the House and approve or support our amendments.

Mr. Duguay: Mr. Speaker, with all respect to the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), I am quite aware of what has gone on in my own constituency. However, my point is really a fundamental one. We have to spend hours and hours amending legislation in committee when it is not very well thought out or has not been com-

municated clearly to the Canadian public. This legislation was communicated very, very clearly to the Canadian public. Hon. Members opposite knew that. As a matter of fact, some of them shared platforms with me last summer and took an opposite view. The people of Canada knew that we would do it, and they chose us on September 4 partly because we would do it. We are doing it, and we know what we are doing.

Mr. Axworthy: Mr. Speaker, my answer will be very short. As I said during the course of my remarks, I have no argument with the mandate which was given on September 4, but Canadians did not have an opportunity to see the Bill at that point in time. They did not know what would be in it. In fact, I recall for the benefit of the Hon. Member that during the course of the election the Minister of Regional Industrial Expansion was contradicted by the Minister of Finance who was contradicted by the then Leader of the Opposition. They all had different points of view on what they would do in the area of foreign investment. One was to abolish it totally, one was to conduct a review. They all had different positions.

I am simply pointing out that certainly Canadians voted for a change. They voted for a large number of promises which were made by Mr. Mulroney at that time. Since, they have learned that Mr. Mulroney's promises are not really worth the paper they are written on.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member should know that we address Hon. Members of the Chamber by their titles. He should refer to the Right Hon. Prime Minister (Mr. Mulroney), please.

Mr. Axworthy: Thank you, Mr. Speaker.

Mr. Orlikow: Mr. Speaker, I am puzzled by the comments of the Hon. Member for St. Boniface (Mr. Duguay). Of course members of his Party put forward their views during the election campaign, including their views on foreign investment and how it should be dealt with. They received a majority. Of course, since they have formed the Government, they will in time get the legislation which they want, and we will no longer have the benefit of a real examination of proposals for take-overs by foreign companies of Canadian companies. We, as members of the Opposition, also put forward our views, and we were also elected. We were elected to come to Parliament to put our points of view. That is precisely what we are doing.

Before the Hon. Member for St. Boniface became a Member of Parliament he was a teacher and was active in the Manitoba Teachers' Society. If, in the years before he became President of the Manitoba Teachers' Society he had wanted to express views which were not in accord with the then leadership of the society and was told by members of the society that they were elected and did not want to hear from him, I wonder what he would have said. Now, because he is a very small part of the administration, he wants the rest of us to keep quiet. Perhaps as a back-bench Member of Parliament on the government side he is not required to speak very often, or they do not want him to speak. We are here to put our points of view, and we intend to do so.

Let me point out two very serious situations which will not be given any real consideration if we pass the Investment Canada Act. There is a proposal by Gulf and Western to take over Prentice-Hall. Surely the Hon. Member for St. Boniface, as a past teacher or educator, should be interested in seeing that the book publishing industry remains Canadian. If we follow the Government's direction and pass the Bill, we will have no control over that.

Similarly, we have the Mitel situation. It is a Canadian-owned company which deals in an area that will be important in the future. The proposal is that it will now be taken over by a British company. When that happens, we will see more and more of the work and the research required to make that company successful in a very competitive field go either to the United States or Great Britain. The Government is proposing to take away any authority or power it has to see that that company and others remain Canadian. This is why we are raising our objections. I tell the Hon. Member for St. Boniface that we will use every opportunity to put our views before Parliament and before the people of Canada.

Mr. McDermid: Mr. Speaker, I do not want to put words in the mouth of my colleague, the Hon. Member for St. Boniface (Mr. Duguay), but the Hon. Member completely misrepresented what he said. He did not try to stifle debate or anything else. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said that we were stifling debate in the House, and the point my colleague was making was that we had not stifled debate at all. That completely misrepresents the remarks he made.

I want to refresh the memory of the Hon. Member for Winnipeg-Fort Garry by referring to a little publishing company by the name of Irwin-Dorsey. It had 30 employees in the small community of Georgetown in my riding. It was owned by an American company. It was the only operation it had in Canada. It changed ownership in the United States. In order to get approval in Canada to change ownership it had to come to FIRA. FIRA refused the transaction taking place in another country between two companies which affected this little company of Irwin-Dorsey in Georgetown. What happened is that the American company pulled it out of Georgetown and brought it back to the United States. It is doing the same job; it is still shipping books into Canada. However, 30 people in my constituency were put out of work because of the inflexibility of FIRA.

Does the Hon. Member remember that particular case? Does he remember those jobs being lost because of a stupid decision by the Foreign Investment Review Agency, which did not do one good thing for Canada? As a matter of fact, it took jobs away from Canadians. That is what we are talking about when we debate the Investment Canada Bill. Does he remember that case? I will tell him that the people who lost their jobs in Georgetown remember it very well.

Mr. Axworthy: Mr. Speaker, I will make my reply very short. Yes, I remember the case very well, but I think the Hon. Member has it all wrong. It was not FIRA which made the

decision. It was the foreign-owned company which closed down that branch plant.

Mr. McDermid: There was no choice.

Mr. Axworthy: That is why we are fighting against the dumb, stupid policies of the Minister which will allow foreign companies to close down factory after factory, business after business, mine after mine, because there is no longer any policy of direction on the part of the Government which says that we want Canadian control and direction. It is foreign ownership and foreign management, which do not give a damn about this country, that are closing down Canadian plants. We are bringing in amendments to try to protect the Georgetowns and other constituencies.

Mr. McDermid: You would not let the ownership transfer.

Mr. Axworthy: If they were smart, they would look at our amendments and change Investment Canada.

The Acting Speaker (Mr. Paproski): Order, please. The period provided for questions and comments has now terminated.

• (1140)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in rising to speak on this motion I must comment that we have in this motion perhaps the greatest example we have had in this Parliament of inconsistency and irresponsibility. In his speech and in his motion, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) has demonstrated why today he is sitting on the Opposition benches along with various Members of his caucus instead of on the government side of this House.

The Hon. Member says that we have shown a contempt for the parliamentary process by cutting off free debate. One of the first things he said in defence of his motion was that we should not be giving them six Opposition Days to debate. Somehow he is flabbergasted that we have given them freedom for six days to come in, choose their topic and have a debate in this House. How on one hand can a Member ask the House to agree that there is contempt for the parliamentary process by cutting off free debate and then use as part of his argument that this is the sixth Opposition Day and that it is unforgivable to give the Opposition six days of free debate?

Mr. Axworthy: It is an abdication of responsibility. Why does the Government not bring in the debate? You are the Government, start acting like it.

Mr. Stevens: Here is the inconsistency. If the Hon. Member really believes what he is saying, he obviously would have mentioned it in his motion. Some time between drafting it last night and when he got up this morning, he changed his mind and said "Why on earth do we need a six-day debate? I'm going to go in and criticize the Government for giving us so much time", after yesterday telling us that we were not giving them enough free debate.

Mr. Axworthy: Right.

Mr. Stevens: And now he says it is right. My goodness, if Fort Garry residents could only see him in his true splendor in this House.

Mr. Axworthy: They just remember the Bank of Western Canada.

Mr. Stevens: Let me go on.

Mr. Axworthy: They remember your wonderful record in the West.

The Acting Speaker (Mr. Paproski): Order, please. I would like to hear the Minister's speech and we can then have questions and comments.

Mr. Stevens: Let me go on. The motion states that we have not provided adequate time for consideration of dozens of important and constructive amendments. My colleague, the Hon. Member for St. Boniface (Mr. Duguay), pointed out the various hours that had been given to debate, either at second reading, report stage or in committee. Let me be a little more specific.

At second reading there were 32 Liberal Members who joined in the debate. All but eight of the total caucus had an opportunity to speak at second reading. Twenty-five New Democratic Party Members spoke. All but five of their caucus had an opportunity to tell the House their feelings. Most who attended committee will agree that in committee there was a full opportunity given to both the Official Opposition representative and the socialist party representative to present their case and their amendments. Each was considered. Virtually all were voted on, with the Official Opposition almost consistently voting with the socialist representative at the committee level.

At report stage on Motions Nos. 1 and 2, we have had 23 Liberals join in that discussion and 21 NDP Members. On Motions Nos. 4, 6, 7, 19, 10, 11, 14, 15, 16, 17 and 18, we have had 12 Liberals and 11 NDP Members speak. On Motions Nos. 8, 12, 32, 63, 69, 74 and 75, we have had 13 Liberals and 13 NDP.

Mr. Orlikow: We are just doing our job. What is wrong with that?

Mr. Stevens: On Motions Nos. 19 and 20, there were 12 Liberals and 9 NDP. On Motions Nos. 23, 24 and 25, again Liberals and NDP Members participated. What they are really saying is that they want to filibuster.

When it comes to free speech and free debate, they do not like to let democracy work. They do not wish the majority of the Members of this House, who I suggest reflect the majority wish of the Canadian public, and judging from today's Gallup poll, 54 per cent still say they believe in the Government, to move legislation forward. They basically feel they know best. Notwithstanding the fact that they are two minorities, they know better than the majority what is good for Canadians.

Let us put it into perspective. The Hon. Member talked about FIRA. Let there be no doubt that the thrust of his amendments would basically not only restore FIRA, but make it a much more onerous piece of legislation than the legislation we now live with.

Think of the record. Ten years ago, this country had unemployment at about one-third the level it is at today. Partly as a result of the misdirected policies and actions of the then Government, now Official Opposition, many of the people out of work in Canada today are out of work, I say, because of the policies of that Government, including its attitude toward non-Canadian investment. After 10 years of that kind of a record it is almost beyond belief that the Official Opposition and the NDP caucus would be so determined to try to persist in the mistake. Surely Canadians want change. They want to have a freshness. They want a new approach. In short, they want constructive investment, jobs to be created and people back to work in this country. This Government is dedicated to getting the confidence of the business community restored, investment flows once again constructively coming in to businesses with a view to creating jobs for Canadians. That is what this is all about.

Perhaps we could symbolize what we are talking about with the Liberal and NDP attack on this possible Mitel deal with British Telecom. I say "possible deal" because that is all it is. We have two concerns signing a letter of intent in which a British company says "Subject to various considerations, we would consider buying up to 51 per cent of your company, putting in $320 million fresh equity, helping to preserve 2,500 Canadians jobs, 5,000 jobs around the world".

What is the response of the Official Opposition, backed up by their friends to the left? They are almost horror-stricken that somebody would positively say they would like to participate in a Canadian company with a view to not only keeping the jobs that are now in Canada, but expanding upon that base. They are calling on us to somehow block it or stop it. They are calling on us to take action even before we have received an application to consider the nature of the deal. I would suggest that the Opposition has a blind hatred to anything which they deem to be foreign.

● (1150)

Surely, what we in Government and in the House should be doing is looking at the essence of the deal. In this particular instance I believe that the action of the Official Opposition is inconsistent. To hear those Members talk, it sounds as though Mitel has been a sacred Canadian company which has been wholly-owned by Canadians and has used Canadian technology. Do they think we have forgotten that the previous Government permitted 48 per cent of the company to be sold to foreigners? I am surprised they have forgotten that.

As far as the Opposition is concerned, the most hated of all foreigners are the Americans who did most of that buying. At the present time, 52 per cent of Mitel is held by Canadians and 48 per cent is held by a foreign group. Because another foreign group has come forth and offered to give the company the $320 million which is needed, we have this historical reaction. It is odd. I can only suggest that it is a cold government interventionist approach which is bound to cost Canadian jobs, just as it cost Canadian jobs in the past decade. That is what this Government is trying to reverse.

Let me comment on the motion before us. In my view, we have prospered most in the country when we have been open to trade and investment with the rest of the world. The periods of greatest protectionism in Canada have coincided with periods of stagnation and recession. Throughout our history we have used non-Canadian capital to supplement our savings, to establish transportation and communication infrastructure, to develop wealth in natural resources and to expand and diversify Canadian industry. In other words, Canadians have seen non-Canadian capital as an opportunity, not as a threat.

We believe that the policies which have been pursued over the past 10, indeed 15 years, have tended to tie up Canada with laws, rules and regulations which have held back growth and smothered opportunities. We must start thinking internationally in Canada. The Canadian economy has become an integral part of the international economy. Some people timidly shrink back from the challenges which are associated with that. I think it is time for Canada to stop being so frightened. It is time to stop being so timid. It is time for Canada to boldly accept the world and invite the type of capital and investment which would be available to us if we stopped being so protective-minded, as the previous Government was during the past decade.

Under FIRA—and I have gone through many of the files—I found that there were months of bartering, haggling and bargaining before foreign investment was allowed to enter Canada. The attitude which the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) is showing with respect to the British Telecom proposal is typical of what took place during the past decade. Essentially, non-Canadians were told that they were not welcome and that their investment proposals would not be considered favourably. Meanwhile, Canadians kept joining the unemployment lists. As far as I am concerned, that mental attitude is peculiar to the Liberal Party and the NDP Party, but it is certainly not the outlook of the average Canadian today.

Mr. Deans: The "P" stands for Party.

Mr. McDermid: Where did that come from?

Mr. Deans: The wilderness.

Mr. Stevens: Boy, the House Leader for the NDP has certainly got one thing right, he is coming from the wilderness.

We believe there is room for joint ventures, international ventures and partnerships in Canada. We believe that will bring capital, new ideas and technology to the country, and we believe that Canada has nothing to fear from such interchange with the capital and technology pools which exist in the world.

The motion refers to the Investment Canada Bill and states that there has not been an adequate review in committee. That is just not true.

The motion seeks to condemn this Government for:

—its contempt for the Parliamentary process by cutting off free debate on its iniquitous investment legislation without providing adequate time for consideration of dozens of important and constructive amendments.

The amendments to which the Hon. Member is presumably referring, if accepted, could have turned back the clock and virtually re-invented FIRA. In short, it would send a new signal to the rest of the world that once again non-Canadian investment is not welcome in Canada. It would also send a message to the 1.5 million Canadians who are out of work that they would have to do without the jobs which non-Canadian capital might have helped to supply. As Hon. Members know, a considerable amount of time has been spent in both Houses on Bill C-15, and in the Standing Committee on Regional Development. I think it is very fitting for discussions to be held in committee which relate to Investment Canada and non-Canadian investment.

As far as I am concerned, one of the great opportunities which we have in the Investment Canada approach is to positively encourage Canadian investment and to seek the non-Canadian who wants to invest in some of the regions of Canada. We will be announcing certain of those investments. I only hope that by that time the spokesperson for the Official Opposition, the Hon. Member who has put the motion before the House today, will have changed his attitude from virtually insisting that we should discourage employment in the country, to the attitude of encouraging jobs for Canadians. I hope it is understood by all Hon. Members after this debate today that we have clear evidence, once again, of how pathetic this Official Opposition is, how in truth it simply is becoming the Party of obstruction. Having demonstrated over ten years the disastrous results of its policies, it is now virtually insisting that the Government of the day not get on with restoring the great vitality and prosperity which can be ours. I think it behooves every Hon. Member to call it what it is, pure obstructionism, and let's get on with the will of the Canadian people.

• (1200)

Mr. Deans: Mr. Speaker, I have a quite specific question to put to the Minister. I would appreciate very much if he could give me an answer. It has to do with the Lapp Industries take-over of Canadian Porcelain. Has the proposed purchase of Canadian Porcelain by Lapp Industries gone to FIRA? If not, can the Minister tell us whether it will in fact have to be dealt with by FIRA? If it has to be dealt with by FIRA, will FIRA, once it is seized of the matter, be required to complete its review and report, notwithstanding what happens to the Investment Canada legislation which is now before us? If that is not the case, will the Minister guarantee us and, of course, the people most concerned, that under Investment Canada proposals he will undertake to review the proposed take-over in order to ensure that it is in fact in the best interests of Canada?

Mr. Stevens: Mr. Speaker, as you undoubtedly will recall, this question was raised several times by the Hon. Member. The fact is that the Government has been in touch with those who are trying not to consummate a deal involving Lapp. But there are two other possibly interested parties who might come up with some transaction which would involve the company. The short answer is that we have indicated to Lapp that if it proposes to go ahead with the purchase, we feel it would be reviewable as far as the existing legislation is concerned, and we anticipate that it will be making an application, at which time we can look at exactly what it has in mind. Orally, of course, the company has given us to understand that rather than any closing down or moving out of assets to the United States, as some Hon. Members have indicated, it would be making its move with a view to restoring and reopening the company in Canada.

Mr. Axworthy: Mr. Speaker, once again we have been treated to what is known as the "B.C. and I Chamber of Commerce, Speech No. 57", rapping the socialists, dealing with the terrible record of the Grits and promising all kinds of glorious miracles based upon foreign investment. I want to point out, Mr. Speaker, that unfortunately that was all repudiated during those committee meetings we held. People from the investment communities said they would not expect that much more investment from foreign companies because of this legislation. Even the New York investment community itself made statements to the effect that we could not expect any major onrush of new capital. What we would see, however, is a number of takeovers of existing Canadian companies because the Investment Canada legislation has a much broader, wider and more open screen.

I would like to point out something else I find amusing at times in the Minister's remarks, Mr. Speaker, because he has his own peculiar view of history. He is like the Soviets who took power in the 1920s and rewrote Russian history back 500 years. The Minister loves to talk about the ten years of disaster of the Liberal Government. But as the Minister of Regional Industrial Expansion he is using all of the federal Liberal initiatives, such as the ERDA program, which were put into place by that past Government. I have not seen him disbanding ERDA. I have not heard him saying, "It was a terrible idea that we should have co-operative planning with the provinces". We put the machinery in place. We allocated the funds and now the Minister is going out and spending these funds and taking credit for it. Unfortunately, that is part of the disastrous record he talks about, but it doesn't get explained in that way. The Fact is that the legislation was brought in by our former colleague, the former Hon. Member from Cornwall. We had negotiated all of the outstanding agreements across Canada with the exception of two, and we negotiated a number of sub-agreements in most of those provinces. We set aside the regional fund which the Minister is presently utilizing for his expenditures.

I would simply say that if the Minister was true to his word, he would probably have gotten rid of all our disastrous programs rather than riding them and using them as he is now

doing in the most gleeful fashion. I would say that is also true in the area of training programs, industrial programs, and we can go right across the board. What has this Government changed since it came into office? What has it dismantled other than FIRA?

We simply point out that we are not against foreign investment. I would ask the Minister who asks us to look at the record, to look at the record himself. In the last year of our Government, close to $4 billion of foreign investment came into Canada. The difference is that 40 per cent was based upon an upgrading of that investment to ensure that the jobs, research and development and the world products mandate would be retained for Canadian firms. That is the difference.

The Minister talks about Mitel. I am suprised that a gentleman who used to have some experience in the business world does not understand the difference between holding an equity position and having control of the company. I would assume that surely a Minister of Industrial and Regional Expansion might have some scintilla of understanding that it is control which is important, because that is where the decisions are made. It is not simply holding a piece of the action, it is where the control and management lie. The difference in the Mitel take-over and CTG is that where the management has taken over, that's where the control is.

The Minister doesn't care about that, but in our committees we heard from the business community itself that it is those companies which are not controlled and managed by Canadians which have the poorest record in R & D and which bring in far more import to this country, which affects our balance of payments, and those companies, in fact, employ fewer Canadians. We are concerned about jobs, not about the kind of nonsense the Minister is talking about.

I have a couple of specific questions for the Minister because he, perhaps I could say, deliberately evaded the issue of book publishing in his remarks. With respect to Prentice-Hall of Canada Ltd., can we expect a decision immediately? Will this Minister go forward and try to find and solicit Canadian buyers for that particular company? Will he establish a very clear statement in the publishing industry, as our Government did, that the dominant element must be Canadian? Will he make that statement? Will he reject the application of Gulf Western to take over Prentice-Hall in the recent application for Ginn and Co. and Longman Inc. which will also take out two very major firms in the Canadian text book trade? What is this Minister waiting for? If he believes in Canadian culture, why does he not make a decision today and turn down these applications?

Mr. Stevens: Mr. Speaker, I noticed how you almost burst out laughing the more you listened to the Hon. Member.

Some Hon. Members: Oh, oh!

Mr. Orlikow: You know you can't do that.

Mr. Axworthy: That shows your disdain for Parliament.

Mr. Stevens: How inconsistent can the Hon. Member get? In the body of his remarks he said we were doing nothing, that I was sitting here and taking no action. Then, in the guise of a question, he said we were using too many of the former Government's programs, that we were spending money. He referred to ERDA as something which had been put in place by the former Government. Of course, as we know, it was unable to sign such an agreement with the Province of Quebec. It was unable or unwilling to sign one with the Province of Ontario. It was unable or unwilling to sign one with the Province of British Columbia. Within months we signed those agreements.

Mr. Axworthy: Seven out of three is the record?

Mr. Stevens: And we have concluded some agreements with all of the provinces to a fuller extent than certainly was done before. Yesterday, you will recall, Mr. Speaker, we also announced that the largest funding arrangement in history, between the Province of British Columbia and the federal Government, has now been agreed to. It is for $525 million. How on earth can the Hon. Member then stand up and say we are doing nothing? The fact is, and it is an embarrassing fact for the Hon. Member and his associates, we are doing too much; there is too much change, including the fact we are once again encouraging non-Canadian investment along with Canadian investment in this country. It is change that this reactionary group cannot seem to adjust to. As far as I am concerned, it is time that the democratic will was allowed to be recorded in this House and that we get on, for the sake of the unemployed, with creating a new mechanism which will encourage instead of discourage investment in this country once again.

● (1210)

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, as a new Member of Parliament, it is interesting to try and relate to some of the debate that takes place in the House of Commons. I think many of us who are new Members of Parliament have had some sense of frustration at what we might call the role playing, the synthetic conflict, the sometimes empty, sometimes exaggerated rhetoric which occasionally dominates this House. If I possibly can, I want to try to break through that rhetoric to ask all of us as reasonable, thoughtful and caring men and women to focus on a very real problem in a very real way. I want to confront that problem and I would like us to try and understand the problem. I would hope that it might be possible for all of us as Members of Parliament to work together to try and deal with this problem. For that reason I want to talk today almost exclusively about the Mitel takeover by British Telecom, because the problem is Canada's weakness, our sense of incapacity in technological development, and the consequent problems for the unemployed in this country.

It would be possible to underline some of the points of outrage which have been raised by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). There were amendments we moved which I would very much like to have had a

fuller chance to debate here in this House of Commons. We have a concern, too, about the process by which Investment Canada has been debated, the witnesses who have not been heard, and what seems to me to have been the limited amount of debating time with respect to certain crucial amendments.

I think, too, that it is possible to focus on some other areas of concern; the Gulf & Western takeovers which are threatening Canadian publishing, the case raised by my hon. friend for Hamilton Mountain (Mr. Deans) concerning Canadian Porcelain, and others. However, Mitel deserves central attention because it is a symbol of our potential as a country because of the tremendous growth which Mitel has shown. However, it is also a symbol of the failures of our technology policy, a symbol of how crucial is our technological development problem in Canada in 1985.

What is that problem? Let me set it out in as non-partisan a way as possible. To do that, let me quote the Right Hon. Prime Minister (Mr. Mulroney) who has said that the way to improve our dismal trade performance lies in increased research and development. He said we have to double our research and development commitment and triple our resolve to reach it. As a key part of that, the Prime Minister went on to say in a different speech that his Government was going to encourage the production of new technology and ideas by Canadian industries. He went on to say that this was because, according to the National Research Council, a 1 per cent increase in research and development expenditure as a percentage of GNP means creating 800,000 jobs in this country. Another document ties that challenge to the question of foreign ownership, and the Prime Minister then said that recent data indicates that the R & D intensity of foreign subsidiaries in Canada tends to lag behind domestically owned operations of comparable magnitude. That is from the Progressive Conservative task force on technological displacements.

So that is the problem. It is a clear problem, one that has been recognized on every side of the House, and it is a problem we have desperately to address. The Mitel case is crucial to helping us understand the problem. Let us stand back, if we can, and recognize the Mitel story, because it has been a dramatic story. Sales of that corporation have increased from $300,000 in 1975 to $255 million in 1983, an incredible increase of 132 per cent per year. By 1983 some 83.1 per cent of the sales of this company were outside Canada, 52 per cent to the United States, which we think of as our primary trade target these days. Starting with 30 jobs in 1975, the company reached 5,210 jobs in 1983.

Mr. McDermid: How many in Canada?

Mr. Langdon: Some 2,682 of those jobs were in Canada, including over 80 per cent of research and development jobs. R & D expenditures average 12 per cent of sales, compared to 2 per cent of sales for foreign subsidiaries with over 500 employees operating in Canada.

Mitel experienced problems. There were losses in 1983 and 1984, and over 800 lay-offs in the last 15 months. This was primarily because of the transition to an important new product, the SX 2000. This has been a difficult transition, representing one of those intrinsic and basic realities of the high tech sector, the fact that there are risks and gambles in new product development in technology intensive industries. But this company turned the corner. The last quarter saw a $64,000 profit after payments of interest on an incredible debt which the company had built up.

The founder of the company, Mr. Cowpland, makes it quite clear that Mitel would survive without the British Telecom takeover. But there is a problem of heavy debt, some $266 million worth as of 1984. Mitel searched for help on the basis of this clear success story and the problems of risk in the technological sector. It asked for $30 million to $40 million in assistance from the former Government. According to reports in the paper today, that request was rejected by the former Government. If that is true, it shows that the responsibility for our technological failure lies with the previous regime as well as with the present Government.

● (1220)

Apparently Mitel tried to find Canadian partners. It failed, in part precisely because the Government dangled in front of the potential partners of Mitel in Canada the possibility of purchasing Teleglobe, a vastly profitable state corporation with $400 million in assets. That led many Canadian communication companies to earmark that for potential expansion. That is when British Telecom stepped into the picture.

I would like to review for Members of the House the crucial problems which exist with British Telecom. The House must recognize basic problems which exist with all takeovers of thriving Canadian firms by foreign companies. Witnesses who appeared before the Standing Committee on Regional Development laid out some of these problems. In the case of Philco-Ford they talked about how its purchase was transferred abroad. They talked about research facilities being shifted abroad. These are real threats which have been testified to by the business people who have experienced those realities.

Aside from those general problems, there are some extremely specific problems with British Telecom. I ask all Members of the House to study very carefully that company which we are hoping will take into its arms a successful and thriving Canadian enterprise. First, as the prospectus for the privatization of British Telecom indicates, the company remains subject to Government involvement in shaping its policies. Government retains the power to intervene and vote its largest shareholdings in a pool of 1.7 million individual shareholders and one large shareholder. *The Economist*, which is not generally recognized as a socialist newspaper, noted that fact with respect to British Telecom. It said:

> Foolishly in most of its privatizations so far, the Government has retained shareholdings of just under 50 per cent in the new "private" companies; it plans to do the same with B.T. This leaves ministers with great influence whenever managerial decisions threaten political interests, and so preserves the most economically damaging aspect of state control.

The May 13, 1985 copy of *The Financial Times* makes it quite clear that British Telecom continues to feel "some

commitment to promoting U.K. employment". Moreover, Mr. Speaker, we have legislation in the form of the Telecommunications Bill of the British Government. If the Minister and Members will look at Section 85 of that Bill they will see quite clearly the capacity of the Secretary of State of the British Government to intervene and give directions to British Telecom with respect to points which the Secretary of State considers crucial to the national interest of Britain.

I am sure that some Members of the House have lived in Britain, as I have. I am sure they have dealt with British Telecom, as I have, and have learned how long it takes to get a telephone in Britain. I would like to quote from Francis McInerney, the Vice-President of Northern Business Information in New York who predicted the problems with Northern Telecom. He said that British Telecom "has not demonstrated its marketing savvy or product management ability". He goes on to note that the British company has spent almost all of its corporate life in the hothouse atmosphere of Government ownership. He said:

> It has operated in highly structured markets where most of the competition is by Government fiat.

We must recognize that British Telecom is under threat from all three British Opposition Parties of being renationalized, and of having complete control over that company once again established. As the present public opinion polls in Britain show, with the Thatcher Government running behind Labour, that is a threat which must be taken seriously. The uncertainties for Mitel which arise from that are quite damaging.

What will happen as a result of the take-over? At best, British Telecom will use Mitel to fight IBM and AT & T in the U.S. market. As sure as I am standing here, Mr. Speaker, that will shift production to the Mitel subsidiaries in the United States. If we had a state role in Northern Telecom I would want to see it behaving in this way too. I would want it to give preference to Canadian employment, which is what British Telecom is expected to do. We will see a shift of production to Mitel's British subsidiaries and a shift of research and development expenditures to Britain to be close to the British Telecom staff. That is the best case scenario, Mr. Speaker. The worst that can happen is that the company will face those problems as well as the additional problem of being cut off when nationalization takes place again in two or three years.

We must take a fast moving route, Mr. Speaker, not one which waits for review by FIRA. We need the pluses of a loose association between Mitel and British Telecom. The Minister must intervene with people at Mitel by telling them to take up the 18.5 per cent share offer and forget about majority control. Second, the Government must come through with that which the Government before it did not provide, Government assistance, to get this key success story back on the rails and to enable it to provide us with the jobs, research, and spin-offs which will meet the technological problem which the whole House recognizes. I plead with the Minister, not to react as an ideologist in this case but in recognition of that sense of danger to our country and this company. I ask the Minister to listen and act with the interest of Canada at heart.

• (1230)

Mr. Axworthy: Mr. Speaker, during the course of his remarks, the Hon. Member for Essex-Windsor (Mr. Langdon) made reference to a statement by the President, Mr. Cowpland, concerning the assistance or lack of it by the previous regime. I think it is important to point out that I dispute those comments.

If one examines the record, it will show that since approximately 1979 at least $35 million was allocated for that company in direct assistance. There was some $20 million set aside for their establishment of factories at Buctouche, New Brunswick, and Arnprior. In fact, the company in Arnprior did not go ahead because of market problems, but the Government still offered the assistance.

Second, there was a $9.9 million grant given directly for R and D purposes that allowed Mitel to do the upscaling work on the new technology they are developing, the RX-2000.

Third, there was a grant of approximately $5.5 million to develop a program for the expansion of their Ottawa facilities.

When I was the Minister of Employment and Immigration, I personally recall negotiating with the high tech industry in the Ottawa area, along with my colleague, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), a very important training program with the high tech industry in the Ottawa Valley that provided major investments of federal funds under the skills upgrading program to provide for high tech training of the existing workforce. That was in 1982.

During all of this period, the federal Government, of which I was a member, recognized the value and gave support. Obviously, it would have to operate in terms of its discretion with respect to the management decisions that were being made.

I stand to be corrected but I understand that in the latest case, before the election there was an application by Mitel that had never been specifically rejected.

Mr. Dick: It was rejected.

Mr. Axworthy: Maybe in your mind, as a legal counsel, it was, but the fact is that the final decision had not been taken.

Mr. Dick: Ed Lumley said no.

Mr. Axworthy: There was never a public announcement.

Mr. Dick: You never announced your negatives.

Mr. Axworthy: The member for Mitel might want to comment because he is closely associated with the company. The fact is that I wanted to point out that some $35 million worth of assistance was put forward. That was only a small part.

The point we are making is that it is critical in cases such as manpower training and research and development that there be a policy in place. We had a policy in place, the IRDP,

which provided for expansion of plants and development of new products.

The Government, in its November 8 statement, eliminated that form of support in Tier 1 areas, which include the Ottawa Valley. Those are the problems we are facing. I want to make sure that the record is not simply interpreted through the mind of the President who obviously has his own reasons for wanting the British Telecom application to go ahead.

I think it is important to recognize that governments must play a role in this area but not necessarily one in which there is involvement in an automatic way. I remind my friends in the NDP that the role of the Government in this case is to be discretionary.

We believe that another major omission by the Minister of Regional Industrial Expansion is his unwillingness to make any effort to seek out alternatives for the infusion of the necessary equity capital. He has taken a simple hands off approach, and I suggest the Government's version of free market is really an evasion of its responsibility to work with companies such as Mitel.

I find it very strange that the Minister spoke about Liberal protectionist measures. He is the very one who, in a *Financial Post* article, said that he would guarantee markets of 30 per cent to 40 per cent in markets such as textiles and shoes. I suggest that he must decide which way he will face in the morning, and what kind of Minister he will be, so that other Canadians will not be as confused as he seems to be.

Mr. Langdon: Mr. Speaker, unfortunately, we must go by what we read. Of course, the quotation from Mr. Cowpland is:

> We tried very hard a year ago to get government assistance of about $30 million to $40 million, and we couldn't get it. At that point in time, the company was nose down, and there was no relief from the government—not even a nickel. We had to scramble on our own.

This raises a general point. During my speech I talked about a national problem. I think Mitel and what is happening to that company is a symbol of that national problem. It is not a problem that was created in the last eight months, but a problem which we all recognize is the legacy of many changes in the world. It is not something that was created wilfully by any government.

However, the legacy of our failure to respond effectively to the high tech challenge is a legacy from the previous Government, just as much as it is a problem for the existing Government. I believe that the previous Government had a system of grants and support which it hoped would provide support to important high tech initiatives. However, from looking at some of those initiatives, such as the Bell helicopter case, I know that incredible sums of money were spent with very little in the way of commitment and benefit for this country.

I believe that we need a strategy and approach which will learn from the failures of the past regime, build on those failures, and take some of those commitments from the Prime Ministers and others and put them into reality.

Mitel brings it all to a head. As I said at the beginning of my speech, Mitel becomes a symbol of our potential as well as a symbol of how urgent the issue is.

I simply want to conclude by saying that I can understand members opposite who talk about wanting to make Canada open for business. It is a perspective with which I disagree, but it is a philosophy that we can debate. There is a difference between "open for business" and "open for surrender". In the case of Mitel, we do not have to surrender that company. There is an alternative. There is the possibility of minority shareholding. There is a tremendous gain from that alternative. We do not have to go in the direction that we lost effective control of that crucial company in the future. I urge all my colleagues in the House to urge the Government to recognize that symbol of Mitel for the importance that it represents.

Mr. Dick: Mr. Speaker, there was an intervention by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) during the comment and question period. He showed his ignorance of the matter and showed that—

Mr. Rossi: A point of order.

The Acting Speaker (Mr. Paproski): Order. The question should be directed to the Member making the speech and not to comments or questions that were made during the debate. I would ask the Hon. Parliamentary Secretary to follow accordingly.

Mr. Dick: I intend to put a question to the Hon. Member. I believe that during the comment portion I am not fettered by any rule of the House that I know of on the comments which I am allowed to make. That is what debate is all about. If I want to make a comment on some idiotic statement made by another Member I think I should be able to comment on that. There is no rule that says I cannot.

• (1240)

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. I would now recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) for debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, first I would like to congratulate you on your ruling as to the debate initiated by the last intervener.

I would like to congratulate the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) for the excellent motion he has brought to this House today.

Some Hon. Members: Hear, hear!

Mr. Boudria: On behalf of Liberal caucus members I would like to congratulate the Member for the excellent fight he has led on behalf of our Party in this House. It is important to have people who can stand up for those things we believe in, not just those who roll around and play dead such as we see the Conservative book-ends and surfers doing occasionally.

Mr. Gauthier: What is a surfer?

Mr. Boudria: A surfer is one of those Conservative Members who came in with the tide. They will go out with the tide in the same way. We refer to those members as surfers.

Some Hon. Members: Oh, oh!

Mr. Boudria: I think I struck a nerve, Mr. Speaker.

The Minister of Regional Industrial Expansion (Mr. Stevens) said in the House today that the Liberals were criticizing the Government for cutting off debate. On the other hand they were permitting today's debate. I am relatively new to this House, but I would have thought the Minister should have known there is a difference between debating legislation and Opposition motions.

An Hon. Member: Substance.

Mr. Boudria: I am sure there would be unanimous consent to withdraw the motion we put forward immediately if the Government would agree to debate the amendment my colleague, the Member from Winnipeg-Fort Garry, has brought forward.

The Minister has also accused the Opposition of being negative. I believe he said: "We are a Party of obstruction". I find it passing strange that a Party which let the bells ring for two weeks in the previous Parliament is now accusing someone else of being obstructionist. We have no moral lessons to take from Tories in so far as the whole issue of respect for Parliament. Those people across the way, and I am sure, Mr. Speaker, you will know this, being the objective non-partisan person you are, are the ones who failed to respect Parliament in the last session. They have the same contempt today in their attitude, demonstrated by cutting off debate on this very important initiative.

I see the Minister of State for Small Business (Mr. Bissonnette) sitting across the way. If he were the Minister he would permit more debate. I know a frank and honest minister such as he, who is concerned about people, if he were permitted by his superiors in Cabinet, he would like to bring assistance to small business and to protect small business from foreign takeovers. It is quite obvious that Minister has that interest. He is here today listening. We know deep inside—

Mr. Bissonnette: Do not speak for me. Speak for yourself. I can speak for myself.

Mr. Boudria: —even if he cannot do it publicly, the Minister for Small Business is on our side on this issue. We are glad to have his support. I am sure all my colleagues in the Liberal Party are glad to have the Minister's support. It is unfortunate that he has to sit on his hands and cannot manifest that support publicly. We are, however, still grateful, Mr. Speaker.

The Government is abandoning the high tech industry. When research and development tax credits were introduced the first beneficiary of those measures was Mitel. Who cut off those grants? None other than the Minister of Finance (Mr. Wilson) on black Thursday, November 8, when the Minister slashed all kinds of useful Government programs. The Government slashed the very useful and worthwhile program helping Mitel and others.

Mr. Bissonnette: Look at what the President said in the newspaper yesterday.

Mr. Boudria: The Liberal Party when it was in Government worked very closely with the high tech industry in establishing those vital programs to protect Canadian industry and small business about which I know the Minister across the way is supportive. What happened? The Tories took over. The Tories started dismantling the good initiatives of the Liberals, and they are destroying them.

The Minister of Regional and Industrial Expansion a little earlier this morning said that the Liberals wanted to turn back the clock. His argument is that the Government is cutting off debate on the Liberal amendments because we are tyring to turn back the clock. Who is destroying FIRA and taking us back 50 years? It is the Minister himself who is now accusing Liberals of wanting to turn back the clock. The Minister cannot have it both ways and he cannot speak out of both sides of his mouth simultaneously, although he is trying very hard.

Even the Minister of Regional Industrial Expansion this morning in his speech said that in his review of several FIRA applications he had determined that sometimes FIRA had taken a long time to bargain for Canadians. We should be proud a Government agency was bargaining and being a tough negotiator for the benefit of Canada, a position which the Minister said that Fira had taken. He wants to destroy that. The Minister wants to take us back 50 years. That is enough to make the Hon. Member for Brampton-Georgetown (Mr. McDermid) revolt, and enough to make the rest of the voters in Brampton who voted Liberal provincially vote Liberal federally next time around. The Hon. Member for Brampton-Georgetown who is obviously very concerned about such matters will in caucus next week tell his Leader and the others to withdraw that legislation immediately.

Mr. McDermid: Mr. Speaker, I rise on a point of order. The Hon. Member is completely misleading the House. I support my Minister and my Government 100 per cent on this Bill.

Mr. Boudria: Mr. Speaker, I just want to bring to your attention that it is not customary for Members to accuse others of misleading the House. I am sure you will want to ask my colleague to withdraw that statement.

Mr. Andre: It is also not customary to impute motives.

The Acting Speaker (Mr. Paproski): The Hon. Member did not say it intentionally. The Hon. Member for Glengarry-Prescott-Russell has the floor. I would appreciate it if he would carry on with his debate.

Mr. Boudria: Mr. Speaker, the next time I accuse a Member of misleading this House I will preamble by saying I am not doing it intentionally. Perhaps that will give us this

new parliamentary precedent by which we can accuse all Members of misleading everyone else.

I want to tell the Hon. Member across the way, the Member who just accused me of misleading the House, that I am not misleading the House when I say Members on the Government side have in the past on several occasions been in favour of and wanted to strengthen FIRA. Let me give you an example of this Mr. Speaker.

The Hon. Member for Simcoe South (Mr. Stewart) during the last election campaign was talking about the Black & Decker deal. He said in his riding that FIRA had to be strengthened in order to protect the jobs at Black & Decker. What do we have now? The Minister is destroying FIRA, an agency which a backbench Conservative Member has said was not strong enough and needed to be strengthened. This is enough to cause a backbench revolt of Tories.

Mr. Dick: I doubt it.

• (1250)

Mr. Boudria: I just read about that Hon. Member in the newspaper this morning. I hear him saying that he doubts it. Perhaps he doubts it. Obviously he seems to be saying that he will not participate in such a revolt. However, other members of his caucus have stated publicly that they want FIRA retained and enhanced.

Let us look at the priorities of the Government in the areas of investment and job creation. During the election campaign the Conservatives made promises; in fact they made 338 of them.

Mr. Dick: Do you have a copy?

Mr. Boudria: Perhaps I will hand a copy over to the Hon. Member across the way.

The motion before us today concerns protecting and enhancing Canadian industry, not just allowing foreign takeovers. We want protection. It is correct that we want foreign capital and investment in our country, but we want the best deal for Canadians. That is the difference between a Liberal and a Tory. We want a good deal for Canadians. That is the Liberal position. The Conservative position is, let everybody do whatever they like with no assured benefit for anyone; it does not matter. That is the Tory position, as stated by the Minister himself.

I would like to refer to some of the Conservative promises. This morning we heard the Minister speak against protectionism and such measures. Referring to the textile and apparel industries section of the Tory promises, the first one reads:

> Promote fair trade, but not free trade.

Surely that Minister could not have been party to the listing of campaign promises. Perhaps he should review the document which indicates the 338 promises before he makes another speech. Even better, perhaps he should give a copy of it to whoever wrote the speech which he gave this morning. Then his speech-writer would be aware of the promises and would not write speeches that contradict the positions of the Conservative Party during the last election campaign.

The second promise reads:

> Promote stability, through the rigorous enforcement of our existing international rights and obligations, including, if necessary, the establishment of global quotas and a controlled increase of import volumes.

The third promise reads:

> Review Canada's existing obligations in order to ascertain whether modification should be pursued.

Everyone who listened to the Conservatives had to put up with the empty promises that were made. They promised Canadians that they would protect and enhance our industries, in particular our textile industries which are so vital and important to the riding I represent.

What is the Government's first priority? Is it to assist small business? I see the Minister of State for Small Businesses across the way. The first objective of the Government is to destroy FIRA, directly contradicting the promises which I just listed. That is the priority of the Government. Why has the Government given itself that mandate?

The Government has spent far too much time on this issue. It has expended far too much energy on destroying FIRA. Also it has concentrated on pleasing the President of the United States by having fanfares in Quebec City which will cost Canadian taxpayers over $1 million. It has spent so much time and energy doing such things that it has neglected other very important areas.

Also I see the Minister of Supply and Services (Mr. Andre) sitting across from me. I know he would agree with me if I were to read a letter from the Shoe Manufacturers' Association of Canada. On April 1, 1985, the President of the Association, Mr. Jean-Guy Maheu, wrote a letter to the Minister for International Trade (Mr. Kelleher). He wanted to discuss with that Minister and with other Members of Cabinet issues affecting that industry. We all know how much protection the shoe manufacturing industry needs. In part his letter reads:

> In your letter of October 16, 1984, nearly six months ago, you wrote me that "I hope to be in a position to get together with you, representatives of your association and the unions at an early opportunity". We know that as Minister for International Trade you are travelling very much and that you are very busy but we would appreciate an hour of your time in April.

Since October 16, 1984, and at least until April and probably until now, no meeting was held with that group. There was all kinds of time to meet with the President of the United States in Quebec City. There was all kinds of time to genuflect in front of the Americans. However, there was no time to help out industries that are so important to my riding. That is the disgraceful behaviour of the Government.

The Minister of State for Small Businesses cares about small business. He cares about ensuring that these industries are alive and well. I am surprised that he would not have a very quick and fast discussion with his colleague and order him to withdraw Bill C-15 immediately in order to protect the vital Canadian industries I have just described. That is not bound to happen.

The Minister of Regional Industrial Expansion said this morning that he wanted to accept the world boldly. That is a euphemism for rolling over and playing dead. Who wants to face new challenges boldly? The Liberals want to face new challenges. Who brought in foreign investment legislation to ensure that foreign investment would be welcome and would protect Canadian industries to the maximum benefit of our country? That is a bold initiative. There is nothing bold about rolling over and playing dead. There is nothing bold about 200 Conservatives sitting here and not speaking on these very important issues. I am sure the voters in their ridings, whose industries are being taken over and are being threatened by the lack of a proper foreign investment policy on the part of the Government, will remind those Conservative Members in the next election of promises which were made in ridings such as Simcoe South and others, promises indicating that our industries needed to be protected and that a Conservative Government would never allow a foreign takeover of Black & Decker, according to some of those Members.

What has happened? What has caused the sudden conversion of Conservative Members? What has caused them to hold ceremonies, which of course will be paid for by Canadian taxpayers, such as the reunion in Quebec City? In singing a duet, the President of the United States and our Tory Prime Minister (Mr. Mulroney) mutually agreed that there would be a new era of friendliness between the two countries. The engines had not cooled on the jet plane bringing the President of the United States to Washington when there was a countervail on Canadian pork products, a vital agricultural industry in my riding. This has had the effect of lowering the price of pork products by some 12 cents per pound. Farmers are in severe financial distress. The Prime Minister said that the President was as close as the telephone and that they would be meeting and discussing such issues. Where is that telephone call? Why does the Prime Minister not get on the telephone and tell Ronnie over there that we need protection for our agricultural products? That was not done.

In conclusion, I want to say that I fully support the motion presented by the Hon. Member for Winnipeg-Fort Garry.

The Acting Speaker (Mr. Paproski): Order, please. Before calling it one o'clock, perhaps we could reflect upon the Hon. Member's speech and have questions or comments for him, should he be in his seat when Government Orders are resumed this afternoon.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSING

BUDGETARY CUT-BACKS—SITUATION IN QUEBEC

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, two weeks ago, we heard that in Quebec, funding for the Home Renovation Plan had been cut by $17 million, which is particularly unfair since only $2 million was cut from the same program in Ontario.

And now, the Minister has announced that Ontario got $22 million under the Canada Rental Supply Program, while Quebec got nothing.

Mr. Speaker, I think all Members of this House should put pressure on the Minister responsible for CMHC to urge this Government to respond to the requests of hundreds of mayors of Quebec municipalities who would like to have additional funding of at least $10 million, not only for the sake of better housing but also to create and maintain employment in the construction industry.

Mr. Speaker, Quebec now has more than 720,000 people on welfare. The unfair cutbacks made by the Minister to the tune of $17 million mean that in Quebec, 4,600 units will not be renovated and 1,300 jobs will be lost. I think all Members of this House should ask the Minister of Finance (Mr. Wilson) and the Right Hon. Prime Minister (Mr. Mulroney) to correct the injustice being done to Quebecers.

* * *

[*English*]

INDIAN AFFAIRS

LAC LA HACHE BAND—OPPOSITION TO URANIUM MINING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise today to indicate my support for the Lac La Hache Indian band in its attempts to prevent Eldorado Nuclear Limited from pursuing uranium mining under Wollaston Lake, Saskatchewan. I do this for three reasons.

First, there is the question of aboriginal rights. Northern native people have a right not to have their land exploited in this way against their wishes. Second, there is the question of environmental degradation. We should not be in the business of producing the kind and quantity of radioactive waste that uranium mining creates, and which will be a problem for generations to come. Finally, all this is being done as part of the whole nuclear fuel cycle. We, as Canadians, should unambiguously reject any participation in this cycle, whether it be for the production of nuclear power or nuclear weapons.

I have called for a public inquiry into the whole nuclear fuel cycle. Canadians did not like it when the Liberals imposed a nuclear future on them. At one time the Conservatives seemed to share this dislike. Now all we get from the Minister of

Energy, Mines and Resources (Miss Carney) is talk about the commercial benefits of everything from marketing reactors to, believe it or not, marketing radioactive waste disposal.

It is about time the Government owned up to the fact that it is business as usual for the nuclear industry in Canada while, tragically, morally and ecologically superior energy alternatives are having their funding seriously cut back. Meanwhile we continue to waste our money on an unacceptable nuclear future.

* * *

CANADA POST CORPORATION

PUBLIC'S COMPLAINTS ABOUT SERVICE

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I rise in this House once again to voice the concerns of many of my constituents regarding the claims made by Canada Post. For the most part, postal service is woefully inadequate. Not only is mail service slow across Canada, but it is very inefficient with local city and rural deliveries.

My constituents welcome the news that Canada Post is establishing a task force to eliminate unnecessary jobs within the corporation. We also hope this review will cover jobs at the executive level. Unless Canada Post can assure us of reasonable time for mail delivery, as well as an improvement of service generally, I call for a halt to the proposed rate increases, not only for mail deliveries but also the proposed increase in rental rates of post office boxes as well.

* * *

[*Translation*]

THE ECONOMY

IMPORTANCE OF SMALL BUSINESSES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, in connection with the business seminar held recently in the riding of Drummond, I would like to draw the attention of the House to a very important piece of legislation that was adopted by our Government, and I am referring to the Small Businesses Loans Act, which will help thousands of Canadians to start or expand their own businesses. As a businessman myself, I am particularly interested in this legislation, because since 1982, all new jobs created in Canada were created by small businesses. Another fact is that 30 per cent of small businesses are owned by women. In 1961, the Progressive Conservative Government, led by the Right Hon. John Diefenbaker, adopted this legislation for the first time, and one of the first steps taken by our Government was to update the legislation and extend it until March 31, 1990.

In adopting this legislation, which deals with loans by financial institutions that are 85 per cent guaranteed by the Federal Government and are designed for businesses that provide goods and services, the Progressive Conservative Government has shown its commitment to small businesses and has helped to create an economic climate that is favourable to growth. The maximum interest rate on such loans is the chartered banks' preferred rate plus one, and borrowing terms are designed with small businesses in mind.

* * *

[*English*]

INDUSTRY

SYDNEY STEEL CORPORATION—UNION'S OPPOSITION TO ELECTRIC ARC TECHNOLOGY

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, once again I rise to address an issue of great concern to the people of my constituency. A month ago we read in the Halifax *Chronicle-Herald* that the federal and provincial Governments were very close to reaching an agreement on the second and final phase of the modernization program at Sydney Steel Corporation. We were told that the new cost-sharing agreement for the $65 million project to replace SYSCO's outdated hearth would be concluded in a few weeks. Well, we are still waiting. It seems like we have been waiting forever.

The plan for the modernization of Sydney Steel was first put forward by a provincial Tory Government. The former federal Liberal Government provided up to $96 million to help carry out renovations in the technological operations of Sydney Steel, while the present Government, with all its high-minded rhetoric about consultation with the provinces, has done nothing.

At issue is jobs, the jobs that will be lost if the federal Government presses ahead with its plans to install an electric arc furnace. Both the Conservative Premier of Nova Scotia and the steelworkers' union have ruled out electric arc technology on the grounds that it would reduce employment in the primary steel-making operations, the blast furnace and the coke ovens. The union in particular has noted that the federal Government's proposal would turn SYSCO's steel plant into a turn-key operation employing merely 500 workers. The steelworkers' union is pushing for a basic oxygen furnace as recommended in the original rehabilitation plan.

It is high time that the federal Government listened to the voices of those most directly concerned with the operations of Sydney Steel, the workers themselves.

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

* * *

HUMAN RIGHTS

WORLD-WIDE VIOLATIONS BY GOVERNMENTS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, last night the Ukrainian Canadian Students' Union gave Members of Parliament the opportunity to view *Harvest of Despair*, a

film on the Ukrainian famine of 1932-33. This famine was the result of the Soviet Government's demand for large quotas of grain for sale abroad, and its refusal to release food to the people. Stalin's intention was to break the opposition of Ukrainian farmers to his economic policies, and to bring the Ukrainian people to heel. This film presentation underscored the evidence currently being provided by the Canadian Helsinki Group about Soviet and East European violations of human rights.

Unfortunately communist countries hold no monopoly on disregard of human rights. Millions of people in the so-called free world are ruled by repressive military Governments. Who of us would want to choose between living in Poland or in Chile? Humanity can rejoice these days at the trials of secret police officers in Poland, and of army officers in Argentina. Abduction, torture, and murder of dissidents by dictatorships of both the left and the right are equally violations of human rights. We all need to be more sensitive to the human rights consequences of government policies. Western countries have become proficient at policies of restraint that throw people out of work and drive many to despair.

Does the International Monetary Fund consider the social consequences of its Third World economic—

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

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ENVIRONMENTAL AFFAIRS

AWARENESS OF ACID RAIN POLLUTION

Mr. Elliott Hardey (Kent): Mr. Speaker, a recent American poll shows that U.S. citizen awareness of acid rain pollution has soared to 94 per cent. Poll analysts are amazed at this kind of awareness. Of those polled, 72 per cent would like to see the shareholders of corporations that spew the pollution that returns to earth as sulphuric acid bear the burden of clean-up, but they are also willing to accept a $70 per person per year assessment if necessary to get the job done.

• (1410)

That tells me and my constituents that we do have an ally across the border, an ally that will help us get the message to the U.S. leaders who seem reluctant to make this a priority item. That ally is the American people.

The message is that we must not wait any longer. Canada is committed to move now, and will cut 50 per cent of sulphur emissions by 1994. Just last week the Province of Quebec and the State of Massachusetts announced a joint agreement to develop a program for the control of the pollution.

If Canada will continue to be sincere and make positive moves toward reducing sulphur emissions, and embark on a program of encouraging the American people to demand action, the problem will be defeated, and our lakes, forests and crops can and will return to normal.

S.O. 21

INDUSTRY

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM CONTRACT

Mr. Alan Redway (York East): Mr. Speaker, many Canadians who are understandably concerned about preventing a nuclear holocaust strongly oppose any government involvement in defence research. Sometimes, however, that research may be of great benefit to mankind.

Yesterday, for instance, I announced on behalf of the Minister of Regional Industrial Expansion (Mr. Stevens) a federal government contribution of $3 million under the Defence Industry Productivity Program to a Toronto area company called Sciex.

The company will use the contribution to help it complete the development of the AROMIC Cargo Examination System, which is a sensing device used to detect contraband materials such as drugs, firearms, and explosives, which are concealed in legitimate cargo. Two of the systems have already been sold to a Middle Eastern country, for delivery next year.

Sciex, which is a 100 per cent Canadian-owned company, expects to create 260 new high-tech Canadian jobs, and generate $150 million, mostly in export sales. It it succeeds, the federal Government will not only recover its entire contribution and help to create Canadian jobs, but it will also assist humanity in its war against illegal drug and gun trafficking.

We Canadians long for peace and mutual and verifiable disarmament. Sciex and the Defence Industry Productivity Program may very well help us to achieve those goals.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

DANGEROUS PRODUCTS

RECOMMENDATION THAT SCIENTIFIC RESEARCH INTO HEALTH PROBLEMS RELATED TO UREA FORMALDEHYDE FOAM INSULATION BE PURSUED

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, the Conservative Government has confirmed that research on health problems related to urea formaldehyde foam, also referred to as UFFI, has been stopped, but a study by pediatricians at Sainte-Justine Hospital in Montreal reveals that 65 per cent of a group of 76 children who were given examinations suffered from chronic coughs, and that of these, 43 per cent were asthmatic or had similar symptoms. At least, that is what was said in the May 2 edition of *Le Devoir*.

It is absolutely intolerable that the Government should abandon these children, whose average age is six and a half. Physicians also found that the children suffered weight losses of up to 20 pounds, which is not normal. These are growing children who should not be losing weight to such an alarming extent.

S.O. 21

The study, to be published by the magazine *L'Union médicale du Canada* in July, also says that the findings do not allow for the percentage of children who are unable to put into words what is the matter with them. In the light of these facts, the Government ought to reconsider its decision and order research on health problems related to UFFI to be resumed.

* * *

[*English*]

HUMAN RIGHTS

POLAND—HARASSMENT OF SOLIDARITY LEADERS

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, since the banning of the Polish Trade Union Solidarity, human rights activists and Solidarity leaders have been subjected to repeated harassment. As cases in point, Wladyslaw Frasyniuk, Bogdan Lis, and Adam Michnik have all been imprisoned or detained, with or without trial, for various periods since December, 1981.

On February 12, 1985, at a meeting with Lech Walesa in Gdansk, they were again arrested and charged with "making preparations for a strike . . . in protest against increases in food prices and extension of the work day".

The rights of freedom of expression, freedom of association, and due process of law are too often taken for granted. This glaring example of another violation of the Helsinki Accords and the international pledge made by Poland as a signatory must be noted. Signatories of the Helsinki Accords are responsible for upholding their commitment to their co-signatories and must be held accountable.

The Canadian Government would be justified in making the countries involved in violations of the Accords aware of our abhorrence of such actions.

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CANADA MORTGAGE AND HOUSING CORPORATION

ALLOCATION OF CO-OPERATIVE HOUSING UNITS TO SASKATCHEWAN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, on April 29, 1985, officials of CMHC in Saskatoon indicated to the Co-operative Housing Association of Saskatchewan that Saskatchewan's housing allocation for 1985 would be 28 units. That amounts to a mere 35 per cent of the 1984 allocation of 80 units.

The Minister responsible for CMHC needs to explain to the people of his own province what he is intending to do and why he has seriously reduced the amount of social housing in Saskatchewan. The people of Saskatchewan would like to know why Saskatchewan is being forced to accept these large cut-backs in housing, which are much larger than they are in the rest of the country. Is it a part of the federal Government's approach to Saskatchewan residents, particularly senior citizens, to deny affordable housing, and to make Saskatchewan a second-class province?

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. ROGER STEELE, SPEAKER OF THE LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY OF AUSTRALIA

Mr. Speaker: May I advise Members of the presence in our gallery today of the Hon. Roger Steele, Speaker of the Legislative Assembly of the Northern Territory of Australia.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

GREEN PAPER ON FOREIGN POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to direct my question to the Right Hon. Secretary of State for External Affairs. In his discussion paper entitled *Competitiveness and Security: Directions for Canada's International Relations*, he cited on page 3 that one of the objectives is the protection of our natural environment. But there are absolutely no lines of enquiry contained in the document, no questions posed, and no options given. How can Canadians respond to the environmental question internationally, and particularly with respect to our relationship with the United States, with such a slim section on the environment in that discussion paper? Perhaps the printer misplaced the chapter.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it goes without saying that the people of Canada cannot respond to that question, to SDI, to trade, or to any other questions if the Liberal Party and the New Democratic Party prevent the Parliament of Canada from allowing a public hearing by the Parliament of Canada so that Canadians can be heard.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): What we have provided is an invitation to Canadians to take part, for the first time, in the discussion of Canadian foreign policy. The position of the opposition Parties denies Parliament the opportunity to be heard on foreign policy, and it denies the people of Canada the opportunity to take part in the discussion of foreign policy. It also denies the Government the benefits of the advice of individual Canadians on environmental, strategic, trade and

other questions. I hope the Hon. Member, his Party, and his colleagues will change their opposition to public debate.

Some Hon. Members: Hear, hear!

CANADA-UNITED STATES FREE TRADE PROPOSAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister wants debate, but the debate has been foreclosed on a number of issues. That is the point. For instance, what is the point of having a committee—and he can take his Conservative back-benchers across the country because they need something to do—which will ask the people of the country whether we want free trade with the United States, which is one of the options, when the Prime Minister and the President of the United States have already signed a joint declaration in Quebec City which has moved us toward freer trade? Does the document mean anything? Which is the valid document, the communiqué which was issued by the Prime Minister and the President, this document, both, or neither?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition might not want to hear from the people of Canada. The Liberal Party and the New Democratic Party might not want to give the people of Canada an opportunity to take part directly in the formulation of Canadian foreign policy. But we do want Canadians to take part in the process.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We believe very deeply in the parliamentary process, and in the interests of individual ordinary Canadians in being heard and being influential on the questions which so vitally affect our future. I guess, Mr. Speaker, the best thing I could do is ask the Leader of the Opposition why he is refusing to allow the people of Canada to be heard on international questions.

• (1420)

Mr. Turner (Vancouver Quadra): I will tell the Minister, Mr. Speaker, it is because we don't want to be party to a fraud on the people of Canada. A phoney, peripatetic committee is looking at questions which the Government has already decided in its own mind—which the paper itself may have already decided—before the conclusions and deliberations of this committee are in.

[*Translation*]

GREEN PAPER—TRADE LINKS WITH UNITED STATES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Now in the green paper, or should I say grey paper, the following question appears on page 33, and I quote:

> Do Canadians believe that an agreement on closer trade relations with the United States entails important . . . advantages or disadvantages? In summary, what kind of

However, the joint press release by the President and the Right Hon. Prime Minister of Canada says that both heads of state—of course the Right Hon. Prime Minister is not head of state yet—have agreed on measures to expand mutual and reciprocal access to their countries's markets. My question is as follows: Is the green paper deliberately setting out to deceive us, since the decision has already been made by the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the green paper is giving Canadians, for the first time in Canada's history, the right to be directly involved in formulating and determining Canada's foreign policy. This was not a practice of the former Liberal Government. However, today it is the practice to which this Government is committed, and I hope that the Opposition parties will be prepared to respect the right of Canadians to be consulted on our national and international policies.

[*English*]

CANADA-UNITED STATES RELATIONS ON ENVIRONMENTAL MATTERS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs who has chosen not to answer the question posed to him by my Leader. If the right hon. gentleman examines the book, he will find that having made the grand declaration in the opening pages that "we are pursuing the objective of the integrity of our natural environment", the Green Paper then reveals, and I quote:

> In the past decade new areas of disagreement have arisen on the protection of the environment, particularly acid rain, and on threats to water quality posed by chemical pollutants—

What security is there for Canadians if all that can be said in this paper is that there have been disagreements between Canada and the United States?

Mr. Hnatyshyn: Is that a question?

Mr. Turner (Vancouver Quadra): That is a good question. You haven't figured it out yet, but it is a good question.

Mr. Crosbie: That's a Caccia nut question.

Mr. Caccia: You haven't seen the title of the book, perhaps.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on environmental, on trade, on strategic and other questions, this document provides the opportunity for broad public debate by the people and the Parliament of Canada. We know the views of the Hon. Member for Davenport. We know the views of the Hon. Member for Winnipeg-Fort Garry, and we know the views of the Right Hon. Leader of the Opposition. Parliament knows those views. We believe

that there is an interest in Parliament in knowing the views of the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Deans: Before the decision is made or after?

Mr. Clark (Yellowhead): I would like the Hon. Member for Davenport to explain to me why it is that he should have a right in this House to express his views, but he denies to his constituents, the people who vote for him, the right to be heard themselves? Why is he more important than the people?

Some Hon. Members: Hear, hear!

Mr. Crosbie: Shame.

Mr. Caccia: I will just say to the Minister, Mr. Speaker, that he would not have given that answer if he had realized that in his own document, which evidently he has not read, there are no lines of inquiry on the environment proposed by the document itself. That shows an abysmal lack of knowledge of the contents of his own paper.

* * *

ENVIRONMENTAL AFFAIRS

PROTECTION AND CONSERVATION BUDGETS

Hon. Chas. L. Caccia (Davenport): My supplementary question is directed to the Minister of the Environment. Can the Minister tell us what kind of credibility she can sustain in Washington in her talks with the authorities there when she allows this year a cut of $6.5 million in her environmental protection service and a cut of $5.3 million in the environment conservation services?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): I do not think the Hon. Member for Davenport is fooling anyone with his concern for the environment and his repeated protests, because this Government has done more in seven months than those gentlemen in the Opposition did for years.

* * *

[*English*]

EXTERNAL AFFAIRS

GREEN PAPER—ROLE OF PUBLIC

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed as well to the Secretary of State for External Affairs. He said a number of times so far today that he and other members of his Government respect the people of Canada. They want to listen to the people of Canada, and believe in the consultative process, and so on. Does it show respect to the people of Canada to set up a consultative process in order to listen to their views and then to announce in advance that the Government, before the results are in from the consultations, is going to make decisions in the key areas about which it is listening to the views of the people? Is that showing respect or is that showing contempt for the people of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is showing respect for the people of Canada and for the parliamentary process. Let me give the Hon. Leader of the Opposition—excuse me, John—the Leader of the New Democratic Party, an example. The question of the Strategic Defence Initiative is, I believe, of interest to Hon. Members in the House. Certainly the Government of Canada, before we have to take our first decision, the decision as to whether or not we accept the invitation of Secretary Weinberger to become involved in star wars research, would like the benefit of the advice of ordinary Canadians about the Strategic Defence Initiative.

The New Democratic Party and the Liberal Party are denying the Government of Canada access to that kind of advice by refusing to establish a parliamentery committee which would let the people speak.

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, is the Secretary of State for External Affairs telling the House that the Government is now asserting that it will not take a decision on committing the Government of Canada to participation in star wars research until this committee makes its final report? Is that what the Minister is telling the House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course I am not saying that.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): What I am saying is that we are seeking a way that allows the Government of Canada to meet its duty to decide, and allows for the first time the people of Canada to express their views in a way which will have an influence upon the decision of the Government of Canada. There is nothing new, Sir, about Governments having to decide. What is new is that this Government is seeking the opportunity to hear from the people before the decisions are taken, and that opportunity is being denied us by the position taken by the New Democratic Party and the Liberal Party.

Mr. Broadbent: Mr. Speaker, we are hearing a phoney process from a phoney Minister.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Once again he has told the House that he is going to consult before he makes a decision. One minute ago in reply to my other question he said, no, the Government wasn't going to wait. I wish the Minister at least would get his lines straight in the House of Commons.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Since the Minister has reiterated in the answer he gave me one minute ago, and in answers he has given to the Liberal Party as well, that the Government intends to go ahead and make a decision about star wars, and intends to make a decision about trade matters, before the consultative process is over, will he acknowledge that this is a sham process, that it is going to cost the Canadian people thousands of dollars, probably on a weekly basis, and that it makes a whole mockery out of democratic consultation? If the Minister acknowledges that, will he put an end to this sham process?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I remind the Leader of the New Democratic Party that he asked me if a decision would await a final report of the committee. The answer is that a decision obviously cannot await that final report—

Some Hon. Members: Oh, oh!

• (1430)

Mr. Broadbent: Why not?

Mr. Clark (Yellowhead): I made it clear earlier that I was not going to accept the deadlines imposed by the Secretary of Defense of the United States. Nor do I think we should accept other artificial deadlines. What we should seek is a means by which, before we decide, we have the maximum possible opportunity to hear from the people of our country. We have provided a process which would allow the public of Canada to speak on this issue, beginning in the next few weeks. The Liberals and the NDP are refusing to give the people of Canada that voice on that decision.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I know the NDP do not like making decisions; they have taken eight years to figure out their decision on NATO. But the Government of Canada—

Mr. Speaker: Order, please.

MINISTER'S VIEWS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to remind the Right Hon. Minister that one year ago he was conducting his own consultation with Canadians. He prepared his own paper on foreign policy. But he never had the courtesy to use the wisdom of the people who made the presentations to him which he put in the paper, which was then put in the waste-basket by his Leader last summer.

Will the right hon. honest friend of mine come clean at the beginning of the discussion and table the paper he prepared last summer, so we will know the real thinking of the real Joe?

Right Hon. Joe Clark (Secretary of State for External Affairs): I admire the Hon. Member's agility in trying to change the subject and get off a position of denying public debate, which he knows is an insupportable position. What is at issue here is not my views, indeed not the views of the Hon. Member, because our views are known. What is at issue is whether or not the people of Canada are going to be allowed to be heard on the Strategic Defence Initiative. I want to hear from Canadians on the Strategic Defence Initiative. The Liberal Party will not let Canadians speak on the Strategic Defence Initiative.

REQUEST FOR IMMEDIATE COMMITTEE HEARINGS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to make a little proposition to the Right Hon. Minister. Will he agree to let the committee sit right now, have public hearings on star wars, and give a mandate to the committee to report three months from now?

Right Hon. Joe Clark (Secretary of State for External Affairs): I read very closely the report of the debate yesterday in *Hansard* and I saw that at 2.30 yesterday afternoon the spokesman of the Liberal Party on external affairs was in favour of the committee; at 2.50 in the afternoon his Leader was opposed to the committee.

Mr. Chrétien: If we discuss star wars right away.

Mr. Clark (Yellowhead): Do I now understand that the Liberal Party's official position is that they are prepared to let there be public debate and that they will give—

Mr. Chrétien: On star wars right away.

Mr. Clark (Yellowhead): —agreement to a reference of the Green Paper to a special joint committee? Is that the position of the Liberal Party now?

Mr. Chrétien: Right away on star wars.

Some Hon. Members: Get up!

Mr. Siddon: Get your act together.

Mr. Speaker: Order, please.

U.S. STRATEGIC DEFENCE INITIATIVE—COMMITTEE REFERRAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to direct a question to the Secretary of State as well, a question not at all unlike that just asked.

Mr. Crosbie: Are you still stimulated, Ian?

Mr. Deans: Will the Minister take out of his report the question of star wars, refer it now to an all-Party committee, with the reporting date to be that date on which Parliament returns in September? If he will do that, we will participate.

Mr. Hnatyshyn: You never said that on House Leaders' day.

Mr. Crosbie: The great participator.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have now had both opposition Parties move off their opposition to public debate.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The place, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Wednesday is taking a long time to go by.

Some Hon. Members: It's Thursday.

Mr. Speaker: That is what I am saying; Wednesday is taking a long time to go by. Go ahead, please.

Mr. Clark (Yellowhead): Mr. Speaker, the appropriate place for a discussion among House Leaders is in a meeting among House Leaders. We would be prepared to have that discussion occur immediately.

From my own point of view as the sponsor of the paper, while I do not want to give instructions to the committee, certainly I would have no objection at all to the committee giving priority to questions on which the Government has to make decisions quickly, so that we will have the benefit of the advice of the people and Parliament of Canada before we have to take those decisions. I would have no objection to that.

Naturally I do not want to limit the Government of Canada by artificial deadlines coming from the Hon. Member, as I did not want to accept the artificial deadline of Mr. Weinberger. But if, for example, we are to make a decision on this limited phase of the question of a response to an invitation on the Strategic Defence Initiative sometime within the next three to four months, I would think that if the committee could get going quickly we would have some expression of consensus to help guide us. I think that is reasonable, and I hope that Hon. Members do, as well.

REQUEST FOR ESTABLISHMENT OF SPECIAL COMMITTEE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to be absolutely clear and understand what it is the Secretary of State is saying. When the Government House Leader discussed this with me—and he shouted across the floor of the House that this was not my position yesterday—my position yesterday, as he well knows, is that I would consider whether or not it was possible to work out some arrangement. That is what I said.

Mr. Crosbie: You were stimulated yesterday?

Mr. Hnatyshyn: And now I want to carry through on that.

Mr. Deans: Thank you. Now I am asking if the Secretary of State is prepared to establish a committee with the primary purpose of reviewing the question of star wars, to report back not later than the day on which the House returns in September, and will the Government hold back any decision until that report is made to the House of Commons?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the world is wider than the Strategic Defence Initiative. There are questions of international development which have to be considered; there are questions of human rights which have to be considered; there are questions of the environment which have to be considered.

What we have done here is establish the means by which, for the first time, the people of Canada can take part directly in the discussion of Canadian foreign policy. I have just indicated to the Hon. Member for Hamilton Mountain that I, as the Secretary of State for External Affairs, would have no objection to the committee giving priority to questions on which the Government has to come to a decision in the next three to four months. That allows us to decide, that allows the public to participate, and I want to know why the opposition Parties are opposed to government decision and public participation.

Some Hon. Members: Hear, hear!

* * *

NORTHERN AFFAIRS

CYPRUS ANVIL MINE AT FARO, YUKON

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I will direct my question to the Deputy Prime Minister, and it concerns the fate of the Cyprus Anvil Mine at Faro, Yukon, and the future of the town itself. As the Deputy Prime Minister knows, the previous Government took imaginative steps to keep that mine open.

Mr. Crosbie: What were they?

Mr. Penner: So far all we have had from this Government is one more study and not even a report. I am advised that there are meetings going on today to offer the employees a one-way ticket out of Faro; the Cyprus Anvil Mine is going to be mothballed.

Is the Minister fully satisfied that everything possible has been done by his Government to keep this mine open and operating, and to keep this town alive and keep the citizens living there, or will he now admit to the House of Commons that the town and the mine were written off by his government quite some time ago?

Mr. Forrestall: By the Liberal Government.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the hon. gentleman knows, that question is more properly directed to the Minister responsible, that being the Minister of Indian Affairs and Northern Development. But I can remind him that the mine was closed while the Party to which he belongs was in government, not by this Party. I will remind him as well of the efforts

initiated by this Government in an attempt to reopen a mine which was closed down during the Government comprised of the Party of which he has the dubious honour of being a member.

REPORTED OFFER OF SEVERANCE PAY TO EMPLOYEES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Deputy Prime Minister knows there was $11 million set aside to try to keep that mine open. It was in the Budget of the last fiscal year and it was taken out of this year's Budget. It is gone.

Today the employees of that mine are being offered severance pay and a moving allowance which will amount to about $10,000 per employee. I want the Deputy Prime Minister to tell the House if the Government of Canada is offering any direct financial assistance to Dome to move people out of Faro and out of Yukon?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Well, again, as the Hon. Member knows, or should know, that is a matter falling within the responsibility of the Minister of Labour. I, of course, keep current with these affairs from a constituency point of view. His figures are wrong in the first instance with respect to an initiative taken by the mine itself, in which the Government of the day participated, to the extent of $25 million on either side, with a stripping program.

● (1440)

With respect to the current request by labour for assistance on ending the lock-out and all the assistance which flows from that, that matter is now under the jurisdiction of the Minister of Labour. I hope it is met to the satisfaction of the union which first initiated the request.

* * *

FINANCE

CORPORATE TAX BREAKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance who has stated that the upcoming Budget is going to be tough, but fair. In the last few days we have heard from a number of business leaders advocating massive cuts in social spending. However, they have been surprisingly mute on corporate welfare, the billions of dollars spent each year on corporate tax breaks. Since these tax breaks are disproportionately beneficial to the upper income earners and to the large capital intensive corporate sector, would the Minister not agree that, for his Budget to be fair, the matter of corporations wallowing in their own federal welfare will have to be addressed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Member's rhetoric is a little too colourful. I have said a number of times in the past that a number of matters relating to the question which he has just posed will be addressed in the Budget.

TAX EXPENDITURE ACCOUNT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in 1979 the then Minister of Finance had the courage to bring in a tax expenditure account with his Budget, to enable us to evaluate the pros and cons of the tax expenditures. Will the Minister of Finance follow in the footsteps of his colleague and introduce a tax expenditure account to enable the people of Canada to evaluate how fair his Budget is?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member for Laval-des-Rapides referred to my last effort in the House as courageous. Maybe he will do it again.

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—SUGGESTED ACTION IN UNITED STATES COURTS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of the Environment. The Ontario Government is currently appealing a decision of a United States court which allows toxic chemicals to continue to leak from a storage dump in the United States into the Niagara River and Lake Ontario. Would the Minister tell the House if the Government would be prepared to take action in the American courts to prevent Americans from polluting the Great Lakes? If the Minister feels she wants further negotiations, would the Government consider taking that action after those negotiations have been completed?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, since Canada is a sovereign country, I do not think it should use the judicial processes of a foreign country to make those decisions.

* * *

[*English*]

FINANCE

MINISTER'S MEETING WITH BUSINESSMEN

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would like the Minister of Finance to explain why, days before the Budget, he chose to meet secretly with a privileged group of investors and businessmen as reported in *The Globe and Mail*? Why on earth would he have such a meeting during this sensitive period? Would he kindly tell us who these privileged people were?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the meeting was not sensitive. It was one of a series of meetings that my colleague, the Minister of State for Finance,

and I have been having for the last six months. I think we have met with 56 different organizations. The matter on which we met was in the ordinary course of pre-Budget consultations. I suggest that the Hon. Member discuss this with his colleague, the Right Hon. Leader of the Opposition. Maybe he could learn a little more about the matter, since the meeting was held in his former law office.

Mr. Johnston: Mr. Speaker, I do not regard that as a serious answer.

PURPOSE OF MEETING

Hon. Donald J. Johnston (Saint-Henri-Westmount): The fact of the matter is that, according to spokesmen for the Minister's office, the Budget has largely been printed. Is this the same charade that the Secretary of State for External Affairs took us through? If the meeting was not to discuss what might be in the Budget, what was it for? Why would the Minister hold a meeting at this particular time?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Budget is not printed. This particular meeting was originally scheduled back in January or February. It was a meeting with a group which was established originally in 1975 by the Leader of the Opposition. It was just a continuation of discussions that have been going on with previous Ministers of Finance since that time. The only time in which these discussions were not held was in 1982 and 1983 when the then Minister of Finance did not want to discuss the particular matter.

* * *

RESEARCH AND DEVELOPMENT

NATIONAL COMMITMENT—ELECTION PROMISE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. In June of 1984 the Progressive Conservative Campaign Handbook, which included the promises by the Conservatives for the 1984 election, stated:

A Progressive Conservative Government will make up the ground Canada has lost in technological research and development through:

Doubling our national commitment to R&D from 1.3% of Gross National Product (GNP) to 2.5% of GNP within the first four years we are in office.

Earlier this week the Minister stated:

We cannot promise that by 1990 we will have moved to the point of 2.5 per cent.

Mr. Speaker, when is a promise not a promise? Will the Minister now agree that the Government has abandoned the promise it made in the election campaign of doubling R and D within its first four years in office?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the usual NDP version of a political commitment is that it is a matter of the public sector promising to hand out vast amounts of public resources to accomplish a goal.

Some Hon. Members: Oh, oh!

Mr. Broadbent: That was your promise.

Mr. Siddon: Mr. Speaker, I would appreciate a little tolerance from the Opposition if they wish to hear the answer.

The Government remains committed to achieving a level of national expenditure on research and development approaching that of our major industrial competitors. I am optimistic that that goal will be reached.

GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in June of 1984, less than a year ago, acting on the advice of the then critic for Science and Technology, the present Minister, the Progressive Conservative Party stated explicitly that it would achieve 2.5 per cent in the first four years, that is, by 1988. Is that now still the promise, or has the Government abandoned that promise and therefore undermined the future of the economy of the country?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the Hon. Member is ascribing to myself words which were never uttered.

Some Hon. Members: Oh, oh!

Mr. Siddon: In the question the precise words were not quoted. In fact it is an objective of the Government to raise Canada's investment, in the public and private sectors alike, to a level approaching that of our major industrial competitors, hopefully within the next five years. However, that ultimate goal will be achieved in due course.

* * *

INDUSTRY

EMPLOYEES OF DOMINION STORES IN ONTARIO

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Ninety-three Dominion stores have been sold to A&P and many employees in the remaining stores in Ontario centres such as Scarborough face what some fear is an uncertain future. What action can the Government of Canada take to give these employees the assurance that they will receive fair treatment if any more stores are sold or closed by this company which has a dominion charter?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, this issue is substantially a provincial matter. At the time of the acquisition of certain stores by A&P we were most concerned about the preservation of jobs. As I recall, over 7,000 jobs were preserved. We will naturally be concerned about the jobs in the remaining stores. I will take

his question as representation with a view to checking to ensure that there is no serious threat of them losing their present positions.

* * *

● (1450)

[*Translation*]

FINANCE

INQUIRY WHY MINISTER DID NOT MEET WITH REPRESENTATIVES OF QUEBEC FAMILY ORGANIZATIONS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. Today he admitted that he agreed to have a meeting with the "big bosses" of the financial world, as had been reported by the *Globe and Mail*.

Could the Minister of Finance inform the House why he agreed to meet with the big bosses of the financial world, when yesterday he refused to attend a meeting with representatives of Quebec family agencies, representing 100,000 people, who wanted to meet with the Minister to discuss the needs of the real people of this country? What were his reasons? Is this the old double standard? He has time for the crème de la crème but no time at all for the people.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have a list of the various organizations that I have met over the course of the last six months. I could read the list to the Hon. Member if he wishes. It would only take me about ten minutes. They include the Consumers' Association of Canada, the Canadian Council on Social Development, the Canadian Labour Congress, the Canadian Federation of Agriculture, and the Canadian Federation of Municipalities.

I have met with a wide range of people and not just the "Pooh-Bahs", to use his words from the translation. The group that I met a week and a half ago was part of the same series of consultations.

I do not understand, for the life of me, why the Liberal Party is against consultation. Surely it is important for the Minister of Finance to have access to the ideas and views of a wide range of Canadians. That is the process we have gone through over the last six months, and that is the process that will continue flowing in this place.

Mr. Speaker: Order, please.

[*Translation*]

REQUEST THAT MINISTER MEET FAMILY ORGANIZATIONS TOMORROW

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary.

First of all, I am glad the Minister asked me why we were opposed to consultation. In connection with Bill C-26, all groups were asking to have the spouse's allowance expanded and the Minister is refusing to do so. His consultations are a lot of bullshit!

Could the Minister—

Mr. Speaker: Order, please. I am sure the Hon. Member wants to withdraw that word.

Mr. Malépart: Mr. Speaker, I withdraw the word, but the smell lingers.

Could the Minister of Finance inform the House whether he would be willing to meet tomorrow with these family agencies so they can explain their position on policies affecting the family?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again the Hon. Member demonstrated a total lack of respect for the House.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Comments like that do not reflect on me; they reflect on this whole House. If the Hon. Member had any respect, he would take back that comment in a far more complimentary way than he has just done.

I have met with a number of groups that represent social organizations. I can tell the Hon. Member right now that any meeting right now would not be timely in terms of this Budget, but I would be very happy to meet with the organization to which he refers, but not under his auspices, because I do not think that would do any credit to the organization involved.

* * *

SHIPBUILDING

LAYOFFS AT DAVIE SHIPYARD

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

[*Translation*]

Last week, the Davie shipyards at Lauzon, near Quebec City, sent layoff notices to 880 employees. The remaining 770 will be laid off this fall, and the company will have no new contracts until the fall of 1986, when it will start on the Federal project for refitting four Canadian Navy destroyers. My question is as follows, Mr. Speaker: Is the Federal Government going to accept the union's request to award the company a contract for the construction of another ferry for CN Marine, so that union members will have work until the fall of 1986?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, of course we are concerned about any layoff, in particular a layoff of the nature referred to by the Hon. Member. I can only tell the Hon. Member at this time that we will be having discussions with the company to see if there is some realistic way to avert this layoff and other possible layoffs in related companies.

[*Translation*]

ASSISTANCE TO VERSATILE-DAVIE—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, two months ago, the Minister approved a loan of $15 million for Versatile-Davie to cover capital costs until work would begin on the Canadian destroyers.

My supplementary is as follows: Does the Minister intend to be as attentive to the needs of the shipyard's 1,600 employees, for whom the shipyard is one of two major sources of employment in this part of Quebec? This is a matter of great importance to many Quebecers.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, surely the Hon. Member realizes that our attempts to keep the shipyard open, and particularly to give it the kind of contracts that he has referred to, were very much in the interest of workers in that shipyard. I think he should be standing up congratulating us.

* * *

UNEMPLOYMENT INSURANCE ACT

GOVERNMENT POLICY

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance, the Frank Miller look alike. In November the Minister of Finance said that his Government could have made more decisions and taken more action, but to do so in the absence of full consultation would undermine the effectiveness of his Government's economic plans. Will the Minister be true to his word and give an unequivocal undertaking to the House that no changes will be made to the Unemployment Insurance Act, or its regulations, before there has been full consultation with the Canadian public?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should have some confidence in me. Let him wait until next Thursday and I think he will be able to make up his own mind.

MINISTER'S CONSULTATIONS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, with regard to specific provisions of the Unemployment Insurance Act, particularly those dealing with sickness, fishermen, and individuals who cannot work because of pregnancy, will the Minister indicate to the House whether he has had any consultations on those three areas of the Unemployment Insurance Act? Is he telling the House that he is prepared to move on those, thus deviating from the Prime Minister's commitment that universal social programs are a sacred trust?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, using the expression I have applied to other members of the Hon. Member's Party, the Hon. Member is trying to use the politics of fear. Let him wait until next Thursday. If he thinks about it, I believe he will be able to make up his mind in an appropriate way. There has been full consultation by my colleague, the Minister of Employment and Immigration, and myself, on a wide range of issues surrounding the topics that he has raised. I can assure him that we have a great deal of sensitivity toward the fishermen and women who would be affected by any changes. The Hon. Member should wait until next Thursday.

* * *

CANADIAN ARMED FORCES

SUBMISSIONS TO EQUALITY RIGHTS COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Defence. Yesterday he stated that he had no knowledge of the January gag order issued by the NDHQ to members of the Armed Forces who might want to appear before the committee on the important issues of equality rights. Now that the Minister has reviewed this matter, will he tell the House his policy with respect to the appearance of the members of the Armed Forces? Specifically, will he inform all members of the Armed Forces that they are free to make written or verbal submissions to the committee without any possible present or future adverse impact on their careers in the Canadian Armed Forces?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered that question yesterday. I would be delighted to appear before the committee, if that is what the committee wishes. They simply have to get in touch with me.

With respect to the officials, there are well recognized procedures with respect to officials in the Department, whether they be military or civilian, appearing before committee members.

Mr. Robinson: The Minister has not answered the question.

APPEARANCES BEFORE COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, there are 83,000 members of the Canadian Armed Forces. Is each man and woman in the Armed Forces free to appear, without any possible repercussions, before the equality rights committee to

voice their concerns on the serious issues which have been raised in the discussion paper and which directly affect each and every member of the Armed Forces? I am not concerned with just the Minister or senior officials, but members of the Armed Forces themselves.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, my only observation is that if 83,000 members of the Armed Forces appeared before the committee, in our committee rooms as they are presently constituted, it would be a little crowded.

* * *

● (1500)

MULTICULTURALISM

FEDERAL-PROVINCIAL CONFERENCE—RACE RELATIONS

Mr. Sergio Marchi (York West): My question is directed to the Minister of State for Multiculturalism. This Tuesday's federal-provincial conference on multiculturalism was a dismal failure. Not only was it conducted behind closed doors, but when the doors were finally opened we found how empty that conference really was. I would like to ask a specific question on racism which the Minister irresponsibly said is outside his jurisdiction. How can the Minister make such a declaration when an integral part of his mandate and his directorate is within the race relations area? Was racism discussed around the table? If so, what strategic conclusions and recommendations can the Minister make at this time?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, first, the conference attended by all the Ministers was deemed by many people, most people in Winnipeg except for the Hon. Member, a success. It was the first time we have been able to get together to sit down and talk about one of the most important subjects in the country, namely, multiculturalism. We dealt with that in a spirit of co-operation and unity.

Dealing with the second part of the Hon. Member's question, I and the multicultural Department have a major responsibility for the area of race relations in Canada. If you take the very narrow definition, in terms of legislation it falls in our area. We have a major thrust in terms of fighting racism at every level of society. The Department and myself are committed to doing that, and I hope the Hon. Member is in agreement.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented on Wednesday, May 15, 1985, meet the requirements of the Standing Orders as to form.

Point of Order—Mr. Gray (Windsor West)

The petitions presented by the Hon. Member for Calgary South (Mrs. Sparrow) and the Hon. Member for Kamloops-Shuswap (Mr. Riis) do not meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

RIGHTS OF MEMBERS OF PARLIAMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a question of privilege relating to the answer given today by the Minister of National Defence concerning participation in a Parliamentary committee on equality rights.

I would submit that the effect of the decision which has obviously been made by that Minister denies the right of Members of Parliament to hear from important witnesses on matters of concern before this Parliament. What that Minister is doing is denying Members of the Armed Forces the right to appear—

Mr. Speaker: Order. This is clearly argument arising out of Question Period. It is not a question of Privilege. The Member may have a point he wishes to make, but he will have to find a different arena.

Mr. Deans: It is a very good point.

Mr. Speaker: Before we get to the business question, because of the nature of the point of order that was made to me yesterday, I must at this point indicate my decision on that matter. One way or the other it might have an effect.

Some Hon. Members: Oh, oh!

Mr. Speaker: It might be asking for a lot.

* * *

POINT OF ORDER

NOTICE OF MOTION—STANDING ORDER 82—SPEAKER'S RULING

Mr. Speaker: I am now prepared to rule on the Point of Order raised yesterday by the Hon. Member for Windsor West (Mr. Gray) relating to a Notice of Motion on the Order Paper under Government Notices of Motion concerning a proposed allocation of time motion.

The Hon. Member for Windsor West is quite right in saying that the contemporary practice has been to propose motions pursuant to S.O. 82 on Routine Proceedings without written notice. I also agree with him that the Government can give written notice to the House of the actual text of the motion. Rulings by my predecessors having clearly established that no written notice is required but as the Hon. Member for Windsor West has stated a Minister of the Crown may, if he so choses, give written notice of a motion of allocation of time and I concur with him that our rules do not prevent this.

Point of Order—Mr. Gray (Windsor West)

The first point to be decided is whether the written notice should appear under Motions rather than under Government Notices of Motions. I say again, that it is a fact that motions pursuant to S.O. 82 of which oral notice has been given have been proposed during Routine Proceedings under Motions. However, in this case, the Clerk of the House received specific instruction from the President of the Privy Council (Mr. Hnatyshyn) to have the said motion appear on the Notice Paper under Government Notices of Motions. I draw to the attention of all Hon. Members Citation 268 of Beauchesne Fifth Edition which says:

> The Government may, from time to time, put on the Notice Paper notices of motions concerning business of the House. When these items are called they are deemed transferred to Government Orders on the Order Paper.

The Twentieth Edition of Erskine May at page 296 defines the type of motions that are considered to be Government Motions as following:

> Also classified under this heading are the motions regularly brought forward by the Government for regulating the length of the Christmas, Easter, spring and summer adjournments of the House—Another important example is that of allocation of time or "guillotine" orders which the Government moves in order to hasten progress on one or more of its bills—

Once again, review of our recent practice relating to motions dealing with the sittings of the House and with its adjournments shows that they have been appearing under Motions on the Order Paper, but a review of the Order Paper of the 1940s, 1950s and 1960s shows that such motions have most often appeared under Government Notices of Motions. There is no doubt it is this practice that inspired Beauchesne's comment.

The Hon. Member for Windsor West has stated that such motions must be made on Routine Proceedings, pursuant to S.O. 36(1)p). I must differ with him on the purpose of S.O. 36, in my opinion, its only object is to define which motions are debatable motions.

The Hon. President of the Privy Council has argued that since a motion for allocation of time can only stand in the name of a Minister of the Crown it can therefore only be a government initiative and it should quite properly appear under Government Notices of Motions.

On reviewing the precedents and the arguments, I must say on this point, that I agree with the Hon. President of the Privy Council and I must rule that the Government has the right to proceed in this manner if it so choses.

The second point to be determined is whether the prescriptions of S.O. 82 can be made to apply to such motions if and when they are transferred to Government Orders. In fact, I am being asked in effect, to rule on a hypothetical point but I believe it to be in the House's best interest to rule now.

On May 2, 1985, the Minister of Regional Industrial Expansion, (Mr. Stevens) pursuant to S.O. 82, did inform the House that it had not been possible to reach an agreement pursuant to S.O. 80 or pursuant to S.O. 81. He also gave notice of his intention to propose a motion pursuant to S.O. 82 to allocate one more sitting day to each of the said stages of Bill C-15.

A close reading of S.O. 82 will reveal that the Minister of Regional Industrial Expansion has complied with the prerequisite conditions of the Standing Order. The Standing Order prevents him from moving his motion during the same sitting at which he gave notice of his intention. But the Standing Order is silent as to how or when in a future sitting he may do so. The practice has been to propose the said motion without written notice under Motions.

I refer Hon. Members to an analogous Standing Order: S.O. 9(1) which specifically prescribes that a motion for the extension of the sittings of the House can be made by any member on the tenth sitting day before the summer adjournment. Unlike S.O. 82 it does prescribe that such a motion must be made on Routine Proceedings.

I must tell the House that the Chair cannot go beyond the Standing Order as it is now and that I can only rule on the Standing Order as written since there are no precedents. Perhaps the Standing Order may be rephrased and presented in another way to make it clearer. As it reads now, however, I must rule that S.O. 82 does not require that a Minister's motion be made on Routine Proceedings. If a Minister has given notice of his intention before filing his written notice, the Minister has then complied with the prerequisite conditions of S.O. 82. In my opinion he now has two avenues: he can move his motion of allocation of time at the next sitting following his notice of intention during Routine Proceedings without written notice or he can give the House 48 hours written notice under Government Notices of Motions. Once it has been transferred, it can be called under Government Orders, at which time the debate would be limited pursuant to S.O. 82.

The Hon. Member for Hamilton Mountain (Mr. Deans) has claimed that this procedure would be a dangerous precedent which this House would live to regret. I can only tell him that in my opinion very little would be changed since such motions, if moved on Motions and interrupted, are in fact transferred to Government Orders pursuant to S.O. 49(2) which is the same point raised by the Hon. Member for Windsor West and the limits on debate provided in S.O. 82 survive the transfer and are applied when the Order is recalled, and we have ample precedent in such cases.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to remind the House that we have reached the mid-May long weekend and it is customary at this time of the year for the Government to tell the House what business it plans to complete before the summer recess. This is my main question of the Government House Leader. While he is at that, could he let us know when he wishes to hold the Budget debate.

On the subject of Bill C-49, the Prostitution Bill, which we believe is of an urgent nature, although we do not agree with all that is in the Bill we believe it should be sent to committee

as soon as possible. If the Government chooses to bring it to the House, we would not delay it unduly on second reading. Will the Government House Leader tell us when he plans to bring this legislation before the House?

• (1510)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the Hon. Member's question. The House Leader of the Official Opposition has not made the same inquiry of me. In the course of House Leaders' meetings I have listed—

Mr. Deans: Oh, oh.

Mr. Hnatyshyn: I am not talking about the content. We have had discussions with respect to the business before us and whether we will make progress on the items of business. Since he is asking me, I will try to give some idea of what we intend to do before we rise, if we do rise, for the summer recess. We hope to make progress.

In the spirit of consultation, we have dealt with a number of legislative initiatives. Some have been easier than others, but that is to be expected. Perhaps I will deal with the immediate future. On the basis of consultations with Opposition House Leaders, we have talked about what we might be able to do before the Budget is brought down at 4.30 p.m. next Thursday, as established by an Order of the House. The Minister of Finance (Mr. Wilson) will be in the House at that time.

We have some legislation on which I would like to see whether we can make progress starting tomorrow. We will proceed with Bill C-25 dealing with the Agricultural Stabilization Act. Hopefully we can get that matter into committee, and there has been some discussion about the reasonable prospect of that happening.

Perhaps the Hon. Member was referring to the Bills relating to divorce and the enforcement of maintenance orders, not the one respecting prostitution.

Mr. Guilbault (Saint-Jacques): I referred to Bill C-40.

Mr. Hnatyshyn: I am sorry. That is a new situation. It has not been discussed with me. We have talked about it in a very general way. I am pleased to have had that representation from the Liberal Party, and to know that it is interested in proceeding with the Bill relating to amendments to the Criminal Code on prostitution and street soliciting. That will be helpful. I will take it under advisement. I know the Minister of Justice (Mr. Crosbie) wants to make progress on it. I will discuss it with the representative of the New Democratic Party to see whether we can get as quick a disposition of it as possible.

However, there have been discussions with respect to Bill C-46, Bill C-47 and Bill C-48 relating to divorce and the enforcement of maintenance orders, as well as an ancillary Divorce Act amendment. There may be a disposition on the part of all Hon. Members to deal with the three Bills in one debate. I think the House Leader of the Official Opposition indicated on behalf of the Hon. Member for York Centre (Mr. Kaplan) that, rather than repeat the debate on each on the items, we deal with them in one debate and discuss all items relating to the legislation. on that basis I thought I would put that legislation on as a back-up for tomorrow.

If the House concludes consideration of those Bills, we could move on to consideration of Bill C-32, the fisheries Bill. There are discussions taking place with respect to that legislation. I was hoping that we would get the fisheries Bill on for tomorrow, but, since there are discussions and the possibility of coming to an agreement with respect to moving on it, I will have it as the third item.

Of course the House will not sit on Monday, and if consideration of the Bills which I have enumerated is not concluded on Friday, they will be considered on Tuesday, Wednesday and Thursday until 4 p.m. when the Order of the House indicates that we will suspend the sitting until 4.30 p.m. As usual the Government will monitor the progress made with respect to House business, and changes and additions to the business will be made as required and appropriate.

In general terms with respect to the legislation on the Order Paper, of course we are interested in making progress on those items. We hope to make early disposition of those items which are now moving through second reading to get those matters into committee, so that the month of June could be used for the purpose of hearing witnesses and considering legislation in detail. As the Hon. member knows, it is possible to make some progress during the last two weeks of June. I hope we will make that progress, and I hope we will be able to sit down and work out an agenda to the mutual satisfaction of the Opposition and the Government. It seems to me that there is an attainable objective of making progress on most of the items on the Order Paper at the present time, including those items now before committee. I know it is an ambitious proposal, but I hope with some goodwill we will be able to make that kind of progress.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, dealing with one question which was asked but not answered with regard to the budget debate, perhaps the Government House Leader, when he rises, could address the question of how he intends to allocate time for the replies to the Budget.

The second matter concerns the order in which the legislation will be called. I totally agree that in fact we came to an understanding with regard to Bill C-25. I anticipate that that Bill will be dealt with tomorrow. However, my recollection was that we thought we would be able to deal with the three Bills related to the divorce legislation on Tuesday and perhaps on part of Wednesday, to resolve those questions and get them into committee. We think that they should in fact go into committee quickly so that the views of those persons most affected and most interested will be heard, and then the House of Commons might deal with it.

As the Government House Leader said, we are actively looking at ways to deal with Bill C-32, the fisheries Bill. I hope

we might be able to work out some arrangement at some time in the not too distant future.

The third point I want to make is that the Government House Leader knows—and perhaps he will acknowledge it—that there is no end to the co-operation. In fact, we are all working very hard to try to achieve, on behalf of the Government, of the people of Canada and of course on behalf of Parliament, the utmost, maximum amount of co-operation on legislation which we all understand to be of vital importance.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, could the Government House Leader advise us how soon Bill C-31, the amendments to the Indian Act, will be back at report stage? I remind the Hon. Minister that great pressure was put on the committee to get it back to the House. How soon will it be debated? There is great concern on the part of many people about that Bill and its inadequacies.

Mr. Hnatyshyn: Mr. Speaker, I will respond to the questions that have been put. I apologize to the Deputy House Leader of the Official Opposition. I misunderstood his question. I thought he was asking for the date of the Budget. Of course it is next Thursday. As far as the budget debate is concerned, at the present time I anticipate that we will carry right into the budget debate, that is to say, the Budget would be brought down on Thursday and then Friday would be the first day of the budget debate.

I want to sit down at the appropriate time and talk with Opposition House Leaders with respect to the scheduling of the budget debate. It seems to me that there may be an opportunity for some understanding about the dates being at the convenience of all Hon. Members so that we will know when the votes are and how we can arrange our speakers, particularly as that relates to the Leaders of the Parties.

In connection with the Bill relating to the amendments to Section 12(1)(b) of the Indian Act and other amendments, it is our intention to bring this matter forward at an early date.

• (1520)

I have listed some items on which I thought we might make progress because of my discussions with the House Leader of his Party and the House Leader of the New Democratic Party. I know that this is a matter of importance and of some great interest. It is a question of looking at the most efficient use of the limited time that we have on the floor of the House of Commons to make sure there is an appropriate debate and an opportunity for points of view to be expressed. I share the Hon. Member's concern about this legislation. It is an important item. I will do my level best to ensure that we have an opportunity of dealing with it at an early date.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a short question for the Government House Leader. There is immense interest in the distribution Bill. Can the Government give some indication as to when we can expect some motion or movement on distribution? Is the Government intending to proceed soon on that?

Mr. Hnatyshyn: Mr. Speaker, the Bill which the Hon. Member refers to I believe deals with redistribution. There has not yet been an announcement with respect to specific initiatives that have been taken, although in all candour I have to say that I have spoken to the House Leaders about some review of the existing situation. I intend to move on it, I hope, at an early date. Possibly within the next week I will have specific proposals to put forward to the Opposition House Leaders concerning this matter. On the basis of my discussions thus far, there may well be a disposition to have parliamentarians deeply involved in this very interesting, if I may be permitted to say so, legislation in which we all seem to have an interest.

Mr. Speaker: That is one Bill in which even the Speaker has an interest, or a special interest I should say.

ROUTINE PROCEEDINGS

[*Translation*]

MANAGEMENT AND MEMBERS' SERVICES

PRESENTATION OF SECOND REPORT

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I am sure you will be delighted to hear that today I have the honour of tabling the Second Report of the Standing Committee on Management and Members' Services, pursuant to its order of reference of Tuesday, February 26, 1985.

Yesterday, in your presence, our committee examined Vote 5 under the item "Parliament" in the Estimates for the financial year ending March 31, 1986, and we have the honour of tabling it today—

[*English*]

Of course in both languages. I am sure you will be very relieved, Mr. Speaker, to know that your estimates were accepted yesterday.

* * *

PETITIONS

NATIONAL POSTAL MUSEUM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have here a number of petitions from residents of Vancouver, British Columbia, who call upon the Government to take action to save the National Postal Museum. They suggest it is incumbent upon this Parliament to do whatever it can to preserve this valuable cultural institution which has served Canada so well.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present a petition signed by a number of

residents of the City of Toronto in which they request the Minister in charge of the post office to intervene and find a suitable location near Parliament for the Postal Museum in order that the employees of the Postal Museum might continue to work during the transition period and, furthermore, that they can continue to provide the valuable service they have provided in the past to the people of Canada.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to present a petition to Parliament signed by numerous Canadians residing in the City of Regina and several from the City of Saskatoon, in fact residing in the constituency of the House Leader of the Government Party. These Canadians are asking Parliament, particularly the Government and the Minister responsible for the post office, to re-establish the National Postal Museum so that this valuable cultural institution can continue to serve Canada, particularly the Ottawa region.

Mr. Hnatyshyn: My constituents spoke to me about that.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I too have the honour to present a number of petitions from residents of southwestern Ontario, the communities of Kitchener, Stratford, London, Brampton, Guelph and Georgetown, who are calling upon the Government to take action to save the National Postal Museum. It is incumbent upon this Parliament to do all that it can to preserve this valuable cultural institution which has served Canada so well for over 10 years. The Prime Minister (Mr. Mulroney), the Minister of National Revenue (Mr. Beatty) and the Minister of Public Works (Mr. La Salle) should join with representatives of our Party, the labour movement, the mayor of Ottawa and members of Canada's philatelic community to prevent the permanent closure of the National Postal Museum.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition on behalf of a large number of residents of Ottawa, Aylmer, Hull, as well as Almonte and other communities in eastern Ontario who are philatelists and who have expressed their concern about the closure of the National Postal Museum. They call upon the Government of Canada not just to keep a shrunken service but to maintain the National Postal Museum as a full facility which will continue to provide its services in the vicinity of Parliament Hill, and who call upon the Minister responsible for the post office as well as the post office officials and Members of this House to seek and find a new location near Parliament where the National Postal Museum can continue to serve the people of Canada.

* * *

INVESTMENT CANADA ACT

MEASURE TO ENACT

On the Order: Government Notices of Motions:

May 14, 1985—*The Minister of Regional Industrial Expansion:*

Order Paper Questions

That, further to the notice given on Thursday, May 2, 1985 by the Minister of Regional Industrial Expansion, and pursuant to the provisions of Standing Order 82, in relation to Bill C-15, An Act respecting investment in Canada, one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the said bill; and

That 15 minutes before the expiry of the time provided for government business on those days, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the stage of the bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: Pursuant to Section (2) of Standing Order 25, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Question No. 316 will be answered today.

[*Text*]

MINISTER FOR EXTERNAL RELATIONS—RENOVATION OF CONSTITUENCY OFFICE

Question No. 316—**Mrs. Killens:**

1. Did the government make any renovations in the constituency offices of the Minister for External Relations in (a) Rimouski (b) Cabano and, if so, in each case, what was the cost of the (i) design (ii) construction?

2. Were private sources used and, if so, what was the name of the individual or company concerned and were tenders called before the contract was awarded?

Hon. Roch La Salle (Minister of Public Works):

1. (a) Public Works Canada made renovations to the ministerial office of the Minister for External Relations in Rimouski, which was set up pursuant to Treasury Board Minutes dated May 7, 1974. (i) No design costs were involved. (ii) The construction costs of the renovations were $8,100.

(b) No renovations were carried out to the Minister's constituency office (House of Commons) in Cabano.

2. Sacona Inc. did the construction work. No tenders were called as it is in rental space and the owner retains the responsibility for carrying out the repairs by utilizing a contractor of his choice.

[*English*]

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered.

* * *

QUESTIONS PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 145 could be

made an Order for Return, this return would be tabled immediately. I might indicate that it is about two inches thick.

Mr. Speaker: Is it the pleasure of the House that Question No. 145 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

FEDERALLY APPOINTED PROSECUTORS

Question No. 145—**Mr. Angus:**

As of (a) December 12, 1984 (b) September 3, 1984 (c) December 3, 1979, what was the name, law firm and community of all federally appointed prosecutors?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FOREIGN DIRECT INVESTMENT—TIME ALLOCATION

The House resumed consideration of the motion of Mr. Axworthy:

That this House condemns the Government, not only for its failure to protect Canada from potential problems of foreign direct investment as demonstrated by the Government's failure to take effective action in dealing with foreign takeovers in the cases of Mitel and of the book-publishing industry, but also for its contempt for the Parliamentary process by cutting off free debate on its iniquitous investment legislation without providing adequate time for consideration of dozens of important and constructive amendments.

Mr. Speaker: At one o'clock the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) had completed his speech. His time had expired. I will now recognize Members who wish to participate in the usual 10-minute question and comment period following a speech.

Mr. Stackhouse: Mr. Speaker, at the beginning of his remarks, the Hon. Member made reference to this motion as an indication of a Government not willing to participate in the parliamentary process. The fact is that motions of this kind were introduced by the Liberals in the years from 1971 to 1979 and 1980 to 1984 no fewer than 39 times. Of those 39 times, 23 notices of allocation of time were given in the last Parliament alone.

If this kind of motion indicates a lack of desire to take the parliamentary process with full seriousness, we have learned from magnificent teachers. We are certainly following a much-applied example on the part of the former Liberal Government. In this instance it is a motion which is more than necessary because of the great many times various speakers on all sides of the House have participated in the debate. Thus far the amount of time devoted to this Bill in the House and in committee amounts to sufficient hours that if they were put into numbers of debating days, based on the number of hours usually devoted to government business, we would have debated this issue just under five weeks of parliamentary sitting time. Surely it is time for the debate to terminate and to get on with the next stage and action.

● (1530)

Mr. Boudria: Mr. Speaker, I would like to respond to the remarks just made by the Hon. Member. Obviously, I totally disagree with what the Hon. Member said. I am sure that even he realizes that what he said was totally inaccurate. We spent only 20 hours deliberating one of the most important Bills we will see during the life of this Parliament. After 20 hours the arrogant Conservatives have tried to cut off debate on that very important issue which will affect workers in my riding and workers in every constituency across Canada. We want to ensure that there will not be foreign takeovers of our domestic industries and that we will not lose jobs because of the inactions of this Government. To have the unmitigated gall to tell us that 20 hours is enough, when the Conservative Party in Opposition deliberated 200 hours on the Crow legislation, is totally unacceptable. Even Conservatives in the back-benches know that.

Mr. Brisco: Mr. Speaker, I would like the Hon. Member to listen to the facts. Twenty-three associations appeared before the committee for a total of 26 hours. The Minister and his officials, including the clause-by-clause deliberations, took up a total of 14 hours. That amounts to a total of 40 hours at the committee level. I do not know where the Hon. Member gets his 20-hour figure from, but if the facts are borne out by my statement he should be asked to withdraw. His statement is totally inaccurate.

At report stage, the Bill was debated for approximately 10 hours. On three separate motions there were five hours, four hours and 15 minutes, and three hours and 55 minutes of debate, respectively. From where did the Hon. Member get the 20-hour figure? He cannot add.

Mr. Boudria: Mr. Speaker, I was talking about House time, not committee time. Perhaps some Tories in the back row do not come to the House very often to participate in debate. Maybe they should.

Mr. Duguay: You do not either.

Mr. Boudria: Thank you. I am glad someone said that I do not speak enough in the House. I will admit to that. I will try to speak more in the future. I am glad to have that kind of

encouragement given to me by a Conservative back-bencher. I will attempt to speak more often in this House, and more forcefully, at every possible opportunity. I appreciate the kind of encouragement given to me by the Hon. Member who so rudely interrupted.

The issue which we were discussing is that not enough time has been spent debating this Bill. The proof of that is that the Conservative back-benchers have hardly participated in the debate. On behalf of the Tory book-ends, the surfers who were elected along with the tide in the last election—and who will likely go out with the tide in the next election—I demand more House time so that we can discuss this very important issue. The Hon. Member for Simcoe South (Mr. Stewart) has told the constituents of his riding on many occasions that FIRA had to be strengthened. On his behalf, and on behalf all the other Tories who have not spoken, I demand more House time so that we can speak about this very important issue. I am sure the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick), who will make a contribution in the debate, will undoubtedly be aware of that.

Mr. Dick: Mr. Speaker, I do not think the Hon. Member would ever yield the floor to allow anyone else to give a speech. All he does is talk. If he listened to the 20 minutes prior to one o'clock he would know why most people in the country find Parliament boring. He did not say one thing which had any foundation or one thing which made any common sense.

He said that he was not against foreign capital coming into Canada. I would like to suggest that his Party was not against that. After all, 93 per cent of the applications to FIRA which went before Cabinet were approved.

The Hon. Member said that he wanted the best deal for Canadians. I do not believe anyone in this House would disagree with that. The fact is that we do not think that their way of doing it is the best, and the Canadian public agreed with us when they sent 211 Conservatives to the House on September 4, versus 40 Liberals.

The Hon. Member asked whether we were willing to take control and move on quotas to protect Canadian industry. I would like to tell him how much better we will do than the Liberals did. We will not allow 53 million pounds of European Economic Community beef into Canada. I will guarantee that we will cut that amount down from the 53 million pounds which the Liberals allowed in last year.

The Hon. Member said that this Government had not moved on any agreements. We have extended the agreements on shoe manufacturing. He should know that, as he has some shoe manufacturers in his riding.

The Member spoke about promises and that we would not implement FIRA to protect our international rights and obligations. He listed a number of promises which were made by the Conservative Party during the last election. If he knew what he was talking about, he would realize that each and every one of the promises to which he referred related to GATT negotiations, the rights which we have under GATT, the tariffs which exist under GATT and the ways in which we can defend ourselves through anti-dumping and other mechanisms. Those are the promises which he mentioned. There may be others which deal with FIRA, but certainly the ones to which he referred do not.

The Hon. Member has spoken at length about FIRA. Why is the Liberal Party so bound to one simple Act under which they approved 92 per cent or 93 per cent of the applications which went to Cabinet? Why are the Liberals taking up so much House time when the people of Canada agreed in the last election that the system was not working? Canada had an unemployment rate of 6 per cent when FIRA was introduced, and it is now pushing an unemployment rate of 11.5 per cent. That tells us that the Liberal way was not necessarily working. Why not revise it? Our Party has given it a different name—Investment Canada. Why should we not give it an opportunity to work? Why do the Liberals not think of some other mechanism and be constructive? Why is the Liberal Party tied exclusively to an out-dated out-moded, old-fashioned idea which was not working well? Perhaps the Hon. Member could explain why the Liberals are tied to something which is out of date.

Mr. Boudria: Mr. Speaker, I am always pleased to discuss issues which are out-moded with a Party that still supports the Ontario Conservative Government which was in office for 43 years.

Mr. Dick: What relevance is that?

Mr. Boudria: I am glad to discuss out-dated issues with Tories; it gives me pleasure. They were talking about the fact that the policies were out-dated. The Hon. Member opposite, whose Party wants to revert to a policy which was used 30 or 40 years ago—

Mr. Dick: Investment Canada was not there 30 years ago.

Mr. Boudria: —is now saying that the policies of the previous Government are out-dated. But, the Hon. Member is advocating policies which are decades old. Why is it that the Conservatives are always adding restrictions to their promises after the election? I have a list, which I have brought to the attention of the House on a number of occasions, of the 338 Tory promises. Why does the Hon. Member now say that this promise only affected such-and-such an endeavour? He has placed restrictions on his own promises. The Conservative Party should have come clean with the people before the election. It should have been forthright with its promises, instead of adding caveats after the fact.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills without amendment: Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International De-

velopment Association Act and to amend certain other Acts in consequence thereof; and Bill C-33, an Act respecting the import and export of and interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments.

* * *

THE ROYAL ASSENT

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

Government House

Sir,

I have the honour to inform you that The Right Honourable Brian Dickson, The Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 16th day of May, 1985, at 5.55 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be
Sir,
Your obedient servant,
A.P. Smyth
Deputy Secretary to the Governor General

● (1540)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FOREIGN DIRECT INVESTMENT—TIME ALLOCATION

The House resumed consideration of the motion of Mr. Axworthy:

That this House condemns the Government, not only for its failure to protect Canada from potential problems of foreign direct investments as demonstrated by the Government's failure to take effective action in dealing with foreign take-overs in the cases of Mitel and of the book publishing industry, but also for its contempt for the parliamentary process by cutting off free debate on its iniquitous investment legislation without providing adequate time for consideration of dozens of important and constructive amendments.

Mr. Penner: Mr. Speaker, I rise on a point of order. The Hon. Parliamentary Secretary who just spoke—I don't know whether intentionally or inadvertently in the heat of debate—made a government announcement regarding the quotas on manufactured beef from the European Common Market. The red meat industry is anxiously awaiting this news. I would like to ask, on a point of order, whether that in fact was a government announcement. If it was, could we have more information and could we ask questions on that government announcement? If it was not, if it was just a slip or a leak, I wonder how soon we can expect this announcement from the Government?

Mr. Deputy Speaker: Order, please. I regret to inform the Hon. Member that, unfortunately, I do not consider that to be a point of order.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I am not surprised that immediately after having spoken, the Hon. Member is no longer available so that the record could be corrected. I would like to total up the hours spent on Bill C-15. There were 40 hours in all in the House and 40 hours in committee. Simple arithmetic would lead one to believe that that is 80 hours. The Hon. Member would have us believe that 20 hours were spent on the Bill, but with selective memory recall he said that that only applied to the House. But 20 hours times two equals 40 hours, plus 40 hours in committee. Let that stand on the record as being a point beyond challenge.

I have a great deal of pleasure to be able to debate Bill C-15 today. I do so in the context of the announcement yesterday by the same Minister of Regional Industrial Expansion (Mr. Stevens) who brought Bill C-15 before the House. Yesterday he announced a general development agreement with the province of British Columbia, which is historical because of the large amount of money involved. Never before has an ERDA agreement of such scope and dimension been signed. It is for $525 million which is to be jointly shared by the Province of British Columbia and the federal Government.

It think it is very important to realize that within the framework of that $525 million, $300 million has been specifically earmarked for the forestry sector. This is a recognition of the degree to which the forestry sector of British Columbia and, for that matter, of Canada, has deteriorated over the past several generations as a result of the notable lack of attention paid to it. I think it is fair to say that a Conservative Government, given the opportunity and different times in terms of the availability of money, would have doubled the contribution to the forestry sector.

Critics of the Minister of State for Forestry (Mr. Merrithrew) are quick to agree that probably what is needed is a $600 million agreement over five years, not $300 million. But, Mr. Speaker, we have done what we could and I would like you to compare it, Mr. Speaker, to the measly and trivial sum of $5 million which was last given by the former federal Government forestry in British Columbia. Not only are we attending to our resources in terms of our forests, but we are also working toward a better degree of stabilization of another resource, which is more important than any other, and that is, the people. By the signing of this agreement, we will have an opportunity to create a substantial number of permanent employment opportunities in the forestry sector alone.

I look forward very much to seeing a change in the unemployment figures for the regional district of Central Kootenay. It is faced with an unemployment situation which statistically shows a 27.4 per cent level, but that is a statistic only in terms of those who are registered with manpower. Clearly the figures

are higher than that, and there are some serious social and economic problems in that area. It is in the context of this Bill as well that we hope to address some of those economic problems.

When we examine the other provisions in that ERD agreement, whether it is the element of tourism, science and technology, agriculture, the mineral sector, or the industry sector, collectively, we should see some very heartwarming opportunities for job generation on a permanent basis.

I must remark in the context of forestry, as I did yesterday, that it is notable that the forestry critic for the Liberal Party, the Hon. Member for Humber-Port-au-Port-St. Barbe (Mr. Tobin), that noteworthy gentleman who sits over there occasionally, has never once directed a question from his seat to the Minister of State for Forestry during Question Period. Yesterday, the Leader of the Liberal Party spoke out about the need to do something for forestry. I find that passing strange because in seven months during which this House sat, that Party's forestry critic has never asked a question of the Minister during Question Period. Clearly, that should spell out to Canadians the shallow depth of interest which that Party has in one of the most major resources of Canada, namely, the forestry sector. It is the biggest employment generator and money earner by far. It is head and shoulders above all other sectors. Yet we still await a question from the forestry critic of the Liberal Party. That clearly gives us a sense of where that Party's priorities lie.

Mr. Turner (Ottawa-Carleton): Where is the critic? He's not even here.

Mr. Brisco: He is not here. Let me move on with respect to Bill C-15, Mr. Speaker—

Mr. Riis: Mr. Speaker, I rise on a point of order. I am sure my colleague, the Hon. Member for Kootenay West (Mr. Brisco), did it inadvertently, but it is a well known tradition of the House that we do not refer to Hon. Members who are absent from their places. I believe he did that at the urging of one of his colleagues. I just want to make the point that that is an understanding we have.

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap (Mr. Riis) is correct.

Mr. Brisco: Mr. Speaker, I can understand the genuine concern of the Hon. Member, but I would like to point out—and I think my colleague on this side would agree—that the comment did not come from me. I am sure the Hon. Member would be quite prepared to indicate that the comment came from him. I am prepared to accept the responsibility, but I do know the rules.

With respect to Bill C-15, one of the first facts was introduced by the Minister when he said that the European economic forum reported two years ago that on the list of 24 countries which welcomed foreign investment, Canada was twenty-fourth. Last year the list was expanded to 28 countries. Canada, on that expanded list, was twenty-eight. That is the bottom of the line, Mr. Speaker. It does not indicate that we welcome foreign investment or that we are interested in foreign investment. It indicates that we do not welcome foreign investment, that we really do not want it. "Keep out", is what the sign says. There is a big sign there with the Liberal Party logo below it which says, "Keep out foreign investment".

• (1550)

Surely the fact is that Canadians do not have that attitude today. That really is a mind-set of a former Government, not a mind-set of Canadians today, with a couple of notable exceptions. I would like to turn to one of those notable exceptions who appeared before the Standing Committee on Regional Development, namely, Mr. Mel Hurtig. I found him to be a very interesting gentleman, and in the minutes of that standing committee, at page 13:5, he is reported to have said this:

> I would suggest that you scrap this bill—

Then he goes on to offer what he considers to be some positive solutions and makes some very interesting remarks. On page 13:11 he is reported to have said:

> —you asked me about the national energy program, and I think my answer may surprise you. I live in Alberta and I have seen the national energy program in operation. I have no hesitation whatsoever in saying I strongly support the goals and objectives of the National Energy Program.

Now, there is a man with courage. Perhaps he is not smart, but he has courage. There is a man from the Province of Alberta who said that he supported the National Energy Program. Having become a little nervous about that statement and in order, perhaps, to protect himself later on, he went on to say:

> Having said I agree with the objectives of the NEP, I must tell you that I thought it was poorly thought out.

Now he is seeking some concurrence, and there is a wide body of opinion that would support him on that. He went on to say:

> I thought it was hastily put together, and there is no question in my mind that some aspects of the NEP were very damaging to the Canadian petroleum sector as well.

Yet, Mr. Speaker, he loved it. He thought the NEP was great because it was his view that what the NEP would do for Canada would be to drive out those foreign giants. That is what it would do, drive out foreign investment. He was not one bit concerned about the fact that at that time in the economic life of Canada, the Province of Alberta was the single biggest tax generator in Canada with the highest levels of employment. Obviously he is not aware of the fact that it was Canadians who were crucified by that program, that it was the blue collar worker who was hurt the most.

He said he was there to observe. Let me tell you that I was there to observe as well, and I had the opportunity, although I am from British Columbia, to spend several months in Alberta during that disastrous period. I talked with the workers, with the service and supply industry which was collapsing like a house of cards, and I talked with the Canadian oil people. I can tell you that it was a story of unmitigated disaster. I drove into the town of Fort St. John in my province some months

after this program has had its full impact, and whereas before, if you had driven into that town unannounced, unprepared, and without a room reservation, you spent the night in your car or on the street, this time there were rooms available everywhere. What we were faced with was a ghost town, an economic collapse of major dimensions. That, Sir, was the Liberal Government's answer to Canadian ownership: drive out the foreign devils.

Let us talk about the foreign devils, because later on in his diatribe before the committee Mr. Hurtig made reference to "cultural baggage". That is an interesting phrase. That was the first time I had ever heard it. I asked him what he meant by "cultural baggage". His response was something like this: When foreign firms come into Canada, whether it is Japan, India, the U.S., Germany, France or England, wherever they come from, they bring some of their own people with them. That is the "cultural baggage" to which Mr. Hurtig alluded. These people bring with them books that they read in their homeland, they bring with them the habits of their homeland, they bring with them the business practices of their homeland. All of that, Sir, is right here in these minutes, in the words of Mel Hurtig. I might have been prepared to listen to that gentleman and accept some of his supposed wisdom until we came upon this blind spot. I can only say that, as far as I am concerned and, I would hope, as far as all Members of this House are concerned, that is a racist remark which does not belong in the minutes of any standing committee of this House of Commons. Just as sure as the people who invest in Canada from outside bring in their own people, whether it is at the management level or at whatever level of expertise they may have to lend to the project, most assuredly they are no different from those people who emigrated from their homeland to come to Canada, whether it is from Poland, Czechoslovakia, Yugoslavia, or wherever. So I reject that kind of thinking.

I would like to talk about Canadian investment for a moment because throughout this debate we have heard about the sins of foreign investment, but one component which has been absent in this debate is the Canadian component overseas. We do not hear anything from the Opposition about the Canadian dollars which have been driven out of Canada to be invested inthe U.S., Japan, Great Britain, Germany or elsewhere. We hear nothing about that.

Let me tell you about a little fellow who runs a sawmill of a special type in the small community of Nakusp. He is selectively logging, and doing a very good job of it. He often cleans up behind the big time operators, but he is selectively logging one kind of wood, that is, white pine. He cuts that wood into what are called cants that are perhaps 12 by 12 or 16 by 16 in dimension. He ships those by refrigerator car in order to preserve them from a sort of blue stain which develops on them. He ships them all the way down to North Carolina to a Canadian firm which manufactures wood for furniture. They then take these big cants and shave them, and those shavings, thinly sliced, are used as white pine veneers on furniture. They have another operation in Montreal that looks after the eastern market, but it is a Canadian operation down there and it is the largest furniture wood producer in the U.S. Now I see nothing wrong with that, nothing wrong at all, because there is an exchange of money, an exchange of expertise and an exchange of products. That same operation could just as easily take place here, so why was it not encouraged?

I now want to reverse the scenario and look at an American company which came into Canada to the riding of the Hon. Member for Yellowhead (Mr. Clark), the former Prime Minister of Canada. The company is St. Regis Pulp and Paper. Not too long ago our Minister of State for Forestry had the opportunity to go through this pulp and paper operation. I was already familiar with it because I had spent time there. I can tell you that it has a very remarkable reforestation record, better than many I have seen.

Finally, let me tell you about Weyerhaeuser, a large American company in the forest products industry, whose location in Canada was supported by the Canadian IWA. It came in and took over a major forest management project in British Columbia, while Canadians who wanted to do the same thing were turned down. The reason was that the IWA, in its wisdom, felt it could get a much better bargaining unit going with Weyerhaeuser than with a Canadian group, and I have to agree with that. The bottom line is that both firms are highly productive and Canadians do not view them as being American firms. They are part of the family working in Canada, creating jobs, and generating employment opportunities and dollars for Canada.

• (1600)

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is a pleasure to contribute to this debate, although it is a pity that the debate must take place. The purpose of the motion is to express concern, which my Party shares, over the failure of the new Government to protect Canada from the problem of direct foreign investment, with specific reference to the case of Mitel, and over the fact that after a short period of renewed debate in the House, the Government has decided to impose a guillotine in order to ram the Investment Canada Bill through without considering the various constructive amendments which the opposition Parties have put forward.

In listening to some of the contributions to this debate, I see some irony. I find it ironic, for example, that the Member for Lanark-Renfrew-Carleton (Mr. Dick) talks with pride about the fact that his Party intends to cut beef imports from the European Economic Community down from the level to which they have risen in order to protect the beef farmers in the country. Yet he does not understand the problems that are being created in terms of Canadian jobs due to the takeover of Mitel in his own riding. If it is important to ensure equitable treatment and fair trading environments for beef farmers, the same should be the case for workers and industries in the electronics field. In the case of Mitel we are facing the sell-off of control of a very important company in the Ottawa area. This company has contributed an enormous amount to the development of the silicone valley in the Ottawa area and to

the development of all of Canada. One of the major players in the important high-tech industry of the future is now to be alienated to foreign control.

I find it ironic as well that this motion was put forward by the Liberal Party. I find that ironic because the Liberal Party was forced to introduce the Foreign Investment Review Agency during the minority Government from 1972 to 1974. Pressure by my former Leader, David Lewis, and the New Democrats in Parliament at that time led the Government of the day to introduce a review process for foreign investment to give Canadian investment a certain amount of protection for the first time. The Liberal Party talks in pious terms about maintaining Canadian ownership. However, it should be acknowledged that for most of the past half a century during which the Liberals were in power their policy was to encourage foreign investment. During most of that time they presided over a tremendous sell-off of Canadian industries, particularly to the United States. C.D. Howe was one of the architects of that particular policy. The Liberals were forced into changing their views because they feared losing office after 1972, not because they had a fundamental change of heart.

I remind the House that during the recent election campaign the policies enunciated by the Progressive Conservatives with respect to the termination of FIRA and its powers were almost identical to the policies advanced by the present Leader of the Official Opposition (Mr. Turner) in his proposals with regard to weakening or eliminating FIRA. The Liberals have now had a change of heart. The Leader of the Official Opposition no longer rules the roost in his Party. The Rat Pack is now dictating policy for the Liberal Party of Canada. The Liberals have suddenly discovered that foreign investment is a problem in the country.

Foreign investment is a serious problem in the country. In all the time during which they were in office the Liberals did not lift a finger to ensure any review to guarantee that Canadians would benefit from foreign investment when it took the form of expansion or acquisition by foreign companies already resident in Canada. Expansion or new investment by General Motors or any number of other large Canadian corporations and manufacturing industries was totally immune from review. FIRA only got to a minor portion of the problem, which was that foreign investment had gained control of more than half of the manufacturing industry in the country. Foreign investment was running Canada as though it were the fifty-first State. Many companies in the country were denied access to the American market. They were not given the products, allowed to do research, or given the freedom to export into the United States. They did not have any strategic freedom to search for natural markets which might occur down there. As well, in many cases they were not free to export into the United Kingdom, the Common Market, or the Far East. Foreign-controlled companies in Canada which were given any freedom to export were given markets in countries such as Latin America, South Africa and Australia, markets which were too small and unimportant for American parent companies to bother to manage from their head offices in the United States.

Recent figures from StatsCan show us the picture. Fifty-one per cent of our manufacturing industry is still foreign-controlled. Ninety-eight per cent of our rubber industry, 51 per cent of our agricultural machinery industry, and 92 per cent of the transportation equipment industry is foreign-controlled. Seventy per cent of electrical apparatus is produced by companies which are foreign-owned or foreign-controlled. Seventy-one per cent of the chemical industry and 52 per cent of miscellaneous manufacturing is foreign-controlled. My figures do not extend to petroleum, but the vast bulk of that industry is also foreign-controlled.

The Progressive Conservative Government is arguing that foreign investment stimulates jobs. Mr. McMurtry, the High Commissioner for Canada in Great Britain, made a speech the other day. Essentially, he said that Canada is open for business, that it is not the same as when the Liberals were in power. He said there will be no carping when foreign investors want to go in. Sure enough, as soon as Mr. McMurtry's words had been reported in the *Time* and *The Guardian*, British Telecom was on the doorstep.

One must ask whether the record supports the case that unlimited access to foreign investment, with no conditions at all, will in fact create jobs in the country, or whether there is not a serious risk that it will turn Canada into a warehouse for products made in Japan, the United Kingdom, Europe, or the United States. We have called the Investment Canada Bill the "Warehouse Canada Bill" because that is what it is in danger of making the country. I grant that the lowering of tariffs and the gradual movement toward free trade with the United States have benefited some Canadian companies. However, in large measure, they are removing the impetus which led to the creation of many companies in the country. That allows Americans and other foreign investors to take jobs away from Canada and into other parts of the world. It is liable to continue if we have no control to ensure significant benefits for Canadians from foreign investment or from the expansion of foreign companies already here.

It is well known that foreign investors have great leeway in avoiding Canadian tax through buying and selling practices which shift their tax obligations to areas where the tax burdens are lesser. That sometimes means moving to Bermuda or to the Caribbean rather than to another industrial country. It is noticeable that the large foreign-controlled companies in the country spent only 2 per cent of their sales on research and development over the past few years, while larger Canadian companies with 500 employees or more spent 10 per cent of their sales in research and development. That suggests that rather than getting a dynamic, progressive, and advanced industrial sector through opening the door to foreign investment, we are likely to perpetuate the situation of Canada having a second class industry and being left with the crumbs off the tables of other countries.

I cite the case of General Motors. That was once a Canadian company set up by Sam McLaughlin in Oshawa in the

second decade of this century. He was very successful. Eventually, the day came when Mr. McLaughlin decided to sell out, as he was allowed to do in the climate of the time. GM established a foothold in Canada which it had not previously enjoyed. General Motors has been in this country for approximately 60 years, and I believe it is instructive to note that despite the fact that it has made some contributions to our country in places like Oshawa, it has not once had any genuine commitment to carry out research and development here.

● (1610)

I have visited GM's entire research and development activity, which is its cold weather testing service that is located in Kapuskasing in northern Ontario. The reason it located that research facility there is northern Ontario's very cold weather. Such consistent and lengthy cold periods do not exist in Minnesota, Wisconsin or Maine in the northern United States. Consequently, GM gave us this one R and D facility only because of the advantage of our climatic conditions. Although General Motors has existed in Canada for many years, it has established only that one research and development centre out of the hundreds of millions of dollars that it spends annually on research and development. That example is germane to the case of Mitel which we are discussing today.

My colleagues and I have raised a number of objections with respect to the case of Mitel. Mitel has grown into a company with a net worth in market value of more than $300 million and annual sales of approximately $375 million.

As a Member from the Ottawa area, I regret that the Minister of Regional and Industrial Expansion (Mr. Stevens) is too focused and seized on the fact that Mitel faced difficulties approximately two years ago because of the slow development and marketing of the SX-2000 superswitch. It suffered losses for a couple of years and it did not reach its target of $1 billion in sales by 1985.

However, that should not gainsay the fact that this company has had an extraordinary growth record. Perhaps my Party does not always acknowledge the success stories of entrepreneurship where they occur, but Mitel has been an extraordinary success story in entrepreneurial terms. I congratulate Mr. Cowpland and Mr. Matthews and those others who are behind that success.

Those same people are facing a situation today in which the management of Mitel is much different from what it was when it was a small company. Mr. Cowpland has been a good citizen in the Ottawa area. However, I regret to say that, to some extent, he has lost interest. His shareholdings in Mitel are down to 6 per cent and he has invested in other areas, which means that his focus has turned to other areas, perhaps to developing another Mitel.

Those proprietors who were so good for Mitel in its first decade are essentially walking out the door in the assurance that British Telecom will rescue Mitel. They are not allowing the control of the company to go to foreign hands on their own. They are enlisting the support of the Hon. Member for Lanark-Renfrew-Carleton. He received handsome contributions during his election campaign. He is faithfully saying that this is bound to be a good deal as far as Canadians are concerned. I suggest there is ample reason to doubt that this is a good deal.

I pointed out in the House a couple of days ago that British Telecom has an alternative plan B. Anyone who studies business knows that it is necessary to have a fallback position in the event that the primary plan does not work. British Telecom's plan B was to buy 18.5 per cent of Mitel, inject approximately $60 million of equity into the company, and possibly inject some loan capital or bond capital into the company to help it with its debt position. It would therefore gain the advantages of the close link with a good manufacturing subsidiary, even if it did not acquire 51 per cent ownership. I suggest to my hon. friend that that was the alternative plan that Telecom devised in order to have an insurance policy if Canadians would not let it have 51 per cent.

Why did Telecom devise that alternative? The reason is that countries throughout the world protect their telecommunications industry. The British should know because British Telecom itself was a wholly-owned Crown corporation of the British Government until very recently. It was part of the British Post Office. Until very recently British Telecom had the policy to buy British.

Ironically, Mitel was the first major foreign company that broke that restriction and was able to enter into the British Telecommunications market. That market is opening up now and it provides real opportunities. Mitel has helped to create those opportunities for Canadian entrepreneurship, research and products.

Japan is another example of a company with restrictions on foreign ownership of the telecommunications sector. British Telecom knows that most countries continue to have restrictions on foreign ownership of the telecommunications sector because of the critical nature of that sector. That is why British Telecom had plan B.

Let us consider that option. Mitel gains access to an important new market. It gains the marketing savvy of a large European company. Although it is untried because it has only recently been partially privatized, it does have the backing of the British Government. Mitel gains financial support in terms of opening up markets in North America, which are extremely competitive since the deregulation of AT & T in the United States. In the meantime, Canadian ownership is retained. Surely that is a preferable option to losing Canadian ownership of Mitel.

Will we see a position in 10 or 15 years where the R and D carried out by Mitel in Canada has shrunk to 2 per cent or 1 per cent of sales? Will Mitel simply become another manufacturing company with a nostalgic link to the Ottawa area but a company that is a trans-national or British based multi-national? I believe that is a very real danger.

The advent of Investment Canada and the way FIRA is being administered by the Government presently will not improve the situation. The fact that the Government is pre-

pared to ram the Investment Canada Bill through parliament without considering the important amendments which our Party and the Liberals have put forward suggests to me that the Government does not understand the issue of foreign investment and foreign ownership.

Not only are we talking about the loss of an important and major telecommunications company, my hon. colleague, the Member for Essex-Windsor (Mr. Langdon) pointed out that the style of management of British Telecom is still very unproven. Until a few years ago it was hardly the model of a driving, vigorous and progressive entrepreneurship that one would like to see as a partner in Mitel. British Telecom has improved recently, but it must still prove itself as a privatized company.

Conservative Members have raised concerns about state owned industries being non-progressive. It is quite clear that these concerns are not legitimate because Canadian national and Air Canada are two dynamic publicly-owned corporations of which Canadians can be proud. However, British Telecom and other British Crown corporations face some problems which, in many cases, have occurred under Conservative rule. I suggest that we are casting Mitel into a very murky future.

Mitel may no longer make the same contribution in the Ottawa area. There has been a very healthy competition between Mitel and Northern Telecom. Northern Telecom is a very successful Canadian company, and Mitel, one-tenth the size of Northern Telecom, vigorously, competes with Northern Telecom in terms of technology, marketing and production in a number of key products. That situation will be vitiated and we will all be the losers as a result.

I fear that this is only the first step of many such examples that we may see over the course of the next three or four years. There is no question that the Progressive Conservatives have a mandate to govern for three or four years, but their mandate is for change. Canadians believe that the Liberals were discredited, and they were right.

I say for the record that no matter how poor the policies of the Progressive Conservatives—and we are learning quickly how poor they are—the country is better off with a change of any kind than if the Liberals stayed in power. The Conservatives may last for only one term. The powerful mandate they have now will disappear as quickly as it was created for them if they carry out policies of selling the birthright of this country and allowing major Canadian corporations to pass into foreign hands. That is just paper shuffling. That is not going to be the creation of new jobs. We have to look at policies for entrepreneurship. We have to look for the development of small industries. We have to find ways by which industry and jobs can be created in the remote regions of Canada, not just in areas like Ottawa, Toronto, Edmonton and Calgary. We have to look for a whole range of policies, as did our task force on jobs, which was headed by my colleagues, the Hon. Member for Kamloops-Shuswap (Mr. Riis) and the Hon. Member for Essex Windsor. We have to do all these positive things. A policy of simply saying, "Lie on your back and take what happens to you, we are going to open the doors to business and any business that wants to take over any industry in this country is welcome to do it regardless of the consequences for Canada" is not right. I say we can do better than that, Mr. Speaker.

• (1620)

A policy of unlimited access to foreign ownership which will be the effect of the policy advanced by the Minister for Regional Industrial Expansion and all of the Government is a policy of Conservative sell-out, a policy of despair, a policy that will not build industry, create jobs and bring down unemployment but a policy which will leave us hewers of wood and drawers of water. I believe our country can do better than that.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Unemployment Insurance—Impact of changes. (b) Request for freeze on implementation of changes; The Hon. Member for Winnipeg North (Mr. Orlikow)—Regional Economic Expansion—Financial institutions—forthcoming White Paper. (b) New Democratic Party proposals; the Hon. Member for Scarborough West (Mr. Stackhouse)—External Aid—Sudan—Food crisis—Canadian assistance.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FOREIGN DIRECT INVESTMENT—TIME ALLOCATION

The House resumed consideration of the motion of Mr. Axworthy:

That this House condemns the Government, not only for its failure to protect Canada from potential problems of foreign direct investment as demonstrated by the Government's failure to take effective action in dealing with foreign take-overs in the cases of Mitel and of the book-publishing industry, but also for its contempt for the Parliamentary process by cutting off free debate on its iniquitous investment legislation without providing adequate time for consideration of dozens of important and constructive amendments.

Mr. Deputy Speaker: Are there questions or comments?

Mr. Dick: Mr. Speaker, I would like to ask a number of questions of the Hon. Member for Ottawa Centre (Mr. Cassidy). I thought his speech was very interesting. I disagree considerably with his philosophy. I guess that is why we belong to different Parties. It was a decent speech, except for the last three minutes when he got into his more usual strident self and raised his voice to try to show great anger. But until then, the Hon. Member was quite reasonable and intelligent. In his last three minutes he was back into the insane, inane sort of emotionalism which contained a lot of rhetoric and meant nothing.

If 51 per cent of a company happens to be owned by one person, does the Hon. Member believe that that owner of the 51 per cent can do anything he or she wishes? Is the Hon. Member not familiar with the laws of the province, the Dominion and the number of court cases which protect minority shareholders? Does the Hon. Member think the majority shareholder can cream off the assets and do as he or she wishes? Is the Hon. Member not familiar with the law cases which protect minority shareholders? I would suggest that 49 per cent is a rather significant minority. One per cent and 2 per cent have been protected by the courts from rip-offs that might take place.

Second, is the Hon. Member stating a fact that he knows, as he implied when he said that Northern Telecom has plan B, or is the Hon. Member being hypothetical, guessing or making a prediction, or being any of those other things described by weasel words, rather than stating fact? Could he clarify whether he is guessing or whether he knows? Does the Hon. Member have any documentation to back up what he said?

The Hon. Member indicated at the time that $60 million might come in through plan B, but this would still leave the company with a debt of over $200 million, which would make it rather difficult for it to carry on unless, which the Hon. Member did not say at the time, he was also thinking the Government would participate to the tune of $30 million or $40 million, an amount the Liberals turned down when requested last year?

In the Hon. Member's statement he said that British Telecom is now free to be more aggressive and more innovative. The Hon. Member said it was unproven. Is the Hon. Member implying it is better for British Telecom now that that company has been privatized? Is the Hon. Member differing from his usual socialistic beliefs that the Government always has the best of all possible worlds? Those were the adjectives the Hon. Member was using.

Does the Hon. Member not agree that this tentative offer at this stage has to be approved first by the board of directors of Mitel, then by the board of directors of British Telecom? The offer has to be approved by the shareholders of Mitel, the shareholders of British Telecom, the Canadian Government and the British Government? There are six different groups that have to approve thiis proposal before finalization. Does the Hon. Member not believe that during that period of time there will be negotiations? Does the Hon. Member not think that there ought to be negotiations? I firmly suspect there will be. I hope there will be negotiations that will embody most of the rhetoric which the Hon. Member had spoken about, namely, that we have given the company away. I do not think this company is given away at all. Those are subjects for negotiation. I certainly hope that much of that will be protected through the negotiation process.

The Hon. Member also said that he had a fear. Is it his fear, or is he trying to engender fear in the country that the Government is going to give everything away? In fact, the Government if it does support an offer like this, and it has not indicated yet whether or not it does, will be protecting maybe the jobs at Mitel and enhancing the environment by re-employing some of those 600 to 800 people who have been laid off over the last 15 months? After all, Mitel was broke and did not have any money to pursue its marketing to carry on.

Mr. Cassidy: Mr. Speaker, I appreciate the questions from my colleague. I will respond to them as quickly as I can.

First, there are laws to protect minority shareholders, but the stakeholders in Mitel include this community, Canada as a whole, the people who work for Mitel and the companies that supply parts and components. There is a wide variety of people who are stakeholders in Mitel who are not protected by the security laws that ensure that minority shareholders cannot have assets pillaged from them. The minority shareholders may find that their investment is protected, despite the fact that Mitel is transferred lock, stock and barrel to South Wales or to some other part of the United Kingdom. The shareholders alone are not who I am talking about. I am talking about the interests of all Canadians.

Does British Telecom have a plan B and do I know it for sure? I am judging on the facts that British Telecom has announced the unconditional option to take 18.5 per cent. I have spoken to someone at Mitel, but my efforts to reach Mr. Cowpland and Mr. Matthews have failed. I talked to a public relations person at Mitel who simply said that this is the greatest deal since sliced cheese. When we contacted British Telecom in New York, because it has no offices here in Canada, there too the only person we could contact was somebody in the public relations department who was particularly uninformative. Since not much more than press releases have been issued, I cannot say for sure that this is plan B. All I know is that it is significant to me that if British Telecom really thought it could get 51 per cent for sure, British Telecom would not have mentioned it was taking 18 per cent just in case.

What about government participation in Mitel? If Telecom injected $60 million into Mitel through the minority offer that we have mentioned, then it is not beyond the grounds of reason to believe that there might have been some public money or money from other Canadian companies. My colleague, the Hon. Member for Essex Windsor, pointed out that a lot of Canadian companies were holding back because they wanted a crack at Teleglobe Canada and did not want to commit themselves to Mitel, which has been losing money in the last few quarters while Teleglobe has been consistently profitable.

In addition, the Member said, "We could not have government participation", yet he and his Party came in over a weekend with a $260 million bail-out for the Canadian Commercial Bank where only a handful of jobs were involved as opposed to 2,000 or 3000 Canadian jobs right here in the Ottawa area in the case of Mitel.

Mr. Dick: I did not say that. I asked you about it.

Mr. Cassidy: As far as the various approvals that are required are concerned, the Mitel board has indicated that this is a friendly takeover and not a hostile one. British Telecom would not make a bid if its board were not on side. As for the shareholders of Mitel, there is enough control in the hands of the controlling shareholders that they are pretty likely to get approval, and the Canadian Government is in fact the only bullwark, the only avenue of defence, against Mitel's control going into foreign hands. The Canadian Government, through FIRA, has the right to do that. Unfortunately, as has been pointed out, all foreign takeovers which have gone before FIRA since this Government took power have been approved. This Government is even more open for business and less a guardian of Canadian industry than the Liberal Government under which 93 per cent were approved. We suspect, without knowing because FIRA has been so secretive under the Liberals and the Conservatives, that the conditions placed on takeovers have been even less demanding under the Conservative Government than they were under the Liberal Government.

• (1630)

The Hon. Member asked me about my fear that the Government would give everything away and whether I could prove it. No, I cannot prove it. All I am saying is that the signs in the Investment Canada Bill and the signs in terms of the quick support without a lot of throught given to the Mitel takeover by the Minister of Regional Industrial Expansion indicate to multi-nationals everywhere in the world that if they want to come into Canada and take over a few companies, they are welcome to do so—no ifs, ands or buts, no conditions—and if they want to move them out of Canada afterwards, the Government will not try to stop them.

Mr. Dick: That is not what he said, and you know it.

Mr. Cassidy: That is exactly what the Minister said. That is the signal he and his Party are sending by the way Conservative Members talked during the campaign and by the way they acted and brought forward the Investment Canada Bill. I remind the House that the Investment Canada Bill is almost the only substantive piece of legislation we have seen from the Government in its first eight months of office.

Are there alternative means to protect the jobs at Mitel apart from a foreign takeover? Of course there are. The Government found a quarter of a billion dollars for CCB, to protect investors in California. When such an important Canadian company is involved, it seems to me that government participation as part of a partnership to refinance Mitel, which was already recovering from the difficulties of last year and the year before, would have been a creative option that should have been explored. I regret the fact that that was not done by the Government.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have a question and a comment, but I will be brief. The former Government put anvils around our collective necks, slit our wrists and threw us into a school of pirhanas with the greatest deficit in our history. We are talking here about jobs and dollars and cents. Fortunately, on September 4 we were saved by the people of Canada who pulled us from that river of debt and gave us a second chance. That second chance is to encourage—and I underline the word "encourage"—more foreign investment in Canada. Today's opposition motion condemns the cutting off of debate on the important issue of foreign investment legislation. We have had debate. We have spent dozens and dozens of hours, as the Minister of Regional Industrial Expansion (Mr. Stevens) explained this morning, and as the Hon. Member for Kootenay West (Mr. Brisco) explained this afternoon. I cannot understand this paranoia about not having enough debate on this whole question.

I would like to refer to something which I think is very relevant in that we are talking about the debate on foreign investment. I have a study which was conducted by the Conference Baord of Canada entitled *The Foreign Investment Review Agency—Images and Realities*. It contains some quotations by very knowledgeable and experienced businessmen, one of which reads:

> We have never experienced anything as fearsome as FIRA before.

Another reads:

> — on a scale of one to ten I would rate Canada a zero. Canada is in a class by itself.

Some class! Another quotation reads:

> FIRA is an interventionist nationalistic policy the likes of which I have never seen anywhere else.

I would like to refer to the document entitled *The Future of Foreign Investment in Canada*, produced by the Conference Board of Canada and dated January, 1985. I should add that the Conference Board is a very highly respected institute and is an independent body. In part it reads:

> Debating the virtues of various approaches to the control of foreign investment is fast becoming a luxury that Canada can ill afford.

Does the Hon. Member for Ottawa-Centre (Mr. Cassidy) agree or disagree? Yes or no.

Mr. Cassidy: Mr. Speaker, I would simply say that I disagree with the statement. As the Hon. Member should well know, Britain, France, United States, Japan and almost every other industrial country have substantial restraints, limitations or agencies to set conditions on foreign investment, as does Canada. We can debate the kinds of controls or how conditions should be adapted as time goes on and conditions change. I have no trouble with that, but to abandon those restraints completely, which is the position of large numbers of Members in the Conservative Party, including the present Minister, is a policy of folly.

Mr. David Berger (Laurier): Mr. Speaker, I am pleased to make my contribution to this debate. I am astounded by the statements we have heard in the House over the past few days by the Minister of Regional Industrial Expansion (Mr. Stevens), and by the fact he is happy with the proposed takeover of Mitel by British Telecom. It would be more appropriate to hear the Minister state that he had mixed feelings. Why do I say that? To me it is very clear. One as to feel happy that this particular company, under the circumstances about which we know, has found a partner described by the founders of the company as a preferred partner. They have said that this is a good match. From what we know of British Telecom, it does not have a manufacturing arm. It does not conduct research and development. It is simply a telephone company which provides a service to British customers. Therefore, it is now acquiring a company which may become the principal manufacturing and research arm of Telecom.

This is in an era of global trade when companies are located all across the world, on different continents and in different countries. In this case we have a telephone company in Britain which presumably has access to the European market and we have Mitel, a manufacturing and R and D company in Canada, which has plants and a distribution network in Canada and in the United States. In many respects it seems that this may indeed be an ideal marriage.

I also understand that no Canadian investor was available and that in the past year Mitel actively sought investment by many major corporations. None of them, for one reason or another, was willing to get involved in this company. Despite all these points, I do not think we should say that we are truly happy about the takeover. As Canadians we should feel somewhat saddened that this uniquely Canadian company is slipping a little out of our hands.

• (1640)

Several years ago I was one of the ordinary investors who bought maybe 100 shares in Mitel. I was swept up in the enthusiasm over the fact that here was a small company located in our nation's capital that was making a go of it in Canadian and in world markets. I was proud to participate in the success of this company. With the recession and falling sales in world markets, the company encountered difficulties over the past couple of years. However, we had this initial enthusiasm. The company did fall upon difficult times, but it seemed to maintain its footing. It seems that something can be done to keep this company in Canadian hands. The best one could say about this is that we have mixed feelings. It is strange that the Minister of Regional Industrial Expansion would say that he is happy about this in an unqualified manner. It tells us something about the size of the Canadian economy as well as the size of our market.

Once Canadian companies reach a certain size, they enter a league of their own. In Canada we could not support two, three, four or five Mitel companies. They could merge and form one solid company that could compete on an international basis. In an economy the size of the United States, you might well have 10 or 12 companies of that nature. If one fell, two might come together. In fact, three or four might join together and have the wherewithal to make a go of it in this tremendously competitive world. We cannot have that in Canada. We can only have one such company.

As I said earlier, when this company had its problems, it went to the Canadian capital market. There are not many companies that are compatible with that kind of request. I do not know who they went to. You could ask yourself who you would go to in this situation. You may go to Brascan, Olympia & York or Cadillac Fairview. All of these companies have their expertise in a specific area. These are Canadian companies in which we take pride. They had made their mark in real estate in Canada and in the United States, but they would not touch a telecommunications company with a ten-foot pole. They do not have the expertise, know how or management to deal with this kind of situation.

The alternatives in Canada are not many, but there are some. In preparing some notes for my speech today, I asked myself about the Canada Development Corporation, as distinct from the CDIC. When the Canada Development Corporation was founded a number of years ago, its purpose was to serve the combination of public and private enterprise. Its purpose was the bringing together of pools of public capital to support investment of a somewhat risky nature. Would the Canada Development Corporation not have been a good partner in this case? Could it not have come in and, not bought control of the company, but rather left control of the company in the hands of the original owners? Maybe it could buy 49 per cent. That would provide the financial stability the company needed to leap-frog into the next level where it could compete with the major companies of this world.

We should be somewhat concerned about this. Our feelings should be mixed. We should be happy. At the same time, we should have a bit of concern that the control of a uniquely Canadian company is somehow falling out of our hands.

Today's papers report that British Aerospace is eyeing two other well-known Canadian companies, de Havilland and Canadair. It is the policy of this Government to put these companies up for sale. It seems that the only buyers available are foreign. Is that what this Government promised Canadians when it sought their confidence during the last election campaign? Did they say there were no solutions in Canada, that we would have to seel all of our critical industries in the area of telecommunications and aerospace to foreigners? Is that the kind of confidence that they offered Canadians? Is that the outlook for our economy? If that all this Government has to offer today, one could say that the September 4 election was won on somewhat false pretences.

This leads me to another point. In the past two days, the Minister of State for Science and Technology (Mr. Siddon) has, for all intents and purposes, stated that the Tory promises of doubling spending on regional development will not be kept. Two days ago in committee, he stated, and I quote from the committee transcript:

—we cannot promise that by 1990 we will have moved to the point of 2.5 per cent, which would be a desirable target, nor are we able to promise that we will have the necessary human resources in order to support that level of activity in research and development.

This is a far cry from the rhetoric that we heard during and prior to the last election campaign. In 1984, the Prime Minister (Mr. Mulroney) stated, "We have to double our spending on research and development and triple our resolve to reach it." What did the Minister of State for Science and Technology say today? He said, "I do not recall the specific wording, Mr. Chairman, that was used—".

We have come a long way in the last 18 months. From the doubling of spending and the tripling of resolve, we now have, "I do not recall the specific wording—". I am sure that Canadians who are listening to this debate and who have seen what has been doing on in the House in the last couple of days will soon catch up with this game. They will quickly come to the conclusion that all that they were offered during the last election was a lot of smoke and mirrors.

I wish to refer to another statement of the Minister in the last couple of days. I again refer to the committee report where, in reference to the promise that was made for double spending on research and development, the Minister said:

● (1650)

Opposition members are accustomed to thinking in terms of promises; I am accustomed to thinking in terms of goals—

That leads to the question which I asked yesterday in the House. When is a promise not a promise? We now have the answer from the Minister of State for Science and Technology. A promise is not a promise when it is a goal.

The promise to increase the spending on research and development has now been reduced in the priorities of the Government. If there is one area in which this Government should be maintaining its promises, it should be in that area. The Government promised that it would provide renewed growth to the economy and that it would create tens and tens of thousands of jobs. What is the foundation of the renewed economic strategy? There is unanimity today that in the areas of technology, science and research we will lay the foundation for future economic growth. However, today the Minister and his Government are telling us that this must take a back seat because of the deficit.

During the election campaign the deficit was not the focus of the Conservative Party's attention. We were promised growth. Certainly, the only way in which to eliminate the deficit is by putting Canadians back to work. That was the promise. It is true, we do have a large deficit. But there are 1.5 million people unemployed in Canada. If we could put half of those people back to work, 750,000 of them, the deficit would be reduced substantially, if not completely.

How will we put those people back to work? The ways in which we can put those people back to work are through the stimulation of the economy, research and development, and the application of new technologies to our traditional industries, such as fishing, forestry and agriculture. Another way would be to spend judiciously in the new technologies—biotechnologies and aerospace.

I cannot help but remark on the comment which came a moment ago from across the aisle, that the only way to stimulate the economy is through foreign investment. That, certainly, was not what was promised. To me, foreign investment is the approach of a Government which is bankrupt of ideas, which has no confidence in the ability of Canadians and which has no programs to create investment and jobs through the efforts of Canadians. Canadians were promised in the last election that efforts would be made to stimulate their imaginations and energies. It has been almost ten months since the election and all we are hearing from the Government is the plaintive cry that foreign investment will solve the problems.

It is for those reasons that I support the motion. I feel that the House should condemn the Government. Unfortunately, we do not have the numbers, but I am sure that if Government Members looked at themselves in the mirror and searched their souls before coming to the House for a vote, they would join with the Opposition and defeat the Government.

Mr. Deputy Speaker: Questions or comments?

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member. I wonder how much recent Canadian history the Hon. Member has studied. Does he not realize that it was in the period from 1945 to 1957, under the leadership of the then Minister responsible for everything, Mr. C. D. Howe, and that Liberal Government, that there was a tremendous influx of American capital which took over Canadian companies? Does the Member not realize that when the Liberals returned to power under Mr. Pearson in 1962 and 1963, the then Minister of Finance, Mr. Walter Gordon, recommended to the Liberal Government that it should take a hard look at foreign investment and place restrictions on it? The Liberal Government of the day introduced the Foreign Investment Review Agency, but gave it no power. So foreign investment continued to flow into Canada in ever-increasing amounts and 95 per cent or 97 per cent of all applications to FIRA were approved.

Does the Member not know those things? Does it now show, once again, the vast difference in the opinions of Liberals between the time when they were in office and did nothing and the time when they are in opposition and say some of the right things?

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his questions. He was referring to the period between 1945 and 1957. I cannot claim responsibility for the actions which were taken by C. D. Howe and the Governments of those days. I think the Hon. Member, if he is frank, in spite of the drawbacks which he sees in FIRA, will recognize that in many sectors of the economy the past 10 or 15 years have seen vastly increased Canadian ownership.

Perhaps FIRA did not provide all the answers, but I would suggest that other actions were taken by Liberal Governments which enabled Canadians to take control of part of the econo-

my which provided, either through the Income Tax Act or other legislation, the necessary tax incentives and subsidized programs to Canadians so that they could use their imaginations and energies to take control and exercise substantial control of major parts of Canadian industries.

● (1700)

Mr. Orlikow: Mr. Speaker, the Hon. Member says that in recent years we have had an increase in Canadian control of business and industry. I urge the Hon. Member to look at the automobile, rubber and mining industries, which have the largest manufacturing plants in this country and he will see that, despite everything he says the former Liberal Government helped to accomplish, foreign investors still hold the major, indeed, in some cases, 100 per cent, control of those industries.

Mr. Gauthier: Mr. Speaker, with respect to the point raised by the Hon. Member for Winnipeg North (Mr. Orlikow), of course I was not around in 1945 either, but I take it the father of FIRA was the Hon. Member for Windsor West (Mr. Gray). I think it is recognized by well informed people that he did play a very important role in getting the FIRA Bill before the House when he was Minister without portfolio, and that eventually he got FIRA into law in 1971-72.

From the comments just made by the Hon. Member for Winnipeg North, we would be led to believe that Canadian ownership has not improved. I think we should look at the facts, Mr. Speaker, and at a recent poll which I am sure the Hon. Member for Laurier (Mr. Berger) has seen, which suggests that the majority of Canadians are no longer worried about foreign investment in Canada. Before this Government starts to snap its suspenders and crow about all of this, it had better be understood why Canadians say they are not worried. The reason is that FIRA—and that is the Foreign Investment Review Act—notwithstanding the vendetta of the Conservatives with respect to it, changed the composition of investment in this country. For example, in 1974, foreign ownership in Canadian manufacturing was at 61 per cent; in 1980, that figure dropped to 53 per cent, and it has fallen further since. The same can be said for the petroleum and natural gas sector. It was 76 per cent in 1970, 51 per cent in 1980, and it is now even lower. I could go on to show the House the importance to the Canadian economy of the Foreign Investment Review Act.

The Hon. Member for Laurier did mention tax incentives. There have been comments made today in the House about Mitel. God knows, we in the Ottawa area find that company important to us. It has created thousands upon thousands of jobs and has been a good economic generator in the region. We do not think that Mitel should close. However, would the Hon. Member set the record straight? He knows about research and development. He is our critic, our official spokesperson, in this area. He knows, as do all honest Hon. Members of this House, that $20 million was given to Mitel under the special electronics program in 1980 by the former Liberal Government and that $9.9 million in research and development grants was given to Mitel in 1982. He knows that a $5.5 million grant to upgrade the Ottawa facilities was given to Mitel in 1983. I was part of that. A group of companies in the Kanata region called the Kanata High Tech Training Centre, I believe, received $3 million to improve its management services and capacity.

Since we have had the economic statement of the Minister of Finance (Mr. Wilson) who imposed a moratorium on the tax credits for research and development, does the Hon. Member believe, for example, that there has been a loss to the Government in revenues of $1.6 bilion? Does he believe that the Government helped Mitel by taking away the research and development tax credits?

Mr. Berger: Mr. Speaker, the Hon. Member raises a very interesting question. The Government placed that moratorium on the scientific research tax credit because it claims that through what are called "quick flip" transactions, there was a substantial drain on the public purse. However, if one really understands and looks at that mechanism, one sees that it is indeed possible that this was not a drain on the public purse. These are tax incentives which the Government would have given anyway. There was, perhaps, just a change in the timing. These tax incentives were taken by companies in 1983, 1984 and 1985, rather than having them claimed by these companies in coming years.

Perhaps I should explain myself. The scientific research tax credit was introduced because there are a number of companies which are in a non-taxable position. A company has to earn profits to be able to take advantage of a tax credit. It so happens that there are many young companies in their formative years—indeed, many high-tech companies—which are not in a taxable position and, therefore, cannot take advantage of tax incentives under the Income Tax Act. So the scientific research tax credit was introduced by the previous Liberal Government in order to allow these young innovative companies to transfer tax credits, which they could not otherwise claim, to investing companies. They would do it by issuing a debt instrument to these companies, or by issuing shares, and then the investing company could claim the tax credit. The investing company would give money to the research company and this would give this research company the money to enable it to undertake the research. The tax credit, which the research company could not claim, was transferred to the investing company which, obviously, is in a taxable position. So really what one had, Mr. Speaker, was a transfer of a tax incentive from a research company to an investor. One cannot, therefore, entirely conclude that this was a drain on the Treasury. It was perhaps just a difference in timing. Probably a great deal of research was undertaken in Canadian companies as a result of this initiative. A moratorium was placed on it by the Government in November. Obviously, we are all waiting with bated breath for next Thursday night to see if there are any other solutions to be offered by the Conservative Government.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. B. Tardif).

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I would like to go back to the last part of the motion before the House today and consider more specifically the part that says the Government is to be condemned:

—for its contempt for the Parliamentary process by cutting off free debate on its iniquitous investment legislation without providing adequate time for consideration of dozens of important and constructive amendments.

Mr. Speaker, since the beginning of the proceedings on Bill C-15, I was present at every debate in the House and attended all meetings of the Committee, and I shall try to recapitulate what has happened so far. As soon as we reached the second reading stage, it was not the Government that cut off debate but the Official Opposition. After six hours of debate on the substance of the Bill, the Official Opposition decided to move a motion to adjourn or postpone consideration of the Bill for six months. The motion was debated for many hours, and it took a motion by the Government to get the Opposition to revert to the subject that was actually under consideration. We wanted to have a serious debate on the Investment Canada Bill because, as the Opposition has repeated so many times today, we believe it is a Bill that should be taken seriously, that it is an important Bill and that it deserves the full attention of the House.

• (1710)

After second reading, the Bill was referred to committee. In committee, after many witnesses had been heard, the Official Opposition and the other opposition party submitted 102 motions for amendments. Many of these were rejected outright by the chairman of the committee because they were not in order. I would like to make one distinction, however. The Official Opposition kept trying to find ways of delaying consideration of the Bill, but as far as the New Democratic Party is concerned, although we have our ideological differences, they nevertheless took the debate on this Bill far more seriously.

After 40 hours of examining the Bill in Committee, we went before the House with the report stage. This time we had 99 amending motions. I think the Speaker of the House probably did the lion's share of the work that, once again, consisted in looking at the Opposition motions to find out whether they were in order.

I do not have many years of experience as a Member of the House, and perhaps not as much as some of the Opposition Members in the House today, but I do not think it is a common occurrence that the Chair's ruling on whether certain motions are in order covers eight pages in *Hansard*. The House then decided that 50 motions would be rejected because they were out of order. The remaining 49 were consolidated into 18 groups, probably because here again, the perception was that the large number of motions was mostly an attempt to dilute debate and, as far as I can see, to waste the time of the House.

We spent 25 hours considering the first four groups of motions put before the House. The Opposition used all its allotted time, once again, to say nothing. I fail to see what saying 40 times over that they did not agree, without giving any reasons, is supposed to achieve. If the reason is that they wanted to give this Bill serious consideration, I object, and unlike some Hon. Members, I was present at all stages and every time the Bill was considered. I think the motion before the House today is one more reminder that the Opposition, instead of playing its role by suggesting certain amendments to improve a piece of legislation, is here in the House only to propose amendments that are just another way of wasting the time of this House.

Mr. Speaker, I would also like to compare the amount of time spent in the House on consideration of the Investment Canada Bill with the time it took in 1973 to consider the Foreign Investment Review Act. For instance, at the second reading stage, the House spent a total of 20 hours on consideration of the FIRA Bill, and I imagine the Opposition at the time must have been far more co-operative and really have wanted to improve the Bill. I see the House spent 10 hours listening to 26 speakers. At the Committee of the Whole House stage, the procedure was the same as in committee, and at the report stage, the process was also much faster. Since the beginning of December, we spent more time considering Bill C-15 than the House did in 1973 on the FIRA Bill. If that is the co-operative spirit of the Opposition, I hate to think what is going to happen to the rest of our legislation.

Many comments were made earlier today on what has or has not been said during the election campaign. I have here a page of the *Financial Times* for July 1984 where they mention the position of the Progressive Conservative candidates, on FIRA. At that time, representatives of European and other countries told us about the kind of reputation Canada had abroad. As we know, all surveys by the European Management listed Canada in last position. If we consider how various countries welcome investments, Canada ranks 24th out of 24, or again 28th out of 28. With Investment Canada, perhaps time had come to wonder about our reputation abroad.

The most radical change is a change in attitude. Of course we will continue to welcome foreign investments. We will continue indeed, but at a certain level. Of course we also want to stand up firmly for the interests of Canadians and make sure that Canada's cultural interests are protected. But we also want foreign investors to be aware of the fact that a new Government is in office, and that the new Government is prepared to welcome investments to bolster the country's economy.

When I think back to the election campaign and recall talking to my constituents, my primary concern was the economic situation throughout Canada and particularly in the Province of Quebec. When I consider a measure like the Investment Canada Bill and discuss it with my constituents, one thing is quite clear: they wants us to do everything possible to set Canada's economy back on an even keel, and to make sure that investments will create new opportunities in terms of high technology and assistance to some of our industries, for they know it is the only way to get Canadians back to work. Jobs is what people want. I agree with some Members of the Opposition who claim that FIRA is not the only way, that it will not work miracles. No, FIRA will not work miracles. The Progressive Conservative Party has conveyed a message of hope, a message of confidence to Canadian and foreign investors alike. Yes, right in Part I of the Bill there is a message intended for Canadian investors. Investing in Canada is a challenge and the most effective mechanism we have to create employment for young people and all Canadian workers.

I have just received an article about Mitel. It has been a major issue in the House for the last couple of days and some of the comments I heard puzzled me. I have no intention of delving into this project, as suggested by the Minister in the House. That is the kind of news making headlines these days. No application for such a huge investment has ever been made to the Canadian Government, but I was surprised by the attitude of experts who analyze the situation. It has been said that the proposed merger of Mitel with one of the world's largest telecommunications firms might allay the fears expressed by its clients. It has also been suggested that it is a golden opportunity for Mitel, the best news it could possibly hear.

I am always astonished when I realize that the criticisms we hear in the House are so far removed from reality, from what most people think, from the views of experts who analyze the situation.

I must say that we have done everything there was to do with respect to the Investment Canada Bill. Had the Opposition been prepared to take the matter seriously, the debate would be over. We have been listening to speaker after speaker, and I challenge Hon. Members to come up with fresh suggestions which might have improved the Bill.

• (1720)

Mr. Gauthier: Mr. Speaker, I found the Hon. Member's remarks most interesting, and I would like to ask her a question. As far as I know, the Government has not accepted any amendments. In fact, it has yet to give any amendments serious consideration. Among the 94 or so amendments we have proposed, there is one amendment I would like to single out, one that would have the Government, through the responsible Minister—

[*Editor's Note: A child cries out in the visitors' gallery.*]

Mr. Gauthier: —I see someone appreciates my speech—be responsible for screening and examining foreign investors in the case of a foreign take-over of a company, corporation or agency that received grants from the Government in the past year. I wonder whether the Hon. Member agrees, when Canadians invest in a Canadian company to encourage it and to help it pursue and expand its activities in order to create more jobs, whether she agrees with the principle of examining a situation and preventing a foreign company from taking over the best of what we have. You know what is going to happen under the new Investment Canada legislation. It will open the door to foreign capital which will come here to see whether there is anything worthwhile and take it, and in many cases, Canadians may have been contributing through a system of grants and tax credits towards promoting and developing this company. I would ask the Hon. Member whether she does not agree that the amendment to make the Government responsible for examining these situations and preventing certain activities and even protecting Canadian capital invested in such companies is an entirely reasonable amendment.

Mrs. B. Tartif: Mr. Speaker, I would like to start by correcting a mistake that the Hon. Member made in the preamble to his question. One amendment was accepted, contrary to what you said.

Mr. Gauthier: There were 94 amendments!

Mrs. B. Tardif: To get back to your question, the matter you raised was examined by the Committee. I think committee members and the Minister looked into this very carefully. They concluded that the amendment was unacceptable and that there were other ways of dealing with such situations. If we look at the conditions imposed on foreign investment, they are such that we will be able to keep technology developed in Canada in this country. If you think that Canadian technology is going to move out of the country as soon as we have foreign investment, I think you are on the wrong track.

Earlier, I gave an example taken from a magazine that took Mitel as an example. Here in Parliament we hear shouts of protest, but analysts say it is a golden opportunity. It is a golden opportunity because the high technology we developed here in Canada will have a better chance to compete with foreign products because the money invested by the foreign company, if the transaction takes place, will enhance the company's position on foreign markets. This is a fact that must be considered, and it is a good thing for Canadians.

Mr. Gauthier: Since the Hon. Member has mentioned the case of Mitel, I have a good question for her. Mitel has been given $30 million these past few years just so it would extend its activities to Renfrew, to establish a business in Bouctouche precisely to improve the research and development capacity which British Telecom does not have. That point was raised. British Telecom is not a research-oriented company, it is a

service company. It comes over here and acquires a company whose strong point is research and development and which in recent years has received $30 million from the Government, not to mention God knows how many tax incentives to do scientific research.

The Hon. Member has just said that it is not important. I am telling her that it is of major importance to us. That is what we want to keep. We want to keep in Canada our investments, our research and our development, we do not want a foreign company to buy them out and then likely eliminate those Canadian companies which have had a tremendous impact on job creation and on the Canadian economy.

Mrs. B. Tardif: I think that the example just given proves that there are both pessimistic and optimistic approaches in the House. The approach taken by the Hon. Member is pessimistic the moment there is some talk about an investment. It has been shown that it is not that much different from others, but it will enable the company to find new capital and expand.

The minute they hear about this investment to be made in Canada, they immediately conclude that our technology will disappear, instead of saying that the money will be used to expand the company, help it find new foreign markets and take a commanding lead in research and technology. I certainly hope that after a while the company will be strong enough to do without Government grants for its research and development projects.

Mr. Gauthier: Mr. Speaker, I am sure that Hon. Member will be a minister one day because she is quite nice.

However, her comments . . . Indeed, it is her hope. Everybody knows that there is very little research and development made by those foreign companies in Canada. Canadian companies do much more. It is a well-known and proven fact. You only have to check in reports and papers published by the Science Council in Canada. Why persist in saying that Canadian companies need foreign companies to tell them what to do? I do not understand.

Mrs. B. Tardif: Mr. Speaker, we do not need foreign companies to tell our companies what they can do. However, if they have funds to invest and our companies have financial needs to meet, if it is the only way to keep them afloat, I would be pleased to get those funds and it is precisely how we can carry on.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would like to ask the Hon. Member for Charlesbourg (Mrs. B. Tardif) a question. Does she think that foreign investment will help create jobs in Canada? Yes or no? If so, does the Hon. Member think the new Government is creating this new climate for foreign investment?

Mrs. B. Tardif: Mr. Speaker, that is the whole point of this legislation. We want to improve Canada's reputation and bring in new investment because we want to create jobs across Canada.

Mr. Gauthier: Mr. Speaker, the Hon. Member is good at answering questions, but she tends to forget the facts. And the fact is that last year, investments in Canada totalled $4.1 billion. There was no need to amend the FIRA Act. It was only necessary to screen applications. Ninety-seven per cent of those applications were approved, and that is a darned good average! I would suggest to the Hon. Member that if she can do better, I think we should compare notes. The Hon. Member is quite charming and I have nothing against her, except for the company she keeps. In any case, the facts are there: $4.1 billion and 97 per cent, which is not bad. I would say it is extremely good.

Mrs. B. Tardif: Mr. Speaker, there has been a lot of criticism directed against FIRA. One point was the delays and the reputation we had abroad. Now we may get even better investors, and more investors who will develop better technologies in Canada, and that will benefit all Canadians.

[*English*]

Mr. Turner (Ottawa-Carleton): This is getting to be very interesting, Mr. Speaker. We are throwing around numbers, such as $4.1 billion of investment, 97 per cent of which was improved, and that is correct. How much more money would have come into this country if we had the proper investment climate for domestic capital and foreign capital from around the world? It would probably be two or three times $4 billion. Let us not deal with these silly numbers given to us by the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

• (1730)

[*Translation*]

Mr. Deputy Speaker: The Hon. Member, for questions or comments.

Mr. Gauthier: Mr. Speaker, when we had problems, when we were in a recession, where were his rich friends? Where were all these people who wanted to invest in Canada? They certainly were not here. All I can say is that when times are hard, nobody is going to come, and he says: If we had thought . . . What do you expect?

[*English*]

Mr. Deputy Speaker: Order. Resuming debate.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am pleased to enter the debate on this motion. It is interesting to note that when the Liberals are in opposition they urge policies and legislation which they ignore completely or emasculate when they are in office.

During the last years of the Liberal Government more than 95 per cent of the FIRA applications made by foreign inves-

tors to take over Canadian companies were approved. Therefore, I do not take the protestations of the Liberal Members of Parliament today too seriously.

This is an extremely important question we are debating today. The world is going through a new industrial revolution. The days when the industrialized countries, including Canada, produce manufactured goods that are sold to the underdeveloped countries and paid for by those countries through the sale of raw materials and foodstuffs that they produce are no longer here. Today, those manufacturing operations which were carried out by the industrialized countries are now taking place increasingly in countries like South Korea, Hong Kong, Singapore and Brazil. The traditional manufacturing industries in the western world that provided jobs for millions of people are under severe attack. The number of people employed in those industries has reduced sharply and it continues to decrease. Canadians are being told every day by Government, industry and academics that we must be more efficient through the use of new techniques and investment in new technology. Unfortunately, these are only lectures.

Currently, in the United States and Canada we are seeing large corporations use borrowed funds to purchase companies which have no relation to the operations of these large corporations. For example, in the United States these companies are discovering that these purchases made a few years ago have been an inefficient use of their capital. Very often, these companies are now absorbing large losses and divesting themselves of those companies which they purchased a few years ago.

For example, Mobil Oil is one of the largest corporations in the United States. A few years ago it purchased Montgomery Ward, one of the largest retail and mail order corporations in the United States. Mobil Oil is now selling Montgomery Ward and taking a loss.

Mr. Fraleigh: Mr. Speaker, I rise on a point of order. I have read the motion. I cannot see anything in it that could possibly relate to what the Hon. Member is saying at this time. Perhaps he could indicate how the takeover of Montgomery Ward by Mobil relates to the Mitel takeover or Investment Canada?

Mr. Deputy Speaker: Perhaps when the Member for Winnipeg North (Mr. Orlikow) is finished he will make it relevant to the motion.

Mr. Orlikow: If the Hon. Member will listen, he will see that I am illustrating what is happening with takeovers in the United States and Canada. I will come to Mitel soon as a glaring example of what we ought not to permit.

Some years ago Mobil purchased Montgomery Ward. It is now disposing of that company. It has said publicly that it will take a loss of $500 million in that transaction.

We usually follow the American example of how to do things in Canada some years after they have tried something. However, we do not take the trouble to learn from the American experience. Large corporations in Canada are now involved in takeovers by borrowing money from the banks which could be much better used in encouraging the development of new technology and better systems. For example, Bell Canada recently bought a controlling interest in TransCanada Pipelines. While that may benefit the shareholders in Bell, what does it do for the people of Canada? Is there one new job created by this purchase?

Mr. Dick: It is not Bell Canada that bought it. It is Bell Enterprises.

Mr. Orlikow: The Hon. Member says that it was not Bell Canada, but Bell Enterprises. Bell Enterprises has been built and established on the profits which the Bell Telephone Company made by overcharging its customers.

Bell is not alone. Other examples include Olympia & York which tried to buy the Chevron oil company. There is the example of CP Investments which bought a paper company. There is Power Corporation which is not satisfied with its present structure and is expanding. None of those acquisitions added one job or made Canadian industry and business more efficient. Rather, these dealings soaked up money that should have been put into productive investment.

Mitel is being sold to a foreign business despite the large public investment in that company made by Governments. That company is involved precisely in the field that we are told future jobs and technology are taking us. Control of that company is slipping out of Canadian hands. The Government has failed to act to repatriate Prentice-Hall, a Canadian publishing company which is vital to the encouragement of Canadian publishing. It has done so in spite of the fact that the Government, in its Investment Canada Bill, says that it will screen foreign investment in industries "related to Canada's cultural heritage or national identity".

The Association of Canadian Publishers appeared before a parliamentary committee and called upon the Government to express its commitment to Canada's cultural industry by allowing the patriation to Canadians of Prentice-Hall. Nothing has been done by the Government in that respect.

I suggest that the replacement of the Foreign Investment Review Agency with Investment Canada, which is being done by closure, indicates the same impatience that the Government is showing to the whole question of foreign investment.

Let me give some facts about Mitel. It is the second largest manufacturer of telecommunications equipment, with sales of $255 million in 1983. It grew remarkably quickly, with an average annual growth rate of 132 per cent, from 1975 to 1983. It built its reputation on high quality products and the ability to sell them throughout the world. It was a success story until 1983. That year the growth rate was only 25 per cent. The seeds of Mitel's troubles were sown. Since then Mitel's difficulties have become well known. It had problems with new lines of products, including the Superswitch. It had losses and lay-offs in the company's operations which included a $32 million loss and the termination of employment of 600 other workers in 1984. The answer for this downturn in a business which had grown so spectacularly was simple to one corporate directors, a good old fashioned capitalist takeover

with the consent of a Government which had allowed every foreign takeover of a Canadian company since it took office on September 4 last year. That is the essence of the position of the Minister of Regional Industrial Expansion (Mr. Stevens) in this House.

• (1740)

Mr. Dick: I rise on a point of order. I think the Hon. Member might want to correct the record. He indicated Mitel had difficulty in 1983 with the Superswitch. Perhaps he would like to correct the record that Superwitch is Mitel's trade name. All switches are called Superswitch. It is the SX2000 which Mitel has had difficulty with. The Hon. Member might want to have the record read correctly to show that he knows what he is talking about.

Mr. Orlikow: Mr. Speaker, I will accept that suggestion by the Hon. Member.

The question that we need to ask ourselves in this debate and everywhere else is whether permitting this takeover is the best solution to the problem. Is it the best solution for the more than $10 million in direct payments for Mitel's research and development expenditure which came from the federal Government? Is it the best solution for the $35 million in federal grants which were made to this company? Is it the best solution for a company with assets valued at hundreds of millions of dollars, one estimate I have seen is $668 million? Is it the best solution to lose Canadian control of that company for the relatively insignificant sum of $300 million? Where are the banks and the trust companies which are so ready to lend huge sums of money, hundreds of millions of dollars to the CP, to Olympia & York, or to Power Corporation to buy other companies which, as I have indicated, do not add a single job to the Canadian workforce?

It is for some of these reasons that we in the New Democratic Party think this is a very bad business deal. It is bad for a Government investing in what it believed was a Canadian company operating in world markets. It is bad for company management which will now have a head office and will put its British concerns first. Why shouldn't it? After all, the same kind of problems of unemployment exist in Great Britain as they do in Canada. Of course, the British Government and the British people will want to put pressure on that British Company to bring more jobs to Great Britain. It is bad for Canadian workers who believe that Mitel's first priority should be to provide jobs in Canada for Canadians. It is bad for Canadians who have seen commitments made with public money which have only been honoured in the breach as Mitel management slid out from agreements to keep the company Canadian.

There is a longer term process at work here. It is one we should find more profoundly disturbing. Mitel now has 14 manufacturing plants throughout the world. Only three of those plants are in Canada. Of the rest, three are in the United States, two are in the United Kingdom and Ireland, and five are in other countries.

British Telecom as Mitel's buyer has indicated it needs Mitel's manufacturing capacity and it wants to enter the U.S. market. That is the biggest market there is. To supply its captive British market and to do more United States business, the efforts of Mitel will inevitably be drawn to those countries at the expense of Canadian workers. Even if the increased jobs created do not mean a reduction of the workforce in Canada, it means the new jobs will be developed in Great Britain, the United States and in other countries rather than in Canada. As surely as night follows day, the corporate headquarters, the research and development work, the thousands of highly skilled jobs will go to those larger markets and Canadians will once again see that we are the branch plant capital of the world.

To those Members who say that all this is speculation, that there is no evidence of the case I have been making, I would ask them to look at what is happening to one of our largest and most successful corporations, one of the few companies in Canada that has made major investments in research and development. Look at what has happened to Northern Telecom. Here is a company which, in 1977, had a workforce in Canada of 19,000 people and has a workforce in 1985 of 19,000 the same 19,000. In the United States, there is an entirely different story. In 1977, the U.S. workforce employed by Northern Telecom was 4,000 people. By 1982, the U.S. workforce of Northern Telecom had risen from 4,000 to almost 14,000. I do not have the most recent figures. I am certain there has been another substantial increase. This has prompted many observers to ask whether Northern Telecom is a stagnant Canadian company and a growing United States company which will ultimately relocate more of its management, more of its research and development and more of its skilled jobs in the United States rather than in Canada.

The same question is being asked of Bell Canada as it proceeds down its acquisition-happy path, unchallenged by anything in its reorganization as seen in Bill C-19 now before the committee. Members should look at the history of Bell Canada and Bell Enterprises and the many other companies which Bell has created, all based on the profits it made from the monopoly it had providing telephone service to most of the people in Ontario and Quebec.

If the Minister can persist in his naive state that all is well as Canadian companies are bought out or acquire creeping feet where they do their work, he can understand why this Party has the gravest doubt. If the Minister wants to make certain that Mitel, Northern Telecom, Bell Canada, and others remain Canadian, now is the time to insist that that be done through legislation, through agreements with these companies and through insistence that public money invested will not be lost to the whim of the market-place.

There is a wider and more fundamental point to be made. Takeovers do not create jobs. They usually lead to a loss of jobs. Takeovers are followed usually by a so-called rationalization. Our present financial system facilitates those takeovers by the availability of money and the concentration of shares in increasingly fewer hands. If Members want to see what is

happening in the field of takeovers, they should look at the issue of *The Financial Times* which headlines its main story on page one with the title "Take-over fever is back". The present system leads in Canada to what has been called in the United States the process of "greenmail". In that process certain investors, wheelers and dealers, find that it is more profitable to bid for a company and force management to buy it at an inflated price, all of which means that the company finds it much more difficult to operate at a profit.

• (1750)

What we have seen is scarcely an endorsement of institutions which are supposedly raising capital for the expansion of industrial production. This same financial sector has failed companies such as Mitel. As I indicated earlier, they are ready to finance takeovers by companies such as C.P.E. or Power Corporation but not to finance companies like Mitel. Seemingly, not a single Canadian financial institution could provide more capital for this company, despite the fact that it was turning the corner and getting back into a profit situation in the most recent quarter.

Surely there is a lesson in all this. If Mitel cannot be kept Canadian, either by its own efforts or the efforts of the Government, what hope do we have of ever producing world-class industries that will provide jobs and opportunities for a skilled and well-paid Canadian workforce? The policies of the Government are taking this country in the wrong direction.

Mr. McCrossan: Mr. Speaker, I was very intrigued by the Hon. Member's thesis, but I had a little difficulty reconciling it with his Party's support of the takeover by Petro-Canada of Petrofina and BP. If he is opposed to takeovers as not creating a single job and depleting the capital of the country, why did his Party support those particular takeovers?

Mr. Orlikow: Mr. Speaker, I certainly did not mean to suggest that all takeovers were bad. I said that a very large percentage of them were bad, and that a Government which cares about the people it was elected to represent should be looking at takeovers and divising policies which would ensure that the takeovers of the future will be of benefit to all the people.

Let me indicate what happened in the case of Petro-Canada. Of course our Party supported—

Mr. Nickerson: The Liberals.

Mr. Orlikow: No, we did not support the Liberals. The oil and gas industry was almost 100 per cent foreign-owned until a few years ago. We believed that Canada, like every other country, should have a Canadian-owned energy sector. We do not see much point in doing what the former Liberal Government did and what the present Conservative Government is doing, that is, giving so-called Canadian investors 100 per cent tax concessions and write-offs, as was done with Dome Petroleum. If the Canadianization in private hands is a success, investors who have invested very little will receive the benefits; if it is a failure, Canadians will suffer the loss. What we believed in and what we supported was Canadianization of the energy industry, in the main publicly-owned. We still believe that that is the route we should go in Canada.

Mr. McCrossan: Mr. Speaker, in his speech I believe the Hon. Member cited a potential takeover by Olympia & York of an entity in the oil and gas field. If he believes, as he just said, that it is in our interests to have more Canadianization in the oil and gas field, is he only supporting Canadianization when the Government owns it? Does he oppose all Canadianization when it is done in the private sector?

Mr. Orlikow: Obviously the Hon. Member was not listening to what I said during the course of my speech. I asked the Hon. Member to look at the business section of last Friday's edition of the *New York Times* where he will see a list of four or five of the largest corporations in the United States that were involved a few years ago in takeovers of large companies involved in fields different from their own fields of business. Now, a few years later, they are discovering that those were not good investments because they did not really know those businesses. They are divesting themselves of the companies which they purchased at a very high price, very often taking a loss.

I have my doubts that Bell Enterprises knows very much about the shipment of gas and oil through pipelines. Olympia & York has been very successful as a real estate developer, but I have had no assurance that it knows very much about the fields into which it is going.

Also I remind the Hon. Member that the Union Corporation, that is the old Union Gas, just before its takeover by another company, recently bought Burns Foods. I suggest that the officers of the Union Corporation did not know very much about the food industry and that that was probably not a good investment. When I say that, let me indicate that that view is shared by many people who are much more involved and much more knowledgeable about the business community than I am.

Mr. Winegard: Mr. Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) has used one of the most ringing phrases when he said that all countries have their own oil companies. We know that is not true. The United States of America does not have a national oil company, and soon Great Britain will not. There are a few, but it is just one of those generalizations which rolls off the tongue so easily. We should really take some exception to it.

Mr. Orlikow: Let me point out to the Hon. Member for Guelph (Mr. Winegard) that British Petroleum has been 50 per cent state-owned. It was made a state-owned and a state-controlled corporation, not by those terrible socialists in the Labour Party, but shortly after World War I by that great radical and great revolutionary, Sir Winston Churchill. The Hon. Member should read the facts before he asks questions.

Mr. Stackhouse: Mr. Speaker, I would like to join in the comments and to respond to some of the remarks of the Hon. Member for Winnipeg North (Mr. Orlikow) with reference to

the inability of multi-national corporations to embrace more than one responsibility at a time. He said that if a company is in one kind of business, it cannot undertake successfully another kind of business. The facts just do not bear that out. He referred to Bell Enterprises. I ask him to look at the way the market is judging Bell Enterprises. There is magnificent investor confidence in that firm and the multiplicity of its successful operations. If we look at Canadian Pacific Enterprises, we find that the same is true.

He referred to the business section of the *New York Times*. Let him look at the business section in *The Globe and Mail* and the report on Canadian business in the *Financial Post*, and he will find a rebuttal of the point he was making.

A very impressive example has to be Imasco. What does running a successful tobacco company teach one about running restaurants and fast food enterprises? One of the dimensions of its empire which made money for it a few years ago—

Mr. de Jong: Was the federal Government.

Mr. Stackhouse: No, no. Perhaps the Hon. Member—

Mr. Speaker: Order, please. It being six o'clock, it is my duty to inform the House that pursuant to Standing Order 62(11) proceedings on the motion have expired.

Mr. Dick: Mr. Speaker, I rise on a point of order. Apparently the Gentleman Usher of the Black Rod is a little bit late. I hope that all Members will stay so that we have enough people to go to the Senate for Royal Assent. I expect him to come along at any time. I hope we will all "hang in" to help. I am sorry the Senate is late again.

Mr. Speaker: We do not, of course, make reference to the other place. As the Hon. Member knows, we have no knowledge in advance of what is coming. I appreciate that the Hon. Member is asking Members to stay in case something happens. However, we do not need a quorum to do that.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

UNEMPLOYMENT INSURANCE—IMPACT OF CHANGES. (B) REQUEST FOR A FREEZE OF IMPLEMENTATION OF CHANGES

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, on April I asked a question and made a request of the Minister of Finance (Mr. Wilson) with regard to changes that had been announced in the November 8 economic statement on unemployment insurance. On that occasion in April, I had hoped that the Minister of Finance would put a freeze on all changes that he had considered implementing under the Unemployment Insurance Act. How long is it going to take?

This is the second time I have been interrupted.

Mr. Speaker: If the Hon. Member would like to add a few words, I am prepared to allow it.

Mr. Dingwall: I had hoped that the Minister of Finance would be kind enough to agree with my request by terminating any changes whatsoever to the Unemployment Insurance Act. Unfortunately, that was not the case. The Minister, in co-operation with his sister in crime, carried on with implementing those recommendations as stated on November 8, 1984. They became effective.

These changes to the Unemployment Insurance Act are certainly not in the best interests of Canadians. Nor are they in the best interests of those Canadians who happen to be unemployed. I wish to make a point, particularly at this time, that it ought to be recognized by you, Sir, and particularly by government Members that when we talk of changes to unemployment insurance, we ought to remember the clientele which we are attempting to serve on behalf of all Canadians.

A change for an unemployed person with regard to his or her income is much more devastating than any changes which would be effected upon you, I or other individuals in society. To suggest to an unemployed person that he or she will have their income reduced over a period of time or that the requirements for qualifying for unemployment insurance will be changed, and changed unilaterally by this Government, is devastating both in terms of its spirit and in terms of its actual substance.

I want to say to the government Members who happen to be present today, although they are limited in number, that it is high time the Hon. Member for Halifax (Mr. McInnes) and the House Leader of the Conservative Party showed some compassion and sensitivity to those individuals who are unemployed in this country as opposed to implementing and suggesting unilateral changes to the Unemployment Insurance Act.

The Minister of Finance promised full consultation with all Canadians. Thus far we have not seen full consultation. What we have seen is a Government which is bent on reducing the deficit on the backs of the poor and the unemployed in this country.

• (1805)

I find it quite disturbing when changes to severance pay and vacation pay have been brought in without any meaningful consultation. I hope in the next number of days, prior to the budget statement, that government Members will for once represent their constituents and say to the Minister of Finance that there ought not to be any changes in the Unemployment Insurance Act until such time as full and complete consultations are held, not only with business, but with labour unions and all other Canadians, and that the House of Commons

should give grave consideration to it. I hope that Conservative Members of Parliament will take that responsibility very seriously.

THE ROYAL ASSENT

[*English*]

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

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

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

● (1815)

And being returned:

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

Bill C-43, an Act to dissolve the Crown Assets Disposal Corporation and to amend the Surplus Crown Assets Act and other Acts in consequence thereof—Chapter No. 13.

Bill C-40, an Act to confirm certain acts or things done on behalf of the Deputy Minister of National Revenue for Customs and Excise and to amend the Customs Act and the Special Import Measures Act—Chapter No. 14.

Bill C-50, an Act to provide for the continuation of payments under certain guaranteed income averaging certificates issued by the Pioneer Trust Company—Chapter No. 15.

Bill C-30, an Act to amend the Bretton Woods Agreements Act and to repeal the International Development Association Act and amend certain other Acts in consequence thereof—Chapter No. 16.

Bill C-33, an Act respecting the import and export of an interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments—Chapter No. 17.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

The House resumed consideration of the motion to adjourn under S.O. 45.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to reply to the Hon. Member who raised the question concerning the implementation of measures announced by the Minister of Finance (Mr. Wilson) on November 8, 1984.

I wonder, Mr. Speaker . . . In fact, this is the fifth time we are answering this question. Concerning the delay in the implementation of that measure, I cannot answer as to what proposals the Minister of Finance will outline in the Budget next week, but the intent was firm when the decision was made on November 8, 1984. I agree with the Hon. Member that this is affecting the clientele which is the most hard-pressed. But among that most hard-pressed clientele, a choice has to be made.

Further to numerous representations received from Hon. Members opposite and from various labour groups, we agreed, Mr. Speaker, to delay somewhat the implementation of that measure, and indeed, instead of it becoming effective as of November 8, 1984 as it would have normally, anyone in receipt of severance pay was given until March 31st as a transitional period. This was a five-month extension, and all persons reaching retirement still have until December 31st.

I would like to emphasize to the Hon. Member who asked the question that those persons will be entitled to a full year of unemployment benefits if they start withdrawing benefits before December 31st or if they started before March 31st. So there were adaptation measures, Mr. Speaker, and our goal, because the unemployment insurance fund shows a multimillion, indeed a multibillion dollar deficit, is to save that fund and make sure it will not fall victim to hasty decisions, because if year after year we have the fund sinking deeper and deeper into deficit, we know full well what the tendency will be. Mr. Speaker, these are preventives measures.

[*English*]

REGIONAL ECONOMIC EXPANSION—FINANCIAL INSTITUTIONS—FORTHCOMING WHITE PAPER. (B) NEW DEMOCRATIC PARTY PROPOSALS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on March 26 I asked the Minister of State for Finance (Mrs. McDougall) some questions which seemed to me to be obvious from problems raised but not answered in the Green Paper on the regulation of Canadian financial institutions which she tabled recently. Since then I have had the opportunity not only to look carefully at the Green Paper, but I have had the opportunity over the last week and a half or so of attending meetings of the Standing Committee on Finance, Trade and Economic Affairs in its examination of the reasons why the Canadian Commercial Bank collapsed, a bankruptcy which was avoided by the Canadian and Alberta Governments, along with a number of the major banks, putting in $255 million to save the bank.

Let me just point out some of the things I and others should have learned from those committee hearings. Virtually all of the witnesses who appeared before us, the officials and auditors of the Canadian Commercial Bank, the Inspector General of Banks, and the Governor of the Bank of Canada, assured us that the Bank had been operated properly and efficiently. The Governor of the Bank of Canada said just last week that he still had confidence in the officers of the Canadian Commer-

cial Bank despite the fact that he had to participate in the bail-out of the Bank.

• (1820)

I would like to put some of the facts that we learned on the record. The management of the Canadian Commercial Bank can only be characterized as incompetent. Two of Canada's largest auditing firms audited that Bank in December of 1984 and certified it to be a viable operation only two or three months before the Bank virtually went bankrupt. The Inspector General of Banks should have known of the difficulties of the Canadian Commercial Bank because he knew that over the years the Bank officers had been involved very closely, almost incestuously, with Leonard Rosenberg.

The officers of that Bank were also the officers of a trust company into which an Indian Band in Alberta had invested $1 million believing the company dealt with mortgages and real estate. That $1 million has virtually disappeared as a result of the very questionable actions of the Bank officers who were also officers of the trust company. The auditors of that trust company, Coopers & Lybrand, apparently did not take the time or trouble to discover and report that things were going wrong.

A leading investment firm, Dominion Securities Pitfield, advertise on television almost every day telling people that they would be wise to go to that company for advice on how to invest their money. That company gave the Canadian Commercial Bank its blessing, telling its potential customers that the Canadian Commercial Bank was a good company to invest in.

There is a great deal wrong with the way in which our financial institutions operate. If our monitoring system could not see in advance how badly the Canadian Commercial Bank was being operated, how will we ever monitor financial institutions if we follow the advice of the Minister of State for Finance to open up the field to trust companies, insurance companies, and other large corporations?

On March 26 I asked if there would be draft legislation to accompany the White Paper. The answer was clearly that there would not be, that there would be committee hearings this summer but no legislation. I asked if the Minister would be promoting uniformity in legislation between the federal and provincial Governments. Mr. Speaker, we have seen a veritable host of trust companies, mostly chartered by the provinces, going bankrupt. Their depositors have been saved by federal government money pumped in through the Canadian Deposit Insurance Corporation. The Government is apparently going to try to get uniformity, but the Green Paper is not very specific as to how this is to be done.

I will give one more illustration of something which should be done which would protect the depositors better than any other action the Government could take. I ask if the Government will ensure that no one person can gain control of a trust company, usually with borrowed money, and then subvert this trust by using depositors' money to finance what were really personal transactions.

• (1825)

That is the method by which Leonard Rosenberg created his paper empire at Seaway and Crown Trusts. Those companies inevitably had to fail, and they took down with them hundreds of millions of dollars in the life savings of ordinary Canadians.

The Green Paper says that it can control this by banning "self-dealings". Can the minister give her assurance that the provinces will ban self-dealing? Further, if self-dealing is banned, will it really stop the Leonard Rosenbergs of this world since they seem to be so readily able to manipulate their supposedly professional staffs and our regulators, who should be protecting us, by engaging in such obvious ploys as that of Mr. Rosenberg appointing his wife to stand in as chief executive officer of Seaway Trust?

Finally, if these suggested methods are found wanting, is the Government prepared to recommend a more fundamental solution, which is the extention of the 10 per cent shareholders' limit to any individual shareholder, as we insist for our banks?

It seems obvious to me that if we wish a professional staff to follow trust relationships, it is far more realistic to keep share interests and professional decisions apart. Surely that is the lesson of Seaway, Greymac and Crown, and I am waiting to see if the Government has learned that lesson.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the review of the regulations governing financial institutions is naturally one of this Government's priorities, as mentioned in last November's economic statement. That is why the Government has tabled an important discussion paper suggesting certain initiatives, and even though I can understand his position, I am somewhat disappointed that my colleague finds this paper not specific and detailed enough, and so on. However, it is a consultation paper. If such a document has to be perfect and contain all the answers, right from the start, it is no longer a consultation paper, but a piece of legislation.

Indeed, the very relevant comments made by the Hon. Member, and I am not saying that they are accurate, but simply that they are relevant, should be made in the context of the consultation process related to this document.

Mr. Speaker, the question at issue is the solvency of financial institutions. Apart from this, we have the recommendations of the Wyman report on the reform of the deposit insurance program, which will also be an integral part of this review, but there is much to be done in this sector, as was seen recently with the case of the Canadian Commercial Bank and the bankruptcies of some loan and deposit institutions.

Our purpose is to promote an economic renewal. Equity investment has to increase because, as we know, the major role of banks is to turn our savings into investments. Indeed, we are trying to encourage through incentives individual depositors to help turn those savings into investments. The amount of savings is ever increasing in Canadian banks. It is therefore

important to develop a more modern, more rigorous and more complete framework to provide true protection for depositors. We are truly looking for honest consultation and I urge my Hon. friend to participate in a positive manner in this consultation. Draft legislation will come out of these consultations, progress will be made, and I am certain that we shall be able to adopt without undue delay effective legislation in this area.

We shall also be consulting the provincial governments. Hon. Members are aware that the federal Government must share with the provinces the responsibility of protecting consumers in their dealings with financial institutions. We shall continue to work in this sector, and our Government has already proved that it can get along with the provinces to ensure an effective and complete protection through regulations which must also be both effective and complete.

Therefore, Mr. Speaker, we must act without delay. That is why consultations are under way and why I urge my Hon. friend to participate actively in this process.

[*English*]

EXTERNAL AID—SUDAN—FOOD CRISIS—CANADIAN ASSISTANCE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, on March 8, as reported at page 2817 of *Hansard*, I asked the following question of the Minister for External Relations (Mrs. Vézina):

Will the Minister advise the House what response the Government will make to the food crisis in the Sudan, exacerbated as it has been by so many Ethiopian refugees? In particular, will the Minister tell us if the Government intends to appoint any full-time officials to protect such a Sudan relief program from the kind of abuse suffered in Ethiopia?

● (1830)

My concern in raising that question was to direct attention to the emergency in the Sudan created to a large degree by the ingress of now 850,000 Ethiopian refugees, many of them driven there by the severe conditions imposed, not simply by the natural developments such as drought and erosion of arable soil, but by the policies of the Ethiopian Government in maintaining civil war in such a way that innocent people in the northern part of the country have been cut off from relief opportunities. The same Government refused to accept western proposals that there be a temporary truce to permit the delivery of food supplies that would bring life and health to so many.

It was for those reasons that I focused attention on our need to provide an adequate monitoring service to make sure that Canadian relief, so generously provided both by Governments and individual Canadians, would be delivered to the people who need it most.

In the Minister's answer, there was a reference to the MacDonald report, expected at the time of the answer since March 8, submitted to the standing committee and, through it, to Parliament. I am very glad the emphasis in the MacDonald report was a recognition of the need for increased monitoring services if we are to have a program that will be fully effective and as well a program that will enjoy full credibility among members of the Canadian public.

It is shocking, is it not, to recognize that since I asked this question, the Ethiopian Government's army has wiped out an entire relief centre, sending over 50,000 refugees out on their own, and then within less than a week, grabbing the attention of the West, the Ethiopian Government said that it was all a mistake and really, as a Government, it did not intend that that should be done.

When that kind of possibility is before us, we need to be adequately represented in the field so that we can assure ourselves and our people that our objectives are being achieved. Since this question was raised we have had a complete overturn of the Sudanese Government. We may hope it will be a turn for the better. Certainly we will not be surprised if there is an extended period of instability in the Sudan before anything like a social order is enjoyed. Equally then, we need monitoring of whatever relief programs we have in place there.

I would like to submit that if Canada is to have a long-term commitment for development as well as relief in Ethiopia and in the Sudan, the need for adequate surveillance by Canadian authorities is all the more evident. No one can say that we will undertake such a commitment, but neither can we deny its possibility. The need is great. The desire on the part of many members of the public is greater still. It may well be that this Government may make a quite proper and understandable decision to stay in Ethiopia and in the Sudan over the long run. If we are to do that and to enter into a full scale development program there, we will have to ensure greater surveillance than we have in the past.

I recognize some of the difficulties. I certainly appreciate the reluctance of some officials to undertake what they see as high cost appoitments, but we can be sure that there are much lower cost alternatives, partly through the services of NGO's which are open to contract arrangements. I am glad that since this discussion began in mid-winter there is a greater enthusiasm on the part of elements of our government Departments to undertake such contractual arrangements, but we can make much more use as well of those individual Canadians, young, middle-aged, and old, who are available for this kind of humanitarian service at low cost, sometimes at no cost.

● (1835)

I hope the Government recognizes fully the need for adequate monitoring, which the MacDonald report emphasized, and will make every effort to use whatever services and talents Canadians can put at its disposal in ensuring that our humanitarian and social objectives are effective in the field.

Mr. Stewart McInnes (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I wish to acknowledge the genuine interest of the Hon. Member for Scarborough West (Mr. Stackhouse) and his contribution on behalf of the famine victims about whom he so eloquently and relevantly spoke.

I believe that Canadians and the Government are acutely aware of the suffering throughout Africa. A great deal of debate has taken place in the House on that suffering, and I think there has been ample demonstration by the Canadian Government in response to that need. We recognize that some five million Sudanese have been seriously affected, in addition to almost one million Ethiopians. Canada responded immediately by providing emergency food, particularly wheat. However, we are also concerned about the long-term economic benefits. We are endeavouring to support policies which will aid transport, agriculture and forestry.

Let me emphasize that since 1980, Canada has provided the Sudanese people with some 80,000 tons of wheat and wheat flour with a total value in excess of $31 million. So far during 1985, Canadian food aid shipment through Port Sudan include 11,000 tons of wheat from CIDA for the Sudanese people and an additional 14,000 tons from CIDA and Canadian non-governmental organizations for distribution to Ethiopians. An allocation of $12 million has recently been approved for the supply of food aid to Sudan for the fiscal year 1985-86. We consider this to be substantial support.

The African Emergency Aid, a consortium of nine Canadian non-governmental organizations, is providing emergency relief assistance to Sudan at the present time, consisting of over 6,000 tons of food supplies valued at $7 million. A great deal of this aid is expected to arrive in Port Sudan on June 1. Officials will be attending that port on the date of arrival to ensure that the food shipments reach their final destination.

Canada was a full participant in the January World Food Program which estimated that Sudan this year faces a cereals deficit of approximately 1.5 million tons. Through this mission Canada has collaborated with the Government of Sudan in preparing a list of quick recovery projects which can be implemented immediately and without great cost. This will enable Sudan to take advantage of any break in the drought this year.

● (1840)

We have investigated and the Canadian Government is satisfied that the distribution of food is comparatively efficient. There are a number of international organizations which are in place. They are continuing to monitor the placement of the food and the distribution system. We also recognize that the world food program is co-ordinating and monitoring all food aid and food aid shipments through a 29-person logistics team which is now established in the Sudan.

The CIDA program in the Sudan is monitored from the Canadian Embassy in Cairo which is accredited to Sudan to oversee Canadian activities. To date we have had no adverse reports that the system of distribution is imperilled or is prejudicial to the persons who are the intended recipients.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but unfortunately his time is up.

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

The House adjourned at 6.41 p.m.

HOUSE OF COMMONS

Friday, May 17, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MEMBERS OF PARLIAMENT

EXCHANGE VALUE OF DOLLAR—MINISTER OF SUPPLY AND SERVICES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Minister of Supply and Services (Mr. Andre), responsible for handing out untendered government advertising contracts, short-changed the people of his riding of Calgary Centre during the last election campaign. The Hon. Member introduced to his constituents what he called the Liberal shrinking dollar, which he said was worth 75 cents U.S. After having promised these to his constituents, the Hon. Member should do the honourable thing.

Now that the dollar has decreased by 2.5 cents since the election of his Government, I figure he owes his constituents $1,367.40, since there were 54,696 voters in his riding and each one of them was short-changed 2.5 cents. I am sure that the people of Calgary Centre are anxiously awaiting their cheques. The people of that riding are entitled to be compensated for another Conservative dwindled dollar, now only worth 72.5 cents. On behalf of the people of that riding I express my gratitude to the Hon. Member for making a suitable contribution worth $1,367.40 to the charity of his choice.

* * *

COMBINES

AMENDMENTS TO LEGISLATION—COMPOSITION OF ADVISORY COMMITTEE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister of Consumer and Corporate Affairs (Mr. Côté) recently announced a 10-person special advisory committee to examine amendments to the Combines Investigations Act. We know our present anti-combines law is unworkable, and in view of court decisions there is virtually no likelihood of convictions for conspiracy to restrict competition. In view of this disgusting record I find it unbelievable that the Minister would appoint a special advisory committee, to examine proposed amendments to the law, consisting of six private lawyers, three business executives, and one business journalist. I have very little hope for the value of the amended Act after it passes through this laundry.

I wonder about the larger public interest, and whether the Minister could not have found some dispassionate academics with an interest in the area. Also, could there not have been representatives from the public interest, consumer, credit union, co-operative, and labour sectors, all of whom have an interest in this legislation? Surely the Minister realizes that better anti-combines legislation for Canada will not be arrived at by allowing the pro business committee simply to vet and gut any proposals which could check the alarming corporate concentration and takeover mania which is the hallmark of our economy.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CALL FOR PARTICIPATION IN RESEARCH

Mr. Alex Kindy (Calgary East): Mr. Speaker, ever since the United States announced the proposed Strategic Defence Initiative, many opponents have named it the star wars program. This I find most misleading. The basic premise of SDI is to eliminate the threat posed by strategic nuclear missiles, and search for ways to reduce the danger of nuclear war. SDI would eliminate the necessity of using nuclear warheads as a deterrent. Furthermore, once SDI research is employed the value of offensive nuclear weapons would be reduced, thereby creating both military and economic incentives which would encourage negotiations for nuclear weapons reduction. In addition, an estimated $25 billion would be injected into research for the SDI program. This will undoubtedly develop technology for peaceful application in Canada, Europe, and the United States.

We should no longer be lukewarm about our involvement in the development of SDI. The only logical thing to do is to participate and promote SDI's less menacing concept of preventing nuclear war in the years to come.

* * *

SPORTS

TRIBUTE TO CANADIAN ATHLETES

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, last evening at Ottawa's Congress Centre I witnessed, along with some of my colleagues from all Parties in this House and some of our hard-working pages, a wonderful tribute to our 1984-85

Olympic and world champions. What an evening of pride and accomplishment. It was a night of nostalgia as we saw replays of Gaetan Boucher in Sarajevo, and Alex Baumann in Los Angeles. Jack Donohue, our men's basketball coach, warmed up the audience with his usual style of humour and grace, followed by our former Governor General, Roland Michener, who underlined the importance of fitness and good health which comes with sport participation.

[*Translation*]

The remarkable individual and collective success achieved by young Canadians during the 1984 Olympics and this year's world championships attest to our vigour and determination as a nation.

I congratulate all those who received prizes awarded by the media—retired athletes, coaches, our champions, and Shawn O'Sullivan who proved to be a winner when he accepted a prize for great distinction.

[*English*]

I also salute Canada's Minister of State for Fitness and Amateur Sport (Mr. Jelinek) and his staff for a world class performance in saying "Thank you"

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THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am honoured today to present the Patronage Award of the Week, the PAW award. A lot of people have worked very hard in the past with the hope of some day obtaining their reward at the trough. To those who have not yet been nominated, I say keep on oinking.

The candidates for this week's PAW award are Mr. Bud Sherman for his defence of the bilingualism issues; Mr. Jack McNie, former Ontario Tory Minister, now chairman of the R.T. Kelly advertising agency in Hamilton, for the contract on previously advertised material; Camp Associates Advertising Ltd., who need no further introduction, for their $30 million advertising contract. May I have the envelope please? And the winner is Mr. Bud Sherman.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gauthier: Mr. Sherman therefore is the winner of the PAW award of the week. Mr. Sherman receives a sweater of the French Canadian Association of Ontario which he hopefully will wear in the course of his duties with the CRTC as a reminder that we are a bilingual country.

REGIONAL ECONOMIC DEVELOPMENT

QUEBEC STEEL INDUSTRY—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, Canada's largest steel industry, Stelco, with head office in Toronto, is apparently planning to close three of its Quebec plants with the result that some 550 employees might be permanently laid off.

Worldwide overproduction threatens the steel industry throughout Canada, Mr. Speaker, and that applies to Sidbec as well.

Therefore Stelco is making radical changes which, unfortunately, will entail closure of some of its plants, including three in Quebec. This is a regrettable and unfortunate situation, and we are convinced that other alternatives must surely exist.

Will the Government of Canada let Quebec's steel industry worsen without reacting, without offering assistance? It did help Domtar, so why not do the same thing in this case? The Government is open, too much so to foreign investors, but it is not doing anything to prevent Canadian companies from giving up, closing shop and laying off hundreds of workers. Is that the Government's new economic development policy for the country?

Mr. Speaker, I dare hope that officials of the Department of Regional Industrial Expansion have been in touch with Stelco management in their quest for a solution which would be more helpful to Stelco workers and the Quebec economy.

* * *

• (1110)

[*English*]

THE FORMER ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, frankly we are a little surprised at the presentation of another PAW award this morning, right after our first SOW award on Monday pointed out that the pot is indeed calling the kettle black. I draw your attention, Mr. Speaker, to the official Tory rat catcher on my desk. It is a blue rat trap, with a red rat.

This leaves us no alternative but to ask once again for the envelope, please.

[*Translation*]

Mr. Speaker, the survivor of the week . . . which in French could be: la truie.

[*English*]

This week it is—

[*Translation*]

—the former Member of Parliament and Minister of the liberal Cabinet—

[*English*]

—still the President of the World Food Council, Eugene Whelan.

Some Hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—CANADA-UNITED STATES AGREEMENT

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I rise on a matter of great importance to the people of Niagara Falls and all of the people of Canada. That is the matter of the contamination of the Niagara River.

All evidence indicates that the level of PCBs and other toxins is increasing. Up until now our American friends have refused to move on this issue. That is why I congratulate the Minister of the Environment (Mrs. Blais-Grenier) on her recent trip to Washington. Her obtaining of an agreement to setting an agenda for clean-up of the Niagara River is a tremendous step forward.

As for the Official Opposition, its sudden interest in this area is rather surprising, but it is not kidding anyone. The people of my area know that for 15 years the Liberal Party of Canada did nothing to clean up the Niagara River. That is why the actions of our Minister of the Environment are applauded, not only by the people of Niagara but by all Canadians.

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ADMINISTRATION OF JUSTICE

PLIGHT OF CANADIAN SENTENCED IN NEW JERSEY

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I wish to bring to the attention of the House once again the case of Bruce Curtis, a 20 year old Nova Scotian now in the second year of a 20-year prison sentence in New Jersey in the United States.

As many of us here are aware, Mr. Curtis is a graduate of a private school in Nova Scotia. In July of 1982 he paid a visit to a school friend's home in Loch Arbour, New Jersey. That friend, Scott Franz, lived with his step-parents, Alfred and Rosemary Podgis. On the evening of July 4, following a week or more of domestic violence, during which Mr. Podgis had repeatedly threatened both Scott and his wife, Curtis and his friend slept with loaded rifles by their sides to protect themselves. The next morning Scott shot and killed his stepfather. In the confusion that followed, Bruce Curtis claimed that he fled in panic. He said that in doing so he stumbled into Mrs. Podgis and that the gun he was carrying discharged accidentally, killing her instantly.

At the trial of the two young men in March of 1983 Scott Franz secured a reduction of his 30-year sentence for murder to 20 years by plea bargaining with the prosecutor, who allowed Scott to name Bruce Curtis as the master planner behind both deaths. Since perjury and plea bargaining were employed in the original trial, both the conviction and the unduly harsh sentence that followed have left a wrong that needs to be righted. I call upon the Minister of Justice (Mr. Crosbie), the Solicitor General (Mr. MacKay), and the Secretary of State for External Affairs (Mr. Clark) to employ every means at their disposal to see that justice is done in the case of Mr. Bruce Curtis and his family.

* * *

VE DAY

COMMEMORATIVE VISIT TO EUROPE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, a number of days ago the Prime Minister (Mr. Mulroney), the Deputy Prime Minister (Mr. Nielsen), and other leaders in the House commemorated VE Day. Yesterday I returned to Canada following my participation with a parliamentary delegation to the Netherlands and Italy marking the end of World War II. This delegation consisted of outstanding generals, an air marshall, navy commanders, colonels, privates, and ordinary citizens. It would take an hour for me to explain my feelings about this trip. It was an experience I shall never forget.

The Dutch people of Holland demonstrated their love and appreciation of Canadians, the people who liberated their country. The delegation was treated royally by Princess Beatrix, the ambassadors, mayors, and hundreds of thousands of ordinary citizens.

• (1115)

Our delegation, under the leadership of one of our Canadian heroes, the Minister of Veterans Affairs (Mr. Hees), visited cemeteries where we paid fitting tribute to our fallen comrades. We sought out the graves of our lost friends. We offered our prayers of thanksgiving; we shed tears in their memory.

On May 4 the Dutch people have a day of official mourning when they honour their war dead and the peace of the last 40 years. After the silent march and dedication, a young girl walked up to me, extended her hand and said "Thank you". "For what", I asked, perplexed. "For our liberation" she said, and walked away. Even the young people of Holland know what freedom truly is. I am proud to be a veteran.

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

Oral Questions

ORAL QUESTION PERIOD

[*Translation*]

ENVIRONMENTAL AFFAIRS

CONTAMINATION BY PCBs—MEASURES GOVERNMENT INTENDS TO TAKE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of the Environment.

This morning we heard that according to a report by the Quebec Department of the Environment, contamination by PCBs affects nearly all Quebecers. This includes infants who are breast-fed, people who eat fish, factory workers and so on down the list. All Quebec families are affected by this situation. My question is therefore as follows: Could the Minister inform the House and the men and women of Quebec about what she intends to do to deal with a situation that is worrisome, to say the least?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank the Right Hon. Leader of the Opposition for his question. It is a situation that concerns us all and it is clear that we must take immediate action. That is why I have called a federal-provincial conference on how to dispose of the PCB wastes lying around the country.

The Quebec study was based on U.S. studies and reveals something we have known for a number of years, namely that if we were to make an exhaustive study of all human beings alive today, we would find that their fatty tissues contain traces of PCBs. The situation is therefore very urgent.

CONTAMINATION BY PCBs

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker.

Now the Minister is saying the situation is very urgent, but this conference is being called very late in the day.

The Minister does not seem to be concerned about the gravity of the situation, any more than she was yesterday when she said that PCBs did not cause cancer.

Does the Minister feel that the situation is peculiar to Quebec or is it more widespread? Does it concern all Canadian men and women and is this not a national issue rather than an exclusively provincial responsibility, as she said before?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I think that the presence of PCBs in the fatty tissues of the human body concerns the entire planet and obviously concerns all Canadians, and that is why we have called an emergency federal-provincial conference for the end of May, something the Liberal Party never did during the fifteen years it was in power.

[*English*]

DEPARTMENT'S RESEARCH INITIATIVE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is the opinion of those of us on this side of the House that such a conference should have been called right after the first PCB spill.

The Minister's position is full of holes. The World Health Organization believes that PCBs should be treated as cancer causing agents, but the Minister does not. Her Department believes that the situation in Lake Ontario is serious, but she does not.

If the Minister really believes that we need more research into PCBs, why did she cut the research initiative in her own Department on these particular chemicals? How would she explain that to the people of Quebec who are now concerned about it? How would she explain it to the people who drink water from Lake Ontario, and particularly to people in northern Ontario who were faced with that recent PCB spill?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I think the Leader of the Opposition has been misinformed by his environment critic. If his facts had been correct, he would know that we did not cut off research on toxic substances such as PCBs. In fact, we have taken over the research on the state of scientific literature on the effects of PCBs which had been done at the National Research Council. The study is being put together in my department and will be published this summer.

[*English*]

REQUEST FOR RESTORATION OF FUNDING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is also directed to the Minister of the Environment. She never ceases to astonish us on this side of the House by the speed with which she reverses herself—from her lack of sensitivity yesterday in committee in answering questions on PCBs to her full endorsement this morning of the importance of PCBs to human health.

• (1120)

Let me ask the Minister once and for all whether she will admit her mistake in allowing such substantial cuts in Environment last November, and whether she will re-establish the funds she cut in Environment Canada for the protection of the long-term health of Canadians.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, ever since I became a Member of this House, the hon. environment critic for the Liberal Party has been constantly referring to my lack of sensitivity. Is this supposed to make up for his lack of effectiveness during the nine months he was himself Minister of the Environment?

[*English*]

Mr. Caccia: Mr. Speaker, we can only judge people by their performance—

Some Hon. Members: Hear, hear!

Mr. Caccia: —and it is pretty pathetic to hear that.

ROLE OF NATIONAL RESEARCH COUNCIL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I must turn to the Minister of Science and Technology. Will he restore the cuts he allowed to the programs at the National Research Council that had to do with health, PCBs, and the long-term effects on human health, programs that were sponsored by his Department before the cuts were announced last November?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, any and all research relating to the health hazards and potential health hazards of toxic substances in which the NRC has been engaged will be continued.

The only cut to which the Hon. Member referred if he were to be fair, was the decision to eliminate the environmental secretariat, which was not doing research but merely compiling data. My hon. colleague has indicated that that type of work will continue in her Department.

* * *

EXTERNAL AFFAIRS

GREEN PAPER—UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Mr. Crosbie: You got creamed yesterday. Do you want to have it happen again?

Mr. Broadbent: The Government's position on the timing of the decision on star wars and the role of the proposed committee looking into a possible review of foreign policy remains unclear, some might say confused.

Yesterday the Minister said outside the House that the Government is prepared to wait three or four months before making a decision on star wars. If this is the case, why does the Government not request the proposed committee to make an interim report on the star wars portion of its mandate before the Government makes a decision itself on star wars?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the position of the Government of Canada is, as it has been, that we expect to take a decision on the limited question of the American initiation to participate in research into the Strategic Defence Initiative sometime in the next three to four months. We would greatly value the advice of individual Canadians and interested Canadians on the strategic Defence Initiative question prior to that time. That is one of the reasons why we want to have the joint committee sitting to allow the public to speak.

I have a question for the Leader of the New Democratic Party. Will the New Democratic Party stop boycotting the joint committee? Will Members of the NDP stop opposing the right of Canadians to be heard on the Strategic Defence Initiative?

Mr. Rodriguez: You are supposed to answer the question.

Mr. Crosbie: You answer that one.

Mr. Broadbent: Mr. Speaker, I will be happy to answer the Minister of Justice as well as the Secretary of State for External Affairs. Our position is clear. We will participate in a committee that really intends to listen to people in the context of having input in the decision. We will not support a sham process. That is our position.

Mr. Hnatyshyn: Yes or no?

PROPOSED COMMITTEE PROCEEDINGS

Hon. Edward Broadbent (Oshawa): I have a question for the Minister who is responsible, not the one who is talking over there, but the Secretary of State for External Affairs. I think he is responsible. If he really does want the committee to perform a useful function, he knew when he was on this side of the House, and when he was Prime Minister and showed some respect, and I emphasize that, for committees, that if you want respect you have to listen to what a committee recommends. Therefore, if the committee has input on the star wars decision it must make a recommendation. Why won't the Government request the committee to make an interim report on the star wars position?

• (1125)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I respect committees of this House. That is why I want to establish one, so that the people of Canada can be heard on this question.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I also respect the traditions of the House which indicate that when committees are established they function most effectively when they are not severely limited by detailed instructions from the Government.

If the NDP and the Liberal Party will stop opposing the idea of public hearings, the committee can establish its own agenda. I have made the Government's own view clear. The Government's own view is that we would not oppose—indeed we would encourage it—discussion of the Strategic Defence Initiative and of other questions on which the Government has to take decisions urgently. That is the committee's business, and I ask the opposition Parties to let the committee do its

business—stop holding up Parliament, stop holding up the right of the people to be heard.

KROEGER INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that he is doing what we sometimes affectionately describe in this House as indulging in stonewalling. He has not dealt with the issue. If the committee is to be relevant, if it is to be serious, and if we are to take the opinions of the people of Canada seriously in a decision making sense, it should make an interim report, and the Government should make a commitment that it will not make a decision on the matter until it sees that report.

Since we have now learned that Dr. Kroeger, who is heading a committee to investigate the star wars project from the Canadian point of view, is reporting directly to the Prime Minister, and since we have had a different view of the committee's role, even from the Minister himself as expressed by the Defence Minister, does the Secretary of State for External Affairs speak for the Government on this matter, or will whatever he decides ultimately be ratified, possibly revised, changed, and reversed by the Prime Minister?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is asking two questions today. Let me answer the first one in my capacity as Acting Prime Minister and Acting Minister of National Defence.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): In those capacities we have absolute confidence in the judgment of the Secretary of State for External Affairs, and we can offer that categoric assurance to the Leader of the New Democratic Party.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Stonewalling is the practice of people who stop progress.

Some Hon. Members: That's right.

Mr. Clark (Yellowhead): We want to establish a committee that will let the public be heard. The Liberal Party is stopping that committee. The New Democratic Party is stopping that committee. They are stonewalling. We are saying that we want to follow the unusual practice of establishing a joint committee which will let the public be heard, and we want to follow the normal practice of letting that committee establish its own agenda.

I have indicated our views on the kind of agenda that we would welcome. We would welcome discussion on SDI, we would welcome discussion on trade and on other questions. Most of all we would welcome a committee, and we would ask why the opposition Parties continue to refuse to let the people of Canada be heard.

TIMING OF GOVERNMENT DECISION

Mr. David Berger (Laurier): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. It is difficult enough trying to figure out what his position is when he holds one position; today he is holding two positions and I suppose the pregnant question is this: Has the Secretary of State for External Affairs consulted the Acting Prime Minister? He has not yet clearly stated his position and the position of the Government. He has said that the Government will make a decision sometime in the next three or four months. Will he tell us what will be the date of the Government's decision, so that this supposed committee will be able to plan its work? Will he assure us that the Government will await the conclusion of full public hearings on star wars before coming to a decision?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is impossible to give a precise date. What I have given is the period of time within which the Government expects to be called upon to make a decision, in the Canadian interest and on the Canadian timetable, on the American invitation to participate in research in the Strategic Defence Initiative. We have already told the Americans that we will not accept their artificial deadline, and I think we would be foolish to impose other artificial deadlines on a process which must come to a decision.

Surely the Hon. Member must know that if Parliaments or Governments are interested in delaying decisions, there are innumerable ways to do that. The Party of which he is a member delayed for years a decision on the North Warning System. Not only did they not bring it to Parliament, they did not bring it to decision. The New Democratic Party has been debating for eight years its position on NATO. They still have not made up their minds.

● (1130)

Mr. Broadbent: Yes, we have.

Mr. Clark (Yellowhead): The Hon. Member for Oshawa has made up his mind. The Hon. Member for New Westminster-Coquitlam has not made up her mind. The process can go on, and on, and on, without decision. Governments have a duty to decide. They also have the duty to allow the people of Canada to be heard. That has not been allowed in the past.

Mr. Speaker: Order, please.

CANADA-UNITED STATES FREE TRADE PROPOSAL

Mr. David Berger (Laurier): Mr. Speaker, when it comes to figuring out ways to postpone decisions, the Government is developing a certain expertise. In the area of defence the most important question facing Canadians today is star wars.

There is another question which the Minister has addressed in his paper. That is the question of free trade, which will affect every aspect of Canadian life. Considering that free trade with the United States will mean major changes in our

economic, social, cultural and political life, which merit extensive public hearings, will the Minister postpone any decision on that subject until the views of Canadians are fully canvassed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, once again we would welcome Canadians taking advantage of the special committee process to express their views on trade questions, if the Liberal Party and the New Democratic Party would allow the committee to sit, and allow the people to be heard.

Let me take the implications of the Hon. Member's question. This committee that we want to establish and which the opposition Parties refuse to let us establish, reports at the end of May next year. That is a year hence. The Liberal Party is now proposing that we delay any decision on trade matters for at least a year, in other words that we wait a year while thousands and thousands of Canadian jobs are threatened by protectionism in the United States. We are not going to put at risk thousands and thousands of Canadian jobs as the Liberal Party suggests.

Some Hon. Members: Hear, hear!

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FINANCE

FORTHCOMING BUDGET—PREPARATION OF BRIEFING MATERIAL BY PROGRESSIVE CONSERVATIVE PARTY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Acting Prime Minister as well. It has to do with a memorandum from Jerry Lampert, the national director of the Progressive Conservative Party, to the various Progressive Conservative constituency presidents, suggesting that party headquarters will be preparing the following material to be available, prepared radio material, press releases, speech notes, background packages, to riding associations on budget night. In the spirit and the tradition of budget secrecy, will the Acting Prime Minister explain how it will be possible to get information to party headquarters and those kinds of releases unless the secrecy provision is broken?

Mr. Crosbie: You have to be quick.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I remember some of the issues in Kamloops-Shuswap in the last election campaign and I won't ask how the Hon. Member happened to get on the Progressive Conservative mailing list. Let me simply assure him that the principles of budget secrecy will be fully respected in the presentation of the Budget by the Minister of Finance on May 23.

METHOD OF PREPARING MATERIAL

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. The Minister of Finance is going to give his speech late Thursday afternoon, up until six o'clock. How will it be possible to have prepared radio material available, a background package of speech notes, and budget information for Members of Parliament, constituency presidents and others, all within a matter of hours? How could this be possible unless there has been a leak of party officials that in fact budget material would be moving out of the Department of Finance and into party headquarters?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it may be that the New Democratic Party communicates by semaphore, if it communicates at all. I simply repeat my assurance to the Hon. Member that the principles of budget secrecy will be respected absolutely by the Minister of Finance and this Government when the Budget is brought down on May 23.

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WAR CRIMINALS

SUBJECTS REFERRED TO ROYAL COMMISSION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice. I would like to ask him about his Government's war criminal policy. When the Deschênes royal commission was established the Minister told this House that the Government would continue to be active in dealing with war criminals while the commission was working. I know that the Minister and the Government like to criticize the former Government on war criminals, but we have an example here of this Government breaking its commitments on the subject of remaining active on war criminals.

Is the Minister satisfied with the Secretary of State for External Affairs deciding that the question of extradition to Israel should be referred to that royal commission, instead of taking up Israel's interest and acting on it now? Is he satisfied with a decision announced by the Minister of Employment and Immigration that the Kisielaitis case would be referred to that royal commission for study, instead of being referred to the police for action?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I frankly do not know how the hon. gentleman has the gall and the audacity to ask any questions on this subject. After 35 years of Liberal indifference, obfuscation, twisted immigration policy and all the rest, we have taken firm and decisive action on this matter. We have a commission studying these issues that will report back by the end of the year. I am quite satisfied that they are doing well. They are making good progress. These issues should be studied by them. That's why they are set up. For the first time since 1945 this whole matter is having a proper ventilation and some decent action.

CITIZENSHIP STATEMENT ATTRIBUTED TO SOLICITOR GENERAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, it sounds to me as if the Minister is reneging on the commitment that he made in the House that the activities of the Government would continue while the commission is working. He is now saying that he is satisfied to let the commission do the work. Does he agree with the Solicitor General, who recently said that seeking to take away Canadian citizenship from war criminals here in Canada was too complicated and that it should not be done, without even waiting for the royal commission's views on that remedy?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, during the whole period from 1945 to 1957 and from 1965 to 1985, during all of which time the Hon. Member's Party was in office with the exception of eight brilliant months, rudely terminated for the wrong reasons at the wrong time, the Immigration Act was never used by that Liberal administration in this connection. Now the hon. gentleman complains that it is not being used at the moment. It is not being used at the moment because, as he knows, of the difficulties in providing evidence, and because under that administration the documents were destroyed. Records were destroyed, and you cannot show what statements were made when people were admitted here as immigrants back in the 1950s, 1960s, and so on. The Hon. Member's administration made it impossible for that to be an effective device. Surely he should wait until the end of the year to see what the royal commission recommends. Now that he is the Opposition, he is carrying on as though he were intensely interested in this matter.

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SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—INVITATION TO PARTICIPATE IN RESEARCH

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question on the star wars initiative, the Strategic Defence Initiative and the evaluation now taking place in Canada. I want to address my question to the Secretary of State for External Affairs, Acting Prime Minister and Acting Minister of National Defence. Can the Minister explain why it is that despite the scientific implications of any Canadian participation in the research program of the United States for the SDI, and the fact that research by Canada could suck dollars away in a major way from other Canadian research and development, and therefore have grave implications for Canadian scientific R & D, the Minister of State for Science and Technology in the Cabinet has had no involvement, has not been approached, and does not anticipate being involved in any significant way with the work presently under way to evaluate the invitation that Canada has received from the U.S. administration? Why has that Minister been excluded when he is the chief—

Mr. Speaker: Order.

• (1140)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know if the Hon. Member has not been paying attention or if he has suddenly developed an interest in this question. The situation is that a senior Canadian public servant has been sent to the United States to seek detailed information on the implications, including the scientific implications, of the invitation for Canada to take part in research into the Strategic Defence Initiative. That official will report his findings back to the Cabinet of Canada, and the Cabinet of Canada includes, very prominently and actively, the Minister of State for Science and Technology. The Cabinet of Canada, including that Minister, will then take its decision.

EVALUATION OF SCIENTIFIC IMPLICATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, perhaps I could let the Minister know that earlier this week the Minister of State for Science and Technology said the following at the Miscellaneous Estimates Committee:

> —nor do I anticipate being involved in any significant way with the work which is presently under way to evaluate the invitation that Canada has received from the U.S. administration.

Why is it that no effort is being made here in Canada to evaluate the scientific implications? Why are we simply sending someone to the United States to look at the Americans' evaluation of the scientific implications?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what the Minister of State for Science and Technology, the Prime Minister, and I have been saying is that we have asked a senior public servant to seek particular information about the implications of an invitation. That is the job given to Dr. Kroeger and the team he assembled. There is no need at all for Ministers of the Crown to duplicate the work that we have assigned to him.

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NATIONAL CAPITAL COMMISSION

INVESTIGATION INTO LETTING OF CONTRACTS

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is addressed to the Minister of Public Works in his capacity as Minister responsible for the National Capital Commission. Can the Minister confirm press reports that the NCC general manager has taken a leave of absence from his job pending the conclusion of an investigation by the RCMP into possible criminal activities in the letting of contracts by the Commission? If so, can the Minister comment on the status of this matter?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, all I can say for the time being is that on May 15,

investigators from the RCMP reported to the National Capital Commission's headquarters. The same day, the General Manager of the NCC was suspended. The investigation is continuing, and the Hon. Member will understand that it would be inappropriate for me to make any further comments at this time.

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[*English*]

INDUSTRY

SYDNEY STEEL CORPORATION—FUTURE FUNDING

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Has the Minister received a formal request for funding from the Province of Nova Scotia for the second phase of the business plan for the modernization of Sydney Steel Corporation? If so, what type of steel-making process is the province recommending?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as Hon. Members know, I did meet with the Premier of Nova Scotia last week. At that time the question of future funding for Sydney Steel Corporation was discussed. It is now under review, and I would have to say that, as far as any requests from the province are concerned, there are two and possibly three alternatives that are under review.

TIMING OF GOVERNMENT DECISION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I think the people of Sydney who depend on this steel plant for their livelihoods want to have more definitive information. When will the federal Government let the people of Sydney know when the second phase of the modernization will begin?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, very soon.

* * *

UNEMPLOYMENT INSURANCE ACT

VARIABLE ENTRANCE REQUIREMENT PROVISION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Section 16(6) of the Unemployment Insurance Act provides for a variable entrance requirement which allows people to participate in the unemployment insurance fund in different ways depending upon the unemployment rates of their particular regions. That provision comes to an end on June 4 unless it is approved by an affirmative resolution of Parliament. Does the Minister intend to introduce such an affirmative resolution to the House of Commons?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I anticipate that an announcement regarding that matter will be made very shortly.

ANNOUNCEMENT OF DECISION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister's answer is totally unacceptable in view of the fact that June 4 is the deadline for the new affirmative resolution. If the affirmative resolution is not passed, the requirement of 14 weeks will be in effect across the country. Does the Minister think that that is fair and reasonable in light of the fact that there are many people in regions of the country with high unemployment rates who must know the answer to that question because they may very well be laid off in the next week or two?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Government is very well aware of the consequences of the difficulties that arise with the expiry of the VER on June 4. Once again I would say to the Hon. Member, and to those who are concerned, that the Government will be making its decision known in that regard within a very short time.

* * *

ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION

Mr. John Nunziata (York South-Weston): Mr. Speaker, in the absence of the Solicitor General my question is directed to Premier Hatfield's friend, the Minister of Justice, and concerns the MacKay-Hatfield affair and the internal RCMP report which we have been promised and promised. On February 25 the Deputy Prime Minister said that the report would be ready as early as that week. On March 5 the Solicitor General said that the report was substantially complete. On March 14 he again said that the report was substantially complete. On March 26 he promised that the report would be ready within a week or two. On May 3 he said that the report was just about complete. On May 8 he promised that the report would be made public within a matter of days.

Why the stonewalling? When, specifically, will the report be made public? Does the Government intend to abort justice twice on the same day by releasing the report on budget day to avoid as much publicity as possible?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, that is an ingenious suggestion. I will pass it along to the Solicitor General.

The main difference between my hon. friend and myself is that I have at least one friend.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Name him, John.

Mr. Crosbie: My wife.

We have been awaiting with trepidation all week the charge of the rodent brigade. I will pass this request from the hon. gentleman to the Solicitor General who will, I am sure, next week around budget day, respond to him.

CONTENTS OF REPORT

Mr. John Nunziata (York South-Weston): Mr. Speaker, with friends like Premier Hatfield, who needs enemies?

Some Hon. Members: Oh, oh!

Mr. Nunziata: On May 3 the Solicitor General promised that the report would be comprehensive. Would the Minister of Justice therefore confirm that the report will reveal if there is any substance to the allegations made by Premier Hatfield that the RCMP was part of a conspiracy to overthrow his Government? Will the report detail full particulars of the secret meeting at the Chateau Laurier held on October 7 between the Solicitor General and Premier Hatfield? Will the report indicate precisely why the RCMP waited 30 days before they charged Premier Hatfield, or will the report be nothing but a fraud, a sham, and a deceit?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, for the first time, words fail me.

Mr. Turner (Vancouver Quadra): But not for long.

Mr. Crosbie: I think it is for the first time. The Commissioner of the RCMP is preparing this report, and I think that if there is one thing of which this House can be assured, it is his complete integrity and impartiality.

The report will deal with the RCMP investigation, whether or not there was a leak that could be traced in any way to the RCMP, and the issues into which the Commissioner was asked to look. I am sure that if the Solicitor General feels that it is in the public interest to reveal the report, it will put the decisive lie to the various allegations and suggestions so improperly contained in the hon. gentleman's question.

* * *

CONSUMER AFFAIRS

CREDIT CARD INTEREST RATES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs I direct my question to the Minister of State for Finance. We are all happy with the decline in interest rates. Can the Minister tell the House why interest rates on charge cards such as Visa and Mastercard, which rose dramatically when interest rates were at 20 per cent or more, remain today at 18.6 per cent, as they have remained for the past year, at a time when the prime rate of 10.75 per cent is the lowest it has been since September, 1978? What action, if any, is the Government planning to take to ensure that these rates come down as have other interest rates?

● (1150)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the best thing that the Government can do for consumers and for interest rates is to ensure that we get our own house in order so that rates can come down, and that is happening in the market-place now. Consumer rates, I am sure, will follow other rates down. The Hon. Member himself has indicated that they are lower than they were. I should think consumers would be happy.

REQUEST FOR GOVERNMENT ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, what I am asking the Government to do is to try a little persuasion or pressure. The Government supposedly believes that the market will do these things. Since the Minister knows that there are only two charge card companies in Canada, Visa and Master Card, and that they set the terms and conditions for all agencies which issue their cards, can the Minister tell the House when the Government intends to ensure that these terms and conditions permit genuine price competition and, therefore, lower interest rates, which we should have now on these cards?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure that the Hon. Member will be happy to facilitate discussion and legislation around my financial institutions proposals, and that will help us get more competition in the market.

Mr. Orlikow: Don't hold your breath for that.

* * *

GOVERNMENT ADVERTISING

CONFLICT OF INTEREST GUIDELINES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Acting Prime Minister, the Secretary of State for External Affairs. On April 23, 24, and 25, during the heat of the Lawson-Murray-Wilson family affair, the Prime Minister promised this House that the new—n-e-w—conflict of interest guidelines respecting the conduct and behaviour of Cabinet Ministers would be filed in the House within a few days. Nearly one month has passed since the Prime Minister made that commitment. Will the Acting Prime Minister provide Hon. Members of Parliament, and through Hon. Members of Parliament, all Canadians, with a copy of those new conflict of interest guidelines respecting the behaviour and conduct of members of Cabinet?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, the rodent has it wrong again. The Prime Minister indicated that the Deputy Prime Minister was seized of the report prepared by the Sharp-Starr Commission and was

examining it. With respect to the question of guidelines respecting advertising which were promised within a few days, they were delivered within a few days. They are now a part of the Treasury Board policy manuals, a new chapter 485, I believe. They are available at any time. I am sure that one of the Pages will get them from the Library for the Hon. Member if he wants to read them.

* * *

THE ADMINISTRATION

MINISTERIAL CONFLICT OF INTEREST GUIDELINES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it is pitifully easy to set a trap for a donkey. On April 24 the Prime Minister said that he had written to the Deputy Prime Minister asking him to review all of the guidelines with regard to Ministers of the Crown and their conduct, with a view to enhancing them and tightening them up. He said: "The Deputy Prime Minister has done that", and that those guidelines would be filed very shortly.

The Minister of Supply and Services has it wrong, as usual, and is trying to confuse the issue, as usual. We have been told that new guidelines had been prepared. We were promised on three different occasions—

Mr. Speaker: Question.

Mr. Tobin: I would be glad to provide a copy of *Hansard* where it says that the new guidelines respecting Ministers would be filed. I ask again, will the Government release those new guidelines to Hon. Members of Parliament today? And, if not today, when will they be tabled in this House?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, there is a difference between the Hon. Member's first question and his second.

Mr. Nunziata: No, no. Wake up.

Mr. Boudria: It was slower; that's all.

Mr. Andre: The rodents should pick up their ears.

Mr. Tobin: Answer the question. It is a serious question.

Mr. Andre: The first question was a promise of guidelines within days. As I told the Hon. Member, the guidelines respecting advertising were promised within days and were delivered within days. In his supplementary question the Hon. Member said that the Prime Minister promised guidelines respecting Cabinet Ministers soon. They will be given soon.

Mr. Tobin: It's been a month.

[*Translation*]

ENVIRONMENTAL AFFAIRS

CONTAMINATION BY PCBs—URGENT MEASURES THE GOVERNMENT INTENDS TO TAKE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of the Environment. This morning, the Minister said there would be a federal-provincial conference on environmental problems in this country. However, a conference will not resolve the immediate and alarming problem existing in Quebec and the rest of Canada, the problem of PCB contamination. My question is as follows, and it is very specific: What is the Minister going to do now? What is she going to do right away to deal with a problem that is a potential danger to all Canadians?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank the Hon. Member of the New Democratic Party for his question. I believe there is a misunderstanding. The federal-provincial conference I called for the end of May will deal exclusively with the problem of PCBs.

REQUEST THAT FUNDS BE MADE AVAILABLE IMMEDIATELY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, there will be a conference on the PCB problems in this country, but could the Minister inform the House this morning whether sufficient funds will be made available to seek a solution to this problem? It is a very serious problem in the Province of Quebec and in the rest of Canada. Will the necessary funds be released now, right away?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I realize the gravity of the situation, and that is why when we were still cleaning up the environment after the Kenora accident, I immediately asked for a federal-provincial conference to discuss PCB disposal sites, and I have asked my provincial colleagues to reach a consensus on what should be done.

* * *

SOCIAL SECURITY

SPOUSE'S ALLOWANCE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Acting Prime Minister. Yesterday the Minister of Finance seemed disappointed to find out that we have our doubts about his consultation process and that we are firmly convinced that he would rather lend an ear to financiers than to ordinary Canadians. I am wondering whether the Acting Prime Minister would tell us if his Government will commit itself to endorsing the recommendations made by 45 organizations throughout the country—including the National Anti-Poverty Organization, the National Adviso-

ry Council of Senior Citizens and the National Action Committee on the Status of Women—which have been urging the Government to make the spouse's allowance available to all needy persons living alone and aged 60 to 64, so as to avoid discrimination against single and separated persons as well as widows?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is not a newcomer to this House. I am delighted that, being now in the Opposition, he is finally showing interest in matters about which he was unconcerned when sitting on the Government benches. Surely he appreciates that he must wait until the Budget is brought down before we can comment on it, and that the Budget to be tabled next week has been the subject of more consultations than ever before in the history of Canada.

CONSULTATION—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): With respect to the remarks of the Minister, Mr. Speaker, I would suggest that I have a respectable reputation, but that he is known to be prone to blunder.

Here is my supplementary question, Mr. Speaker. How can you expect the people and Hon. Members to have faith in this bragging Government when the Minister talks about having more consultations now that consultations did take place? Witnesses appeared before the committee to urge the Minister of National Health and Welfare to eliminate discrimination against elderly Canadians. How can you expect Canadians to react positively to the Government's consultation process if you fail to come up with answers?

Right Hon. Joe Clark (Secretary of State for External Affairs): First of all, Mr. Speaker, I repeat that as far as the contents of the Budget is concerned, the Hon. Member knows he has to wait until it is brought down.

Second, with respect to the other Government policy, as the Minister of Finance pointed out and as the Government has often indicated since coming into office, we are prepared to consult and talk directly to people who are worried, and we seek their advice. Concerning the points raised by the Hon. Member, I can only hope that the Liberals will show a willingness to hold public consultations, something which is not apparent in the field of international relations where the Liberal Party wants to deny—

Mr. Speaker: Order, please.

• (1200)

[*English*]

NATIONAL REVENUE

DEPARTMENT'S POWERS OF SEARCH AND SEIZURE

Mr. Simon de Jong (Regina East): Mr. Speaker, I would like to address a very short question to the Minister of National Revenue.

Mr. Beatty: Hurray!

Mr. de Jong: As the Minister will no doubt have noticed, last week the Law Reform Commission made some important recommendations concerning the tremendous powers of search and seizure his Department has. When in opposition, almost one year ago today the Minister invited the Government to introduce legislation which would do away with those powers. He assured the Government of the day that the legislation would be passed within a day. I am giving the same assurance to the Minister now. Will he introduce legislation which will take away that awesome power from his officials and bureaucrats?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, weekday after lonely weekday I sit here waiting for questions from my hon. friend. However, this is worth it, and I appreciate the Hon. Member's question. The answer is yes, I will, and yes, I will be delighted to receive the Hon. Member's support. I have already limited the powers of the Department under Section 231(4); we are now seeking search and seizure warrants under the Criminal Code. We will be introducing amendments which will curtail the powers of the Department under Section 231. It is our goal to ensure that they are brought into line with basic civil liberties, and I appreciate the Hon. Member's support.

Some Hon. Members: Hear, hear!

Mr. Broadbent: No more questions for you this year, Simon!

Some Hon. Members: More!

Mr. Nunziata: By unanimous consent, they want more questions.

Mr. Speaker: A lot of people around here want more, I have noticed.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, May 16, 1985, meet the requirements of the Standing Orders as to form.

POINT OF ORDER

ORDER OF PRESENTATION OF PETITIONS DURING ROUTINE PROCEEDINGS—RULING BY MR. SPEAKER

Mr. Speaker: Some time ago I was asked by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) to provide a ruling to the House with regard to petitions. For reasons outside his control and mine, there was a delay in the presentation of this ruling.

The Hon. Member for Cape Breton-East Richmond raised a point of order on March 28, 1985 during Routine Proceedings, concerning the time of the presentation of petitions, namely, that Members should be able to present petitions at any time after Oral Questions and before the Introduction of Bills. Thereby, the waiting time between the end of the Question Period and the presentation of petitions would be greatly shortened. The Hon. Member was concerned about occasions when Ministers make statements and Members who wish to present petitions have to wait for lengthy periods of time. Standing Order 71(2) reads as follows:

> Any Member desiring to present a petition in his or her place in the House must do so during Routine Proceedings and before Introduction of Bills.

In our practice, the expression " . . . before Introduction of Bills" has been understood to mean immediately before the Introduction of Bills. This is easy to verify in the proceedings of the House since 1980. Before that, since the number of petitions presented was small, the time of presentation never caused any inconvenience to Members. A search of the records of the House has found no ruling on this subject.

I suggest that the Committee on the Reform of the House of Commons or the Standing Committee on Procedure and Organization might look at the matter. In the meantime, Members who cannot be in the House for the presentation of petitions can always present their peitions by filing them with the Clerk of the House, as stated in Standing Order 71(1); which reads:

> A petition to the House may be presented by a Member at any time during the sitting of the House by filing the same with the Clerk of the House.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

SPOUSE'S ALLOWANCE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I should like to present a petition from 28 residents of St-Bernardin, Ontario, and members of the senior citizens club of that area protesting against the discriminatory provisions of Bill C-26 which the Secretary of State for External Affairs refused to hear this morning when stated by my colleague, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Speaker, I also have another petition signed by residents of Alexandria in my constituency. They want to express their disagreement about the discriminatory provisions of Bill C-26 and demand that allowances be paid to needy people between 60 and 64 years of age.

I also have another petition, Mr. Speaker, signed by 22 residents and members of the Union culturelle d'Alfred and those people also reject the discriminatory clauses of Bill C-26 and they demand that the government take the necessary steps to apply the legislation to all needy individuals between 60 and 64 years of age.

[*English*]

I also have a petition signed by 19 people of the village of Alfred. They request that the discriminatory provisions of Bill C-26 be corrected forthwith so as to permit all needy people between 60 and 64 years of age to receive benefits.

I also have a petition signed by 22 residents of the village of St. Albert, Ontario, in my riding, who wish to express their displeasure with the discriminatory provisions of Bill C-26, and the effect these provisions will have on the people of our area.

I have one final petition signed by 29 residents of Alfred, Ontario, and they are once again protesting the discriminatory provisions of Bill C-26 which deny benefits to single, divorced and separated people between the ages of 60 and 64. They ask that the Government immediately correct these discriminatory provisions.

NATIONAL POSTAL MUSEUM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my honour to present on behalf of a number of residents of Vancouver, Delta, Clearwater, White Rock and North Vancouver a petition calling upon Parliament, and particularly the Minister responsible for Canada Post, to intervene in order to ensure that the National Postal Museum is retained; to find a new location near Parliament if it has to move from 180 Wellington; and to ensure that its staff continue to serve the public in their present capacity.

[*Translation*]

MODERATELY-PRICED FAMILY HOUSING

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, I have the honour to present to the House a petition from my constituents of Québec-East. It includes 709 names collected by the Regroupement des citoyens et citoyennes de Ville-Vanier and demand the construction of low-cost housing units for families.

I will personally deliver a copy of that file to the minister responsible so that he may take action.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 161 and 274.

[*Text*]

SCIENCE AND TECHNOLOGY PROGRAMS

Question No. 161—**Mr. Orlikow:**

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

Hon. Jake Epp (Minister of National Health and Welfare): Yes, three scientific projects were cut by Health and Welfare Canada as a result of the reduction of funding from the National Energy Program announced on November 8, 1984. Their titles and their projected costs are as follows:

1. Field validation studies on radon entry into buildings ($80,000).

2. Characterization of hazardous aromatics from the combustion of wide boiling range distillates ($57,000).

3. Characterization and mutagenic potential of air samples in coal liquefaction facilities ($50,000).

The remaining nine Health and Welfare Canada projects funded by the National Energy Program will continue but the funding has been reduced by approximately 40 per cent.

FARM AUDITS

Question No. 274—**Mr. Greenaway:**

For the year 1984, by province and by month, how (a) many audits of farmers were initiated by the Department of National Revenue (b) much money in back taxes was assessed against farmers by the Department (c) many extra personnel were hired by the Department to aid in the auditing of farms?

Hon. Perrin Beatty (Minister of National Revenue): During 1984 the Department completed audits on (1) farmers, (2) farmers whose chief source of income is not farming, and (3) hobby farmers who have full-time occupations yet carry on farming activities. The 1984 audit statistics, set out by province and by month, relating to questions (a) and (b) include all three types of farmers.

(c) No additional personnel were hired to carry out these audits; staff assigned farm audits are also assigned audits of taxpayers in other categories.

[*See Table Page 4865.*]

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader (Mr. Hnatyshyn) what business he proposes to call for Tuesday.

I also want to tell him that, pursuant to the suggestion made by the Secretary of State for External Affairs (Mr. Clark), I will certainly be ready to meet with him to discuss how an agenda for the proposed special joint committee of the House and the other place on the Government's Green Paper on foreign affairs can be worked out so as to enable the people of Canada to be heard prior to decisions on issues raised in that paper being taken. I want to stress that our attitude in these discussions with respect to whether we will participate in the work of such a committee will be determined by the degree to which the Government is willing to give a firm and public commitment that it will not take decisions on, in particular, matters concerning the Strategic Defence Initiative, star wars, or trade relations with the U.S. before the views of the people of Canada are heard and fully considered, including the report of that committee, by the Government.

● (1210)

Finally, Mr. Speaker, I would like the Hon. Government House Leader to confirm that, contrary to what was suggested by the Secretary of State for External Affairs in Question Period, the consent of the opposition Parties is not required for the Government to place a motion on the Order Paper to create the type of joint committee I just referred to, nor to call that motion for debate and for decision of the House.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, with regard to the business of the House for next week, we will, of course, not be sitting on Monday. Today we are going to commence consideration of Bill C-25. There is the prospect of making progress on that Bill today. I am hoping that we can attain second reading of that legislation.

I had indicated a sequence of Bills which would be debated on the days on which the House sits next week. These Bills involve amendments to the Divorce Act and enforcement of maintenance orders as well as amendments to the Fisheries Act. I had hoped that we would be able to deal with the Fisheries Bill early next week. I would ask my friend to

80168—8

FARM AUDIT STATISTICS

JANUARY 1 TO DECEMBER 31, 1984

Month	NEWFOUNDLAND		P.E.I.		NOVA SCOTIA		NEW BRUNSWICK		QUEBEC		ONTARIO		MANITOBA		SASKATCHEWAN		ALBERTA		BRITISH COLUMBIA		ALL CANADA	
	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes	# of audits	Additional taxes
		$		$		$		$		$		$		$		$		$		$		$
January	1	0	12	26,841	25	65,846	9	6,375	88	637,067	211	1,369,930	55	170,686	212	805,105	132	1,252,756	60	329,803	805	4,664,409
February	4	8,133	9	28,581	9	18,614	13	17,434	68	392,337	160	808,965	43	283,047	145	396,922	94	653,038	25	185,299	570	2,792,370
March	0	2,223	3	17,922	3	7,701	11	10,728	41	119,965	95	446,015	30	16,189	163	413,705	86	382,830	20	140,377	452	1,557,655
April	0	0	1	1,383	8	15,613	8	15,799	47	31,592	65	274,319	27	69,460	90	210,382	60	462,902	15	25,794	321	1,107,244
May	1	3,195	9	12,713	14	65,828	16	67,561	87	193,328	170	438,753	79	203,747	137	408,300	109	703,166	47	221,746	669	2,318,337
June	1	23	9	7,539	9	3,509	9	7,741	82	168,134	144	266,252	68	136,640	180	727,227	116	4,231,381	58	329,144	676	5,877,590
July	0	0	7	5,695	3	2,341	23	10,312	51	113,223	135	350,360	54	131,280	143	406,560	126	923,832	36	210,534	578	2,154,137
August	0	0	14	6,164	17	17,862	11	20,515	93	157,040	153	381,478	84	544,051	132	828,032	72	408,704	40	179,881	616	2,543,727
September	0	0	8	6,104	10	16,632	3	2,581	92	59,871	139	303,198	34	83,416	133	332,353	111	311,008	32	222,293	562	1,337,456
October	1	636	9	6,510	13	43,662	8	9,877	104	153,176	130	386,753	43	92,996	141	284,797	108	373,960	25	49,906	582	1,402,273
November	5	39	4	1,095	8	25,949	4	516	71	81,326	148	451,811	49	(3,727)	117	290,115	113	332,199	27	167,997	546	1,347,320
December	1	0	3	11,208	9	18,239	0	0	61	131,555	116	436,762	56	63,741	148	315,804	89	328,485	14	86,138	497	1,391,932
Total	14	14,249	88	131,755	128	301,796	115	169,439	885	2,238,614	1,666	5,914,596	622	1,791,526	1,741	5,419,302	1,216	10,364,261	399	2,148,912	6,874	28,494,450

consider moving on that legislation if we can arrive at an agreement with respect to the nature of amendments which might be acceptable to the House.

Under the circumstances, it would be appropriate if the first item of business on Tuesday were to be Motion No. 22 standing in the name of my colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), which relates to Bill C-15. Once we have disposed of that motion, we will continue with the sequence of legislation which I indicated earlier.

With regard to the ongoing consultations with respect to the committee for the study of foreign affairs and the Green Paper presented by my colleague, the Secretary of State for External Affairs (Mr. Clark), I appreciate the indication by the House Leader of the Official Opposition (Mr. Gray) that he will be prepared to give me an answer to the inquiry I made of House Leaders at our last meeting, which was alluded to by the Member for Hamilton Mountain (Mr. Deans) yesterday. We are interested in determining what the proposals of the Official Opposition are. The Hon. House Leader will be the first to admit that the proposals put forward by the Official Opposition and the New Democratic Party have varied from day to day. It is difficult to get a handle on what they really want from one day to the next.

I look forward to receiving a concrete proposal. If we have an opportunity of getting together on Tuesday, I hope the proposal will be the same. However, it may be that it will change over the weekend. Whatever the proposal, we will be receptive to getting this committee on the road.

The final inquiry dealt with how we are to deal with the motion. As the Hon. Member knows, we could move a motion with respect to the establishment of the committee. The most desirable way to proceed with the creation of the committee would be to get consent to deal with the matter without using up the very limited time of the House. The Hon. Leader will know that I have been unable to get any assurance with respect to how long this reference would take. In other words, the intimation I received was that this would very definitely not be agreed to and that there would be an open-ended debate in the House of Commons, which would preclude us from dealing with important items of legislation. Yesterday I was asked to bring forward items of legislation for early consideration. However, the effect of the refusal of the Opposition to agree to the resolution is to preclude us from proceeding since we have only a limited amount of time for Government Orders.

We try to proceed on the basis of reasonable opportunity for discussion of all matters. However, an indefinite term for debate has the effect of vetoing anything we may propose in the interest of consulting the people of Canada.

GOVERNMENT ORDERS

[*Translation*]

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

The House resumed from Wednesday, May 8, 1985, consideration of the motion of the Hon. Don Mazankowski (for the Minister of Agriculture), that Bill C-25, an Act to amend the Agricultural Stabilization Act, be now read the second time and referred to the Standing Committee on Agriculture.

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

Some Hon. Members: No.

Mr. Speaker: The Parliamentary Secretary to the Minister of Agriculture.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I welcome this opportunity to present this Bill which is aimed at amending the Agricultural Stabilization Act.

I think everyone will agree that since the last major amendments to the Act ten years ago, agriculture has changed a great deal in Canada, and that during that time, the shortcomings of the present version of the Act have become increasingly obvious. The Bill before the House today should have been tabled a long time ago.

Actually, the Bill has been under consideration for over ten years, since 1974. The provincial Ministers of Agriculture, provincial and national producers' associations and the Federal Government have all worked very hard, during long and sometimes frustrating meetings, to try and reach a compromise that will provide real stability for red meat producers and put this entire sector on a firm basis.

Mr. Speaker, this is a grassroots Bill. It is based on the views of farmers who are not only aware of the shortcomings of the present legislation but also of the inequality that exists among the various provincial stabilization programs. The legislation was prepared by the provincial and federal Ministers of Agriculture, who acknowledged that they were getting mired in a morass of overkill as a result of these programs.

The House will recall that harmonizing stabilization programs was the first item on the agenda when the Minister of Agriculture met with his provincial colleagues in 1979, over six years ago.

Today, we are very glad to have this opportunity to settle the long-standing problem of agricultural stabilization. As the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) said earlier, it is indeed one of the Government's priorities. For the time being, as a result of the decision made by the Canadian people on September 4th last year, it is of course up

to the Government to decide in what sequence its priorities will be put before the House.

Price stabilization is one of the cornerstones of federal agricultural policy, together with crop insurance, research, market development, regional development, inspection and grading.

Since price stabilization is such a basic and important part of agricultural policy in Canada, I think it would be useful to approach the subject by attempting to answer four questions that would put the proposed legislation into context.

First, why is it useful and why are we so concerned about stabilizing agricultural prices?

Second, what are the programs currently in effect and what are the problems?

Third, how does the proposed legislation attempt to improve the situation?

And fourth, does the Bill have the support of the farmers and the provinces?

● (1220)

[*English*]

The first question is: why does agriculture require stabilization? Agriculture is vulnerable to two major destabilizing forces: first, the natural hazards of production such as frost and floods, insects and diseases; second, market fluctuations. Crop insurance is the federal Government's major vehicle for helping farmers to cope with production hazards. Our major vehicle for helping farmers to cope with market risk is the Agricultural Stabilization Act along with the Grain Stabilization Act.

Prices for many agricultural commodities change on a daily basis, reflecting real or perceived changes in supply and demand. For a non farmer to appreciate what that means, one only needs to imagine going to work in the morning without knowing what you are going to earn or even if you will earn anything at all.

Agriculture is also subject to large cyclical price fluctuations. Farmers frequently see their prices dropping by half from one period to another, while their costs of production continue to rise. Even the most productive producers go into the red in such circumstances.

Of course, agriculture is not the only sector of the economy that exists in such a wide open market environment, but it is one of the very few. It is certainly one of the most dispersed and diverse, composed of more than 300,000 individual operations across Canada. Except for a small handful of these operations—less than one-half of one per cent—these are family farms and our very existence depends on them. That is a very important fact, Mr. Speaker.

In 1983, 476,000 people were employed in farming—4.4 per cent of the Canadian labour force. Only 30 years earlier, that proportion was 18 per cent. The exodus from the country to the city has left fewer farms, but they are larger and more efficient. In constant dollars, production per farm has risen nearly fourfold in the past 30 years.

These highly mechanized farms have relied increasingly on off-farm inputs, generating jobs throughout the economy. When one includes processing, distribution and retailing, about one-sixth of all Canadians now depend on agriculture for their livelihood.

Moreover, all Canadians have benefited from the accomplishments of our agri-food industry in that it has provided food for only 16 per cent of disposable income, which is the second lowest cost in the world. At the same time, the agri-food industry has been bringing in more than $10 billion a year in export revenues.

In summary, we must recognize the central importance of agriculture and its unique vulnerability. As public policy, we must ensure that efficient operations have a good chance of surviving and prospering. That is our best insurance for maintaining a healthy rural Canada, jobs in the agri-food industry and a continuing supply of reasonably priced food for all Canadians.

[*Translation*]

Second, Mr. Speaker, what are the programs in effect today? I assume that the ideas I have just mentioned would be supported not only by our provincial counterparts but also by all Members of the various legislatures across Canada and even by the Ministers of Agriculture of most countries.

We all agree that agricultural stability is a must, and that is why we now have so many stabilization programs at the provincial, federal and international levels. Indeed, again last evening I attended a meeting with the French ambassador to Canada who agreed that it is imperative for our country to aim at achieving greater price stability here than do other agricultural countries that must rely on export markets, quickly stabilize their prices, and maintain production and exports at certain levels.

Here is now a summary of existing programs. The Agricultural Stabilization Act was adopted by the Progressive Conservative Government in 1958. It set the support price of Canada's major agricultural products to 80 per cent of the average price over the ten previous years. In 1975, the Act was amended—

Mr. Boudria: By the Liberal Government.

Mr. Blais: —to raise the support price to 90 per cent of average market prices over the five previous years—

Mr. Boudria: Under a Liberal Government.

Mr. Blais: Indeed, just before the previous administration began to bring us a series of deficits, from 1975 until this year when we are up to $226 billion. It is indeed an important date. That was when we began to sink ever deeper into huge deficit

financing where we have been stuck for over ten years. An important date indeed.

The strength of the program lies in the fact that it made it possible to maintain a national support price structure geared to markets, a security net which, owing to its retroactive connotation, had no bearing on decisions of farmers concerning production. Unfortunately it is its weakness as well. The program would offer more stability if its support were more regular and predictable.

The current sluggishness of the federal program and its dependency with respect to previous costs and average market prices in Canada are two of the reasons why certain provinces came to the conclusion that their agricultural sector was not properly protected against the constraints of the cost-price squeeze. As a result of this situation, provincial stabilization programs came into being, first in British Columbia in 1975, then in Quebec and in other provinces. Those schemes vary as far as eligibility criteria, support levels and premiums to producers are concerned.

The provincial governments are surely entitled to set up such schemes in response to what they consider their own special regional conditions. However, from a national point of view, they have given rise to confusion and competition among provinces on the domestic as well as on the international markets. In some cases, those schemes have encouraged a greater production than economically justifed. In some other cases, the provincial stabilization schemes have literally collapsed because they were not actuarially sound. Those setbacks probably had a considerable unsettling effect.

It is interesting to note that Canadian agriculture has equally suffered from disparities and disturbances as a result of unduly high price support programs abroad. We are well aware of this and I think that during the past few months or weeks, the steps taken by the government in Canada with its trading partners in America, in Europe and elsewhere are specifically aimed at a closer co-operation between the countries to solve the problems of surpluses found all over the world at present. In the United States for example, some $22 billion was earmarked for the agricultural price support program in 1983 alone.

The best known, the Cash Crop Payment Program in the United States, brought an increase in the price of grains in 1983, but discouraged pork production in the United States. In Canada, thanks to relatively large grain crops, especially in Western Canada, we could develop our production and increase our pork exports to the United States. But those increased exports caused a trade conflict that now opposes our two countries.

The other significant example is the common farm policy of the European Economic Community. It has hindered Canada's farm exports while causing huge surpluses that must be sold on world markets, including ours, at highly subsidized prices.

Last year, the huge increase in CEE-subsidized beef exports to Canada exerted a strong downward pressure on Canadian beef prices. This compelled the Government to use the Meat Import Act to limit beef and veal imports into Canada in 1985. We pursued the talks with the parties concerned and finalized an agreement that may not please everybody, but that should for a while allow a certain amount of stabilization in that area. However, this shows how much the CEE's stabilization programs can disrupt Canadian markets, and how important it is to have mechanisms in place that protect our farmers when the need arises.

We could discuss at length the problems associated with stabilization programs in Canada and elsewhere. However, I feel I have covered some of the basic points. I hope this will help you understand why the changes we are proposing to the Farm Stabilization Act are a model of responsible, co-operative and efficient public policy.

The third point—

● (1230)

[*English*]

How is this Bill an improvement? To begin with there are really two parts to this legislation. First, there are a number of minor housekeeping changes to the Agricultural Stabilization Act. These changes are not contentious, and they could go into effect immediately after the Bill is passed. I will list them in a moment.

The second part of the Bill is enabling legislation allowing for some major changes in Canada's approach to agricultural stabilization. However, I cannot over-emphasize that it is the first step in a co-operative process involving the federal Government, provincial Government and producers. Major changes to the stabilization programs will go into effect only after they have been thoroughly discussed in committee, after in depth consultations have been held with producers, after federal provincial agreements have been held with producers, after federal provincial agreements have been reached, and after the Governor in Council has ratified these agreements.

To return to the first category of changes, we have received a legal opinion that there may be flaws in the existing statute, which raises questions as to the Government's authority to issue stabilization payments for a past marketing period using the existing formula. The Government would like to ensure that the wording of the Act is clarified to reflect the intent of Parliament.

There is another rather technical reason for passing this Bill. As the Act now stands, employees of the Agricultural Stabilization Board are not included under the terms of the Public Service Employment Act, a provision of the old Agricultural Stabilization Act which was needed many years ago but which needs to be changed. The Bill also proposes that we include wheat produced outside the Canadian Wheat Board area as a named commodity receiving mandatory support, as was the case prior to 1975.

Lambs and wool would replace sheep in the list of named commodities, thereby solving a problem we have with providing stabilization for both sources of the sheep producer's income.

Currently, the support period must be for 12 consecutive months. We are proposing to authorize periods of support shorter than a year, but not less than three months, so we can react more effectively to shorter term cost-price-squeeze situations.

Finally, when passed, the Bill will delete the restriction on the amount which the federal Government may spend under the Act in any year, a holdover from the days of financing the Act from a revolving fund.

Now I will move on to the enabling aspects of the Bill. This is really the heart of the Bill. As I said before, we are asking Parliament to provide, through this legislation, the framework for much more effective and efficient stabilization programs, programs that are going to constitute the basis for a true partnership with farmers and provincial Governments.

Section 10 of the existing Act allows for the federal Government to enter into stabilization agreements with the provinces and producers. But while the wording is, at first glance, quite open-ended, there are problems with it. For one thing, it does not allow for the creation of a jointly funded program. For another, it does not allow for the use of different formulas for calculating support prices, and therefore it does not respond to the unique nature of each commodity. The proposed amendments would do so.

If federal-provincial agreements can be achieved, the Bill will enable us to reduce the problem of interprovincial competition over stabilization programs and their resultant disruptions in production and marketing patterns. It would put our livestock industry on a more solid, competitive, and therefore secure, footing.

The new program would also reduce our trade difficulties with other countries. It specifically excludes from coverage the portion of a commodity that is marketed abroad. Furthermore, it would lead to fewer *ad hoc* programs, which disrupt normal production and trade patterns.

The Canadian program would avoid the problems encountered in the U.S. and with the EEC programs by limiting the amount of money the federal and provincial Governments would contribute to the program. Support levels would not constitute an incentive to over-produce, the programs would be actuarially sound, and there would be an automatic review of each stabilization plan every five years.

I do not want to go into the details of the red meat plans which have been drafted in consultation with the provinces and producers because they will have to be refined and finalized after the enabling legislation has been passed.

[*Translation*]

Of course, those are new terms that were unknown to us in previous years—consultation, arrangements, negotiations with the Provinces and with producers. They had disappeared from the Canadian landscape, from Government policies. That in my view is a change for the better.

Fourth, Mr. Speaker, is the legislation winning popular support? I want first to point out that this legislation is a fair compromise. Quite honestly, we must admit that it will not please everybody. We are aware of it. However, I want to assure you that the Bill is not cast in cement, to use that phrase. As any other proposal, it is subject to improvement. Indeed we expect that it will be scrutinized by the Standing Committee on Agriculture, which will be in a position to start discussing it, hearing the views of and consulting Canadian producer groups as soon as possible. That is where all the views that have been expressed concerning the Bill over these last few years can be aired and analysed.

We are quite aware of regional differences. This is both the difficulty and problem and the greatness and richness of this great land of ours. The problem has been raised by many Provinces which have not yet given their support to the changes contained in the Bill.

We all know that in Canada, the spectrum of natural resources and the access to markets vary from one region to another. The same goes for production costs and commodity prices. In other terms, Mr. Speaker, all the regions of Canada do not have the same ability to produce any given commodity. However, the ability to efficiently produce is something that can be acquired.

It is also possible to fill the gaps between regions by way of research. When controlled by farmers, research can enable them to increase their productivity—the productivity of lands, crops, animals, manpower and capital. When a part of the tax dollars is channelled into research, permanent solutions can often be found to the problems of regional disparities. As a general rule, all the producers of any given commodity are affected simultaneously by a cost-price squeeze. This is especially true in the case of red meat, because there is a close link between the markets and the main production factors of those products. Price and cost fluctuations are a national rather than a regional reality. I think we are all aware of that. For all those reasons, it is important that we should have a national program.

Moreover, we are pleased to note that the regional concerns are both valid and sincere. We feel that the bill should be considered at length when it is deferred to the Standing Committee on Agriculture in the days to come. I remind you that the government is open to innovative solutions provided that they do not violate national policies on which the bill is based.

It should not have forgotten that we have reached the best consensus of our history after ten years of negotiations. The four provinces which have already joined the national tripartite program for the stabilization of red meat prices represent 94 per cent of beef cattle; 88 per cent of cow-calf operations;

57 per cent of hog production and 79 per cent of sheep production in Canada. It is indeed the best consensus reached for over 10 years.

The Canadian Association of Beef Producers, the Pork Marketing Boards in the four participating provinces and the Canadian Sheep Breeders Association have ratified and supported the program. In short, we have the necessary support to develop the best national tripartite stabilization program. Red meat producers will be the first to benefit from it. In fact, the most important aspect is that the program will in the first place be beneficial to Canadian producers. Who knows, other producers may follow their example.

● (1240)

[*English*]

I sincerely hope that with the goodwill of Parliament we will provide the opportunity for this program to become a reality in order to give Canadian farmers more stability at a time when it is genuinely needed and at a time when Canada needs a stable agricultural industry.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to rise to deal with Bill C-25. I wanted today to take this opportunity to ask the Minister of Agriculture (Mr. Wise) several questions, but things being as they are and without being more specific because it is not allowed, I will say only that I hope the Parliamentary Secretary will say hello to him on our behalf.

Mr. Speaker, the Parliamentary Secretary indicated in his remarks that agriculture was a high priority of this Government.

Some Hon. Members: Hear, hear!

Mr. Boudria: How sweet it is to hear such loud applause, Mr. Speaker!

Yet, I find it strange that this Government which has agriculture as a high priority and which introduced on January 24 this Bill to amend the Agricultural Stabilization Act needed as long as three and a half months to wake up and move its second reading. Thanks to the Government, the Opposition Members have had more than enough time to peruse this 9-page long Bill, but they did not really need quite as much time as that. Even a Conservative Member would not need three and a half months to read it. Yet, this Government claims it has agriculture as a high priority. I am grateful to the Parliamentary Secretary for saying that the Government regards Bill C-25 as a major piece of legislation. He has just stated that the House spent a long time dealing with Bill C-15, and that is the best excuse he could find for the Minister of Agriculture dragging his feet on this Bill which is so important to Canadian producers.

The Parliamentary Secretary will have to come up with a far better excuse to explain why he and his Minister dragged their feet on this, because both you and I know, Mr. Speaker, that we have been waiting impatiently for the Government to introduce legislation, so that the House may go on with its work.

[*English*]

This is the first piece of government legislation on which we have deliberated this week. Perhaps it is new Conservative policy to start working on Friday. We have spent all this week in the House, and the Government refused to bring forward legislation until today.

Some Hon. Members: Oh, oh!

Mr. Boudria: I seem to have touched a tender nerve. It is nice to know that they will at least be awake for the weekend.

As I said previously, this Bill was introduced on January 24. It took the Government three months before deciding to deliberate on it at second reading, and three months is what the Government thinks is a reasonable amount of time to debate what the Parliamentary Secretary said earlier today was a priority of the Government. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) applauded the delaying and the dragging of their feet for three months on an agricultural Bill. Let the record show that this is what the Hon. Member for Edmonton-Strathcona is applauding, a three-month delay.

● (1250)

This Bill was promised by the Conservative Party during the election campaign, as it was by other political Parties. All Parties were in favour of tripartite stabilization. I remember it well. I heard it a lot during the campaign. I promised it myself. Things being the way they are, it is up to the Conservative Party to present government legislation. It has taken it this long to bring it forward.

This will assist the agricultural industry once it is passed. However, it is not the totality of what is needed. In listening to the speech made by the Parliamentary Secretary, one would almost think that the Conservative Party is actually the author of this legislation. It is guilty of its usual plagiarism. What Conservative Members are doing is introducing a Bill that had been presented by the previous Liberal Government. It was an omission or oversight by the Parliamentary Secretary that he neglected to bring that to the attention of the House. So that you will be aware, Mr. Speaker, I thought I would remind you of the fact that essentially the same Bill had been presented by the Liberal Government in the past.

There is considerable division in thought in the country as to just how the stabilization Bill or stabilization legislation would deal with agricultural problems. In many regions there are higher costs of production. Coming as I do from the Province of Quebec—I am sure the Hon. Member knows that—I know that some farmers feel that because of their higher cost of production, they should be able to get supplementary benefits or be able to top-load the program on provincial programs.

That is a very difficult issue to deal with, principally because the minute the program can be top-loaded by anyone, we are right back at the point where we started where individual provinces could compete against each other for subsidies. The net effect would be to lower the prices and bring back the whole issue to where we started. I am sure the Parliamentary Secretary is very much aware of this issue and has given it some thought, as has the Minister.

We must do other things in addition to this Bill in order to provide good price stabilization to our agricultural industry. The Parliamentary Secretary referred to that issue during the latter part of his remarks, and rightfully so. There are issues now on which the agricultural industry needs answers, and very clear answers, from this Government in order to have any kind of stability in agricultural commodity pricing.

We need to know what has been done by this Government with regard to the United States countervail. That countervail duty of 5.3 cents a pound, as I understand it, has had a devastating effect on the price of pork in Canada. More particularly, it has had tragic effects in the riding that I represent. Pork producers need assurance that this Government is doing its job.

Not long ago the Leader of the Government said in Quebec City that the President of the United States is as close to him as the phone, that he could reach him at any time and discuss issues which affect our country. We have an example here with this countervail duty. We have asked the Prime Minister (Mr. Mulroney) on several occasions whether he has telephoned the President of the United States. Has he contacted U.S. authorities to ensure that this countervail duty will not adversely affect our producers? We know the answer from the mere fact that the countervail was imposed. It is having a terrible effect. It has completely depressed prices. Representing an agricultural area, Mr. Speaker, as does the Minister of Public Works (Mr. La Salle), who is quite notorious for his discussion with farmers, you will undoubtedly be aware of all this.

[*Translation*]

Because the Minister of Public Works (Mr. La Salle) is quite famous for his conversations with farmers. For instance, I read here: "Quebec hog producers want Roch La Salle to fulfil his commitments". We are aware that if he is very much interested in agriculture, although he may not be very anxious to fulfil his commitments. Nevertheless, Mr. Speaker, the Minister of Supply and Services—I should say the Minister of Public Works: because of their patronage tendencies, I am inclined to mix them up. The Minister of Public Works is very much interested in agriculture, and Quebec hog producers are certainly anxious to get their cheques. Moreover, Quebec and Eastern Ontario hog producers—

Mr. La Salle: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Minister of Public Works on a point of order.

Mr. La Salle: I realize that the Hon. Member was not here last year, but he should know, first, that his Government had refused any assistance to pork producers. Second, as concerns the subsidy to pork producers, the Hon. Member should know that we have a problem—

Mr. Deputy Speaker: Order, please. I do not believe that this is a point of order. The Hon. Member for Glengarry-Prescott-Russell.

Mr. Boudria: Thank you, Mr. Speaker. You are quite right, it is not a point of order, and it is not even a good point because, as we all know, the point is that the Minister himself made some commitments and did not meet them. That is the point.

Mr. Speaker, the Minister was right, however, when he said that there were problems between Canada and the United States, but as the Prime Minister himself has said, he is just a phone call away from Washington. All he has to do is to take the phone and the solution will be instantaneous. Just add water and the solution will be there. What is the answer to help pork producers? Is it to charge an artificial customs duty of 5.3 cents a pound for Canadian pork? That is not the answer.

Mr. Blais: Do you have the answer?

Mr. Boudria: Mr. Speaker, I am happy to know that the Parliamentary Secretary has finally admitted that his Prime Minister does not have an answer. When he told the Canadian people that he had answers following the Quebec Conference, it was not true and I am glad to know it. I hope that the Parliamentary Secretary will at least have the courage to tell his Prime Minister that he was wrong and that, next time, he should tell the truth. I am happy at the present attitude of the Parliamentary Secretary and I congratulate him on his courage, Mr. Speaker. I trust that he will be able to show the same attitude when he meets the Prime Minister. Mr. Speaker, it is good to see at least one Progressive Conservative Member with such courage.

[*English*]

The Ontario Federation of Agriculture recently sent to Members of Parliament its annual revised edition of its policy manual. It brings to the concern of legislators, federal and provincial in the Province of Ontario, issues which affect the agriculture industry in general. It indicates how we need price stabilization in Canada. I wish to read briefly from the manual. I quote:

> Stabilization programs must provide enough security to encourage farmers to make long-term management decisions. A good stabilization plan is forward-looking; gives timely signals of the desired level of production;—

In terms of production, we are not addressing this issue now. I see that we are nearing one o'clock. Perhaps I should continue later this afternoon briefly with the rest of my remarks.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) had the floor.

Mr. Boudria: Mr. Speaker, if I remember correctly, at one o'clock we had all agreed that the Parliamentary Secretary was indeed very courageous for having told the Prime Minister in this House that the Prime Minister had not respected his campaign promises and that the Parliamentary Secretary was going to see to it that he did so in the future. I believe that was the point at which we were when the House rose. I simply wanted to refresh everyone's memory to that effect.

We are indeed very proud of the Hon. Member and we are glad to see that at least one Tory Member is willing to stand up to this nasty Government.

Mr. Blais: Do you agree?

Mr. Boudria: I am in agreement with the Hon. Member when he says that the Prime Minister has not delivered on his promises. I am in full agreement with him when he says that and I want the record to show that.

There are a number of other issues which we should raise here today while discussing the entire issue of price stabilization and how prices of commodities in particular need to be enhanced. The Parliamentary Secretary will undoubtedly know that there is a tremendous threat, particularly to the beef industry, from foreign imports.

It is interesting that this discussion is being brought to light now after the Minister of Regional Industrial Expansion (Mr. Stevens) made what could almost be called a free trade speech yesterday. I do hope that the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) will be able to respond by assuring all Hon. Members that the previously fixed quota of 5.9 million pounds of imported beef will be respected and that Canadian producers and farmers will not find themselves in a very difficult situation, which will undoubtedly affect them if the quotas are increased to 17 million pounds. As I said previously, this, of course, would have a depressing effect on the prices.

● (1410)

So I am looking forward to the comments of the Parliamentary Secretary with respect to the imports of beef from the European Economic Community, because we know that in terms of price stabilization, it does not matter what we do to prices if we are going to keep on flooding the market with subsidized imports. We could have subsidies of 75 cents a pound on beef, but if someone has double our subsidy, we will never be able to compete. Obviously, we have to be assured that the quotas of beef from the European Economic Community will be left at the level which had been previously set. I believe it was in the order of 5.94 million pounds, and not the 17 million pounds which the rumour mill has us now faced with.

These are some of the issues I wanted to raise, and I just want to refer briefly to the pork producers in the area I represent. I received a letter from a pork producer in my riding on March 22.

[*Translation*]

I would like to read part of the letter, Mr. Speaker. I want the Parliamentary Secretarty to be aware of this, he who said earlier that agriculture is one of the Government's priorities, that the Government wants the House to proceed with the study of Bill C-25 so it will become law. As I pointed out a moment ago, we know that the Government has been dragging its feet for months about Bill C-25, and I am sure the Parliamentary Secretary will agree with me that the Government behaviour is totally unacceptable.

Here is what one of my constituents wrote to me in a letter dated March 22:

> There have been many newspaper articles about Bill C-25 to amend the Agricultural Stabilization Act. We do not know anything about this Bill, but we hope that problems related to pork production will be dealt with so that:
>
> (1) pork will be included in the list of "named commodities"—

And so it is. I continue the quotation:

> (2) assistance will be geared to the cost of production—

So a farmer in my region told us he wants the assistance to be geared to the cost of production, not to the resale price as is the case now. Apparently, this opinion is shared by some producers in other provinces. Needless to say, we cannot have at the same time a program tied to the cost of production and a program tied to the resale price. It has to be one or the other, and it is not always possible to have the kind of program mentioned by my constituent.

Be that as it may, Mr. Speaker, it is interesting to note that my constituent was wondering about the Bill last March 22. He wanted to know why nothing more had been heard about Bill C-25 which was introduced on January 24, I think. Well, we never did hear anything more about the Bill after January 24, but here we are today, Mr. Speaker, May 17, and we are just beginning to talk about Bill C-25. I would like the Parliamentary Secretary to be aware of that fact.

I am sure you remember this, Mr. Speaker, but in case you are not too sure, I will try to refresh your memory. This morning the Parliamentary Secretary talked about our deficits. He said that agriculture is stagnant as a result of deficits and useless expenditures which, he said, were attributable to the previous Government. Well, Mr. Speaker, you know that I

cannot miss such an opportunity to prove that it is the Conservative Government which is guilty of making useless expenditures. It is common knowledge, for instance, that since last September there have been over 1,200 partisan appointments. Some were less partisan than others, perhaps one per cent—and I am being generous—but the fact remains, Mr. Speaker, that most appointments were extremely partisan and that a lot of money was spent in the process. I may also recall that the new Prime Minister increased the budget for his own office by 57 per cent. And this was done by those people who told us earlier that previous governments had spent money unnecessarily. Not them. Perish the thought! Remember Mr. Lawrence Hanigan, a defeated Progressive Conservative candidate, who was appointed to VIA Rail and received a salary increase of $38,000 per year. Not bad for a defeated candidate, Mr. Speaker. I am sure that many Progressive Conservative backbenchers must be wondering whether maybe they should have lost in the last election.

This morning, the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) informed the House that the previous Government had been guilty of wasteful spending. I wonder whether the Parliamentary Secretary spoke to his colleague, the Minister of Communications (Mr. Masse), the "courant d'air national", about his trip to the Middle East which cost $57,000. Mr. Speaker, as you see—

Mr. Fontaine: Mr. Speaker, on a point of order!

Mr. Deputy Speaker: Order, please. The Hon. Member for Lévis (Mr. Fontaine), on a point of order.

Mr. Fontaine: Mr. Speaker, on a point of order. I do not think the Hon. Member's remarks are relevant to the subject before the House today. He should stick to the subject being debated.

Mr. Deputy Speaker: Considering his experience in the Ontario Legislature, I am sure the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) will be able to make his present comments relevant to the proposed legislation.

Mr. Boudria: Mr. Speaker, I was simply reacting to what the Parliamentary Secretary to the Minister of Agriculture said in his relevant speech about the fact that the previous Government had wasted taxpayers' money. And I think it is passing strange that the Hon. Member who just spoke should accuse the Parliamentary Secretary of not being relevant this morning. I am sure he will have something to say to him later on. I am quite sure, Mr. Speaker.

In any case, perhaps we could change the subject, but I am sure we can look forward to the discussion these two Members will have later on, and I am sure the Hon. Member for Bellechasse (Mr. Blais) will not let it be said by his colleague that he is not relevant.

In any event, it is interesting to note that people who accuse others of wasteful spending can turn around and waste taxpayers' money on rewarding their Conservative friends.

[*English*]

Just before the lunch hour, Mr. Speaker, we were discussing the fact that the Ontario Federation of Agriculture in its policy manual, which is circulated to Hon. Members of Parliament every year, made many recommendations to us. Of course, it greatly advocates the implementation of a plan of stabilization, with which our Party agrees. But I do believe, Mr. Speaker, that the Parliamentary Secretary must clarify certain points to the House, particularly *vis-à-vis* the position of the various provinces. We know that some provinces are in favour of the Bill as it stands now, and our Party supports this type of legislation. We know that other provinces want clarification. Even as of late, Mr. Speaker, they are not convinced that the Bill should be in exactly the same form in which it is now, particularly, as I said previously, as it relates to the formula to be used to determine compensation. And, again, other provinces are against it.

I notice that the Parliamentary Secretary, in his opening remarks, referred to the fact that various commodity groups, in different proportions, had indicated their support for this Bill. He said that the provinces representing 54 per cent of pork producers were in favour of the Bill. This also means that the provinces representing almost half of the pork production are against it. With regard to pork production especially, because it affects my riding to a large extent, I wonder if the Parliamentary Secretary could indicate to us what are some of the difficulties. Which provinces are still reluctant and why? I wonder if we can get some sort of clarification in that regard.

• (1420)

I have a final point to bring out, and I do so somewhat reluctantly. There is, of course, the continuing issue of beef coming from the European Economic Community, but over the last couple of weeks we have had the stalemate between the United States and Nicaragua regarding trade. We know that beef originating in Nicaragua was being sold in the U.S. I wonder if the Parliamentary Secretary has any idea of what effect the U.S. embargo on trade with Nicaragua will have as it pertains to potential sales of beef to Canada originating in Nicaragua. If there are such sales and they will be increased, what effect does he think that will have on domestic prices of beef in Canada? I ask that with some reluctance, recognizing the gravity of the situation in that country, but nevertheless I would like to know the effect of such sales in Canada, if any. If he does not have any information right now, perhaps later on in correspondence he could indicate to members of the Standing Committee on Agriculture and others interested in this issue whether any increases in sales of this commodity are expected.

I am looking forward to the Bill going to committee so that we can have a full and thorough discussion on the whole issue of price stabilization, Mr. Speaker. I must say in closing that I and all members of the committee are looking forward to what

the Minister of Finance (Mr. Wilson) will do with the report he received recently concerning farm financing. I am sure that the Parliamentary Secretary will seize the occasion and jolt the Minister of Finance a bit to ensure that the Budget will address the three Conservative campaign promises which were made to the farmers concerning farm financing, Section 31 of the Income Tax Act, and of course the agri-bond issue. We are really looking forward to the Parliamentary Secretary using his influence and muscle on the Minister of Finance to ensure that the farmers of Canada get the best deal out of this Budget.

Mr. Deputy Speaker: Debate. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Some Hon. Members: Oh, oh!

Mr. Lorne Nystrom (Yorkton-Melville): I see terrified Tories across the way.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Shaking.

Mr. Nystrom: They are shaking in their boots.

Bill C-25, Mr. Speaker, as we all know, affects the farmers of this country. It is very similar to the Bill introduced by Mr. Whelan when he was Minister of Agriculture. Perhaps that shows there is no real difference between the Liberal Party on the one hand and the Conservative Party on the other.

Mr. Boudria: I would not go that far. Just call it plagiarism on their part.

Mr. Nystrom: We have now had that confirmed by my Liberal friend on the right saying it is plagiarism. So it is a carbon copy of Mr. Whelan's Bill. Maybe that is why the Tories are so quiet. I challenge you, Mr. Speaker: if you can tell me the difference between the two Bills, I will sit down and not even speak today. There is no fundamental difference whatsoever. It is Mr. Whelan reincarnated; all that is missing is the big green Stetson. You are sitting in a big green chair, Mr. Speaker, so maybe that is a substitute. But there is really no difference whatsoever between the two.

Mr. Tupper: It was never a priority for Whelan.

Mr. Nystrom: I am not sure of that; I do not know whether or not it was. Certainly it was not a priority for the Liberal Party. But my dear departed friend, Mr. Whelan, was quite popular with a lot of farmers across this land so I would not be that rough on him.

The Bill itself is designed to stabilize farm incomes in the short run, particularly regarding red meat products like beef and hogs. As I said before, it is identical in principle to the Whelan Bill, as well as in most of the details which this Parliament discussed in the past. The Bill would establish a framework to negotiate agricultural stabilization agreements between the federal Government and the provinces. This is particularly important to producers of red meat products, as I said before. The stabilization plan would be voluntary and tripartite in nature, involving the provinces, the federal Government and the producers. It would stabilize farm incomes at 90 per cent of their previous five-year average.

We in this Party have some serious problems with the Bill as drafted. We had serious problems with the Whelan Bill last year, and those problems have not gone away. In many ways this Bill stabilizes poverty. If prices continue to go down, there will not be an increase which is in any way whatsoever relevant to the cost of production or to what a farmer needs to make a living in this country. If, for example, the price for a certain commodity were $50 one year, $50 the next year, $50 the third and fourth, then it fell to $35, then stabilization would bring it up a few dollars. The next year, let us say, it is $35 again, and stabilization brings it up a few dollars, but the average continues to slide. The lower the prices go, the lower the stabilization price drops because stabilization is 90 per cent of the previous five-year average. So that does not do anything for the farmer except maybe for a small step or creep forward. That is about all it does for the farmer. It stabilizes his low prices at a very low level.

I am very surprised to see the Conservative Party reintroduce the old Whelan Bill, lock, stock and barrel. I remember that it got very upset about this. The Conservatives used to scream about it, speak out against it, and—it is too bad the Hon. Member for Joliette (Mr. La Salle) is not here. I remember very well that when he spoke on this Bill when it was introduced in the last Parliament, he was very articulate in saying it was a horrible Bill. It was going to do great harm to the pork producers in the Province of Quebec. By the way, that provision is still here. I am sure, as a Member from Quebec, Mr. Speaker, you are very concerned about that because this Bill will not allow hog producers in Quebec or certain other producers in B.C., where there are provincial insurance plans for income, to participate. They are precluded from participating in this particular plan. So if there is a pay-out from the federal plan, it would not be done provincially because producers already have provincial insurance plans. I remember very well in the election campaign the—

[*Translation*]

During the election campaign, the Hon. Member for Joliette (Mr. La Salle), if I remember correctly, gave a symbolic cheque for $13 million to the Quebec Farm Producers Association—$13 million! Maybe the Hon. Member for Joliette is a very rich man and has a lot of money, Mr. Speaker, but during the election campaign, he said that he was against the Whelan Bill, that he was very much opposed to this Bill. He told Quebec families: Vote for the Progressive Conservative Party and I will change the Bill . . . I have here a symbolic cheque for $13 million for Quebec's pork producers and beef producers and for Quebec farmers. But now he is a Member of Cabinet, things are different, and the same Bill Mr. Whelan brought forward is now being introduced again by the Conservative Government, and as I said before, what is the difference, why the same Bill, Mr. Speaker, why has the

Progressive Conservative Party broken another election promise?

• (1430)

[*English*]

I know that my good friend, the doctor from Ontario, is very upset by this breach of election promises. I am sure he is very anxious to get to his feet to denounce the Minister of Agriculture (Mr. Wise) on this particular law now before the House. When he was in opposition he supported and applauded speeches against it. He even applauded our speeches once in a while, but now he is silent. He is the docile doc sitting in his corner of the House. I am sure that in a few more months he will have the courage of his convictions and will rise in the House like a tiger to denounce the Government which has broken so many election promises.

We are concerned about the Bill for two or three reasons. First, we believe that the Bill is inadequate. It is a rehash of the old Whelan program. Although it is a stabilization of farm incomes for certain products, it is nothing more than a stabilization of poverty or a stabilization of farm incomes at a low level. We believe that the solution is to pay the farmer a price based on the cost of production and a fair return for what the farmer is paying. In other words, we want an income insurance plan or parity price that would provide the farmer with real income with which to look after his farm and raise his family.

Second, I appeal to my friends in the Liberal Party not to support this Bill holus-bolus. We should send this Bill to committee and have very open committee hearings. We must have a process which allows the farmers of Canada to appear and make their arguments to convince the Government to be open to change and to amend the Bill which is before us today. The Government is headed in the wrong direction. Its solution is inadequate and does not solve the underlying problem of low prices for farm products and high input costs to produce a crop.

One of the problems of farmers is that their farm input costs are so high. When I was in my riding recently a farmer showed me a little worm gear from an air cleaner on a combine. This tiny worm gear is made of plastic, weighs about an ounce, and is about one and three-quarters inches long. That particular item costs $32. He told me that he would have to sell 480 pounds of wheat in order to pay for this small item for the air conditioner of his combine. He asked why he could not get a return for his product based on his cost of production.

Any agricultural debate in the country is very important for a number of reasons. Agriculture is the basic and most important industry in the country. If the farmer is better off, the rest of Canadians are better off. If the farmer on the Prairies is better off, my friend from Nickel Belt is better off in the big City of Sudbury. If the farmer in Quebec or Ontario is better off, the worker at White Farm or Massey-Ferguson in Brantford is better off. If the farmer in British Columbia is better off, there are more jobs in the towns and cities for the young people of the country.

In order to create jobs we must stimulate the farm economy and other basic resources such as the forestry and the fishery. We build on what we have. As the Prime Minister of the country has said so often, "You dance with who brung you". He is not perpetuating that in legislation, and I know it is not proper grammar, but that is what he said. We must start with the basic industries in the country, namely, agriculture and mineral resources.

Mr. Rodriguez: With nickel.

Mr. Nystrom: My friend behind me says "nickel". I think he has nickel on the mind, but I am not really surprised since he comes from Nickel Belt.

That is where we must start, Mr. Speaker, but I have a feeling that the Government is not going in that direction. It wants to rebuild the country relying on two things only; big business and its friendship with Ronald Reagan and the administration in the White House.

Mr. Boudria: Don't forget their relatives.

Mr. Nystrom: Well, there are lots of relatives and lots of patronage, but they learned that from the Liberal Party and nothing has changed.

The Government relies on big business and its friendship with the Americans. Many people thought that with the new Prime Minister and his rhetoric about "good old Ronnie down in the White House" we would have a tremendous relationship with the United States which would help us here in the north. They had a conference in Quebec City and talked about free trade—

[*Translation*]

—free exchange of goods between Canadians and Americans, free trade for our agricultural commodities and manufactured goods.

[*English*]

No sooner had the wheels gone up on the aircraft carrying President Reagan back to the White House, than his administration in the United States slapped a 12 per cent tariff on Canadian hogs going across the border into the United States. No sooner had he returned to Washington after all this great rhetoric about free trade and after the expensive songs that Brian sang in Quebec City which cost taxpayers over $.5 million—

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I think the Hon. Member knows full well that he must refer to the Right Hon. Prime Minister (Mr. Mulroney) by his name rather than "Brian".

[*English*]

Mr. Nystrom: Mr. Speaker, perhaps the Member for Gatineau (Mrs. Mailly) does not know the Prime Minister (Mr. Mulroney) as well as I do. I have known him as Brian for a long time and he knows me as Lorne. The next time I have a chance I will introduce her to the Prime Minister of Canada.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I am afraid this is abusing the House. The Hon. Member is really making a mockery of our rules. It is for the sake of decorum and for the protection of the House that we have certain rules. I do not see how the Hon. Member can think he can get out of that.

[*English*]

The Acting Speaker (Mr. Charest): I would remind the Hon. Member for Yorkton-Melville (Mr. Nystrom) that the Member for Gatineau (Mrs. Mailly) is right in her point of order. I give the floor to the Member for Yorkton-Melville.

Mr. Nystrom: I suppose that comes from her vast experience. Thank you very much, Mr. Speaker.

We had a conference in Quebec and a lot of talk about free trade, improved relations between Americans and Canadians, and how this would be of great benefit for Canada. Yet, as soon as the President left, there was the announcement of a 12 per cent tariff on Canadian hogs. The Canadian hog industry is worth around $2 billion per year to the Canadian economy. Only a few days ago there was an announcement that States such as Iowa, Nebraska and Oklahoma were banning the importation of Canadian hogs. Where is this new relationship, Mr. Speaker? What does free trade mean for this country? Is it free trade for Canada but protectionism for the United States?

It is due to such actions as I described that farmers of the country need more protection and more money. For that reason I recommend that the House introduce legislation to provide farmers with a guarantee on cost of production and a decent return. I was very pleased that the House referred to committee the subject matter of Bill C-235 on parity pricing. That Bill would provide farmers with their costs of production and a decent return. It would cover wheat, oats, barley, hogs, and beef. For the portion consumed in this country the farmer would receive a parity price based on the cost of production. I do not think that is asking too much. It is asking for no more than what other Canadians receive for the work they do. As Members of Parliament we are often criticized for our high salaries. Perhaps the Canadian population is right that we are overpaid for what we produce. Obviously, that was the opinion last summer because over half the Members did not come back. However, MPs' salaries are adjusted every year according to the cost of living, as is the case with other people in our society who have collective agreements. Even senior citizens get a minuscule increase of $3 or $4 every three months on their pension cheques if the cost of living goes up.

• (1440)

The argument made by our Party and by an increasing number of farmers in Canada is that they too should be paid a price that has some relevance to what it costs them to produce a bushel of wheat or raise a hog on the farm, a price that has some relevance to the cost of repairs on their tractors or to the interest rate or price of fuel in this country.

That is what farmers are telling this Parliament. The concept of parity pricing means that farmers do not want a subsidy, a hand-out or a charity. All they want is a fair price from the market-place so that if interest rates, fuel or the price of machinery go up, the price that a Canadian pays for a loaf of bread or a bottle of beer will go up as well. I do not think that is asking for too much. Let us use wheat as an example. If the price of wheat goes up $5 a bushel and the farmer were to receive the entire $5 a bushel for the increase in the price of wheat, the price of a loaf of bread for the Member for Nickel Belt (Mr. Rodriguez) would go up eight cents a loaf. I ask: is an extra eight cents a loaf too much to pay to give the farmer an extra $5 a bushel for the wheat he is producing to make that bread? Perhaps the Hon. Member for Nickel Belt (Mr. Rodriguez) indulges from time to time and wants to have a beer.

Mr. Rodriguez: I don't drink.

Mr. Nystrom: Let us say the Member from Newfoundland wanted a beer. If we raised the price of beer by 40 cents a dozen and gave all of that 40 cents to the farmer who produces malting barley for the beer, the price of malting barley would go up $10 a bushel.

We can afford that in this country. If we had a price based on the cost of production and on a decent return, we could keep many more farmers on the land, solve many farm bankruptcy problems in this country, and provide more jobs to young people from coast to coast since farming is the base industry in this country.

There are other examples besides bread and beer. The corn farmers of Ontario will know that often it costs more to run contests for cereals with respect to processing the coupons and advertising the contents than what the farmer gets for the corn that goes into the cornflakes.

Mr. Boudria: I have never heard of anyone winning, anyway.

Mr. Nystrom: The Member for Glengarry-Prescott-Russell (Mr. Boudria) says that he has never heard of anyone who won. Maybe it is because he is in the wrong Party. I think there is something terribly wrong in our society if the farmer receives less than what it costs to process a coupon on a cereal box.

We believe that the farmer should get a parity price that is based on the cost of production. It would stimulate the small

business community and provide more jobs for young people. It would stimulate the entire Canadian economy.

This can be done without a subsidy. It can be done without increasing the national debt. It can be done without imposing more taxes on the Canadian people. I believe that it is the kind of direction we should be taking in our society today.

The Government often speaks of the huge Liberal debt with which it was saddled. I repeat that the farmers are not asking for a hand-out, but for a more fair share of the proceeds from the market-place. I believe we can afford to pay that in this country.

[*Translation*]

I think the crisis in agriculture is now very serious in this country. I have here a list of farm bankruptcies over the last 6 or 7 years in this country.

Six years ago, in 1979, there were 125 farm bankruptcies in Canada. The following year, 1980, 220 farms went bankrupt. In 1981, there were 261; in 1982, 410; in 1983, 488; in 1984, more than 500, yes 551 farmers went bankrupt here in Canada. And during the first quarter of 1985, 152 farmers went bankrupt across Canada. This is a very serious situation. It is very serious in Quebec, very serious in my own Province of Saskatchewan, very serious across the entire country.

Mr. Speaker, six years ago, in 1979, farm indebtedness in Canada was $14.6 billion. Two years later, it had increased to $18.5 billion. And, last year, in 1984, farm indebtedness In Canada totalled $20.7 billion.

[*English*]

We have had an increase in the farm debt from 1979 to 1984 from $14.6 billion to $20.7 billion. Farm incomes have not gone up. The realized net income of farmers in 1975, was some $3.8 billion. In 1978, it was $3.1 billion. In 1981, it was $4.2 billion. In 1983, it was $3.3 billion and in 1984, it was $3.8 billion. The realized net income of farmers in 1984 was exactly what it was in 1975, that is, $3.8 billion. Although nine years have passed, farmers' income has not gone up. I suggest that something is terribly wrong in our system.

I suggest that Bill C-25 is no different from the Bill introduced in the last Parliament by the Liberals and Mr. Whelan as Minister of Agriculture. Perhaps that is why my hon. friend from the Liberal Party was so anxious to jump into bed with the Conservative Government earlier this morning and again this afternoon in promising support at second reading for this particular Bill. It is the same type of Bill that we have seen before.

I suggest that this Bill is inadequate because it stabilizes farm incomes at 90 per cent of the previous five-year average. Would Members of Parliament agree to pass a Bill in the House that would stabilize our incomes as MPs at 90 per cent of our previous five-year average? That would be a disaster for the Minister of National Revenue (Mr. Beatty) because he would lose half of his taxes. Yet we are being asked to pass legislation that would have that effect on farmers.

A second major concern is one which will anger Quebec farmers. Some provinces have provincial income insurance programs. In Quebec, it is based on the cost of production of hog farmers and others. The same situation exists in British Columbia. Farmers in those provinces will not qualify for this federal stabilization program. I do not believe that it is fair that a province and its farmers should be penalized by a federal program because that province is enlightened and progressive with respect to an income insurance program. I appeal to my friends to make that change in the committee so that we would not penalize the farmers of Quebec and British Columbia.

I remind the House that according to the Constitution of Canada, agriculture is co-jurisdictional. It comes under the responsibility of both the federal Government and the provinces. Both the provinces and the federal Parliament have the right to legislate, and the provinces should not be penalized by federal legislation, as is the case with this federal legislation. I appeal again to my colleagues to make that particular change. Most important, we need legislation that will give the farmer his cost of production back and a decent return. I think we have a consensus today. We have a consensus for parity prices in western Canada, in Quebec, and in parts of Ontario, and I appeal to this House to get on with it and to provide the farmers with legislation that will help each and every one of them.

• (1450)

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I am pleased to speak on Bill C-25, an Act to amend the Agricultural Stabilization Act. There is a critical need to reshape this part of the agricultural industry in Canada.

I have listened to my hon. colleagues across the floor. I heard the cute rat, the mean rat, the shrill rat and the Newfie rat talk about the slowness of this Government to introduce legislation. Yet I remember the time last week when a Member on the other side stood up and said: "I have spoken four times on this Bill this week". Anyone on the other side who is trying to blame this Government for delaying tactics on this Bill is simply not telling the truth.

I have heard a socialist Member talk about guaranteeing income. He would have every farmer on the government payroll. Farmers would have no incentive for free enterprise, for making money and getting ahead. This is totally unacceptable based on our deficit position. It would be unacceptable in any case because it would run us into a deficit.

I represent the riding of Perth in southwestern Ontario. Within my riding is the City of Stratford, and within that city is the flagship of Canadian theatre. We have a diversified riding. Next week the Stratford Shakespearian Festival will open its thirty-third season. It is quite a coincidence in that we are now in our thirty-third Parliament. Surrounding the City of Stratford is the beautiful County of Perth. I have some of the best farmers farming some of the best farm land in Canada. I know that is also true of the county south of me and around me, the County of Oxford.

These days, however, many farmers are hurting. The stage was set a few years ago when Canada was caught in an inflation spiral that was pushed along by our Liberal predecessors. At the time, the psychology was that if you did not invest, inflation would kill you, but if you did invest, inflation was supposed to pull you out. Later, spiralling interest rates and low commodity prices brought Canada to the ground. Now the survivors as well are hurting from unfair competition both from outside and from inside Canada. The outside competition is most obvious. It comes from the European Economic Community. That community has a policy of self-sufficiency in food. The EEC has subsidized products without care for the amount produced.

We were hit when the EEC changed its policy. Instead of producing 150 per cent of the needs of the EEC, 125 per cent of its meat and dairy requirements were produced. This brought the EEC to the point where one-sixth of its dairy herd cattle was slaughtered, resulting in mountains of boned frozen meat, which created our problem. There was so much meat, the EEC had to rent facilities outside of the community for storage purposes. When one has high storage costs, it is not too hard to realize that the next step is subsdization of sales. Meat arrived at Canada's border with an export subsidy of 35 per cent. This was less than the original subsidy after appeals from the Government.

Last year, Canada's farmers had to compete with 50 million pounds of beef from the EEC that was subsidized well over 35 per cent, probably in the range of 60 per cent. Figures show that European farmers get about 39 per cent of their income from Governments while Canadian farmers get only 12 per cent.

I know that our Ontario farmers would not want to have subsidies. They can and will compete with farmers the world over, but they cannot compete with foreign treasuries, for instance, the EEC. One must hope that the EEC will come to its senses soon and decrease subsidies. But even then, Mr. Speaker, we will still be faced with the impact of the subsidies as we have in the dairy cut-backs.

Outside competition also exists in Canada. Farmers in one area compete with provincial treasuries in other provinces. This is why Bill C-25 is so important because it will open a path to a uniform subsidy plan across Canada.

Some regions of Canada are more suited to certain forms of agriculture than are others. I believe all will accept that western Canada is particularly suited to beef production because of its thousands of acres of grassland. As well, southwestern Ontario is blessed with good land and a favourable climate. Perhaps even more important, southwestern Ontario is close to the major population centres of Ontario and our export market. Other areas of Canada do not have the same advantage and agriculture there does not flourish as well.

However, few provincial Governments can accept that. Agriculture, when it is thriving, can make the rest of the country go. It is one of the most potent, perhaps the most potent, economic forces that exist. Therefore, provinces have established their own forms of subsidy. Even to speak about these subsidies is most difficult. Until very recently there was no compilation of support policies across Canada. There is now a report in this connection in the draft stage.

If we speak about swine, Mr. Speaker, perhaps the best source of information would be the U.S.A. where interest groups have studied our program to defend the imposition of countervailing duties.

We can accept in general that farmers in the EEC get 39 per cent of their income through their Governments, in the U.S.A. about 36 per cent, while Canadian farmers get only about 12 per cent. The support in Canada is not equal. It is an average of all the support. Ontario and Alberta, the have provinces which contribute to the equalization payments that help other provincial treasuries, have the lowest subsidies. Perhaps because of the natural advantages on which I have already touched, these farmers survive. These farmers are now competing with farmers who are more heavily subsidized in other provinces, subsidized perhaps with money sent in equalization payments.

Examples of provincial subsidies can best be shown in the hog industry. I would like to speak of the hog industry because Perth County produces more hogs than any other similar area in Canada.

In Prince Edward Island the subsidy can best be described as bipartite or coming from two parties, the provincial Government and the producer. The enrolled producers are supported to a level of 95 per cent of the total operational costs of an efficient producer. These costs include depreciation and interest charges. If the price of hogs goes up, the farmers begin to donate to the stabilization fund.

If one accepts that the costs in eastern Canada are higher and prices are set according to Ontario and to export prices, it is easy to see that this fund will nearly always be in a deficit position with the money coming continually from the provincial treasury. In 1984, this program cost Prince Edward Island nearly $1 million.

In Quebec, enrolled farmers have income stabilized to include their cost plus 70 per cent to 100 per cent of a specialized workers' income. Farmers do participate in this plan but the Government input is always twice that of the hog producer. I understand that in 1984, enrolled Quebec farmers received approximately $24 a hog. If the provincial treasury paid its two-thirds share, then each hog was subsidized to the tune of $16. Of course, all of these programs are based on good average producers. Farmers with better graded hogs, and the more efficient ones, received the subsidy and a profit.

If we get back to Ontario and Alberta farmers, we find only the subsidies that farmers get across Canada, for example, some relief in taxes, some assistance with drainage, and some interest relief for beginning farmers or farmers in difficulty. The Ontario hog farmer does get a stabilization payment under the Agricultural Stabilization Act if prices are low compared to a five-year average. This takes the bumps out of the rapidly changing hog prices, but it does not guarantee a profit. We are aiming to keep the farmers on the farm in times

of drastic cuts rather than to keep them on the farm with a guaranteed profit. In 1984, a payment was made. In 1985, there will be no payment. Not only do Ontario farmers have no subsidy this year, but they must compete with farmers whose hogs are subsidized. The Ontario production of hogs is about equal to the consumption in Ontario. However, other provinces sell thousands of live hogs in our market. Other countries, like Denmark, also penetrate our market. Then our surplus hogs find their way to the American market.

• (1500)

When we speak of the American market we must mention countervailing duties. The strong American dollar and government policies are combining to put unusual pressure on the American farmer. With an increasing amount of our pork entering the American market—and it is only a fraction of that market—American farmers thought it was unnecessary and unfair and successfully moved to have a countervailing duty applied. This duty was defended on the basis of a Canadian subsidy. Ironically it is the Ontario farmer who bears the brunt of this duty, while it is other parts of the country, particularly those to the east, which obtain the subsidy or are cushioned from the effect of subsidy by income guarantees.

We have heard comment about our friendship with the American Government and with the American President. In June the President of the United States will have to decide whether the duties will be applied. He has the final signing authority. The process up until now did not involve a presidential decision. I submit to the House that it is fine for us to have a good relationship with the President of the United States rather than the controversial relationship of the past. If there is a chance for this duty to be removed, there is more of a chance now than there was at any other time.

I hope I have laid the groundwork to demonstrate that a national tripartite scheme is essential. It should not be thought that every region in Canada should be subsidized in relation to its particular costs. Pork produced in Canada is Canadian pork, and all producers should produce on an equal basis. This is particularly important when one considers that present plans encourage over-production and that our subsidized products are exported to foreign buyers. Such a common system will become possible with the amendments proposed under Bill C-25. Four provinces have already agreed that tripartite plans should be in place—Ontario, Manitoba, Saskatchewan and Alberta—which represent somewhat over half the producers in Canada. They only await legislation for the plan to go ahead. To delay passage of this Bill any longer would place pressure on these provinces to initiate their own plans and to enter the interprovincial wars of treasuries being fought in farmers' backyards.

Under a tripartite agreement, the provinces would drop their regional subsidies and production in Canada would fall back to a more rational, market sensitive level. Each participant—the provinces, the federal Government and enrolled producers—would pay equal shares. Unlike present provincial plans, the maximum amount of any government input would be 3 per cent of gross sales of the product. In certain circumstances I understand the producer might be allowed to increase his payments to obtain a bigger pay-out.

The tripartite agreement would allow payments to be made promptly in respect of those products lending themselves to quarterly adjustments. For instance, for hogs and feeder cattle payments could be made on a quarterly basis. For other crops like wheat, payments could be made at the end of a crop season. The tripartite support prices would be such that there would be no incentive to over-produce and each commodity would have its own fund, recognizing the unique characteristics of the commodity, for instance, the difference in a cow-calf operation where costs are relatively static and the calf comes once a year, and the production of backgrounders, a term I never heard until I came to Ottawa, which means light feeder cattle, where the turnover can be as little as three months.

Within the tripartite agreements will be provisions that pay-outs will occur only on domestically consumed products. The Americans have shown more understanding of similar plans, and under such plans countervailing duties would be less likely.

Certainly the farmers of Ontario will welcome this Bill with its great potential to bring stability to farm incomes. Other farmers, particularly those who are benefiting from generous schemes, schemes funded partially by equilization payments from the have provinces, will initially fear the effects. However, our farmers are important to the nation and agriculture is an important tool to our economy. We cannot allow provincial boundaries to become the battle lines between farmers. We cannot afford to pour in more money, funded by loans, to push production in less favoured areas while the more favoured, efficient areas are torn down. The agreements which are possible under the amendments to the Agricultural Stabilization Act are important to the future of Canadian farmers. I am pleased to be able to add my support to its passage.

Mr. Hovdebo: Mr. Speaker, I want to correct an impression which I think the Hon. Member did not intend to leave. This is not a stabilization of farm income Bill; it is a stabilization of commodity prices Bill. One of its weaknesses is that it attempts to stabilize the commodity price. If the market price continues to go down, the result will be a lower stabilized price every year.

Following upon his remarks, I would like to ask the Hon. Member a question. He abhors the import of subsidized products into the country. I suppose that is a real concern on the part of all of us who are either farmers or deal with farmers or with products that have to compete with these imports. In the case of EEC beef, would the Hon. Member explain why his Government did not do something else rather than cave in to the EEC and increase the quota? Originally it was 5.9 per cent, and now we understand that the level will be three times that amount. Why did the Government do that? It invites more beef into the country to compete with Canadian beef.

Mr. Brightwell: Mr. Speaker, I thank the Hon. Member for his question. The problem with European beef started, as I mentioned in my speech, when the EEC suddenly had surplus beef which it had to dispose of and subsidized its sale. Canadian beef farmers became aware of the problem and tried to set up a hearing under the GATT agreement to see if it could be withdrawn. We understand that last August a decision was made within the bureaucracy indicating that frozen boned beef was not in fact a beef product, that beef producers could not appeal, and that if there was to be an appeal it would have to be done by the producers of frozen meat products. That occurred last August before this Government was involved. As the problem grew, the Government applied a restriction and held hearings. The amount of meat coming into Canada has been drastically reduced. I have not heard the final decision, but it would seem that we have either to accept that amount of meat, because the problems were created before we came into power, or to pay the penalty of $50 million. It should be remembered that the quota about which we are talking is less than half the amount of beef which came in last year. It is probably less than a third of the amount of meat which would have come in this year if we had not taken the strong action we took.

Mr. Hovdebo: Mr. Speaker, the Hon. Member is forgetting the other side of the problem, that is, the threat to other industries. Because of the quota which has been established and the failure to take action to make it less profitable for this beef to come into the country by establishing a countervailing duty, or something of that nature, we are threatening other products such as honey and maple syrup. In fact, I could provide a list of some 20 products. What fear does the Government have about placing a countervailing duty on this beef? Everyone accepts the idea that it is subsidized. The last figure I heard was probably as high as $1 per kilogram. That would mean that we would put a fairly hefty tariff on it within the GATT.

● (1510)

Mr. Brightwell: Mr. Speaker, I was fully aware of the penalties that were being threatened by the European Economic Community. I was there in March. We were told that Canada had two choices, either to negotiate on the basis of accepting more meat and paying the penalties on products coming in, or go for an agreement under the GATT. That is still open to us. To go under the GATT takes time. The product floods in in even greater amounts. This is probably a self-limiting amount. When the surplus is exhausted, we will not be flooded with beef from the European Economic Community. It will probably come from some other area, and we will have to watch that.

We were put in the position that we had to negotiate. If we apply more duties on this, we involve a large group with far greater power and more trading aspects. We are in surplus trade with them and they can penalize us even more. We cannot do it without a negotiated settlement, what we are approaching right now.

Mr. Hovdebo: The United States did not wait. They did not have to go through the GATT process, which takes a long time. I agree that it does. The United States put on a countervailing duty against our hogs which went into effect immediately. The money is going into a trust. It has had the effect of reducing the price of pork from 75 cents in some areas, and even to 58 cents the other day. If the United States can do that under GATT, why can Canada not do the same on beef?

Mr. Brightwell: Mr. Speaker, I wish to make a few comments. First, we are dealing with the United States which is dealing with another group of equal power. Second, the hearings in the United States did not occur immediately. The Hon. Member simply is not informed. They went through at least three stages. At the present time, they are still not complete. These duties that are being collected could come back, subject to the decision which will be handed down June 7. It was not an immediate decision. I do not know under what law it was done, but it was probably under the GATT. I could be informed about that. I do not know how it was done.

Mr. Hovdebo: Yes, Mr. Speaker, it could possibly be returned. The effect of that return will not help the farmer who sold the pork unless he sold it through a marketing board, in only a couple of provinces. It has had the effect of making it unprofitable to ship our pork to the United States, consequently reducing the effective income of the hog farmer.

Mr. Brightwell: Mr. Speaker, I acknowledge that the countervailing duties have had the effect of reducing prices, probably from 73 cents to 63 cents. There is a philosophy that may be having an effect on the total North American market. At the same time as our prices are coming down, American prices have come down as well. Our dollar has fluctuated to a degree. Therefore, there have been other factors than the countervailing duties.

Mr. Deputy Speaker: Resuming debate.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to make a few comments on Bill C-25, an Act to provide some stabilization to red meat prices in this country.

I should begin by stating that I have never had a great deal of expertise, in fact I have very little, with respect to agriculture in this country. In my part of the country the fishery and forestry are the resource industries and primary areas for job creation. There are a number of small farmers in my riding. I have taken an interest and tried to learn something about the difficulty that farmers encounter. Earlier this week I had the opportunity to meet with some gentlemen from the great Province of Alberta, members of the Canadian Federation of Agriculture. They came to my office to begin the process of educating me. They told me of the difficulties that farmers in this country face in trying to make a living, trying to provide food for our tables in Canada and elsewhere around the world. At the same time, they are trying to make a decent living for themselves and their families.

I rise today to support Bill C-25. There is no question that the Bill is necessary. Although there is a fair amount of controversy within the agricultural community about whether it represents a solid step in the right direction *vis-à-vis* the American threats of countervail and the American attitude with respect to fish and lumber, and in recent days we saw prevention of the importation of pork into their country, nevertheless until somebody comes up with a better solution I feel I have no choice but to support the notion of a tripartite red meat stabilization program.

Marketing stability has been a common characteristic of beef and pork producers. Even though prices over the years, particularly on the red meat side since 1974, have been very unstable, fluctuating up and down, these producers nevertheless have the responsibility to make long-term investment decisions. Those decisions carry with them a responsibility to undertake long-term repayment programs. It is very difficult when you do not know from year to year what kind of return you will have on your investment. It is difficult to know whether you can provide a reasonable return on your investment and a reasonable income for your family in the first instance. In the final analysis, and more important, you do not know whether you will have the kind of income to meet those long-term mortgage payments. If Bill C-25 prevents to some degree the fluctuation in market prices and ensures that producers can make long-term plans and at least have some assurance of a base price for their product, I support the Bill.

I have one problem with the Bill coming up at this time. We have seen reports in recent days, such as the one I have before me in which the general manager of the Saskatchewan Pork Producers Marketing Board, Mr. Jim Morris, has indicated that the farm commodity stabilization programs, the whole range of those programs across Canada, may have to be dismantled if producers want to continue selling in the U.S. market without paying heavy penalties.

When you have someone of that calibre and that kind of interest and input in this industry coming back from the United States, talking to producers in that country, suggesting that on the countervail side Canada may be in serious difficulty unless we begin to dismantle stabilization programs, and we may see more and more protectionist measures being adopted in that country to prevent the import of Canadian products, then I am a bit concerned that perhaps we have to do our homework before this Bill is passed. We ought to be sure that the Minister of Agriculture (Mr. Wise) and the Secretary of State for External Affairs (Mr. Clark) have received assurances from our friends to the south that the net result of passing Bill C-25 will not be a knee-jerk reaction south of the border. Every one in this House is familiar with the news reports of the last few days of western produced pork being prohibited from going south of the border. I am a bit concerned about that kind of trend spreading to red meat if we pass this Bill without first assuring ourselves of the reaction it will receive south of the border.

• (1520)

I repeat that I support the Bill. The Bill does not solve all the problems of the agricultural community in this country. It is a very small step, a temporary solution, taken before these trade discussions with our neighbours to the south have been concluded. As one who is not familiar with farming, one who did not grow up in a farming environment and does not understand the blood, sweat and tears, the part of your life that a farmer invests in trying to make a living from the land, I received a message. I did not entirely appreciate it. For the first time, a few days ago, I had a good discussion with some farmers. I was given a look at the way farmers' incomes have moved over the last 10 years. I saw that even though cash flow associated with the farming operation has increased dramatically, even though the cost of equipment and competitive technology has increased dramatically, and even though the number of bankruptcies are on the rise, real farm income over the last 10 or 12 years has not moved.

It seems to me that parliamentarians have the responsibility to ensure that there is a degree of justice and fairness for people who have chosen to make their living on farms. Through my discussions I learned that farmers have not had any real or significant increases in their incomes over the last 10 years. If there were any other single group in society that could organize itself with one voice and had not had a real increase in income in the last 10 years it would be here on Parliament Hill demanding that the Government pay serious attention to its problems.

The solution is not simple. Obviously one of the most important problems with which we as parliamentarians must come to grips is in providing farmers and those in the agricultural community with the ability to borrow money at interest rates that allow them to make a decent living and retain some cash at the end of the year that can be reinvested in their farms to keep their farms productive and to keep the Canadian agricultural industry competitive.

The Government made a great many promises to farmers during last summer's election. As one who knows very little about this industry, but is going to learn more, I will assume that those promises were made in good faith. If those promises were made in good faith, and if pledges to assist farmers and allow them to live with dignity and a sense of just reward meant anything at all, then the Government had better come forward with a program that will allow farmers to borrow money from FCC or on the open market at interest rates that reflect their ability to repay. As it stands right now, we are driving farmers into the ground.

One can only assume, looking at the data, that it must be a love of labour that keeps many of these people going. It certainly cannot be the financial reward involved. When looking at the kind of incomes farmers have, given their investment and their time spent sometimes over generations, they are not farming out of love of money.

I rise today to support the Bill before us. I would like to add that the farmers of Atlantic Canada are having a difficult time as well. When one hears red meat producers from Ontario,

Quebec and elsewhere screaming that it is tough out there, one can be assured that it is twice as tough in Atlantic Canada, because the farmers of Atlantic Canada import feed and grain from Central Canada for their livestock. The producers of Atlantic Canada spend as much as 30 per cent to 35 per cent of their over-all costs bringing grain into the Atlantic region. Right now, the subsidies that have been paid over the years to bring that grain into Atlantic Canada are being eroded. We are seeing the Government move to increase freight rates through those Crown corporations which are responsible for moving freight in Atlantic Canada.

For the Atlantic Provinces, and particularly the island provinces of Prince Edward Island and Newfoundland, whenever there is an over-all increase in freight rates, the cost of living and the cost of doing business is affected. Moving things by freight to Newfoundland is not a question of taking the scenic route by the sea versus some other route. When there is bulk material that needs to be moved over 90 miles of water, the sea is the only way to go.

When dramatic increases are applied with no thought to the effect of those increases, the net result is a dramatic increase in the cost of living. In fact, when unemployment rates in most provinces went down three-tenths of 1 per cent, it went up 2.3 per cent in Newfoundland, due in large measure to the Government's move to increase freight rates to an island province where no other alternative is available for moving grain, livestock or consumable goods. The Government brought in an increase with no thought to its impact on the people of that province.

With those few words and with a great deal of humility, as a man who has much to learn—has barely scratched the surface—but has a passion for the difficulties of farmers, I urge Hon. Members to see this Bill passed in reasonable time.

Mr. Hovdebo: Mr. Speaker, I have a comment to make to which the Hon. Member might like to add. I would point out to the Hon. Member that his knowledge of the primary industry of fishing gives him the kind of knowledge and authority required to speak on the problems of farmers. Their problems are very similar and have the same effect.

I appreciated particularly the Hon. Member's last words regarding transportation. The farmers and other producers in remote areas are affected by transportation costs. For example, I feel that Saskatchewan and other areas like the Peace River country are remote areas. By setting up increases in freight rates on a percentage basis, when those in the remote areas are already paying more than those who are closer to central Canada, a real penalty is put on those who live farther away from the market. That penalty then becomes a part of the cost of production to the farmer and the fisherman. If a farmer has to pay an extra dollar a bushel to ship his grain, that means he receives a dollar a bushel less. If the price of grain is set at $7 at Thunder Bay, the farmer in the Peace River country receives only $5. I appreciated the approach taken by the Hon. Member because it had not been taken previously.

Mr. Tobin: Mr. Speaker, I thank the Hon. Member for his generosity. I was terrified that he was going to ask me some complex questions about a subject about which I admit freely I do not have a great deal of expertise.

Indeed, one of the approaches that is being taken by the Government that concerns me is its approach to the agricultural community. This approach affects the notion that people have the ability to choose where they want to live, and to have a life-style that is uniquely their own in the case of those who have lived in rural areas for hundreds of years. If these people are not actively supported, then at least they ought not to have difficulties placed in their way for choosing to live a certain life-style.

In the past, we always had the notion of regional development and regional assistance. As a goal, we wanted to remove regional disparities. We were trying to provide, at the very minimum, services to meet the basic needs and requirements of the people across this land on an equal basis.

● (1530)

I believe the Minister of Regional Industrial Expansion (Mr. Stevens) has a somewhat different attitude. It is an attitude which indicates, "User-pay. That is the concept we shall apply." It is an attitude which indicates that those who live in the areas of the largest population shall benefit first and foremost from the services of the Government. I don't object to that, I really don't. But I believe that those who live in the rural areas, off the beaten path, and who have lived there for generations, choosing a life-style which reflects rural Canada, or the north, should also be able to expect the benefit of services and programs of the Government of Canada. But that is not the attitude taken by this Government which is too much concerned with a free market, private sector approach to providing goods and services to Canadians.

I am a free enterpriser from the word go. If I wanted to sell "rat pack" T-shirts, I would go out to the biggest market-place, because that would make sense. I wouldn't go to a place where there are the least number of people. But the Government is elected to represent all of the people no matter where they live in this country. It has an obligation to understand and to empathize with all of the people no matter where they live or what their circumstances might be. The Government's kind of market-place mentality will lead us to the point where we will have first, second, third and fourth class citizenships. That is a step in the wrong direction, Mr. Speaker.

My colleague talked about farmers who live off the beaten path, who do not live on the main transportation routes, whose business is not adjacent to the major market areas, and the additional cost they must bear to produce and get their product to market. He has concern about the cost of transportation and this Government's approach to it. I suspect that we understand each other very well.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to rise today to speak on Bill C-25, an Act to amend the Agricultural Stabilization Act. First, I would like to define

the situation surrounding this Bill, the situation on the farm front across Canada.

The Hon. Member for Yorkton-Melville (Mr. Nystrom) and the Hon. Member from Newfoundland began to define the kind of crisis situation which faces our farmers. This is probably the basic reason this Bill is before us, and why it was put before the previous Government about two years ago. It is the reason we so often stand in this House to speak about the problems of the farmers.

When the economic statement of the Minister of Finance (Mr. Wilson) was laced before this House last fall it was quite a blow to many farmers who suddenly realized that the bureaucracy, and many Hon. Members of the House of Commons, had no real insight into the problems of farming and agriculture. The economic statement of the Minister of Finance indicated a type of farm structure and return from farming which put the farmers in a category above most ordinary citizens. Exactly the opposite is true. A large portion of farmers, even the ones who appear to be well off, are living off their equity. Their equity is going down and their investment is going up. If one made that kind of investment in any other business in Canada, one would expect approximately 10 per cent or 12 per cent return on the investment. It is many years since the farmer received any return on his investment. That is the situation with which we are faced as this Bill is brought forward.

The Hon. Member for Yorkton-Melville mentioned farm bankruptcies, as did the Hon. Member from Newfoundland. In 1979 there were 125 bankruptcies. In 1984 there were 551 bankruptcies. In the first three months of 1985, there have already been 152 bankruptcies. Those bankruptices are just the tip of the iceberg, Mr. Speaker, because most farmers recognize that they are going under and sell a piece of land in order to keep going for one more year, or they sell off half their herd. They decide they are not going to make it so they get out before they go bankrupt. They voluntarily leave farming. So the real problem is that farmers are leaving farming. Farms are being consolidated and a way of life of which we have been so proud is beginning to change. That change is not for the better because the person who takes over, although he may farm on a larger scale, faces exactly the same problems of too much debt and not enough return. Therefore, any kind of approach which would make survival of the farm community more certain is worthwhile taking.

I am pleased that the Government has brought forward this Bill. I hope that in the process of coming to some kind of acceptable Bill in the end, the Liberals and the Conservatives do not close the door, because this Bill is almost identical to the previous Bill. I hope they do not close ranks behind the Bill and exclude the possibility of making it worthwhile, because right now it is not a worthwhile Bill.

The farmers are not making enough return on their investment to survive. By suggesting that perhaps if we give them a little more for their commodity in the years in which they have a commodity to sell they possibly might survive is too much of a gamble. We must have something in place which is more secure than the idea that we can stabilize farm commodities, that the farmer will get 90 per cent of what he received for the last five years. As the Hon. Member for Yorkton-Melville suggested, if the market price continues to go down, we are stabilizing a lower price each year, and if the cost of operations continue to go up, the spread between the income of the farm and the cost of farming becomes closer, until finally the positions are reversed. That is the situation which faces many beef farmers today.

In one township in my riding, 36 square miles, a few years ago there were something like 2,000 cattle. One would be hard pressed to find 500 cattle in that area now. This has happened over the last four years or five years when farmers, although they have hung on, have lost money. Instead of going bankrupt they have got rid of their cattle in the hopes they could make it on straight grain.

Statistics Canada shows that in 1975, the income from farming was $10 billion. In 1984, it was doubled at $20 billion. That seems as if we are doing very well, that we have twice as much income from farming. But that is the gross income. But over that same period of time we have increased the costs of operation from $6.6 billion to $16.6 billion. In 1975 some 65 per cent of the farmer's gross income went to cover expenses. That left 35 per cent for gross profits, although that is being a little simplistic. But in 1984 some 82 per cent of gross farm income went to cover depreciation and operating expenses.

• (1540)

Several Members have said that the farmer's net income in 1984 is the same as it was in 1974, and that is correct. But that does not take into account the change in the value of the dollar. In constant dollar terms, farm income in 1984 is $1.9 billion, compared with $3.8 billion in 1974. In other words, it has been halved over that period of time, and that cannot go on. Therefore, this Government and the provincial Governments across Canada must do something about it.

We could spend a lot of time looking at the need for this Bill, but what we should be looking at is something that will make it possible for farmers to survive. We need a system of stabilization insurance that deals with the farmer's income, not the price of his commodity.

If you ask a beef producer, he will tell you that it is costing him at least 25 per cent more to raise an animal than he is going to get back. This Bill, if we allow it to go through unchanged, will stabilize that 25 per cent loss and in fact make it possible for that loss to be increased as time goes by, because the stabilization is based on 90 per cent of the average price over the past five years. Although this stabilization plan is a step forward, because over a short period of time you might have a dramatic price drop and this plan would even out the bump, as time goes on, unless the market improves, it will not help the farmer. So why not look at the farmer's total income and then put in place something to make it possible for that farmer to survive under almost any circumstances, or at least in those years when his returns are low.

A farmer faces not only market price problems, he faces bad weather, insect infestation and other problems. Therefore, farmers do not need just price stabilization. What good does it do if the price of grain is stabilized at $5 a bushel but the farmer has no grain to sell because it froze or the grasshoppers ate it? In the last two years we have had grasshopper problems in southeastern and southwestern Saskatchewan, and it looks like we are going to have another year of the same.

In approaching this Bill in committee we need to ask whether it does for farmers what is necessary. Does it put in place a survival plan so that in a bad year the farmer can survive, and in a good year he can make up what he lost in the bad year? As one farmer told me not too long ago, if he keeps this up for the next 10 years he will live but he will have nothing left, his equity will be zero. I think that is the situation faced by many farmers today. So this Bill is basically a step in the right direction, but it is so inadequate that we have to look at the basic problem and try to solve it in its entirety rather than piecemeal.

I could criticize small parts of the Bill, Mr. Speaker. For example, it does not establish one program, it establishes four programs. It is quite possible for the Government to carry on under this Bill in exactly the same way as before without any contribution, and perhaps farmers will accept that; no contribution and some payout under certain circumstances. It also allows the Government to make a deal with a province and not bring the producers into it at all. There has been considerable suggestion that the Bill is a tripartite approach, but it is not. It can be operated as a federal Government subsidy program alone, a provincial program alone, a federal-producer program, omitting the provincial Government, or a tripartite program, which has gotten the most publicity.

The farmers are looking to this Government for help. The Conservatives made a good start when they invaded Prince Albert during the election and made a lot of good promises about what they were going to do for farming, agriculture in general and transportation. The farmers look to them to fulfil their promises, but they also look to them to take a logical and worthwhile approach to agriculture generally. Although this Bill is almost exactly the same as the Whelan Bill of a year ago, it at least gives us an opportunity to air the problems faced by the agricultural community.

I am very glad that the Private Members' Bill on parity prices put before this House by the Hon. Member for Yorkton-Melville (Mr. Nystrom) is also being referred to the Standing Committee on Agriculture so it can be discussed relative to this particular approach as well.

I think that some day in Canada we will have a stabilization insurance program for agriculture under which the farmer will be assured of receiving an adequate income when the grasshoppers get him or when the frost gets him, or when there is too much rain or not enough. That is what we need. This Bill eases the pain but farmers are still going down the drain. If this Government really wants to do something worthwhile for the farmers it will look at farming as a basic industry and recognize it as being essential, just as fisheries and forestry are essential. We must decide what is necessary for them to survive, and then take certain steps in that direction.

• (1550)

Farmers do not want hand-outs. They want to be assured that in bad years caused by poor markets, insects, or frost, they can still make a living. That is the approach that should be taken. We are not short of ideas on how it could be done. Recently the Grain Production Committee of the Canada Grains Council presented a paper to a convention of municipal councils. It laid out a very effective-sounding income insurance plan for farmers. That idea should be studied, even though it probably has some faults. My Party and I and other Members in the House are not going to wed ourselves to one particular position. However, let us consider the idea of income insurance for farmers.

It would be ridiculous for the worker on the street to pay a large amount of money to ensure that his wages do not fluctuate, because that does not happen. However, it happens every year for farmers. Other workers pay for unemployment insurance in case they do not have a job next year. Therefore, the idea of insurance may be one which we should consider. Perhaps we should combine insurance with stabilization. In every case the basic approach should be the consideration of what is necessary for farming and farmers to survive.

This Bill is inadequate. It is almost identical to the original Whelan Bill. There is a great need to establish a comprehensive income insurance plan and this Bill does not accomplish that. Let us hope that when this Bill goes to committee we will take a global approach and allow the Committee on Agriculture to make amendments, or to rewrite the Bill in such a way as to take into consideration the needs of the industry, rather than just applying a band-aid to a number of the commodity areas.

Mr. Caccia: Mr. Speaker, I listened with great attention to the thoughtful speech of the Hon. Member. I would ask him for his comments on how he would resolve the apparent impasse which exists with some provinces that are unwilling to enter into an agreement to make this a national initiative with the support of all the provincial organizations affected.

Mr. Hovdebo: Mr. Speaker, the Member has put his finger on one of the weaknesses of this Bill. There is such a variety of plans available, all of which are voluntary. If you do not volunteer for anything, you will not get anything. In the industry we have established a number of approaches for certain products. Each of the three western provinces with the responsibility to market grain agreed to give up that responsibility to the federal Government. The Canadian Wheat Board was established in 1926 and was legislated into existence in 1934. It is a central marketing system rather than managed production. This has proven that we can do that kind of thing. The dairy industry in every province has agreed to establish a dairy commission. This involves a bit of market management which certain commodity producers, such as the cattlemen in western Canada, do not want. However, it has been done with

eggs as well. There is the possibility for that kind of agreement if the structure which would allow it were in place.

There is a certain amount of insurance in the Dairy Commission and Egg Commission because the price received is based on production. Some people dislike that because it restricts their amount of production. That is being very short-sighted because if twice the amount of milk is produced the price would immediately go down and you would not make any more money in the end. To get the security you must give up something. If the Government put the structure in place I think we would get the necessary agreement across Canada.

Mr. Kilgour: Mr. Speaker, the Member for Prince Albert (Mr. Hovdebo) started his remarks by saying that it is not a worthwhile Bill at present. The Bill would clarify and make more flexible the period on which the support price for any commodity would be based. I ask the Member whether that is not a worthwhile feature. Second, the Bill would allow for support periods to be shorter than a year, but not less than 90 days. Is that not worthwhile? Third, the Bill would include winter and spring wheat produced outside the designated wheat board area and a list of named commodities. Is that not worthwhile? The Bill would replace "sheep" in the list of named commodities with "lamb and wool". Is that not worthwhile? The Bill would provide a new framework for federal-provincial agreements. I ask the Hon. Member whether that is not a worthwhile concept? The Bill would provide for the appointment of staff of the Agricultural Stabilization Board under the Public Service Employment Act. Does the Member not feel that that is worthwhile?

Mr. Hovdebo: Mr. Speaker, I have voted for and worked for stabilization at every level because it affects a particular individual at a particular time. This Bill affects drastic drops which can occur over a short period of time. However, because we are not solving the problem of agriculture in its entirety, perhaps it is just extending the agony. Maybe it is just allowing the industry to take a little longer to go broke. Maybe it will just take a little longer before we have the same situation as that which exists in Kansas. Soon, nearly 75 per cent of the farms in Kansas will be corporately owned. They will not necessarily be corporately farmed, but they will be corporately owned. That is happening in Canada.

The changes which the Member has suggested as worthwhile are the good features of the Bill. However, they are not solving the basic problem of agriculture, and neither is the Farm Credit Corporation or the capital gains changes which we are hoping the Government will introduce. All of those things are having some effect, but they are not solving the basic problem of agriculture.

● (1600)

During the next four years the Government should consider that basic problem because agriculture will suffer much more than it is today. We were much better off on the farm four years ago than we are today.

Mr. Deputy Speaker: It being four o'clock, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Is there unanimous consent that the House proceed to Item No. 182?

Some Hon. Members: Agreed.

* * *

[*Translation*]

THE CONSTITUTION ACTS, 1867 TO 1982

SENATE REFORM

Mr. Jim Edwards (Edmonton South) moved:

That, in the opinion of this House, the Constitution Acts, 1867 to 1982, should be amended in order to reform the Senate of Canada so that its membership is elected by the Canadian people and equal in representation of the provinces, thereby ensuring that the Senate of Canada would become effective legislative body.

He said: Mr. Speaker, it is with great pleasure that I put this motion forward.

[*English*]

I would like to begin by stating some of the reasons I am propelled to introduce this motion. During the recent election campaign, as a political scientist, I thought that the issue of Senate reform was a dry and dusty one. I was astonished to discover that it has been one of the most lively issues among my constituents over the past year. In fact, at 44 public meetings held during the nomination campaign and the campaign itself the issue voluntarily came up at least once at each of those meetings. It is a pressing issue in western Canada.

I had occasion last Sunday to visit Peterborough, a beautiful city in central Canada. The occasion was the rededication of the monument to Captain Edward Templeton Brown who was a soldier with Bolton's Scouts and happened to have been killed at the Battle of Batoche. He was one of General Middleton's soldiers. I was called upon without notice to make some remarks since Captain Brown was my great uncle. I sought to convey something of a western perspective of what the Battle of Batoche means to western Canada. As tactfully as I could, in the presence of the Union Jack and the Red Coats, I strove to underline that the Riel phenomenon and Dumont's generalship really were a popular reaction in many ways to what was perceived as colonialization from elsewhere.

It is interesting to note from where the support for a Triple E Senate is beginning to come. While I am not sure if the

Right Hon. Leader of the Opposition (Mr. Turner) has totally embraced the concept, he seems to be leaning in that direction. I suspect that many of our friends from the New Democratic Party, at least those who are westerners and perhaps others, are very sympathetic in their hearts and perhaps even in their minds. Of course, they are restrained by doctrine not to speak out on the issue.

Let me refer to some of the distinguished Canadians who have given their public support and financial support to the Triple E movement. They are the Hon. E. C. Manning, retired senator and former Premier of Alberta for some 25 years; Mr. Gordon Gibson, former Leader of the British Columbia Liberal Party; Mr. Jim Gray, Executive Vice President of Canadian Hunter Ltd; Mr. Ralph Hedlin, a distinguished energy policy consultant who lives in Ottawa; Mr. Horace Carver, former Attorney General of the Government of Prince Edward Island; and Mr. Ted Byfield, former publisher of the *Alberta Report* in Edmonton, Alberta. There is also our distinguished colleague, the Hon. Member for Bow River (Mr. Taylor), who has served for 45 years in the legislatures of Canada, and Mr. Izzy Asper, Chairman of Canwest Capital Corp., in Winnipeg, Manitoba, a former Leader of the Opposition in the Liberal Party in that province. There is the distinguished Senator E. W. Barootes; Mr. Jack Gallagher; and Mr. Thomas P. d'Aquino, who is the President of the Business Council on National Issues which is based in Ottawa.

I would be remiss if I did not touch on some of the interesting developments in the direction of Senate reform over the past few years. The House will recall that in 1969, the then Government introduced a White Paper proposing a new Senate, with half of the members appointed by the provinces and the other half by the federal Government. In 1972, the special Joint Committee of the Senate and the House on the Constitution recommended increasing the number of western senators and reducing the Senate's powers to a suspensive veto. In 1975, a constitutional amendment awarded one Senate seat to the Yukon Territory and the Northwest Territories, bringing the total membership to 104 Senators.

In 1978, Bill C-60 proposed replacing the Senate with a House of the Federation, with the provinces and the federal Government each appointing half the members based on portional representation. In 1979, the Supreme Court ruled that the proposals represented a constitutional amendment and would therefore require the approval of provincial legislatures as well as the federal Parliament.

In that same year of 1978, the Canada West Foundation recommended replacing the Senate with a House of the Provinces. British Columbia, the Ontario Advisory Committee on Confederation and the Canadian Bar Association also submitted reform proposals.

In 1979, the Pepin-Robarts Task Force on Canadian Unity proposed replacing the Senate with a provincially appointed Council of the Federation.

In 1980, the federal and provincial Ministers responsible for constitutional matters discussed a new Upper House involving the provinces, with no resolution. The report of the Standing Senate Committee on Legal and Constitutional Affairs entitled "Certain Aspects of the Canadian Constitution", affirmed the need for a nominated but substantially reformed Senate.

The Quebec Liberal Party's Beige Paper entitled "A New Canadian Federation" proposed replacing the Senate with a federal council composed of provincial government delegates. In 1981 the well respected Canada West Foundation supported direct election of senators based on single province-wide constituencies.

In 1982, the Constitution Act provided for a six-month suspensive veto for the Senate in respect to constitutional amendments. Alberta recommended provincial appointment of Senators. The Senate debated the election of Senators by the people.

In 1983, a special joint committee of the Senate and the House of Commons on Senate reform started its work in April of that year. The Business Council on National Issues supported direct election of senators.

In 1984, the final report of the Special Joint Committee on Senate Reform was tabled in January.

This year, the Alberta Select Committee reported, and in May of this year the Hon. Minister of Justice (Mr. Crosbie) introduced his resolution.

Let me give credit to a distinguished former Member of the House who has done considerable research on the question of Senate reform. He is Mr. Bill Yurko, the former Member for Edmonton East. Mr. Yurko pointed out in a paper prepared three years ago, which was called "Toward a Renewed Senate Structure under the New Constitution", that a new Senate would require legitimacy, accountability, independence and stability. Mr. Yurko said that the issue of legitimacy is primarily a question of the Senate's legitimate position in the political process. He went on to say that probably nothing has undercut the Senate's position more than the system of Prime Ministerial appointments.

To be legitimate, any system which replaces the current regime must be structured to permit the Senate to perform its two most important functions in a balanced manner. The selection committee must be based in the regions or provinces to legitimize the regional representation function. It must allow for the selection of experienced politicians and other public figures to legitimize the legislative review or "sober second thought" functions. In relation to the Lower House, the second Chamber must also be a secondary chamber in every way. The House of Commons must remain supreme.

The second principle is that of accountability. Appointments for life steadily eroded the Senate's legitimacy. The central point at issue here is the question of accountability. The need to create a democratically accountable Upper House was not a high priority with the delegates to the Quebec conference. However, over the years, the lack of accountability has supplied abolitionists with ample ammunitions with which to wage their war against the Upper House.

• (1610)

The third principle is that of independence. To be effective a reformed plan must scrupulously uphold the independence of the Upper House. While expecting perfect and absolute independence from any legislative body may be unrealistic, the structural features of a reformed Senate should strive toward the ideal.

The final principle of a reformed Senate is that of stability. This is more or less separate from the question of which selection procedure would be preferable, since either election or modified appointment procedure could be tailored to provide stability. Whatever selection procedure is decided upon, Senators must have a longer term than Members of Parliament to allow them to develop the experience and expertise they require for legislative review and regional representation.

Let us go to the question of what the public seems to be saying on this issue of Senate reform. I go to two distinguished newspapers, two editorials published hard on the heels of the release of the joint committee report in early 1984.

The first is the *Calgary Herald* which reported:

> The latest report on Senate reform hits one target dead on but is completely off the mark in proposing regional representation by population that leaves eight provinces still with no more than second-class status—

Three weeks before the walk in the blizzard, on February 3, 1984, in *The Edmonton Journal* we find this article:

> An elected Senate, based on regional interests with significant power, would go part of the way toward making Ottawa everybody's national capital—not just those who voted for the party in power. Reform of the House of Commons itself would go the rest of the way... Without Senate reform, Canada risks a permanent crisis of national unity and inferior policy-making—provincial premiers will continue to serve as the effective opposition to the federal party in power—The highest road for Prime Minister Trudeau's exit from politics would be full Parliamentary approval of this report—throwing the political and moral initiative to the premiers and the people of the provinces.

Obviously the challenge was not met at that time.

Why should this resolution be brought before the House at this time? We have before us now a resolution from the Minister of Justice to amend the Constitution in such a way as to limit the amount of time the Senate could delay money bills. We are told that agreement has been secured from eight of the Provinces to support this resolution—

Mr. Boudria: Name them.

Mr. Edwards: —to support this resolution and that a constitutional conference will be held no later than 1987 to discuss long-term meaningful Senate reform. Whether those provincial commitments will hold is, I hear, now being questioned. Whether the Senate as it is now constituted will support the resolution remains to be seen. However, whether or not the resolution succeeds, the conference, we understand, will take place.

This is the time to coalesce the various proposals advanced for reform. Between now and 1987, let us develop in this place, in the other House and in public forums across the land a consensus for meaningful and enduring improvement.

The Constitution Acts, 1867 to 1982

The joint committee of the Senate and the House of Commons basically made these recommendations: Senators be elected for non-renewable nine year terms by plurality vote in single member constituencies, in triennial elections separate from Commons elections, and that the Senate have a suspensive veto of 120 sitting days over most Bills; the representation of the less populous provinces and of the Territories would be increased, bringing the number of seats in the Senate to 144; legislation of linguistic significance would require a double majority vote; and the constituencies themselves would have a logic as to mutual interset.

I would like to take one moment now to outline the proposals of the Alberta Legislative Committee on Senate Reform, which has met with fairly wide approval, including very recently that of the distinguished Liberal Senator Dean Gigantès.

I will now outline the recommendations in summary, Mr. Speaker. First, that the Senate should continue to act as a body of sober second thought. Another original purpose of the Senate, that is to represent property owners, should be abandoned immediately. Third, the Senate should not be a forum for intergovernmental negotiations. It is recommended, *vis-à-vis* membership, that the tenure of current Senators should be terminated through an equitable severance process. Second, that the determination of tenure should be accomplished as quickly as possible to facilitate an immediate move to the new system.

On the method of selection and basis of representation of new Senators, it is recommended that the Senate should consist of 64 Senators, six representing each province and two representing each Territory. Senators should be elected on a first-past-the post basis, a system now in use in federal and provincial elections. Senators should represent constituencies whose boundaries are identical to provincial boundaries. Senators should be elected for the life of two provincial legislatures. In each province, three Senators should be elected during each provincial election with each voter being able to vote for three candidates. The qualifications should be the same as those for Members of Parliament. Upon winning an election, Senators should be required to resign from any provincial or civic elected office they hold.

With reference to the powers of the Senate, it is recommended that the Senate should have the power to initiate any legislation except a money or a taxation Bill. Notwithstanding that point, the Senate should have the power to initiate supply resolutions relating to the Senate's own operational Budget. The Senate should have the power to amend any Bill after which the House of Commons would consider the amendment. The Senate should have the power to veto any Bill except a supply Bill. The Senate should retain the existing 180 days suspensive veto over constitutional issues. The House should have the power to over-ride a Senate veto on money or taxation Bills by a simple majority, The Senate should vote on a money or taxation Bill within 90 days and on other Bills within 180 days after it is sent by the House of Commons. All changes affecting the French and English languages in Canada

should be subject to a double majority veto, that is a majority of all Senators combined with a majority of French speaking Senators or English speaking Senators, depending on the issue. This, Mr. Speaker, is from the legislature of Alberta. Finally, non military treaties should be subject to ratification by the Senate, to which I would suggest we add the appointment of deputy ministers, assistant deputy ministers, heads of Crown agencies, and commissions.

Current polls seem to indicate that Canadians have little faith in the Senate, primarily because of its method of appointment. In my part of the country, as well as I think in others, there is a feeling that regardless of the popularity or sensitivity of this Government, fundamental changes to Confederation are required in order to ensure that the Western and Atlantic provinces, in particular, are adequately represented in the federal decision-making process. In the west it is a particularly crucial issue. I will quote from my distinguished colleague, the Hon. Member for Lethbridge-Foothills (Mr. Thacker) who said before the last election that western Canadians must feel that Parliament is protecting their legitimate interests; it is a very serious matter should that faith be lost. He went on to say that western Canadians do not feel that we Opposition Members are that effective; therefore, the emphasis is on the provincial premiers to defend them and that distorts the whole federal-provincial relationship. He went on to say that:

> People now must vote for provincial premiers based on their effectiveness in opposing the government in Ottawa, whereas they want to be able to rely on Parliament itself—opposition Members, government Members and the Senate—for that.

Finally, there are oxen to be gored and hurdles to be overcome. The oxen to be gored include, of course, the powers of this very House, the powers of the Cabinet, the Prime Minister's office and perhaps most significantly the power-brokers themselves, the provincial premiers. But, Mr. Speaker, an effective elected Senate, equal in representation province to province, will bring to Canada the harmony and civility which have too often eluded us. This is not just something to please the west, though it would without doubt. It is not just a redress of the blows of history, economics and demography, dealt to the Atlantic Provinces. Nor is it a gimmick to bring Quebec warmly and securely back into the bosom of Confederation. It is an evolution whose time has come, for Ontario no less than for all of Canada.

Throughout the country, audiences of up to 3,000 people have cheered the concept of a Triple E Senate. It is the positive enduring alternative to confrontation. What better time to bring it to reality than as a crowning achievement of this new age of harmony and consultations.

● (1620)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate this afternoon. I have read the motion of the Hon. Member. Some parts of it worry me personally, and I would like to speak to them.

I find it passing strange that over the last three or four months Conservative Members have introduced several motions, contradicting each other of course, on Senate reform. One Member said that we should have an elected Senate, that if we could not have one, we should abolish the place. Another Member rose and said that the Senate was a great place. Now an Hon. Member today wants to considerably reapportion Senate representation and retain it as a useful and effective body.

Mr. Schellenberg: It is a sign of a healthy Party.

Mr. Boudria: I suppose the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) has a good point. He says that it is a sign of a healthy Party that its Members can at least say something during Private Members' Hour. I am glad that there is at least one time of the day when Tories are permitted to do that. Hopefully they will muster up enough courage to do the same when we are considering legislation, but we will not hold our breath. Be that as it may, I should like to return to the debate at hand.

The sudden interest in the Senate on the part of the Conservatives has arisen because one day the Senate refused to give automatic consent to the Minister of Finance (Mr. Wilson) to borrow funds for a year for which he had not tabled estimates. Of course the Minister of Finance should have never requested those funds, to start with. That day the Senate was guilty of doing its job. It is unusual that whenever the Senate is not doing its job, Conservatives talk about reforming the place. Whenever the Senate does its job, suddenly they talk about abolishing it. I find that passing strange. However, in my view we have to retain, protect and enhance our parliamentary institutions. This means that they should be reformed.

In the past, members of the New Democratic Party have always said that the Senate had to be abolished. Undoubtedly that is part of their doctrine. One fine day many, many years ago, a socialist awoke in the morning after dreaming that the Senate should be abolished, and thereafter it formed part of the Party doctrine. Of course it will hot happen and should not happen.

Most federal states have bicameral legislatures. The reason for this is to ensure that regional interests are represented and to overview legislation. This as well is the reason for having and retaining our Senate of Canada. The difficulty I have with the NDP proposition of abolishing the Senate will become evident if I remind the House that in 1979 the Government of the Right Hon. Member for Yellowhead (Mr. Clark) had very few Quebec Members. As a matter of fact, there were only two, one of whom was appointed to Cabinet. That created a very difficult situation in that one of the two founding peoples of our country was not represented in Cabinet. Therefore it was necessary at that time to call upon parliamentarians who did not sit in the House of Commons to join the Cabinet. Of course there was only one place with federal parliamentarians in our system of Government other than the House of Commons and that was the Senate. Therefore a number of people from existing Senate ranks were appointed to the Cabinet of the then Prime Minister. Thus there was regional representation in Cabinet provided by some other means than the House of Commons. It was made necessary because there was not a

sufficient number of Members elected not only from that province but from that linguistic group or founding nation. As I said previously, because there was not that representation the then Prime Minister rightly chose to appoint some Senators to Cabinet.

Another difficulty I have with the NDP proposition is that all of us in the House, collectively and individually, although Members on the government side do not usually complain about it as much as opposition Members, are somewhat at odds with the fact that there is an ever-increasing concentration of power in Cabinet and not enough in parliamentarians generally. If we abolish one of our Houses of Parliament, obviously it would only lead to a further concentration of power within Cabinet. After all, we cannot enhance Parliament by destroying half of it.

The Minister of Justice (Mr. Crosbie) presented a motion to the House to make the Senate into a reading room. Of course I have some difficulty with that proposition because the Minister is effectively trying to abolish one of our parliamentary institutions, nothing else. There is only one way to deal with reform of the Senate and that is through comprehensive reform. We cannot arbitrarily take away one of the most important powers of one of our Houses of Parliament, and call it reform, because one day the Minister of Finance did not get his way. There has to be more to reform. That is not comprehensive reform. That is not adequate. Obviously the scheme of the Minister of Justice will get nowhere. I do not think he has the consent of eight provinces. I challenge the Hon. Member to name those eight provinces. It will be interesting for all of us to check to see whether there is agreement on the part of eight Premiers on reducing the Senate to a reading room, as the Hon. Member claimed.

During his remarks today the Hon. Member suggested that we should give the same number of Senate seats to each province. If we look back at the history of our country and the reasons for having the Senate, we see that one of its functions was to provide a sober second thought. Perhaps that can be accomplished by having any number of Members from any part of the country. After all, a function of the Senate is to review legislation and the regional aspect is somewhat less significant in that regard, although it is still a concern. Of course another one of its functions is to provide individual provincial representation in Parliament. As I said a while ago, that manifested itself in the case of the 1979 Progressive Conservative Government which lacked a fundamental component of representation.

Another difficulty which I see—and I think the Hon. Member forgot it in his proposal today—is that in the origin of the Senate it had another function, to represent not only the regions but the two founding nation principle of our country. When Canada east and Canada west joined in the Act of Union of 1840 they were given equal or proportionate representation.

Mr. Schellenberg: Upper Canada?

Mr. Boudria: No, not Upper Canada; it was after Upper Canada. Upper Canada was 1791 to 1840, but in the Act of Union of 1840 Canada east and Canada west were joined. At that particular time there was identical representation in both Houses, notwithstanding the fact that Canada east had a larger population than Canada west. Canada west, Ontario, was given a much larger number of seats. It was known at that time that the population of Canada west would increase. Canada east accepted an equal representation because there was a two founding nation principle that was important to preserve. Those statistics have turned around and numerically in terms of Anglophones and Francophones there is now a far greater number of Anglophones in this country.

• (1630)

The same principle was very important in the deliberations in the 1860s in the Constitutional Conference where Canada east and Canada west, formerly called Upper Canada and Lower Canada, wanted a parliamentary structure in which there would be equal representation in at least one of the Houses of Parliament of those two areas. The Maritime provinces, which were then about to join Canada, wanted at least as much power together as one of the two larger provinces. The reluctance they had as smaller Maritime provinces was based on their fear that the difficulty that existed between Canada east and Canada west would put them in the middle of the problem. They wanted to ensure that collectively the Maritime provinces had at least as much power in one of the Houses of Parliament as Canada east and Canada west. Those are some of the origins.

When the western Canadian provinces joined Confederation under various parliamentary Acts of 1870, 1905 and so forth, they were given a number of Senate seats, again proportional to one of the other regions that existed. This created a situation whereby French Canada, Quebec, had and still has approximately one-quarter of the Senate seats in this country. Perhaps that is somewhat more than their fair share in terms of percentages. There is an element outside the percentages which cannot be measured. That principle has to be measured differently, the principle of the two founding nations. It is important to remember that.

I hope there is not one Member in this House, particularly from Quebec, who would want to restructure our parliamentary institution to remove some of those special powers and privileges that are necessary to ensure not only that each province is represented, but that there is a special place in confederation for French Canada. By giving one-tenth of the representation in the Senate to French Canada, and giving an equal number of seats to all provinces, one-tenth or one-eleventh, depending on how many seats there are for the Territories—giving roughly one-tenth of the representation of the Senate to the Province of Quebec is unacceptable. I hope that Members will reconsider any such proposal, however well-intentioned it might be.

I think the Hon. Member's remarks were very positive with regard to enhancing the parliamentary institution, and I com-

mend him for that, but the formula he suggested is not correct. I am sure that all who are concerned about the two founding nation principle of this country will agree that there has to be a special element in the parliamentary structure to protect that principle. We all know of the special provisions that are there for Quebec. We know of the guaranteed minimum number of seats for that province. Only one province in Canada has a guaranteed minimum number of seats in the House of Commons. All other provinces cannot have less seats in the House than they have in the Senate.

Quebec has another tier of guarantee which is very important, and rightfully so. It has to be there. I say this as a Member who does not represent that province. I am a Franco-Ontarian who represents a linguistic group that is similar and, although I am from outside the province, I am very interested in that topic. It is very important in my mind, as it should be in the minds of all parliamentarians.

Quebec has a different method of designating Senate areas, ridings or electoral districts. Senators represent their provinces. That is true in all provinces except Quebec. In Quebec, Senators are each assigned an electoral district which is similar, if not identical, to the 24 *seigneuries* in the Province of Quebec. There is a special significance there for the Province of Quebec, and it is important to remember all these things.

How do we reform the Senate? In my view, we should have an elected Senate. I fully concur with that proposition. It is an ideal time to consider that seriously. I believe all Members of this House should advocate that. As elected parliamentarians and supporters of elected democratic institutions I am sure all Members want our parliamentary institutions to reflect that principle. However, we should not forget that destroying, dismantling or doing something in a way which is not well thought out will not necessarily enhance our Senate. We must proceed with caution and real reform, and do it all at once. It should be a comprehensive package, not one that addresses just one small part of the issue.

In order to reflect the principle that our Senate must represent provincial interests, I believe that Senators should be elected at provincial elections. While that may be a somewhat unusual way of proceeding, what better occasion is there to assess the provincial mood of an area than during the provincial election campaign? Why not elect one-half of the Senators at every provincial election, assuming that we had the same number of seats in the Senate that we have now in each province? I recognize that there has to be reform there. However, for the purpose of debate, let's assume that we have the same number of seats that we have in each province. The greatest number of Senators that could be changed at any one time would be 12. Ontario and Quebec each have 24 Senate seats. With only one-half elected in every provincial election, a maximum of 12 would change at any one time, if all Senators were defeated within that province, which is somewhat unlikely. There would be insured continuity.

Some Members may wonder how we could ensure that those Senators elected have at least some sort of federal point of view. If Senators were elected with very separatist tendencies, for example, there could be some difficulty having that institution function. In order to present candidates for the Senate a Party should have a minimum number of seats in the House of Commons. There would then be a process which would marry the principle of federalism with the thoughts of electors in a provincial election campaign. In so doing, we would have a provincial perspective, federal perspective and continuity, because only a small number would be elected at any one time.

That theory has to be further developed. There needs to be a full airing of that view in order to ensure that the system would best represent our country. I recognize there has to be a way of looking at the proportion of Senators in each province. I agree with that. However, in so doing, we must keep in full view the fact that there must be a very special place for the Province of Quebec; we must retain that important component in the system.

● (1640)

Mr. Dan Heap (Spadina): Mr. Speaker, I rise to oppose this Bill as both previous speakers had suggested someone from my Party would. I have listened to the interesting lectures that have been given. However, I do not detect a clear enough thrust in either the remarks of the Hon. Member for Edmonton South (Mr. Edwards) or those of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) to warrant a careful study of what they said. In fact, for a while, I thought the Hon. Member for Glengarry-Prescott-Russell was debating a different motion entirely. He seemed to have imagined that the subject for debate was a resolution by the NDP for abolition of the Senate. However, toward the end of his remarks, he did return to the subject at hand.

I found the historical comments made by the Hon. Member for Glengarry-Prescott-Russell regarding the rationale for the Senate from the past century and perhaps the early part of this century to be very interesting and informative. The mover of the motion gave us a rapid-fire survey of the more recent history of discussion regarding the Senate. I believe his object was to prove that Senate reform is an idea whose time has come because enough people have talked about it. It is no doubt true that a number of people have talked about it. However, at all-candidates meetings and other public meetings that have been held in the riding of Spadina, not only when I ran for office but at the time of previous elections when I did not run for office, this question seemed to come up very rarely. It may be that certain candidates, simply by their own expressions of interest, evoke more discussion around that subject than do other candidates.

Both Hon. Members mentioned a variety of schemes. Although the Triple E proposal made by the mover of the motion does state some broad principles, he developed it with so many alternatives from so many groups that it is difficult to see exactly how he would focus. Likewise, the Hon. Member for Glengarry-Prescott-Russell, in using up his last two or three minutes, proposed a whole new scheme as an alternative. He made very little development of the practical effect of the scheme.

The difficulty with both presentations is that the Hon. Members made an assumption which, in a doctrinaire way, they simply repeat without really defending. They made the assumption that we need a Senate. The Hon. Member for Glengarry-Prescott-Russell did make some attempt at defending the Senate, but he defended it largely in terms of the very early years of Canada's history, the years when different parts of the British Empire were being incorporated into Canada and there were growing pains. He picked out some instances of the existence of the Senate being important for the defence of either of the two founding nations of this country. However, I think it is a mistake to make an automatic assumption that because we had a Senate before, we must have it forever. Perhaps it is a venerable old piece of the furniture, but the question is whether or not it serves a function and, if so, whether that function is predominantly useful or harmful.

I think it is not at all clear that in balance, the function of the Senate is useful. As it exists at present, I doubt that it seriously defends the unity of Canada. I have not noticed that the things that tend to tear Canada apart are curbed by the Senate. It seems rather that the Senate at times intensifies the things that tear Canada apart. An example of this is its action a couple of years ago on banking legislation. Very frequently the effect of its action on banking legislation is to strengthen the grip of a tiny minority of powerful Canadians on the Canadian economy. Legislation that goes to the Senate from this House with the object of curbing the power of the banks tends to come back from the Senate with the object of increasing the power of the banks. That does not promote unity in this country. It may appear to do so by momentarily drawing attention away from rivalries between east and west, French and English, Maritimes and centre and North and South, but in fact it intensifies still greater rivalry or polarity.

Last year there was an example of action by the Senate which did not directly intensify a division, but was quite ineffectual for the public good. This happened when the previous Government put forward an outrageous piece of legislation designed to implement the security service of Canada. After the legislation was tramped on by Attorneys General across the country and by all sorts of public institutions, the Government referred it to the Senate. I think that this was meant to take the heat off the Government. The Senate sat on the matter for a few months and then brought the legislation back with some cosmetic changes. The Government felt that that was fine, it was a reformed Bill and it would now be passed. The Government did pass it. The Conservative Party which was then the Official Opposition supported the Bill in the end and throughout committee stage.

I was rather amused when I recently received a fund raising letter signed by Dalton Camp. He is asking for money for the civil liberties associations; one of the reasons he is doing so is that we have this dreadful legislation. I do not know where Dalton Camp was last year when the Party he helps to lead as one of the back-room boys was promoting that Bill in support of the Liberal Government. He is now trying to raise money for civil liberties associations and is saying that it was a bad Bill. I do not remember the Senate being a house of sober second thought regarding that very important and very dangerous Bill that was passed by the Senate and by the House.

I do not see that the Senate performs a useful function. Granted if we are to have a Senate, it should be an elected one. I do agree with the two previous speakers on that matter. An elected Senate would have to be less harmful than an appointed Senate. The question of whether or not it should have equal representation from all provinces, I think, tends to be irrelevant or ambiguous. Equal representation suggests that fundamental conflicts in the country that need to be balanced are conflicts between people in areas which are marked by some provincial boundary. Just because a certain line goes from north to south between Manitoba and Saskatchewan does not mean that the people in Saskatchewan have different interests from the people in Manitoba and must therefore have balanced representation in Parliament.

• (1650)

I grew up in Manitoba and I understand that there are tensions, but I find as decades go by they are less and less based simply on regional conflicts because the regions are changing. For example, the economic boom in the western provinces, particularly in Alberta and British Columbia, has considerably altered the balance of power within Canada. The regional considerations which may have seemed very strong when we had only Upper and Lower Canada, or Canada east and Canada west, or the Maritime Provinces plus Quebec and Ontario, not having yet incorporated Manitoba and points west, are now an important part of our history, but not necessarily part of our present needs. I do not remember the Senate doing anything serious to mediate the dispute with respect to the price of oil within Canada and the slogan of the western Premier, Mr. Lougheed, "Let those eastern bastards freeze".

Mr. Edwards: He never said that.

Mr. Heap: The Hon. Member says he didn't say it. I certainly would not want to contradict the Hon. Member from the west, but it has become part of western folklore and part of the understanding of east and west attitudes. I am not aware of the Senate having actually done anything significant with respect to the establishment of fair pricing of oil or, for that matter, natural gas.

While I would not object to the reforms proposed by the Hon. Member for Edmonton South, and I would certainly not object to the principle that the Senate should be effective, I have not heard the Hon. Member for Edmonton South or the Hon. Member for Glengarry-Prescott-Russell say for what, and in what, the Senate might be effective, let alone how to make it so. I simply cannot see the point of the motion put forward by the Hon. Member. I believe that the principle adopted over half a century ago by the CCF was a farsighted view into Canada's future and that that future has become the present. I believe it is time now to abolish the Senate, not to mess around with any further attempts at reform.

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I listened with great interest to the debate during Private Members' Hour on Senate reform. I took particular interest in the comments of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) who very often stands in the House of Commons to speak on many issues, and sometimes knows something about those issues. However, his exact comments, as I recall them, were that he was concerned about a special influence which certain provinces should retain in the Canadian Senate much the way they are in the House of Commons. I can understand his fear. I can understand, perhaps, the central Canadian's xenophobia of western Canadians rushing in here with all kinds of brilliant ideas. I can understand those comments and feelings because as a western Canadian I know that we have been in the wilderness for many, many years. The previous administration had only one elected representative in the Canadian Cabinet.

I believe that perhaps it is time for Senate reform which would allow us to have a little more influence in the Government of Canada. What the Hon. Member's comments basically stressed is that there is no need for reform, that we should have the private arrangements which were there before. I entirely disagree with that suggestion.

With respect to the comments of my colleague, the Hon. Member for Edmonton South (Mr. Edwards), I am in almost total agreement with him on many of the things he said. Perhaps it is because he and I shared those years in the wilderness. I find myself in basic agreement with the thrust of his comments, but I certainly disagree with the timing of which he speaks. My colleague knows the approach of our Government in proposing the constitutional resolution, now on the Order Paper, that deals with the absolute veto of the present Senate. The Hon. Member for Edmonton South is aware that this is merely an interim measure, with a constitutional conference scheduled before December, 1987 to discuss the issue of Senate reform in greater detail. The Hon. Member also knows that the consent of seven provinces with 50 per cent of the population of Canada is required in order to enact the changes he is suggesting.

We have all heard the expression, "If it ain't broke, fix it". I believe most Hon. Members in this chamber would agree that the Senate is not working as well as it could and perhaps it is time to fix it.

Let us take a look at this august body, the much maligned Canadian Senate. One journalist called it "The only wax museum in history where the figures actually breath". Vancouver humourist, Eric Nicol, said, "There are two kinds of people in Canada. There's the quick and there's the Senate". Columnist, Allan Fotheringham called it, "A body that bores the socks off most Canadians". Well, some of Mr. Fotheringham's recent columns may also fall into that category, but we will not get into that.

Even the Right Hon. leader of the Opposition (Mr. Turner) does not know what to make of the other place. As a 20-year-old student at the University of British Columbia he wrote in his bachelor of arts thesis in 1949, "If the Government summons men of experience and ability to the red chamber, and provides the upper House with enough work to do, there is no reason to doubt that the Senate will continue to manifest its present efficiency". But in 1961, the Right Hon. Gentleman seemed to have a change of heart. While practising law in Montreal he wrote an article lambasting the Senate as a haven of retired politicians and party bagmen. He said, "The waste of talent in recent administrations has made that chamber a functionalist oddity". There seems to be a lot of confusion all around, but I do submit that the Right Hon. Leader of the Opposition was perhaps right the second time around.

Every so-called civilized country has a second chamber as some sort of a check on the first chamber. But I believe an appointed legislature, supported by public funds, has no place in a democratic society. That is my opinion. It is one man's opinion. What do the 24 million other Canadians think about reform of the Canadian Senate? I think we should take the time to find out, with debates such as this in the House of Commons, a constitutional conference with our premiers, and continued discussion with our constituents.

Like a bit player in the theatre, the other place since Confederation has stayed in the background. The audience is aware of its presence but the focus, as in any performance, remains on the leading players in the House of Commons. However, the bit player in our national drama has recently knocked over a prop and now stands exposed in the spotlight. Do we fire the bit player for his folly, or do we attempt to improve his performance? If we are going to improve his performance, how exactly do we do it? Some have suggested a ten-year term with elections every five years for half of that august body. Others have suggested nine-year terms with elections for a third of the members every three years. And I heard a couple of other suggestions from my colleague, the Hon. Member for Edmonton South this afternoon.

We do know that reform requires consent of seven of the provinces for major changes. Abolition is a little more difficult and requires the support of all ten provinces as it affects the amending formula under the Constitution. When the Fathers of Confederation scripted this great drama about which we have been speaking, they provided for a balance between the provincial legislatures and the federal Parliament. This provision, of course, was the "other place", which would be formed on a regional basis; 24 members from the west, 24 members from Quebec, 24 members from Ontario and 24 members from the Maritimes. The flaw in this scenario is that of the three bodies, the provincial legislatures, the House of Commons and the Senate; it is the other place which is the only one not made accountable to the people through elections.

Should the Liberals and their allies ever regain centre stage, it could well result in the electors of my great province of British Columbia being once again relegated to the cheap seats. On the other hand, as my colleague the Hon. Member for Edmonton South might agree, with a regionally elected Senate with appropriate muscle Alberta would not have to accept the crippling effects of the national energy policy, as it did in previous years.

Total abolishment would doom the regions to certain further abuse from future Governments. Total abolishment would also involve asking that dottering bit player to fall on his own sword which has, until recently, remained unsheathed. But more than that, Mr. Speaker, total abolishment would remove the possibility of a responsible second chamber with equal elected provincial representation. So I think my colleague the Hon. Member for Edmonton South and I are paddling the same canoe on this issue. We only differ on when we should arrive at the rapids.

I will conclude my comments, Mr. Speaker, by saying that a few years ago I recall an Opposition Member of Parliament, probably one of those wise Conservatives our nation has come to know and love, saying that, "While Pierre Elliot Trudeau fiddled with the Constitution, the fire went out of the Canadian economy". Those fires are only now being rekindled. Employment initiatives, not Senate reform, are of paramount importance to the citizens of Canada.

Mr. Deputy Speaker: The hour provided for consideration of Private Member's Business has now expired.

It being five o'clock p.m., pursuant to Standing Order 2(2) this House stands adjourned until Tuesday, May 21, 1985, at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Tuesday, May 21, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-15

Hon. Herb Gray (Windsor West): Mr. Speaker, I wish to raise a point of order about the motion.

Mr. Speaker: The motion on the Order Paper?

Mr. Gray (Windsor West): Yes, Sir.

Mr. Speaker: I have something I was going to say about the Order Paper, but please go ahead.

Mr. Gray (Windsor West): Mr. Speaker, if you look at the *Projected Order of Business*, it says:

Note: Length of speeches, pursuant to Standing Order 35(1):
—unlimited time—Prime Minister and Leader of the Opposition
—20-minute maximum (all other speakers)
—all speeches are subject to 10-minute question and comment period.

If this is the case, Mr. Speaker, I respectfully submit that the motion which is about to be moved by the Minister of Regional Industrial Expansion (Mr. Stevens) is not limited to a debate not extending more than two hours. Otherwise, we would certainly not find the Order Paper constructed in the way it is. As you have pointed out to us previously, Sir, Standing Order 82 calls for only 10-minute speeches. However, it is clear from the very clear wording of the Notice Paper today that if the speeches are pursuant to Standing Order 35(1), I respectfully submit that there is not then a two hour time limit on debate of this motion. I thought it was important to bring this to your attention at the very outset of the debate.

Mr. Speaker: I thank the Hon. Member. The Hon. Member is indeed correct that if it were a motion under 35(1) there would indeed be unlimited debate. I have a note to myself to indicate this before anybody said anything else. I appreciate the point. Therefore, before putting the question on the motion to the House, may I, for the benefit of Hon. Members, indicate that the time allowed for speeches on the motion as listed on today's *Projected Order of Business* is incorrect. In fact, the provisions of Standing Order 82 apply and all speeches will be limited to 10 minutes. As a consequence, two hours after commencement of proceedings on the motion, the question shall be put to the House. The motion is properly under Standing Order 82.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Hnatyshyn), the following proposed motion:

That, further to the notice given on Thursday, May 2, 1985 by the Minister of Regional Industrial Expansion, and pursuant to the provisions of Standing Order 82, in relation to Bill C-15, An Act respecting investment in Canada, one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the said bill; and

That fifteen minutes before the expiry of the time provided for government business on those days, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the stage of the bill then under consideration shall be put forthwith and successively, without further debate or amendment.

He said: Mr. Speaker, in joining in this debate I would like to begin by saying that, pursuant to Standing Order 82, there is now time allocation which will have the effect of requiring that there be only one sitting day at report stage of Bill C-15, and one sitting day at third reading stage of the same Bill. There may be those who ask why we felt it necessary to bring in time allocation. I can only say to such people that if they had had an opportunity to sit in the House and watch the progress of Bill C-15 at second reading and at committee stage and if they had seen the stalling and filibustering tactics which the Official Opposition and the NDP Members used, they would be endorsing this time allocation motion.

I would like to refer specifically to the remarks of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) made recently in this Chamber. He said, "We are prepared to spend as many hours, days or weeks in the House debating these matters as required". The unfortunate thing, Mr. Speaker, is that the Hon. Member was not kidding. If the Opposition had its way we would still be debating Bill C-15 this time next year, or even the year after that. We would be going over the same ground, hearing the same arguments, and having amendments put which had already been duly considered and in many cases voted down in the committee which made a very in-depth study of this Bill.

If Hon. Members read some of the arguments used, I think they would find them to be hackneyed, trite and, what is most unforgivable, ignoring the hard fact that there are 1.5 million Canadians out of work who would like to see investment, preferably from Canadian sources, but certainly from all sources, considered with a view to creating the prosperity and jobs which the country needs. It is beyond reason to claim that insufficient time has been allowed for debate on this legisla-

tion. We have already devoted many hours to it, both in the House and in committee.

• (1110)

Let me emphasize again how much time has been spent. In that respect, I would like to compare the number of Members we have heard speaking on Bill C-15 with the number who spoke on the Foreign Investment Review Bill back in 1973. At second reading of Bill C-15, there were 72 speakers, compared to only 26 speakers at the second reading of the Foreign Investment Review Bill. A total of 128 speakers have spoken so far at the report stage of Bill C-15, compared to only 68 at the report stage of the Foreign Investment Review Bill.

What a contrast! When one thinks of it, the Foreign Investment Review Act changed Canada's attitude toward non-Canadian investment in a very fundamental way. It was a true policy change. If the House saw fit to pass that type of legislation, surely it is rather remarkable, ten years after the fact, when we bring in legislation that we think is improving the approach, still putting in meaningful review where necessary while making it clear that we welcome Canadian and non-Canadian investment, that those in the Opposition now feel their right is to block such legislation and delay it much more than ever was the case with respect to the original Foreign Investment Review Act.

In the House last week, my colleague, the Hon. Member for St. Boniface (Mr. Duguay), and I spelled out the number of hours spent in debate on Bill C-15. Let me repeat them once again for the Hon. Member for Winnipeg-Fort Garry and the other hard of hearing socialists on the opposition benches. It has now become crystal clear that every reasonable point that could have been raised in regard to Bill C-15 has indeed been raised. At second reading, the Bill received 15 hours of debate in the House, a total of 40 hours in committee and a total of almost 24 hours at report stage up to and including May 2. How can the Opposition claim that we have not provided enough time for the consideration of their important and constructive amendments? This argument, like so many of their arguments, is simply ludicrous.

It has now become crystal clear that every reasonable and constructive point to be raised with regard to Bill C-15 has already been raised. Several opposition motions which were rejected in the committee were still put forward here in the House. Obviously it was a stalling tactic. Furthermore, several of the opposition motions put forward in the House have been ruled out of order.

Opposition Members may be smug in the knowledge that their attempts to obstruct passage of this vital piece of legislation has worked so far. Are they equally smug in the knowledge that at the same time they are obstructing the economic progress of the Canadians who elected us all? I can tell you of one group who do not appreciate this smugness. They are the workers who are looking for jobs in this country. They feel that such stalling on a meaningful approach to future investment in Canada is not what the Parliament of Canada should be a party to. In short, they believe that it is time to allow the will of the majority of the electors, as evidenced in the last election, to be recorded in the House of Commons and presumably in the other place.

Some Hon. Members: Hear, hear!

Mr. Stevens: In short, it is our view that we must start facing the facts. We must remove needless obstacles to investment in this country in order to bring to Canada the capital, the technology development, the industrial growth and, above all, those new jobs to which I have been referring this morning.

• (1115)

To remove needless barriers to investment here is precisely the way we have drafted Bill C-15. By proposing this legislation, the Government of Canada is saying to Canadians, "Let us try out new ideas and technology. Let us work together, federal and provincial Governments, public and private sectors, to put Canada on the road to economic recovery. Let us demonstrate the Canadian edge in energy, technology, markets, growth, people, and ideas". The time has come to put an end to the Opposition's endless talking about this Bill. The time has come for action. The time has come to pass Bill C-15.

Canada needs the benefit that this legislation can provide. It is our responsibility to bring the benefits within our reach by passing this Bill as expeditiously as possible.

May I remind all members of the Opposition that the Progressive Conservative Party made a commitment to Canada, to the Canadian electors during the election, to replace the Foreign Investment Review Act with a simpler, less restrictive investment policy. We were elected to carry out the will of Canadians. We intend to see it carried out with precision and purpose. We will not be held back by an Opposition bent on disruption for the sake of disruption. That is why I have introduced this motion to limit debate at this point. We will not see this Bill and with it Canada's economic recovery put on hold.

In short, any Member who decides to resist, to vote against this legislation, is contributing to the lack of investment in Canada and, unfortunately, to the ultimate lack of jobs for Canadians.

Mr. Langdon: Nonsense. Such total nonsense.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Minister in introducing this closure motion said that the time has come. I think that was his resounding refrain. That is the one statement with which I can agree. The time has now come when the Canadian people will see this new Conservative Government exposed for what it really is, namely, made up of a group of hypocrites.

Some Hon. Members: Oh, oh!

Mr. Axworthy: They are a group of people who have in the past stood in the House of Commons with the most self-righteous indignation, proclaiming the right of Parliament to open and free debate about the important issues of the time. These

are the people who held up parliamentary debate for two solid weeks on the Constitution with bell ringing tactics. On the debate on the Western Grain Transportation Act they maintained close to nine months of debate. We had a report stage that lasted 15 weeks, and they introduced over 100 amendments. At that time what they did was an exercise in democratic right. Now when we get to the foreign investment question which deals with billions of dollars of economic development, this Government is no longer prepared to tolerate Parliament exercising its rightful role.

An Hon. Member: What about jobs?

Mr. Axworthy: The most supercilious proposition put forward since this Government came to power is contained in the statements made by the Minister that the reason for this thrust is only that the Conservatives want to help the working people, or the people who want to work, the 1.5 million who are unemployed. Everyone in this House wants to help them. The problem—and this is what the Minister does not understand—is that he has not made the case. His problem is that, because of the weakness of his own arguments and the lack of presentation by members of his own caucus who refuse to debate, they have not made the case.

The poll done last night was prime proof. The majority of Canadians do not want further foreign ownership. You have failed, Sir, to show and to demonstrate how this Bill in any way, shape or form will be able to assist Canadians to get jobs. The problem is that we have a basic fallacy on our hands. Parliament is being asked to pass a Bill based upon pure fiction. Time after time witnesses appeared before the committee and gave arguments that the Bill would make no difference and there would not be a great onrush of new capital as a result of it. When representatives of the New York money markets were interviewed and asked whether it would make a big difference, they said: "No, of course not".

• (1120)

Last year we had $4 billion worth of foreign investment come into the country. The Minister of Regional Industrial Expansion (Mr. Stevens) is a man who lives totally in mythology; he has no reality about him. One of his great mythologies is that somehow this is night and day; that there was no foreign investment before and there will be foreign investment now. He does not read the reports of his own agencies, which indicated that last year there was close to $4 billion worth of foreign investment coming into Canada. The difference is that that foreign investment came in to create jobs in Canada. Repeatedly in the course of this debate we have indicated that with total free licence and lack of any kind of bargaining power, the foreign investment which the Minister is inviting into the country will take away the jobs and opportunities of Canadian workers. He should ask the workers in Canadian Porcelain whether they think foreign investment is a good deal. He should ask one of his own Members who jumped to his feet in high dudgeon last week to ask: "What about Irwin-Dorsey?" A foreign owner closed down that plant in his riding and took away 35 jobs from that area. Time after time we have seen the same example.

Without conditions being negotiated, without some agreement on the part of foreign investors that when they come to Canada they will provide a clear commitment to secure jobs, to provide an opportunity for the Canadian-based subsidiary to conduct research and development and recognize the right of that Canadian subsidiary to get into the world export market, without those kinds of guarantees, the Canadian economy is the poorer for foreign investment. The one hard, clear, undeniable piece of evidence which was repeatedly raised was that unless we are able to secure those guarantees, Canadian subsidiaries will perform far less well economically for Canadians than Canadian-owned companies. They import much more, which substantially affects our ability to sell and our balance of payments. Their mandate in export markets is far less, and they conduct far less research and development. That is the evidence which this Opposition has been trying to impress upon the Minister. The problem is that the Minister is so close-minded, so obdurate, so insensitive and so absolutely disdainful of the role of Parliament that he does not bother to listen or to respond.

The Minister does not care about what other people have to say. We have seen this time and time again. Even when there are partisan differences, the primary role of the committee structure and report stage is to try to make the Bill better than that which the Government initially presented. Parliament is not here as a rubber-stamp. It is not here for government Members to flap their wings in wild applause. It is here to do an honest and effective job in trying to make a piece of legislation more effective and more useful. The Minister does not understand that process.

There is no question that the other side was given a mandate in the last election to bring about a change in the Foreign Investment Review Agency. That change should have been subject to the salutary, beneficial effect of a proper parliamentary process, but we have a Minister who does not believe in it. Therefore he refused to accept any amendments, refused to conduct any negotiations and refused to deal with the kinds of representations we heard. He is a Minister who does not care about Parliament, and that is part of the case we are making. Of course, we must bring forward a number of amendments because those brought forward at committee stage were totally rejected and there were only 14 sessions of the committee.

• (1125)

Mr. Gormley: What about you?

Mr. Axworthy: One of the hand-clappers has asked what about us. I would remind him that in the case of the Western Grain Transportation Act, we accepted over 22 amendments put by the Opposition. He should read his parliamentary history before he flaps his lips. The fact of the matter is that Parliament is here to provide judgment and assessment in order to make the process more constructive.

While trying to make his definitive case, the Minister said that there were fewer speakers when we debated the Foreign Investment Review Agency. Why is that? It is because there was more consensus in the House on that legislation than there is on this legislation. The Minister does not understand Parliament. Other Parties were supportive of that legislation and were prepared to give it a try.

This Minister has not been listening very well. He has not even listened to some of the key questions. For example, we asked a question regarding the arbitrary discretionary power of one Minister to make billions of dollars worth of investments. We asked if he should not be required to consult from time to time with his colleagues in caucus. We saw what the Minister did regarding Domtar. We know how he had to have his wrist slapped by the Prime Minister (Mr. Mulroney) and members of the Quebec caucus so that he would change his mind. We will see a repetition of that case time and time again.

We have a wilful, headstrong Minister who does not care about the opinions or judgments of those in other regions. We know of the Minister's history in western Canada. He was the great creator of the Bank of Western Canada. We know how much he cares about regional interest in that area of the country. We know how much he cares about Domtar in Quebec. We are simply saying that for the sake of God, Parliament should put some restraint on the wilful arbitrariness of one Minister. However, the Minister has not bothered to listen to us. That is okay with us because we know the kind of hot water in which he and the Government will be time and time again.

This debate is about the fact that the Minister and the Government do not care about Parliament. The Government is not prepared to use the parliamentary process the way it was designed to be used. That will tell the Canadian people far more than anything else about just what kind of Government they elected. They elected a Government that is presidential rather than parliamentary in style, and that will be its downfall.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a sad and shameful day when the Minister can stand before the House to claim with self-righteousness that he is somehow meeting the needs of the Canadian people by closing off debate on this Bill. I want to—

An Hon. Member: We've even got the babies squawking.

Some Hon. Members: Oh, oh!

Mr. Langdon: It is obvious that the voices of our youth are shouting out in terror as they see what is happening.

An Hon. Member: It's your speech.

Mr. Langdon: If my speech has the capacity to strike terror into the heart of the Minister, I will be pleased indeed.

If we could, let us talk about honesty. Let us talk about what has actually occurred with respect to this debate. I would like to review those facts for the House because I think there must be Members of the House who are not aware of them since they applaud so vociferously what this Minister is doing.

First, let us talk about the committee hearings which were held with respect to this Bill. The Minister likes to suggest that somehow those committee hearings gave everyone across the country a chance to comment, to have input and to consult, to use the favourite phrase of the Government. The reality is that at least 28 witnesses who wanted to testify before that committee were prevented from doing so. Most of those witnesses were the kind of disinterested witnesses who would have been able to offer a great deal in terms of non-partisan advice with respect to this Bill. The Director of the Research Centre at Queens University and—dare I say it—the son of the Minister of State for Mines (Mr. Layton), people such as they who have a certain perspective based on detailed study and a lack of access to grants, did not approach the subject with the extreme prejudice of the Minister. They were cut off and not permitted to testify.

• (1130)

We could move from the witness stage to the stage at which amendments were reviewed. Again, the Minister tells us that the committee was able to study with care and diligence all the suggestions which were made by opposition Members. That was not so. There were only three days of debate. At least half of the amendments which were put before the committee were not debated. Then the Bill, at report stage, came to the House. Again the Government is suggesting that a filibuster is taking place.

If we look at the debates which have taken place on each of the sets of amendments which have been brought forward, we find that there has been a reasonable number of speakers. There are 30 people in the NDP caucus, but in no case have we offered 30 speakers. In most cases we have not come close.

These are key items. The Minister spoke about his mandate to see the Bill through the House. Indeed, he has that mandate. In principle, the people of the country supported the notion of Investment Canada, but they did not vote last September to have no public input to the hearings which are held on Investment Canada. The people of Canada did not vote to have ineffective criteria on which to judge companies. For instance, there is no criterion to look at the financial viability of the parent companies of the firms which are taking over Canadian companies. The people of Canada did not vote for a definition of assets which is totally confusing. It will provide a bonanza for lawyers, but it will not give Canadians the protection which they deserve when takeovers occur.

In report stage on the Bill, we are dealing with key technical points. Surely to God each of those points is worthy of some debate. Yet the House will be given only one day to look at the important amendments which remain.

The Minister claims that what he is doing is designed to protect workers in Canada and to find jobs for the future. There are many points of view concerning the question of foreign investment. On the basis of experience I would hold

that the Minister's view is faulty and that the analysis which lies behind it is mistaken. But that is something on which we can differ. That is not what is at debate at report stage. We are not debating that broad principle at report stage. We are debating a whole set of crucial amendments, such as amendments concerning changes which would ensure that branches of U.S. companies, if they change hands, are subject to review. If, for instance, the Iron Ore Company of Canada changed hands, which threatened jobs for Canadian workers, there is no capacity in the present Bill to review the takeover, because of faults in the organization of the Bill. Branches are not included, but subsidiaries are. That is one example of the kinds of technical but important points which deserve careful scrutiny before the House votes on the important amendments brought forward.

There are several cases which have come before us since September, such as those of Black & Decker, Mitel and Canadian Porcelain. In each of those cases, the importance to Canadian workers in being able to turn to the Foreign Investment Review Agency for protection or to safeguard their positions, has been an important ingredient in the economic future of Canada. This Bill will eliminate that protection for many workers. In that sense, it is absolute and total nonsense to say that this Bill somehow meets the needs of the 1.5 million people who are unemployed. In fact, those people are threatened by the rationalizations that may take place as takeovers occur and foreign investments leave Canada as branch plants shut down and subsidiaries restructure. The Minister should remember this day in the future when he faces case after case of shut-downs of Canadian subsidiaries and of the rationalization associated with North American free trade. Day after day he will face the sense of loss which his Bill leaves among the workers and the communities.

On election night we had a sense of hope. Instead of hope, today we have a sense of shame as the Government uses its large power to stifle debate. We see a sense of dishonesty as arguments are brought forward which are not appropriate to report stage of the Bill. We feel a sense of sadness. The Government controls all power in the House of Commons. It can do what it wants to do. But on behalf of my Party I want to register the sadness and the sense of regret which we feel as this Government adopts the arrogance, the sense of overweening pride, and the sense of dominance and concern with its own policies and beliefs at the exclusion of ideas and input from opposition Parties which so marked the Government voted out of office last September.

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I would like to address a few comments on the motion to limit debate on this Bill and to respond to a few of the assertions which have been made by the two previous speakers. I found it interesting to listen to the Hon. Member for Essex-Windsor (Mr. Langdon) and the obvious sincerity, albeit very often misguided, with which he speaks. The remarks of the Hon. Member for Winnipeg-Fort Garry certainly speak for themselves and will later be addressed.

There are several obvious reasons for this motion to limit debate on Bill C-15. The time which has been spent on this Bill has been addressed by previous speakers. As the Minister for Regional Industrial Expansion (Mr. Stevens) previously stated, the time spent on debate in the House and in committee is now approaching 80 hours. I believe that Canadians who are watching the proceedings of the House of Commons can appreciate what 80 hours of discussion should be able to generate and accomplish. There has been extensive participation in debate by all Members in the House and in committee. It was interesting that one of the member of the Opposition commented on, in his words, the "stifling" of people in committee. There were 23 representations made in committee for a total of 26 hours of discussion. There were 30 additional briefs and 19 amendments accepted by the committee. These amendments, briefs, submissions, and representations dealt exhaustively and extensively with the Bill.

• (1140)

There has also been concern expressed, as mentioned by the Hon. Minister, about the obstruction of popular will. On September 4 the Government received a massive mandate from Canadians who had many desires and aspirations for their Government. The people of Canada look toward the Government for some new and innovative approaches to the economy. The Minister's Bill has drawn a very sensible and equitable balance between the Government and those Canadians and non-Canadians who wish to invest in our country. The needless number of amendments proposed by the Opposition would have reinstated FIRA and gone much further to undermine the popular will of Canadians.

What did Canadians want on September 4 in the area of investment by non-Canadians? They clearly showed that they did not want the intervention exercised by the past Government. The over 90 amendments moved by the Opposition went even further than asking for the reinstatement of FIRA. The Opposition debate to this point has been repetitive, to say the least. As Canadians watch the parliamentary proceedings, they find it sad that the House of Commons has become a "talk shop".

The NDP espouses a philosophy and point of view that is, to say the least, unrealistic. I hearken back to my province of Saskatchewan. When one grows up in the only province which has had over 40 years of New Democratic and CCF Governments, one learns very quickly the extent to which that Party wants the state involved in the lives of all people.

It is unfortunate that the opposition Parties have used the number of hours that they have. Liberals have spoken 82 times in the House on Bill C-15. New Democrats have been on their feet 72 times. These interventions made simply reiterate tired and meaningless amendments which waste the time of Canadian people who are watching the proceedings of the House. Debate in the House is often compared to a freeway. There are all sorts of Bills affecting farmers, native people, and other Canadians in the merge lane trying to get into the House of Commons. Yet debate in the House is taken up by an Opposi-

tion which makes many interventions and amendments which border on the frivolous. For that reason, the House of Commons is not being used in the responsible fashion in which it should.

Some Hon. Members: Hear, hear!

Mr. Gormley: As well as being obstructive the debate which we have heard creates uncertainty. The uncertainty and lack of confidence which was spread by FIRA is now being perpetuated. Those who wish to invest in Canada look at the positive aspects of the Investment Canada Bill and wonder why it cannot clear the House of Commons. They wonder why the Opposition is causing such a delay. We are not doing a service to the people who wish to invest in Canada.

For that reason I speak in support of this motion to limit time for debate. Owing to its sense of democracy, the Government has allowed the fullest airing of opinions on this Bill. The committee has dealt with this matter extensively and it is now time to move on to other pressing matters that are before the House of Commons.

I would like to address some comments through you, Mr. Speaker, to the Member for Winnipeg-Fort Garry (Mr. Axworthy), who speaks about hypocrisy. It makes the heart flip and the stomach turn to hear that Member talk about hypocrisy.

Some Hon. Members: Hear, hear!

Mr. Gormley: The pot calling the kettle black had nothing on the Member for Winnipeg-Fort Garry. Unction oozes from every pore of his little body. He speaks with a sanctimonious air about what his political Party stands for and what his Government did. After the years of pitiful, sad performance by his Government, with him as a Minister, this is neither the time nor the place for members of the Liberal Party to discuss hypocrisy.

It was interesting to hear Liberal Members saying that we should leave FIRA as it is because it did not prevent anything; that the majority of proposals were simply rubber-stamped. They wanted FIRA because they could use it as a political football. The Liberal Party wanted to use people's hopes, concerns and views about investment as a political football to play upon feelings of economic nationalism from time to time. When it got a little too repressive it would simply back off on FIRA and economic nationalism. The blatant political overtones of FIRA were seen for what they were on September 4.

I call upon Members of the House to support the proposal to bring Bill C-15 to a vote and to move on to the other important issues which await the people of Canada. For that reason I support this motion of time allocation to enable the House to move on to other serious matters which await us.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, it is a sad day when one must get up to speak on time allocation and look at the laughing faces of the Conservatives who introduced only one original piece of legislation before the House, that is, Investment Canada. How many of those bookends and surfers have we seen—a surfer is a guy who comes in and goes out at the next election. We have heard none of them debate this issue. The last speaker must have been a surfer who came in with the tide. He talks about the meaningless and needless number of amendments. He says that the Official Opposition has undermined the will of the Canadian people. He says that the Government came in with a strong majority and should therefore rule and govern as nobody else can, and no one should question it. Well, I remind him that fewer than half of Canadian voters voted for the Progressive Conservatives, God thank them.

• (1150)

Mr. Gormley: How many voted for you?

Mr. Gauthier: It doesn't matter.

Some Hon. Members: Oh, oh!

Mr. Gauthier: I got my majority, don't worry. You can come into my riding any time, Sir, and I will take you on, you and any others. I do not have to worry, I have a comfortable majority. What I am telling you is that you do not have that kind of majority from Canadians. Call an election tomorrow on this issue, show that you have guts. But no, they would not do that.

What were we talking about? About amendments. Because we had a combined total of 94 amendments, the Government says, "Hey, enough. The Government says it has an agenda, but it spent six days last week and the week before on opposition days. The Government said we should tell it what to discuss. Well, we did, for six whole days. I heard the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) get up and say we are taking the time of the House. The Government gave the Official Opposition six full days, and we used it.

Mr. Gormley: What did you do with it?

Mr. Gauthier: We used it. Interestingly enough, we raised subjects that were of interest to the Members of this House and to Canadians at large. It was a good debate on all the issues we raised. But that is not my point. My point is that the Conservatives did not have an agenda, they did not have anything on the books. All they had was Investment Canada. And when we said, let's work together and improve this legislation, they said no. They said they were going to cut off debate, have only two hours of ten-minute speeches following which we are going to vote, and of course, "We have the majority", as they put it so well. "We are 211. We are the bullies on the street, we are going to tell Canadians how we run this country." Watch out on Thursday. Every night for the last two weeks we have heard that it is going to be a tough Budget. Be careful, Canadians, you are really going to get it. But on Thursday they will say, "We are a bunch of nice guys". Such beautiful marketing, but what a bunch of nonsense!

Let us look at the amendments and what the Minister called the obstructionist Liberals. We proposed that the Minister

should give policy direction to the agency. Did he accept that? No. It is going to be another part of his office. No direction there. They will do whatever he decides. And if some foreign company comes over and wants to buy anything in Canada, it is welcome to it. The Minister is the only one who will decide. He will not even have to consult his Cabinet colleagues. Great. Well, I say that is not the way things should be. Motion No. 6 suggests that finding Canadian buyers should be a duty of the Minister. Sure, we want foreign investment, but we should ensure that Canadians buy into their own economy. Last week I heard a Member saying that in Canadians' minds FIRA is not important any more. But before they start to snap their suspenders, as we say in French—*péter les bretelles*—I would remind them that the reason Canadians—

[*Translation*]

—the reason why Canadians are not concerned about FIRA is because the agency has been a good thing for Canada. For instance, in 1970, as Canadians are aware, the manufacturing sector was 61 per cent foreign-owned. By 1980, this percentage had dropped to 53 per cent. We had recovered 8 per cent of our economy. The same thing was true—

An Hon. Member: You closed the shop!

Mr. Gauthier: That is not true. We did not close the shop but we made Canadians take an interest in the shop.

In 1970, 76 per cent of oil and natural gas interests were in foreign hands. By 1980, this was 51 per cent. Why? Because we gave Canadians the challenge of becoming the masters of their economy and increasing their participation in the economy by buying back our resources and our companies.

[*English*]

In mining and smelting foreign ownership decreased from 80 per cent to 48 per cent in the period from 1970 to 1980. I thought that was pretty good. So FIRA was useful. Of course Canadians said in the latest poll that they are not too preoccupied with FIRA being modified. I can understand that because we reached a certain level of Canadianization with FIRA; you have to admit that. We reversed a trend which was quite disquieting to many of us, where foreign ownership was becoming a threat to our economy. As the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said, they are companies that are welcome, but we know from observing their practices that they do not do the same amount of research and development as do Canadian companies in Canada.

We would like to develop our high-tech industry, we would like to think that the Mitels and the Gandalfs and the Nabus and all these small companies will some day be able to compete in the international sphere, but with Canadian ownership being guaranteed. I do not think there is anything wrong with that. What is there in this Bill to encourage Canadians to invest in their own economy? Nothing. Absolutely nothing. What is there in this Bill that will interest foreigners to come in and invest in Canadian manufacturing industries and the Canadian economy? Nothing. Except that the Government, through a campaign of—

[*Translation*]

"Denigration", I do not know the right expression in English, so I use this one, a campaign to denigrate FIRA. They spread the view around that the agency was a threat to this country's economy, that it was responsible for the economic crisis we experienced following the recession of 1980, 1981 and 1982. But that is just not true! It was the international economic situation. In order to finance a very substantial deficit, the Americans increased interest rates in the U.S. to such high levels that foreign capital flooded into the United States. I remember last year when, in three months, $40 billion were invested in the United States. Why? Because they were paying 13 and 14 per cent, that is why. So this money was not going to Canada, and Canadians with money to invest were going to put it where? Where they were likely to get the best return on their investment, and this was happening on an international scale.

You do not have to be an economic genius to understand that all this was not FIRA's fault, that it did not cause the economic recession. Of course the agency was affected in recent years, but last year, 97 per cent of FIRA applications were approved in Canada. This means $4.1 billion worth of foreign capital was invested in this country, created jobs, and breathed new life into an economy that needed a boost, so that today, Canadians are capable of defending themselves and fighting their own battles. It seems that the responsible Minister who is going to be the czar or the big boss of the new agency is going to be the only one to decide what goes. It seems he will not have to consult with his Cabinet colleagues and will be able to do what he wants, when he wants. I say this is very disturbing, because there are companies like Mitel which received as much as $30 million in grants from the Federal Government for the purpose of expansion, and I am thinking of Renfrew and Buctouche, and there is going to be a lot more said about this matter. They got grants! I say that a Canadian company that gets federal grants should be screened by the Foreign Investment Review Agency, but now, the Minister will not have to bother about that. He will not do that anymore. He will choose who he wants. Come on in, we are for sale, and we are a terrific bargain!

Mr. Speaker, so much for my comments. I will get back to the amendments later on.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): At the outset of his remarks, Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) was talking about calling an election on this issue. I would suggest that going to the electorate in such a case would signal the ultimate demise of the Liberal Party. On the mere strength of Canadian voter reaction in the face of policies advocated by this Government, I think it would be doing them a disservice, particularly so to the Hon. Member for Ottawa-Vanier.

Mr. Speaker, my colleague from The Battlefords-Meadow Lake (Mr. Gormley) said earlier that I am a new Member of the House of Commons. Well, so is my colleague and we were not used to hearing the kind of verbiage we have had to listen to for a few weeks now, particularly concerning this Bill—

Mr. Gauthier: The word is "persiflage"!

• (1200)

Mr. Blais: Persiflage is what you call it, is it? Perhaps I was used to work differently, in other surroundings more conducive to efficiency. That is precisely what the Progressive Conservative Government has been trying to restore in this Parliament and in this unprecedented majority administration—getting Canadians back to work and building up their confidence. We are not yet quite reconciled to watching the Opposition blowing up a storm in a teacup in an attempt to block the adoption of a Bill supported by most Canadians who want progress—

Mr. Gauthier: Not true!

Mr. Blais: —and job creation in this country. The Opposition refuses to admit that the mood of Canadians has changed and it shows disrespect for the clearly expressed will of the people. The Government and the Progressive Conservative Party have been defending that position for a long time, for months in fact, even before the election. FIRA had to be changed and made into an organization to promote job creation here in Canada. Canadians were at one with us on this point and I think that the Official Opposition and the New Democratic Party are duty-bound to support our position because Canadians asked for that when they gave us a majority.

I have heard lots of speeches in the past 15 days and all Members of the New Democratic Party invariably begin by saying: Today is a very sad day . . . Had Canadians been able to hear that litany, not only children but hundreds and thousands of people throughout the land would have been squawking. We must stop feeling sorry for ourselves, being in the dumps, forever afraid to take a bold economic approach. Our Prime Minister sent a clear message when he said in New York: "The Canadian Government is now open for business". And he meant just that. We must now regain our confidence and give Canadians something to look forward to.

Indeed, Mr. Speaker, we are just coming out of a long tunnel. We have restored the confidence of Canadians in their Government. There is still the odd resistance movement—I can see evidence of it from here—but one does not wipe off twenty years of deception overnight or in a week.

Mr. Gauthier: Stop making personal remarks!

Mr. Blais: It will take a few months. We understand that. But in my opinion the former Government—and particularly your leader at the time—tried to make Canada find new markets the world over, but it backfired. We withdrew into our own shell and, by trying to open up to all the nations of the world, we closed the door to our best friend, the United States of America. It is our neighbour, it is our friend, it is with its Government that Canada does most of its business, and I think it was the wrong approach.

Mr. Speaker, our approach is what I want to stress at this point, because that is what I wanted to deal with from the beginning of my remarks. Members of the Opposition simply have to understand that our Government has taken an approach which markedly differs from what we were used to. There lies the essential element, and Canadians from every region of the country got the message. A new Government came into office with a solid majority, so it gave a sense of direction: My friends, we will roll up our sleeves and come to grips with the problems of the nation. Quite obviously, FIRA has proved to be an obstacle in the way of economic growth, so we will change it. We want to make it into a driving force and if we are successful in restoring a climate of confidence among foreign investors, particularly the Americans with whom we have a special relationship, I suggest that investors from the four corners of the world, Americans included, will no longer hesitate to come here after seeing our climate of lasting stability and freedom.

Mr. Speaker, I tried to follow the second reading debate on this Bill as best as I could and I heard other comments as well. Among others, the Hon. Member for Hamilton East (Ms. Copps) said that if there is one thing which the Liberal Party left behind and of which we should be particularly proud, it is to have managed to Canadianize our economy.

I do not think I can share the Hon. Member's pride in a legacy of a million and a half unemployed, a $35 billion deficit for this year and a cumulative deficit of $225 billion. I do not think there is much to be proud of there. I suppose the Hon. Member for Hamilton East (Ms. Copps) was referring to some kind of private legacy, because as far as what we inherited—thanks but no thanks! I would much rather start from scratch instead of having to work with what the previous Government left us, that is pretty obvious.

I would say that the Opposition parties, especially in this debate, do not seem to realize there was a change on September 4 and that the Government received a clear mandate. They should not be wasting time obstructing a Bill for which we have received a mandate. I think it is time we got to work and dropped this useless and time-wasting exercise.

Ninety-four amendments were considered in committee, all of which the Opposition wanted to consider again here in the House, just to make the debate drag on and to postpone the passage of this Bill for I do not know how long. All that is obvious. The Minister said so earlier, and my hon. colleague as well, that we have other legislation on the agenda. This debate has gone on long enough. The will to act is there. The public's reaction is positive. That is what counts. It is a matter of

attitude and confidence. We have restored that confidence and we must go on. Mr. Speaker, the Government cannot tolerate . . . of course, they say we are taking advantage of the situation and of our majority. That is just not so, Mr. Speaker. When one has the majority one must act accordingly. To do so is to respect the will of Canadians who elected us on September 4 and who told us: Go ahead with your policies. We believe in them and we agree with you.

Mr. Speaker, I have finished my comments and I thank you.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker—

Mr. Gormley: It is a sad day.

Mr. Deans: It is not a question of being a sad day.

Mr. Crosbie: Try a black day.

Mr. Deans: I was interested in the comments made by the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley). I yearn for the days when his predecessor said intelligent things here. In fact, I hear from those who normally vote Tory in Saskatchewan that they can hardly wait for the next election to return the former Member to his place in the House.

I do not want to make any apologies for what we are doing. The Government does not have an agenda of programs to bring forward. If it had programs, we would not have had six consecutive opposition days in the House. I tell the government Members not to give us that malarkey. Don't give us that malarkey about the Government wanting to get on with the business of Canada by bringing forward its programs to solve the very serious problems confronting the people of Canada.

The Government does not have programs to bring forward, and this is why we were forced to put up speaker after speaker to give our views on how the country ought to be run. The Conservative party was either afraid or unwilling to put up speakers to demonstrate its ideas. That has been the problem with this Parliament. I do not heap that abuse on new Members because I do not expect them to have particularly good ideas. Most of them did not expect to be elected in the first place.

With respect to the Government's present action, I believe that it is fundamental that we take every step necessary to preserve the integrity of this nation economically and socially. It is on our shoulders in this Parliament to do whatever we can to ensure that there will in fact be the kind of economic opportunities and social integrity that Canada has fought and struggled so hard to maintain for many years. What this Government is doing through this legislation is undermining that very purpose. I think that is what makes it so offensive to us on this side of the House.

• (1210)

It is true that FIRA was not all that it could have been. It is true that FIRA did not measure up in many ways to what some of us had anticipated it might do. It is also true that although FIRA was in place, there were a large number of takeovers about which I had some serious reservations and about which many of my colleagues had serious reservations. These were takeovers of what were good, viable operations in Canada that fell into foreign hands, the end result of which was that the viable operations ceased to exist. They were run down and ultimately closed. The end result of that was that the foreign competitor in his own country of origin was able to ship into Canada products that used to be made here because the competitor had successfully worn down the opposition right here in our own country.

I hold no particular torch for FIRA. I do not think that FIRA was a particularly useful mechanism in its over-all capacity to deal with the problem. It is certainly head and shoulders over what we now have before us, and it is for that reason we fought so hard. It is for that reason we took so long. It is for that reason we want to continue the debate on the Investment Canada Bill. It is a vital part of Canada's future.

This debate speaks to what Canada will be ten, fifteen, or twenty years from now. It speaks to whether we will allow almost total foreign ownership of the valuable resources of this land. That is why we are not at all eager to see this Bill dealt with expeditiously.

It is not a question of whether the Government got a mandate on September 4 last. Of course the Government did. However, that mandate did not extend to the dismantling of the very economic structures here. That mandate was more or less given because of the—

Mr. Rodriguez: Mismanagement.

Mr. Deans: —mismanagement, thank you, of the Liberal Party over a number of years prior to 1984. I do not want the government Members or the government supporters in the House to walk around with the misguided notion that somehow because the Conservatives won an overwhelmingly large number of seats in the September 4 election it automatically gives them the right to destroy the very substance of the country. It does not. It gives Conservatives the right to be a Government; it gives them the right to bring forward proposals to Parliament. But the parliamentary system is set up in such a way that Government proposes and Parliament disposes. That is what it is all about. The Government brings forward its ideas. Having those ideas put before Parliament, Parliament then decides at what point in time and in what way those ideas should be dealt with.

I suggest that in this Parliament, even with a combined 80 hours of debate on a Bill, its being of such a crucial nature, it is simply not long enough. There is other legislation. There is other legislation that we are quite prepared to deal with reasonably expeditiously, and we have said so. I have brought to the attention of the Government House Leader a list of legislative proposals that we would be prepared to deal with in a way that they should be dealt with, that is, expeditiously and speedily. We have pointed out that there is a need to deal with some of them immediately, but that there is no need to deal

with this Bill now. There is nothing requiring this piece of legislation to be dealt with right away. There is already a process in place. The Cabinet does deal with proposals from FIRA. They come to Cabinet. Cabinet has the opportunity if it so desires, to review the reasons that FIRA thought it was good or not such a good idea to accommodate a takeover request.

Mr. Stevens: It will still have that.

Mr. Deans: It is not as if this change in itself will make it easier. I am suggesting that there are other important matters. There is the whole question of the 1.5 million who remain unemployed notwithstanding the promises of this Government. There is the whole question of the economic direction the country will take as a result of this Government's views on the economy, and since there are serious environmental questions still to be dealt with, and since there are any number of other issues that, combined, made for the reasons people defeated the Liberal Party, why do we not get on and deal with those things? Why must we put in place legislation which has the capacity to undermine the future economy of Canada? Why run the risk of passing a piece of legislation now that would enable the takeovers to take place that until now we have had some serious reservations about? Why pass legislation now to accommodate that, knowing full well what the past history has been and knowing full well that we have, in the main, found it extremely difficult to establish an economic path for Canada when we have had to deal with head offices located in any other part of the world but our own?

The Minister is well aware, I am sure—if he would take off his ideological blinders for a moment and think a little about what has happened in the past—he knows as well as I do of the numerous times when major corporations have made it impossible for their Canadian operations to enter into the world market and to seek out markets for the products they manufacture. He knows of the numbers of times when takeovers have been effected, the cost written off against taxpayers' dollars in Canada, and the company has then closed its doors, become a warehouse for the distribution of products manufactured in some other part of the world, the only purpose of the exercise being to eliminate competition. He knows of the takeovers, using any test one might want to use, that could not be shown to be of any significant benefit to Canada. Recognizing that all of those things have happened in the past and recognizing that as a country we have never been viewed with any great concern, other than for the purpose of monetary return to the investor, by the vast majority of those who would invest in Canada, why would we want to make it easier?

I always think of a conversation I had in Washington. I think it was a Senator who said to me that he did not understand why we were concerned about foreign investment. I asked him how much foreign investment there is in the United States. It might have been, let us say, 10 per cent of the total number of dollars. It is down about 2 per cent, so I am being generous. It might be around 10 per cent of the total. I said to him, "Suppose that foreign investment got to 30 per cent of the total, how would you feel?" He said, "We would never allow it". I said, "Suppose it got to 40 per cent, how would you feel?" "We would never allow it", he said. "It could never happen in the United States". He was telling me that the conditions we have in Canada would be totally unacceptable to the very people who are arguing that they want to impose their conditions on us.

Mr. Rodriguez: They have a Congress.

Mr. Deans: The various people who are demanding, threatening, bludgeoning us into giving up the last little bit of protection we have are saying to us at the same time that if the situation in Canada were to be identical in the United States, they would not tolerate it. Yet this Government, misguided as it is in its direction, is prepared to give up the last little bit of protection for the Canadian economy.

Mr. Boudria: That is the Tories.

Mr. Deans: That is why we fight and that is why what the Government is doing is wrong.

Hon. Bob Kaplan (York Centre): Mr. Speaker, we have reached the point in this debate on Bill C-15, which is to kill the Foreign Investment Review Agency, at which the Government has allowed us two hours to conclude debate.

Mr. Blenkarn: You have been here before.

• (1220)

Mr. Kaplan: I have been here before, and I have had the opportunity to speak on the Bill before. I do not want to use all the 10 minutes available because there are many Members on my side who have more they want to say about the Bill. However, I want to make a couple of points.

Before September 4, it was difficult to find members of the Conservative caucus in the House of Commons who believed that closure was ever justified. They were wrong. Closure is sometimes justified. Although they never recognized it in opposition, they certainly recognized quickly in government that closure or time allocation can be a very valuable instrument for the Government to bring the House to a vote on Bills where it is really necessary to deal with them and get on with the public business. I am rising to point out that this is surely not that kind of case. Although the rules permit time allocation now, I think time allocation now is wrong and that the Government has made a mistake in applying it. It has become even more important for us in the Opposition, in the couple of hours we have, to make the point to Canadians that something very valuable will be lost when the Foreign Investment Review Agency is shut down.

For one thing, there is more to be said on the question of foreign investment review. It is a subject in which this country became involved very late. We entered the policy area of foreign investment review long after foreign investment became very far advanced in Canada. While it was largely beneficial to Canada to have the foreign investment we had,

while we used it well and we grew as a nation from it, we also paid a higher price than we had to.

I became a Member of Parliament shortly after an intensive review began by the Government of the nature of foreign investment in our country and the question of whether foreign review could be controlled or directed in a way which would still encourage it to come to Canada but in a way that would provide more benefits to Canadians and still be worth-while from the point of view of the foreign investor than had been the case in the past. The Foreign Investment Review Agency was established in that spirit. It is bureaucratic by nature. It is an agency which reviews the plans of business and negotiates with business interests.

Naturally, there may be business interests which would prefer not to have foreign investment review at all. However, on the other hand, any multi-national firm in the world market is aware that almost every country in the world has foreign investment review. Even the United States has it in one way or another. The idea that multi-nationals or others interested in investing in Canada would be deterred by that bureaucratic step was never really proven. I am not satisfied today that any serious business proposition which had wanted to come to Canada would have been deterred by the kind of foreign investment review established by the former Government and in effect in Canada. In fact, if anything, one might have seen a continuation. In fact, there was a continuation of foreign investment in Canada. For all the criticism made of foreign investment review, it appeared to me that most of it was political, most of it was partisan, and most of it was done to design part of the election campaign of the Progressive Conservative Party in the course of the last election.

What has to be remembered in deciding whether the Foreign Investment Review Agency is really the obstacle which the Government says it is is that the Government controls it now. The Foreign Investment Review Agency is an instrument of the Government of the day. It eventually determines whether investments are to be approved. So the argument that we have to proceed here and that we have to collapse this debate because otherwise FIRA will continue inhibiting investment in the country, is wrong on two grounds. It does not inhibit investment and it is controlled by the Government, in effect the final say is at the Cabinet table. On that score the Government is not able to convince the House that any kind of limit, especially the two-hour limit it is seeking to impose on us today, is justified.

A second reason which might be advanced to justify imposing closure today is that this is about the only initiative which the Government has. If we look at virtually all the other legislation on the Order Paper, the other legislation that has gone forward, it is either legislation of a straightforward housekeeping nature or it is legislation that was on the Order Paper when the election was called. I am thinking of all the Bills in the justice area, in particular the one with which I am most familiar. These were initiatives, for the most part, which were well under way when the election was called. The one thing we can say about Bill C-15, the Bill to establish Investment Canada, is that it is the legislative program of the Government of Canada today. To my way of thinking that in itself does not justify forcing the Bill through the House any faster than it would be carried by the normal parliamentary process. If the argument is that the Government wants to move forward and put its stamp on the public administration of Canada by bringing forward its first real Bill and getting it enacted in legislation, I do not think it washes as an argument. I reject it, and I consider on that ground as well that there is no justification for bringing in closure or time allocation to force the House to settle the Bill now.

The third argument which was often used in the past when time allocation was brought forward by former Governments was that there was a heavy legislative backlog, that there was a lot of legislation waiting on the Order Paper to move ahead, and that the Bill before the House, although important, it would be argued, needed to be dealt with so that we could get on with other business. Again, if we look at the Order Paper and at the legislative timetable of the Government, there is nothing else which has to be brought forward on an urgent basis to be considered now. I know our House Leader would be willing to sit down with the Government House Leader, if it were a question of finding time for the rest of the Government's pitifully short legislative program, to permit us to do that according to the Government's timetable and get back to this Bill. I think that kind of agreement could be worked out. On this third ground there is no reason demonstrated for imposing time allocation now. We do not know with what the Government will want to fill the legislative timetable or the time of the House when we have finished consideration of this Bill. In fact, last week and the week before we had something like six days, nearly one after the other, dedicated to opposition business because there was no government legislative business other than this Bill to move forward on. Why can we not give it all the time it requires?

In closing, I want to point out that this is a very important subject. It is not a subject which should be dealt with by time allocation. The way in which foreign investment is to continue in Canada, a country which requires a great deal of foreign investment, is a very important subject, not one which should be wrapped up in the course of a two-hour debate. We should have time to explore all aspects of it. The Government should take the time to try to bring forward the evidence, if there is any other than the anecdotal statements of some businessmen around the world who oppose any kind of government intervention or participation in the activities of an economy. I know the Government can obtain a lot of evidence like that. There are various types of businessmen around who will come forward and say that they would rather not have to deal with Government than deal with Government. However, that is not real proof that the economic development of this country has suffered because of FIRA. We think the case can be made on the other side. The records are there in every FIRA application which went ahead of the kinds of concessions and commitments that were made by foreign investors to ensure that the Canadian economy and the Canadian people would be the

clear beneficiaries of every foreign investment made in our country while the Foreign Investment Review Act and the Foreign Investment Review Agency were in place.

● (1230)

I think the Government is making a big mistake. Investment Canada will not do the job that the Foreign Investment Review Agency was there to do. The Government will be too removed from the examination of proposed investments in our country under the new system. It has not proven that anything was lost through the Foreign Investment Review Agency and in fact, as I have said, there is a great deal of evidence to show that very specific benefits were obtained for Canadian workers and the Canadian economy from the existence of the Foreign Investment Review Agency.

I for one am more determined than ever that the story be told to the Canadian people of what has been lost here today. They should know about the very great damage that can be done if the doors are thrown open wide to any kind of investment in this country without any adequate oversight to ensure that the public interest is protected.

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, for some time, the public has been quite aware of the discussions surrounding FIRA and what would replace it. What the Government was going to do was discussed thoroughly during the election campaign. It was recognized by Canadians that they wanted a change.

Debate on this Bill commenced in the House over five months ago. During that period of time, almost 40 hours of House of Commons time and almost 40 hours of committee time has been used to discuss this Bill, potential amendments to it and the possibility of going back to a form of FIRA. I believe that the time has been well spent but that we have used enough time.

The fact is that unemployment is at a high level, even though it has dropped somewhat. An unemployment rate of 11 per cent is still too high and the need for new jobs and job-creation measures has never been greater. We are looking forward to bringing $100 billion worth of new equity investment to Canada between now and 1991. As this is what is required, it is the target the Government has in mind. Passage of Bill C-15 is one of the steps that will help us bring into this country that new equity that is so badly needed to help create jobs for the many unemployed.

Encouragement of foreign investment can take many forms. It can be a partnership, a joint venture or a minority interest. In changing this climate, we hope that Canadians will once again have renewed confidence in Canada and Canada's future so they too will be encouraged to provide much of that $100 billion worth of new equity which is required.

In Stormont-Dundas, my home riding, there is an unemployment rate of about 15.5 per cent. However, the riding of Stormont-Dundas also has one of the lowest rates of participation in the country, being slightly over 60 per cent. This means that a great number of people have simply given up, are not looking for work and have lost hope in finding work. Although the published unemployment rate is around 15.5 per cent, if we had a participation rate similar to that of the rest of Canada, the unemployment rate would actually be 21 per cent. If we had a participation rate similar to that of the rest of eastern Ontario, the unemployment rate would be 26 per cent. These figures have been hidden from a public that is very concerned. However, they do emphasize the problems with which we are faced. I am sure that in the near future, not only will we create new jobs but the participation rate will begin to rise as people have more confidence in our ability to create jobs.

Business confidence rose in the first quarter of 1985. The latest Conference Board survey of business attitudes and investment spending intentions indicated the following:

—a growing confidence in Canada's short term economic prospects. An increased proportion of senior managers now see the near-term economic outlook characterized by lower unemployment rates, stronger sales and improved profits. Business confidence in the current investment climate continued to climb following the significant gains registered in the fourth quarter survey.

This confidence is continuing to grow. Passage of Bill C-15 will indicate to the rest of the world that we have confidence in our community, our businesses, our ability to create jobs, and our investment opportunities which are probably the most outstanding investment opportunities available to international investors anywhere in the world.

We recently had the privilege of having a large American company locate in Cornwall with the intention of creating in excess of 200 jobs. We welcome this company. We welcome more Americans, we welcome Europeans and we welcome the entire international investment community. Stormont-Dundas will welcome investors, not only foreign investors but Canadian investors, and it will show some of the negative-minded opposition Members that we can create jobs and we can create them without government intervention.

Perhaps in the next few years we will see the unemployment rate in Stormont-Dundas drop dramatically. I hope and wish that members of the Opposition will join me in a positive thrust to create new jobs. Get behind the people who are unemployed. Rather than pushing them down, help lift them up. We have a new era ahead. I invite all Hon. Members to join us.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, hundreds of thousands of people, indeed millions of people from industrialized countries like the United States, Canada, Great Britain, Germany, France, Belgium and Holland have lost their jobs in recent years. They have lost their jobs partly because of the development of new technology requiring fewer workers and partly because the new technologies are being exported to formerly under-developed countries like South Korea and Brazil where the most modern manufacturing plants are being set up. These plants are producing the manufactured goods which in the past were produced in industrialized countries while paying workers a fraction of what workers from the industrialized countries formerly made.

Workers in this country are facing the same problems as workers in other industrialized countries. However, our situa-

tion, is probably worse than that of workers in other countries because so much of Canada's manufacturing industry is owned and controlled by companies with head offices and owners located in other countries. These head offices and owners are located mainly in the United States, but there are also some in Japan, Germany and Great Britain.

When foreign-based companies make decisions, those decisions will not necessarily be made taking into account what is good for Canada and Canadian workers. Very often, decisions will be made taking into account what is good for shareholders and management, and also because of pressure that is put on these companies by their Governments. Why should that not be so? Why should the American Government not be concerned about the unemployment rate in the United States? Why should it not be putting pressure on multi-national corporations to create as many jobs as possible in that country rather than in Canada?

There is another problem which we face. Every day of the week we are being told by business leaders, by Government and by academics that in order to survive and to provide jobs, we must be more efficient and productive and that to do that, we must put more effort into research and development. We know about Canada's record in research and development. We know that of all of the OECD countries including countries in western Europe and the countries of the United States and Japan, Canada is at the bottom of the list when it comes to the effort we put into research and development. When other countries are spending 2 per cent to 2.5 per cent, sometimes more, of their GNP on research and development, we are spending half of that. The Conservatives, in their run-up to the election, promised that by 1990 we would be spending 2.5 per cent of our GNP on research and development. But we know what has happened. The Minister of State for Science and Technology (Mr. Siddon), has made it very clear that we are not going to reach that figure because the Government has to cut back. We also know that among the worst offenders, the companies which spend the least on research and development, are the multi-nationals.

• (1240)

I do not know if what I am going to illustrate today is still a fact, but I know that several years ago Ford Motor Company, which was doing about $500 million worth of business here a year, did not have a single Ph.D. graduate working on research in this country. That is the situation and that is why we believe and have believed for many years that it is important that as much of our industry as possible should be Canadian-owned. The Government, working with those industries, could then ensure that they develop policies and follow objectives that were good for Canada and Canadian workers. That is why we were so insistent when the Liberals were in power that we get legislation which would encourage Canadian ownership. That is why we kept the pressure on the former Liberal Government to pass legislation establishing FIRA. As so often has happened with Liberal Governments, it took steps to give the appearance that it was doing something when in fact it had no real intention of seeing that real steps are taken. So we have the situation where, particularly in the last few years, 95 per cent or more of all the applications to FIRA by multi-national companies to take over Canadian companies were approved. So that FIRA became something which was to a large extent ignored. It really did not work.

We have always believed that the Government of Canada has to protect the people of Canada. It has to see that the industrial development which takes place in this country is of benefit not just to the shareholders but to the Canadian people. That is why we have opposed the present Government's proposal to do away with FIRA and replace it with Investment Canada.

Let me give just a couple of illustrations of the kind of thing we believe could very well happen if we did away with the present legislation and opened the doors to any foreign company that wanted to come in. The Government now owns two of the largest aerospace companies in this country, namely, de Havilland, which has its main operations in Toronto, and Canadair, with its main operations in Montreal. These two companies employ thousands of workers. How is it that they are now Crown corporations? After all, originally, and for many years, they were privately owned. I want Members on the Government side to remember that it was not some socialist Government which believed in public ownership of everything which took those companies over. What happened was that, as in many countries, the aerospace industry was going through a period of recession and the private owners of those two companies said they could not continue, they were losing too much money, and they were ready to close down. The former Liberal Government of Canada said that every industrialized country in the world has an aerospace industry, that Some of the most important inventions used in all kinds of industry were made originally in the aerospace industry, so it cannot let the aerospace industry disappear. If the private sector will not continue to operate Canadair and de Havilland, then the Government of Canada, on behalf of the people of Canada, is going to take these two companies over.

Now I am not going to defend the way in which those companies were managed, but I certainly believe, and I think the people of Canada believe, that we need to have an aerospace industry in this country. The Government now proposes to privatize those two companies. It may be that they could be privatized by virtually giving them away, but I hope that not even a Conservative Government would do that. However, it may be that right now the aerospace industry world-wide is on an upturn and they can be sold at a fair price. But I ask the Minister, what if four or five years down the road the industry is again in brouble and the new owners want to sell these companies? Will the Government let the aerospace industry disappear, or will we again go through the process of taking them over?

This makes no sense to us, and that is why we believe this legislation is wrong. That is why we believe the Government of Canada has to have the power and authority to be involved in the decision-making concerning what happens in the continu-

ing development of a healthy manufacturing industry in this country.

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to say a few words on the motion before this House because it is obvious that the Minister of Regional Industrial Expansion (Mr. Stevens) is really on a power trip. He obviously wants to get rid of the Foreign Investment Review Act and get all the power in his own hands in order to deal with the few applications which will come to the Government for review. I suppose he wants to do that because he has really had a dismal record of bringing new investment into this country in the six or eight months he has been the Minister.

Let us look back to the time just a year ago to the situation when the former Minister of Regional Industrial Expansion, during a period of about three months, announced something like $2 billion worth of new automobile plant construction in Ontario alone. I will recite the list of plants created because we tend to forget these things. We listen to the Mulroney malarkey and to what the present Minister has to say, but we forget that they have not really been able to bring in any major new automobile assembly or parts manufacturing plants. Looking back we see that a Honda plant, worth $100 million, creating 350 jobs, was approved. Then there was the AMC Renault assembly and parts manufacturing plant, worth some $700 million, going into Brampton, with 7,000 jobs being created. There is also a General Motors steel production and parts plant in Oshawa that is worth $1 billion. There is another General Motors plant in St. Catharines which manufactures engines that is worth $255 million. Those plants amount to over $2 billion and represent some 10,000 jobs. We only have to look at press clippings since that time to realize that the Minister, who talked about bringing in more automobile assembly plants in the fall, has not accomplished very much in that regard. Obviously, the Minister wants to have all the power, for whatever reviews there will be, in his own hands. He does not even want to have to refer them to Cabinet. We could look back at the number of applications which went before FIRA. In 1983, there were 860 applications which did not require review. If applications under Investment Canada are to take over a Canadian company, is the company going to be shut down? Will they also take over the sales force and lay off people? Those are the concerns which many Canadians have with respect to Investment Canada.

● (1250)

On this side of the House we find it incomprehensible that the Prime Minister (Mr. Mulroney), before he met with the press and before coming to the House, ran to the United States and made the commitment to do away with FIRA without holding negotiations. Surely, even the Tories agree that it is very useful to have a Foreign Investment Review Act, when new funds are coming into the country or foreigners propose to take over a Canadian company, to be able to negotiate and to ensure that the jobs will be kept, the plant will continue to run, that research will be done in Canada, and that a reasonable share of the international market will be maintained for Canada.

The American foreign control legislation is just as extensive as ours, however , the United States does not have a one-stop shopping situation such as FIRA. People wanting to invest in the United States are required to comb through a whole list of frederal and state legislation. Federal legislation in the United States has 17 Acts which restrict foreign investment. Six of those Acts provide restrictions as to who can invest and participate. Eight of those Acts provide a total prohibition of ownership. The legislation covers many fields. For example, coastal and fresh water shipping is totally prohibited under The Jones Act and the Merchant Marine Act. Dredging and salvage operations are restricted under the Regulation of Vessels in Domestic Commerce legislation. Shipbuilding is barred from government benefit programs under the Fishing Fleet Improvement Act, the Merchant Marine Act and the Merchant Ship Sales Act. In the fishing area, countries which have reciprocal agreements are restricted, and others are prohibited, under the Fish and Wildlife Act and the Fishery Conservation and Management Act. There is a long list of legislation concerning restrictions and prohibitions which cover activities such as those of domestic air carriers in which investment is prohibited under the Federal Aviation Act. International air carriers are restricted under the International Air Transportation Fair Competitive Practices Act. Activities such as radio, television, telegraph and telephone licensing are prohibited under the Communications Act. Radio and television operators are prohibited under the Communications Act. In addition, nuclear power is prohibited under the Atomic Energy Act. Hydroelectric facilities are restricted under the Federal Power Act. The transmission of natural gas and electricity are permitted or restrained under the Federal Power Act. Yet the attitude of the Tories is that Canadian ownership is not necessary or desirable.

I think Canadians believe that Canadian ownership is desirable. In fact, during the first three years of the National Energy Program, Canadian ownership rose from 28 per cent to 40 per cent. That is an amazing performance for a three-year period. During that same period of time we increased our reserves in natural gas to a 33-year horizon and arranged for reserves of oil which will last until the end of the century. Yet the transmission of natural gas and electricity is on the list of American restrictions and prohibitions.

I would like to continue dealing with U.S. legislation. The transfer of federally-owned lands is prohibited unless it is by reciprocal agreement under the Small Tract Act. Mineral rights, such as to oil and coal, are prohibited, unless there is a reciprocal agreement, under the Mineral Land Leasing Act. In addition, the mineral leases on the continental shelf, which include oil, gas and sulphur, are restricted, and in practice are prohibited, under the Outer Continental Shelf Lands Act.

The Americans have a whole list of restrictions and prohibitions which the Tories want to throw wide open in Canada. If the Government is to bring in an Investment Canada Bill, we cannot understand why the Prime Minister and the President

did not sit down to negotiate. Instead of throwing Canada wide open with no restrictions on investments under $5 million, we might have negotiated away some of the restrictions concerning Canadian ownership in the United States.

I believe the Tories are putting a hammer to our heads by forcing the vote today on Investment Canada.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, since it is almost one o'clock, pursuant to Standing Order 8(4)(a), I would ask that the House be allowed to continue to sit past one o'clock today in order to complete consideration of the business now before the House.

[*English*]

Mr. Deputy Speaker: I would ask the Parliamentary Secretary to send the motion to the Chair, please.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Opposition House Leader on a point of order.

Mr. Gray (Windsor West): Mr. Speaker, that is exactly my point. We have not seen the motion that was presented to the House. I would like to draw your attention, Mr. Speaker, to Standing Order 8(4)(a), which reads:

> When the Speaker is in the chair, a Member may propose a motion, without notice, to continue a sitting through a lunch or dinner hour or beyond the ordinary hour of daily adjournment for the purpose of considering a specified item of business or a stage or stages thereof subject to the following conditions:

I particularly want to draw your attention, Mr. Speaker, to subparagraph (i) which reads:

> The motion must relate to the business then being considered—

The Parliamentary Secretary, in her haste to chop off debate on this very poorly conceived and constructed Bill, which would benefit greatly from further consideration in the House, has not presented a motion which has been proven to relate to the business before the House. Therefore, I invite you, Mr. Speaker, to strike down the motion as being defective and ask the Government to go back to the drawing board, both with respect to the motion and, in particular, on this poorly conceived Investment Canada Bill.

I would like to call it one o'clock. I would like to suggest that the Business of the House be considered after two o'clock.

Mr. Deputy Speaker: Order, please. The Chair must rule the proposal out of order because it mentions the words "complete the consideration", and it should have read "continued".

S.O. 21

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order to deal with the business of the House. I would like to advise the House that following Routine Proceedings today we will move directly to consideration of Bill C-25 with respect to agricultural stabilization. That will be followed by the amendments to the Fisheries Bill. The third item in the sequence will be consideration of the divorce legislation. Therefore, following Routine Proceedings, we will move directly to Bill C-25. I understand that that will be an item of legislation.

Mr. Deans: I rise on the same point of order, Mr. Speaker. Do I understand the Government House Leader (Mr. Hnatyshyn) to say that we will not be completing the order that we were dealing with prior to one o'clock?

Mr. Hnatyshyn: Mr. Speaker, because the Opposition is blocking the taking of a vote—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The question was asked of me, Mr. Speaker.

Mr. Gauthier: You do not have the numbers.

Mr. Hnatyshyn: We have the numbers and we are prepared to continue on with unanimous consent. I have just announced the order of business for this afternoon. What I have said is quite clear and we will continue this debate on another occasion.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENSIONS

LUMPSUM PAYMENTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, today I would like to make representations here, as well as in writing, to the Minister of Finance (Mr. Wilson) on behalf of pensioners and senior citizens who receive lumpsum pension payments.

I am referring to lumpsum payments made either under the Canada Pension Plan or by foreign Governments with which

we have international agreements, when an application usually requires several years before it is processed and concluded.

I urge the Minister to consider the merits of introducing a measure in the Budget permitting pensioners who receive a lumpsum payment to average it over the number of years for which the payment is being made. In doing so, the taxation burden would be spread in accordance with the years covered by the lump sum payment and would be applied in a fair manner. I hope that the Minister will give this representation positive consideration.

* * *

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF ANDREI SAKHAROV

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to inform the House that on this day when the International Conference on Human Rights is resuming in Ottawa there is a disturbing development in the case of the world famous Soviet dissident, Andrei Sakharov. Attempts by his step-daughter in the United States or reach Dr. Sakharov have proved unsuccessful today. There are suggestions that this internationally known dissident has resumed a hunger strike over the denial to his wife, Yelena Bonner, of permission to receive medical treatment in the West for her serious heart condition, treatment not available to her in the Soviet Union.

It is shocking in this age of instant communication that a simple telephone call between a relative and an international figure famous for his scholarship and human rights activities is impossible to arrange. Therefore I ask the Government to make immediate representations to the Soviet Government, first, to permit Mrs. Bonner to leave the Soviet Union to receive treatment that is not available in the U.S.S.R.; second, to permit the family to establish contact with relatives in the United States; third, to permit representatives of western Governments or the news media to visit Gorky, which is a closed city, in order that Dr. Sakharov's many supporters throughout the world can be informed of his condition.

I am sure that this statement has the support of all Members in the House, and that the Government will act promptly in expressing Canadian concerns.

* * *

VE DAY

VETERANS' VISIT TO THE NETHERLANDS AND ITALY

Mr. Gordon Taylor (Bow River): Mr. Speaker, this month thousands of Canadian veterans returned to the battle zones of the Second World War to attend the 40th anniversary of the liberation of the Netherlands and of Italy where the Canadian Forces played a major role in driving out the Nazis. For a few days the veterans relived the horrors of war and vividly recalled the fatigue, the hunger, the thirst, the noise, and the agony of seeing their comrades die as they climbed the mountains and crossed the rivers under heavy gunfire. The Canadians could not be stopped, for they fought for the freedom of the people and for the sovereignty of the nations.

Typically, as in other places, in Wageningen where the Nazis unconditionally surrendered to the Canadians, thousands of people of all ages lined the streets and cheered the veterans as they marched; hundreds put out their hands to touch a veteran while shouting "Thank you, Canada!"

During the impressive commemorative services held in the war cemeteries where the bodies of Canadians lie beneath grave stones carrying the Maple Leaf, wreaths were reverently laid, and while the R.C.N. Brass Band and Bagpipes beautifully rendered "Amazing Grace", hundreds meditated and prayed. In front of the grave of a 21-year old Canadian, a lady with her family exclaimed: "Thank you ... because of your sacrifice we are free!" And they all bowed their heads and thanked God for the Canadians who cared enough to offer their lives, and even to die, so others could be free and so their nation could be sovereign. Holland and Italy say, "Thank you, Canada".

* * *

DISARMAMENT

ADVERTISEMENT SIGNATORIES

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, a new coalition has formed in Canada to disseminate inaccurate, alarmist propaganda. Known as the Toronto Disarmament Network, this left wing advertising co-operative has drawn together an interesting group of infamous Canadians.

In a full page newspaper advertisement published yesterday, this group attempts to convince Canadians that the U.S. Strategic Defence Initiative Research Project will somehow make Canada less secure. In fact Canadians know that this is a gross misstatement.

But one only need to consider where this inaccurate propaganda originates. The group that signed this particular misleading ad includes none other than the Leader of the New Democratic Party (Mr. Broadbent) and 15 of his caucus colleagues; the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), and his fellow Liberal, the Hon. Member for Davenport (Mr. Caccia); the Communist Party of Canada; the Karl Marx Club of Winnipeg, and the Young Communist League of Toronto, to name just a few. It is interesting to see this polarization of like minded people.

* * *

SPORTS

FUNDING OF NATIONAL SOCCER TEAM

Mr. Sergio Marchi (York West): Mr. Speaker, our Canadian national soccer team is doing extremely well in its march to next year's World Cup finals in Mexico City. The team has fielded a young, dynamic, and able selection of Canadian

talent. All Canadians take pride in these sports' ambassadors, and all wish them well on the international sports scene.

However, a projected deficit of close to $500,000 is seriously plaguing their efforts. In response, the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) has committed total and full support, but no money. This kind of action will not score any goals with anyone.

The team needs more than words of encouragement. This year alone over $600,000 of federal money was provided to the Canadian Sports Association, but because of some unrealistic, outdated restrictions, not a single penny reached the national team. I urge the Minister to remove these impediments immediately so that this and other national teams may receive the financial assistance they rightfully deserve.

In addition, the Minister, in typical fashion, has passed the buck to the private sector. However, the corporate sector has already committed more than $1 million in sponsorship for the team.

It is clear that it is the Minister who must now act, and toward this end I challenge him and the Government, from today on, to match any private or corporate donations to our national soccer team. This would show leadership and commitment, and offer an incentive that would be responsed by those very Canadians whom the Minister is asking for financial help.

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SHIPBUILDING

CALL FOR GOVERNMENT ASSISTANCE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, in the recently released annual report of the Canadian Shipbuilding and Ship Repairing Association, the lack of the Conservative Government's commitment to the Canadian shipbuilding industry is evident. It is clear that the Canadian shipbuilding industry is in need of government attention.

Government statistics show that the number of people employed by the industry has decreased rapidly over the past few years. In 1982, 12,000 were employed in the Canadian shipyards. In 1984, the number is down to 7,000.

At the same time there was a dramatic increase in the number of foreign built vessels registered in Canada. Canadian ship transport companies are going offshore to purchase their vessels, and Canadian workers in the industry are suffering from the Government's inaction.

The Conservative promises to the industry appear to have been forgotten. Where is the extension of concessionary financing terms to Canadian customers of Canadian shipyards? Foreign customers can already obtain such terms through the Export Development branch.

Where are the incentives to increase the Canadian content in vessels used to export Canadian natural resources? Where is the promised doubling of the rate of duty for the temporary importation of foreign vessels when no suitable Canadian vessels are available?

These and other promises were made by the present Government. Instead, the Government has cancelled the SIAP Program and has left the industry to fend for itself. The Canadian shipbuilding industry is hopefully awaiting the Conservative's Budget. However, given the Government's past inaction, we on this side of the House believe that it will be sorely disappointed.

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VETERANS AFFAIRS

LIFE MAGAZINE'S SLIGHTING OF CANADIAN WORLD WAR II VETERANS

Mr. Joe Reid (St. Catharines): Mr. Speaker, I rise to express my outrage and indignation over an unconscionable slight to Canada and Canadians by our neighbours to the South.

A special 114-page issue of *Life Magazine* features stories and pictures about the heroes and battles of World War II, highlighting veterans from the United States and most, if not all, of our other Allies. The magazine had enough space for a section highlighting heroes from Germany and Japan, but apparently not enough space even to mention Canada's part, which is said by others to be a greater part per capita than any other Allied country. It was a valiant and heroic role which is well remembered and honoured in Europe.

• (1410)

As a veteran, I had the honour this month to be a member of the Canadian delegation which travelled to the Netherlands and Italy to commemorate the fortieth anniversary of VE Day. Our delegation, composed of many distinguished veterans, including a recipient of the Victoria Cross, visited more than 20 war cemeteries where more than 10,000 Canadian war dead are buried. In both the Netherlands and Italy we participated in ceremonies organized by their respective Governments to pay tribute to Canada and to the Canadians who liberated their countries 40 years ago, and to the thousands of Canadians who gave their lives in doing so.

That a major American publication can obliterate Canada's important role in World War II, by failing to acknowledge our presence, is an inexcusable omission.

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

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[*Translation*]

EXTERNAL AFFAIRS

GREEN PAPER—GOVERNMENT'S POLICY

Mr. Gabriel Desjardins (Témiscamingue): On May 14 last, Mr. Speaker, the Secretary of State for External Affairs (Mr. Clark) tabled in the House his green paper entitled "Competi-

tiveness and Security: Directions for Canada's International Relations".

Mr. Speaker, more than 15 years have gone by since Canada's foreign policy has been reviewed and, in light of the radical changes which have occurred in this country in recent years, it is only normal that a new Government would want to take a fresh look at our relations with the rest of the world. The year 1970 marked the beginning of our unending economic slump and, in September 1984, our Government was saddled with a huge deficit which stands as a major obstacle in the way of economic recovery. This period of economic decline has taught us to what extent our nation and our economy are ever more dependent on other countries. As the Canadian economy lost steam, other countries witnessed our diminishing political clout.

The green paper offers a challenge: we have to make choices and decide what kind of privileged relations we want to have with other countries with a view to increasing our productivity and securing our future. International political experts have expressed enthusiastic support for this reflection and consultation tool.

Finally, Mr. Speaker, I humbly call upon the leaders of the Opposition Parties in the House—although I can see that the principle of consultation is anathema to them—to stop pussyfooting and agree to sit on the joint committee which will seek the opinion of Canadians on the green paper, an approach which would be more constructive and positive than the criticisms heard—

Mr. Speaker: Order, please. I regret to interrupt the Hon. Member, but his time has expired. The Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan).

* * *

[*English*]

ENERGY

OIL PRICES—POSITION ADVANCED BY MULTINATIONAL COMPANIES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I rise today to tell the people of Canada that the Government has been had. The Government gave into the demands of the multinationals in exchange for new investment, but the Government is coming up short.

Three of the five major multinationals have said that even with the money that has been given to them by the Government, they want more. Gulf Canada President Keith McWalter says: "Higher real crude oil prices will be required in the 1990s to warrant the development of new supply sources". But in March the Energy Minister told us her prayers were answered.

Texaco Canada President James Dunlap says the pending federal fiscal policies will help decide how much new investment will be made, and where. He is waiting for the Budget before spending more money, and says: "The best business decisions will be made in response to market forces rather than government regulations". But the Minister of Energy, Mines and Resources (Miss Carney) told us 300,000 jobs would be created because in the past the industry always invested. She forgot to think about prices.

Shell Canada's President, Jack MacLeod, says that: "Our greatest concern is too high expectations by Governments and the public about the speed of the upturn. Balance sheets have to be rebuilt and there must be increased profitability for new long-term projects".

The Minister of Energy told us that oil companies promised her they would invest more if she removed the Government's taxes. But now the oil companies want more tax concessions and higher prices. The Government has been had, and the consumer has to pay for it.

* * *

MULTICULTURALISM

PREJUDICE AND RACISM CONDEMNED

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, last week one of the most successful federal and provincial conferences ever was held in Winnipeg. I refer to the federal-provincial conference on multiculturalism. It was the first time such a conference was ever held in Canada. Because of the positive progress made in Winnipeg, more such conferences are slated for the future.

The Minister of State for Multiculturalism, the Hon. Member for Lisgar (Mr. Murta), by his sincere dedication and hard work at the conference has greatly strengthened and furthered the cause of multiculturalism in Canada, and by his leadership and emphasis has shown that multiculturalism is indeed for all Canadians, regardless of their country of origin, regardless of their colour, their language, and their religion.

There is no question that we have some distance to go in Canada in combating and trying to overcome those basic problems that are anathema to most Canadians but which some Canadians, unfortunately, vehemently pursue and promote, which are the practice of wholesale discrimination, prejudice, and racism, often to further their questionable and obscure reasons for undertaking unwarranted and vicious attacks on fellow Canadians and others.

Through the co-operation of the provinces, the federal Government, the Department of Multiculturalism, and, equally important, Mr. Speaker, by the changes in attitudes in people, treating every citizen in a way they would like to be treated themselves, I believe if we do this we will become an even greater country, a greater, compassionate country, with citizens who are equally compassionate and understanding of their fellow man.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

GREEN PAPER—TIMING OF COMMITTEE REPORTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs. I hope that perhaps he can clarify some confusion, apparent or otherwise, on foreign policy issues arising from his Green Paper.

The Minister knows, I think, after some of the bargaining that went on on the floor of the House, that the Opposition will take part in the parliamentary committee to review that Green Paper and the foreign policy issues deriving from it if the issues of free trade and the Strategic Defence Initiative are considered and reported on by the parliamentary committee before the Government takes a decision on either of those issues.

Would the Minister not agree that a House committee could be set up, that its terms of reference could be drafted in such a way to include a date for a report by the committee on the Strategic Defence Initiative and bilateral trade with the United States? At the same time, could we have an undertaking by the Government that no decision on either of these issues will be taken before the committee reports on these two issues?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am very pleased to see that the Official Opposition is now back in a position of supporting the idea of letting the public of Canada and the Parliament of Canada discuss foreign policy matters. I am a little surprised that a parliamentarian of the experience of the Right Hon. Leader of the Opposition would want to negotiate these matters on the floor of the House, particularly when he knows there has been a House Leaders' meeting called for immediately after this Question Period to discuss precisely that question. We intend to continue to be reasonable—

Mr. Broadbent: Continue? That is a new approach.

Mr. Clark (Yellowhead): —but we intend to safeguard the right of the people of Canada to take part in debate of Canadian international policy, and not to have that right stopped by the stubbornness of opposition Parties in the House of Commons.

Mr. Deans: That is not a good negotiating position.

Mr. Turner (Vancouver Quadra): Mr. Speaker, that is not entirely the climate or tone the Minister would want to set if he wants terms of reference that are acceptable to this side of the House. He knows that if the Government insists it can set up this committee with its own terms of reference and take its Conservative members across the country. No one is trying to block any discussion. We are trying to insist on meaningful discussion.

[*Translation*]

TRADE

TRADE WITH NICARAGUA—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my second question is as follows. The Secretary of State for External Affairs is no doubt aware that, in his answer to questions in the House on May 6, 7 and 8, concerning the U.S. embargo on trade with Nicaragua, he gave the impression that Canadian companies, including Canadian branches of American firms, could continue to trade unencumbered with Nicaragua. Why then did the Minister give the opposite impression in Washington in his discussions with U.S. Secretary of State, George Schultz, on the subject of Nicaragua's new trade office in Toronto? Can Canadian branches of U.S. firms continue to trade, thus filling the void left by the American embargo, and sell medical products, farm machinery and similar goods?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first of all, if I understand correctly the position taken by the Right Hon. Leader of the Opposition, the Liberal Party is now prepared to give its agreement, without expensive debate, to referral of the Green Paper to a joint committee of the House of Commons and the Senate, even if only part of the document will be discussed. That is not the procedure we prefer. We prefer to have an all party debate in the House, and we continue to hope this will be possible.

Regarding the situation on relations between Canada and Nicaragua, the situation is today what it was before and as I described it here in the House. Canadian companies are not affected by the U.S. action. That has not changed. It will not be changed by the Canadian Government's attitude with regard to the office to bet set up by the Government of Nicaragua in Toronto.

• (1420)

[*English*]

CANADIAN POSITION AT INTERNATIONAL CONFERENCE ON HUMAN RIGHTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the right hon. gentleman should read the "blues" and he will learn that what I set forth might be acceptable terms of reference.

Many Canadians are concerned that the Minister's Green Paper on foreign policy contains only 17 lines on human rights. At the international human rights conference being held currently in Ottawa, apparently the Canadian delegation is refusing to raise formally cases of specific individuals who have been abused in various countries for expressing their political opinions. I know the Minister has a very strong personal commitment to human rights, so why is the Government soft-pedalling on individual cases? Wouldn't a strong public stance be in order here, particularly when other countries are taking that type of stance?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, a question was asked by the Hon. Member for Mount Royal some time ago in the House, to which I responded by indicating that the Government of Canada would act vigorously at the human rights conference despite the constraints of being host, and that because of the rules governing the CSCE process, which are well known to the Right Hon. Leader of the Opposition, sometimes those representations would have to be made in the corridors, but that they would be made nonetheless effectively. They have that commitment.

The Right Hon. Leader of the Opposition made reference to the position which I have already taken publicly and privately in defence of human rights. I think that is a position which is shared by all Members of the House. I think I might be forgiven for saying that it would be very much in the interests of the country if the whole Parliament and the whole country were given the opportunity to discuss human rights and other questions freely, in a debate on Canada's international relations which is now being stopped by the attitude of the two opposition Parties.

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. This weekend in Calgary the Prime Minister, in his typical forthright, candid style of speaking, addressed the Canadian Japanese business Association, and failed to mention the most important issue affecting that group, namely, the question of quotas on Japanese cars. At the same time we have had reports that the Japanese now refuse to deal in any way with the issue of voluntary restraints, and there have been no negotiations whatsoever since the first week of May.

Could the Minister confirm that the Japanese Government has not agreed to any acceptance of voluntary restraints on Japanese exports? Could the Minister tell us when new negotiations are scheduled, and whether the Government still affirms its position that there will be quotas unless the Japanese Government agrees to firm commitments on investment and sourcing in Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am very pleased to tell the House that I agree with the Hon. Member, for perhaps the first time, when he says that our Prime Minister is candid and forthright.

In answer to his question about the auto import situation with respect to Japanese cars, the Hon. Member will be interested to know that a senior associate Deputy Minister from my Department is now in Japan talking with the Japanese about the ongoing relationship between Canada and Japan in connection with the auto industry. In short, discussions continue, contrary to his statement, and I am very hopeful that a suitable arrangement will be worked out that will ensure that there will be proper sourcing and investment by Japanese concerns in the Canadian auto industry.

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in case the Hon. Minister did not quite understand the nuance of the question, the Prime Minister was not being forthright and candid, because he refused to deal with the most important issue. In case he does not comprehend the subtlety of such things, I will try to remind him.

In that same speech the Prime Minister said another curious thing. He said that in his own personal opinion, not the opinion of the Government, the whole question of Japanese investment was purely up to private business arrangements, and that the Government would take no stand. When will the Government take an official stand? Will it do the same kind of thing its good friends President Reagan and the Americans did? They made actual direct representations to Japanese leaders which resulted in some $4 billion worth of investment? When can we expect the Government once again to say clearly that any question dealing with automobile quotas is tied specifically to commitments on sourcing—

Mr. Speaker: Order, please. That is very long for a supplementary question.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if the Hon. Member will read in *Hansard* tomorrow the answer to his first question, he will see that I did exactly that. I said that we were urging the Japanese to invest and source in Canada. As has been stated by myself and others earlier, in the meantime, until a suitable arrangement is worked out, we have asked them to stay within the 18 per cent penetration level they enjoyed last year as far as the Canadian market is concerned.

* * *

INCOME TAX

DEINDEXATION INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Secretary of State for External Affairs in his capacity as Acting Prime Minister. On the weekend the Prime Minister said that when it comes to the Budget which will be presented later this week, the Government intends to be "tough but fair". Also on the weekend we learned that the substantial majority of Canadians believe the Government's efforts on unemployment are totally inadequate.

Considering that while in opposition the Conservative Party said that deindexation of our income tax system would cost us at least 30,000 jobs in the economy, which most Canadians would regard as being unfair right now, does the Acting Prime Minister agree that such deindexation at this time would in fact be quite unfair?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure the Hon. Member knows that we are looking at a number of measures for the Budget, and that it will be fair and it will be tough, as we have outlined before.

STATEMENT MADE IN 1980

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I did not ask what was in the Budget. It was very thoughtful of the Minister; she has returned from the weekend to say a few words to the House. I will return to the Acting Prime Minister and get him to answer a question.

In 1980 the Acting Prime Minister, who was then Leader of the Opposition, said that deindexation of the Government's income tax program—of course the Liberals were then in Government—would result in profiteering on inflation at the expense of "the lives and hopes of Canadians". Now that the Acting Prime Minister is a part of the Government once again, does he hold the same views in government as he held in opposition about how pernicious such a policy would be?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I can only repeat. I have answered the Hon. Member's question. The Hon. Member started off with a quote about being tough and being fair. That is what we have been repeating and repeating. We will be tough, but we will be fair.

Mr. Speaker: A supplementary question.

Mr. Broadbent: That would be nice, and it would also be nice if he would answer the questions.

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I know the Acting Prime Minister sometimes gets in trouble for what he says in the House, but I give him this last occasion. He himself in opposition was responsible as Leader of the Conservative Party for the Conservatives spending $30,000 on an ad campaign denouncing deindexation. Does he hold the same views today as he held back in 1980 when he was Leader of the Conservative Party and presumably authorized that campaign?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the New Democratic Party has been in the House of Commons long enough to know that he will not get the Budget revealed in bits and pieces, or comment on the Budget, before it comes down.

I was interested that when he referred to the Minister of State for Finance he spoke about her activities over the weekend, and that when he referred to me he spoke about an advertising campaign. I happen to know what he was doing over the weekend as part of an advertising campaign which ran in the Toronto *Globe and Mail*.

• (1430)

Mr. Broadbent: A good ad.

Mr. Clark (Yellowhead): The Leader of the New Democratic Party says it is a good ad. It was signed by the Leader of the New Democratic Party, by the Karl Marx Club of the Communist Party of Canada—

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Let us not do this.

An Hon. Member: That's the Government.

Mr. Speaker: The pot calling the kettle black. The Hon. Member for York South-Weston.

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PUBLIC SERVICE

MYSTL MANAGEMENT INCORPORATED—CONFLICT OF INTEREST GUIDELINES

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Acting Prime Minister and concerns the four senior civil servants who are partners in the recently incorporated company known as Mystl Management Incorporated. The company offers, for a fee, insider information to businessmen on how to do business with the Government. In its brochure, Mystl promises to give "information the bureaucrats won't give". These civil servants are in clear breach of the Treasury Board conflict of interest guidelines. There is also a probable breach of Section 110 of the Criminal Code of Canada.

Does the Acting Prime Minister agree that the seriousness of this matter requires the immediate dismissal of these individuals? Second, will the Acting Prime Minister request that the RCMP conduct an immediate investigation to determine if criminal charges should be laid in this matter?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, perhaps I could respond to the Hon. Member's question in my capacity as Acting President of the Treasury Board. I can indicate to the Hon. Member that at least three if the members of this corporation have resigned from the organization. The seminar which had been planned by the company for the weekend has been cancelled. At the present time the Treasury Board is undertaking an investigation.

GOVERNMENT INVESTIGATION

Mr. John Nunziata (York South-Weston): Mr. Speaker, the Mystl affair is an example of how the Government has lost control of the civil service.

Some Hon. Members: Oh, oh!

Mr. Nunziata: It clearly illustrates that the conflict of interest guidelines are meaningless and useless. Did the Minister of Transport, the President of the Treasury Board, or the Minister of National Revenue know about this matter? If not, why not? If so, why did they not do anything about it? Will the Government conduct an immediate investigation to determine how widespread is this activity?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, as I indicated, we are in the midst of conducting an investigation right now. I guess what this indicates is the difference between the Hon. Member and us. The Hon. Member is in favour of a fair trial, but only if we have the hanging first. We would like to ensure that there is a fair and proper investigation of all of the circumstances underlying this matter, and we will take the appropriate action when the time comes.

* * *

INCOME TAX

MINIMUM TAX PROPOSAL

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Acting Prime Minister who is well aware that in the last few years thousands of Canadian upper-income earners paid no income tax as a result of the many loopholes available, and is also well aware that a bank president who is earning in the range of $500,000 per year, if his financial affairs were to be arranged appropriately, would pay no tax either. If a tax of, say, 1 per cent were to be levied on the income of that bank president who is earning $500,000 per year, would the Acting Prime Minister consider this to be a fair minimum tax?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I understand that the Hon. Member had a distinguished career in the classrooms of the country before he came here. That is where that question belongs.

Some Hon. Members: Oh, oh!

APPLICATION TO BANK PRESIDENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is again directed to the Acting Prime Minister. I suppose this time I will get my name put on the long list of people who oppose the star wars research program, along with the United Church, many other distinguished parliamentarians, and many other leaders of the country.

During the Leaders' debate the Prime Minister stated that if the Progressive Conservative Party was to form the Government of Canada, one of the first things it would do would be to introduce a minimum tax so that upper-income earners who pay no income tax at all as a result of loopholes would pay a fair minimum tax. Does the Acting Prime Minister believe that if a bank president earning $500,000 per year were to have a 1 per cent tax levied on his income, it would be acceptable as a fair minimum tax?

Mr. Speaker: Order. I am afraid that is simply the same question repeated. As well, it is hypothetical.

Mr. Riis: He did not answer the first one.

Mr. Speaker: The Minister may choose to answer, but it is the same question.

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PUBLIC SERVICE

MYSTL MANAGEMENT INCORPORATED—CASE OF TEMPORARY CIVIL SERVANT

Mr. Brian Tobin (Humber-Port-au Port St. Barbe): Mr. Speaker, the Acting President of the Treasury Board has just indicated that the Department is investigating the four principals of Mystl Management for apparent conflict of interest. I commend him for taking swift action.

Some Hon. Members: Hear, hear!

Mr. Tobin: However, I fail to understand the logic of taking swift action today when only a few weeks ago, in the case of Mr. Doug Robson, who also had access to insider knowledge and who may have profited from that insider knowledge, the Government argued that there was no conflict of interest. In light of today's action by the Government with respect to career civil servants, is the Minister prepared to reconsider the Government's inaction with respect to a temporary, "political friend" civil servant, to ensure that justice is applied equally with an even hand and a blind eye? Is he prepared to reopen the investigation into the Doug Robson affair?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member knows that the two questions are absolutely unrelated. It stretches the boundaries of the responsibilities of this House for him to attempt to relate them.

DEPARTMENTAL EMPLOYEES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it stretches the comprehension of anyone who is listening anytime that Minister speaks. My supplementary question is directed to the Minister of Transport. Will the Minister tell the House if he or any of his colleagues in Cabinet responsible for the activities of the four principals of Mystl had any knowledge of the operation of Mystl prior to the story being broken this morning by *The Toronto Star*? Further, was he or any of his Cabinet colleagues asked for a ruling by senior public servants after each of the principals had allegedly notified their superiors of their apparent potential conflict of interest? The Minister knows that his own employee is responsible for a quarter of a billion dollars worth of government purchasing and is president of Mystl Corporation.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can only speak on behalf of myself. I was first apprised of this by the Deputy Minister of Transport. Since that time I have ordered a full internal investigation into the matter. As has already been indicated, Mr. Spinks has resigned as director and officer of the corporation in question. As well, both Mr. Spinks and Mr. Cottingham, as of this morning, asked for and were granted leaves of absence pending the outcome of the investigation so that the investigation can be conducted in the most unfettered way possible.

* * *

ENERGY

CANADIAN OWNERSHIP CHARGE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Does the Minister believe it would be fair if an attempt were made to recover the lost revenue—

Mr. Clark (Yellowhead): Order, Mr. Speaker. Order.

Mr. Deans: Order? You got a problem?

Mr. Clark (Yellowhead): "Believe it would be fair"?

Mr. Deans: Having a tough day?

Does the Minister believe that it would be appropriate to replace the nearly $900 million lost to the Government of Canada as a result of the elimination of the Canadian Ownership Charge, with a tax on consumers?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member is well aware that the kind of question he has asked is, by its very nature, a budgetary question. I urge him to wait until Thursday to see if his very hypothetical question is answered.

• (1440)

STATEMENT ATTRIBUTED TO MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Minister now saying that she has changed her mind from the position which she took on March 29, 1985, when she said that it was entirely possible that the revenue, which would be lost as a result of the dropping of the Canadian Ownership Special Charge, would be passed on to the consumer?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it must be a very dull day for the Hon. Member. I know he is not a dull Member. But, my previous answer stands. That is a matter to be adjusted in Thursday's Budget. He should know better. He should not be taking up the time of the House with that kind of question.

TRANSPORT

SALE OF NORTHERN TRANSPORTATION COMPANY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of Transport. Given that the decision to sell the Northern Transportation Company to the IDC Trimac group is viewed with alarm in southern Mackenzie, could the Minister explain why he selected that purchaser when, according to his press release, there were no differences in the various bids? Will he ensure that the people and town of Hay River will not suffer as a result of the sale?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I was under the impression that the proposed sale to the group in question was heralded with a great amount of accolades and acclaim. I am rather surprised to hear the Hon. Member make that comment.

Of course the service will be provided adequately, and all the communities which are presently affected by NTCL will continue to have the same level of service. That is one of the commitments which has been undertaken by the principals who are involved in the purchase of the company.

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PUBLIC SERVICE

CONFLICT OF INTEREST GUIDELINES—NOTIFICATION OF ASSISTANT DEPUTY MINISTER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Acting President of the Treasury Board. The Minister will know that Section 5.2 of the Conflict of Interest Guidelines for the Public Service instructs public servants with respect to the disclosure of potential conflicts of interest. Is the Minister satisfied that the Assistant Deputy Minister of the Treasury Board and others were properly notified? If he is satisfied that they were properly notified, what action does he intend to take, due to the fact that those people have failed to inform the three or four public servants in question about that conflict of interest?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, as I previously mentioned to the Hon. Member's colleague, the Treasury Board at the present time is conducting an investigation. We want to get all of the facts. As soon as we have the facts, we will be glad to give the results to the Hon. Member.

MYSTL MANAGEMENT INCORPORATED

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the people doing the investigation are part of the process. I would like to ask the Minister of National Revenue, who told my colleague, the Hon. Member for York South-Weston, not to prejudge the case, if he would agree with me that if there is nothing wrong in the whole issue, why did at least three of the four officials resign from the board of Mytl Management

Incorporated. Also, why were the seminars cancelled if nothing was wrong?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, my knowledge of English may be faulty, but I do not know what the Hon. Member meant when he asked would I agree with him why would they have resigned if there was nothing wrong. I do not understand what he means. If the question is are we determined to look into this to ensure that high standards of propriety are being following by the public servants, the answer is yes.

* * *

[*Translation*]

SMALL BUSINESS

NATIVE PEOPLE'S ECONOMIC DEVELOPMENT PROGRAM

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of State (Small Businesses).

Is the Minister prepared to confirm that several applications for financing submitted for the Native People's Economic Development Program have been affected by delays of six months or more between the steering committee's recommendation and departmental approval, and that 25 per cent of fund directors positions have been vacant for several months?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I can inform the Hon. Member that applications under the Native People's Economic Development Program are submitted to a committee for consideration. They are then routed to my office, where they are processed in the usual way and as efficiently as they have been in the past.

INQUIRY WHY NATIVE PEOPLE MUST TOLERATE DELAYS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have a supplementary. As president of a successful small business, would the Minister have tolerated such delays at his bank? If the answer is no, why does he think native entrepreneurs must put up with this kind of delay?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I do not see the connection. I am taking very good care of this particular program. I even went to meet with native communities about a month ago and I got the impression that people were satisfied with the service they were getting. If there are any complaints, I would be happy to hear them directly, or at least with names or something like that. Furthermore, the Hon. Member is always welcome to see me at my office.

IMMIGRATION

CONSULTATIVE COMMITTEE ON STATUS OF REFUGEES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

The refugee status determination process is to be reviewed shortly. Both because of the Supreme Court decision in the Singh case and the great many pending applications, could the Minister advise us whether it is true that the Refugee Status Advisory Committee will be abolished or shelved without any consultion of the groups working with refugees?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker, that allegation is not true.

[*Translation*]

RECOGNITION OF REFUGEE STATUS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, could the Minister of Employment and Immigration indicate to the House when she will announce the necessary review to the refugee status determination process. Moreover, I should like the Minister to confirm the vital importance of the Refugee Status Advisory Committee and to promise not to abolish it.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is confusing the decision which was announced by the Supreme Court: it refers to the Immigration Appeal Board, not to the Refugee Advisory Committee. The Government and I will be proposing steps to the House to improve the workings of the Immigration Appeal Board in order to respond to the Supreme Court decision in the Singh case. I will be making those proposals before the House rises at the end of June. I trust that we will have the co-operation of the opposition Parties in order to have those proposals carried out.

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ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—CONTROL OF CANADIAN SOURCES

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of the Environment who will know that recent tests show that the total pollution which is entering the Niagara River has increased substantially. Since the Niagara River Toxics Committee calculated that 11 per cent of pollution sources are here in Canada, can any part of the increase be attributed to Canadian sources? If so, what will she do to control it?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): I thank my hon. colleague for his question, Mr. Speaker, and I want to emphasize once again that our preliminary studies were focussed on only two types of pollution, namely industrial and municipal wastes. Obviously, there are other sources of pollution, and we are currently looking into them, including those originating in Canada.

* * *

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

FORT FRANCES, ONT. PROJECT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, in the absence of the Minister of Labour, who is responsible for housing, I would like to direct my question to the Acting Prime Minister. My question concerns a housing project in Fort Frances, Ontario, which is known as Flinders Park. That project was badly mismanaged and ran hundreds of thousands of dollars over budget. It finally went into receivership last August. CMHC has dealt very harshly with the secured creditors, ultimately promising them only 50 cents on the dollar. Will the Government intervene to ensure that the good work which was done on this project will receive full compensation?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, on behalf of the Minister of Labour I will take the Hon. Member's question as notice and have the relevant information given to him.

UNSECURED CREDITORS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, only to underscore the point, when she speaks to the Minister will she ensure that the unsecured creditors, who trusted CMHC, and who did not file liens, will be taken into consideration as well?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will ensure that the Hon. Member's representations are properly communicated.

* * *

• (1450)

[*Translation*]

LABOUR

QUEBEC STEEL INDUSTRY—PRERETIREMENT—LAID OFF WORKERS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, last week, I had questions addressed to the Government, asking them to help the Quebec steel industry now in difficulty. I specifically asked the Minister of Labour whether the people who were laid off or might be permanently laid off could use the pre-retirement provisions of the Labour Adjustment Benefits Act. The Minister pompously replied that she was not answering hypothetical questions.

Since more than 400 families have been affected, people have been laid off, would the Government have the kindness to consider the suggestion I put forward last week?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can tell the Hon. Member, with regard to the Labour Adjustment Benefits Act to which he referred, and under which older workers would be covered, when the closure of these three plants is complete that situation will be monitored to see if they meet the criteria of that Act. If so, then that decision will be taken.

[*Translation*]

Mr. Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker.

It is about time the Government should start looking at the issue. When they do consider the matter . . . I must remind the Hon. Minister that Stelco has made large investments in Ontario and intends to make its Hilton site, and I quote:

—a world class steel complex.

This implies that Quebec will be set aside, no more, no less, and its operation also will finally be downgraded.

I would ask the Hon. Minister whether those facts will be taken into account when a decision is finally made, whether the employees may use the pre-retirement benefits under the Act I mentioned earlier?

[*English*]

Miss MacDonald: Mr. Speaker, I can assure the Hon. Member that all relevant data will be taken into consideration to see if the criteria are properly met.

* * *

EXTERNAL AFFAIRS

CENTRAL AMERICA—MINISTER'S FORTHCOMING VISIT

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Minister for External Relations. In less than two weeks the Minister will be leaving for Central America and I want to know if she has received representations from a number of non-governmental organizations experts in the field of Central American affairs, requesting to meet with her prior to her leaving. Has she agreed to meet with representatives of such organizations, the Inter-Church Committee for example, and, if not, will she agree to meet with them before going to Central America?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I am pleased to answer my hon. colleague. Two political assistants are already in Central America to arrange preliminary meetings. I have planned some meetings with political authorities, non-governmental organizations and voluntary groups working on our behalf in the international development area.

[*English*]

REQUEST THAT MINISTER VISIT CONTADORA PARTICIPATING COUNTRIES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I know the Minister is planning to meet with these groups when she is in Central America. However, I have asked her whether she is meeting with those who have recently returned from Central America to Canada and who have asked to meet with her.

While she is answering that, would she also inform the House whether she is going to take the opportunity of this visit to Central America to visit some of the nations, at least two or three, involved in the Contadora process?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, we know quite well that a trip as important as the one I will be undertaking in two weeks should be thoroughly planned. Therefore, during the past two weeks, I have met with various groups to become better acquainted with the needs and experience of those people and I will try, as a representative of the government, to learn what goes on there and to report on my return.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

SYDNEY, N.S.—EXPOSURE TO COKE OVEN EMISSIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of the Environment. Last January the federal Environmental Protection Service released a study on the very dangerous polynuclear aromatic hydrocarbons, or PAHs, in the city of Sydney, Nova Scotia. The study strongly suggests that one could be exposed to a high level of PAHs at certain sites in the city. It also suggests that 15 to 20 years of exposure to coke oven emissions containing PAHs might lead to a high rate of cancer. What steps are being taken to remove this very serious health hazard?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am considering the results of that study and I will be in a position to answer my hon. colleague in a few days.

[*English*]

REQUEST FOR MINISTERIAL ACTION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, when this matter was raised in the Nova Scotia Legislature the Government undertook to do another study. However, studies have been done, and what is needed is some department, federal or provincial, to take the lead in dealing with this very serious problem. Will the Minister give her undertaking today to have her Department take the lead in correcting this problem?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, this is a very serious question to which I give all due consideration. I can only repeat that I will be in a position to better inform my hon. colleague in the next few days.

* * *

[*English*]

CANADA POST CORPORATION

PROVISION OF SERVICE TO NEW RESIDENTIAL SUBDIVISIONS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Minister responsible for Canada Post Corporation. On April 2, 1985, an agreement was signed between Canada Post Corporation and the Canadian Union of Postal Workers which stipulated a reduction of 53 sub-post offices. Within the past three weeks I presented to this House two separate petitions, containing over 1,000 names of citizens of Saskatoon East who are concerned about postal facilities in a new subdivision.

Could the Minister explain how Canada Post Corporation will fulfil its responsibility to ensure adequate postal facilities for residents of new subdivisions, particularly in cities like Saskatoon which are growing at an above average rate?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, first I want to thank the Hon. Member for his question, and also for diligently presenting petitions as he did last week.

As part of the agreement with CUPW, the Post Office agreed to open up new post offices run by postal employees and reduce the number of sub-post offices, a number of which close their doors every year. One of the things which the corporation will be doing, obviously, as the opportunity arises, is looking around to see in which communities new facilities are necessary. I think, because of the Hon. Member's diligence, it will be very much aware of the need for facilities in Saskatoon.

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister. Earlier this afternoon the Acting President of the Treasury Board and the Minister of Transport attempted to give the impression in the House that there had been speedy action on this question, despite the fact that Assistant Deputy Ministers in both their Departments have known about this but not acted for some time. Ministers are responsible for the actions of their officials. We have had an impression of fast action involving public servants, but my question is, given that the Prime Minister promised me on April 24 that he would table conflict of interest guidelines related to Ministers, are we going to have speedy action affecting Ministers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker, we will. I have not inquired into the exact schedule planned for tabling that information, but I give the Right Hon. Member my undertaking that we will have that information acted on, and tabled, and made available just as quickly as possible.

* * *

AUTOMOTIVE INDUSTRY

LEVEL OF JAPANESE MANUFACTURED VEHICLE IMPORTS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of International Trade. The Canadian Government has indicated that it wants to limit Japanese auto imports to 18 per cent of the Canadian market, but the Minister must be aware that the Japanese have rejected such a level. Will the Government move urgently to impose, through legislation, a level of that kind to protect workers and the Canadian car industry until such time as an agreement is established with the Japanese?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I think if the Hon. Member checks my answer to the question put to us by the Hon. Member for Winnipeg-Fort Garry, he will see that question has already been put in the House.

Mr. Broadbent: No. Listen to him.

CONDUCT OF NEGOTIATIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, why has it taken the Minister such an inordinate length of time to carry this agreement through with the Japanese and report back to the House, as he promised to do three weeks ago with respect to this negotiation process?

● (1500)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as I mentioned in the House before,

the previous Government took until June 12 to get a satisfactory agreement with the Japanese last year. We are getting close, but as I indicated before, negotiations continue. In fact the Japanese car dealers were in to see me on Friday afternoon. They are complaining that the Japanese manufacturers have indeed been holding up deliveries of cars. Perhaps our request for Japan not to exceed the 18 per cent level is being complied with.

Mr. Speaker: The Hon. Member for Mount Royal may ask one short question.

* * *

CHALLENGE '85

STUDENT ENTREPRENEUR PROGRAM

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. On May 10 I asked her to explain to our youth why the $30 million Student Entrepreneur Program was not off the ground. In response we were treated to a totally irrelevant answer. Our office in Quebec was advised on Friday that students' requests were to be in by July. If the students are only going to be accepted in July, and they must pay back in October, when are the students supposed to earn money?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Challenge '85 Program, which has been very successful, has a number of—

Some Hon. Members: Oh, oh!

Miss MacDonald: Members in the Liberal Party may not think it is successful, but some 60,000 students already have jobs under that program.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, the entrepreneurship program is part of the over-all Challenge '85 Program and it works differently in different povinces due to the arrangements which have been entered into with the provincial Governments. It started in some provinces before others. However, it is now under way in all provinces.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Friday, May 17, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) does not meet the requirements as to form.

Petitions

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Finance, Trade and Economic Affairs on Bill C-39, without amendment, in both official languages.

* * *

PETITIONS

EXIT VISA FOR SOVIET CITIZEN IDA NUDEL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have the honour to table a number of petitions signed by many Canadians exercising their rights as Canadian citizens. The petitions relate to the situation of Ida Nudel, a Soviet Jewish woman who has been waiting for an exit visa for 12 years. She has now been diagnosed to be suffering from pancreatic cancer for which she requires immediate medical treatment. I humbly request and call upon the House of Commons to direct the Secretary of State for External Affairs (Mr. Clark) immediately to call upon the Ambassador of the Soviet Union to demand that Ida Nudel be given an exit visa to join her sister in order to receive adequate medical attention. This woman is in her late sixties.

Mr. Speaker, in the interest of Ida Nudel I have another petition asking that she be allowed to join and be reunited with her only living relative, her sister in Israel. She has served three years in internal exile and Ida Nudel has been living under the most horrendous conditions in Soviet Siberia. I plead with the Minister of External Affairs—

Mr. Speaker: Order, please. The Member should be reading a summary of the petition. In fact, it sounds to me as if she were making a case directly to the Minister herself. I take it she now has another petition to summarize.

Mrs. Finestone: Mr. Speaker, I have a third petition which is in the same instance and about the same issue. It is again a plea to—I am reading what is on the petition, Mr. Speaker.

Mr. Speaker: The Member should know that that is precisely what is not allowed, to read what is on the petition. Members are allowed to make a summary for the House. Please go ahead.

Mrs. Finestone: Thank you, Mr. Speaker. The summary of the petition is that Ida Nudel, a woman in her late sixties, is ill, needs treatment, cannot receive it in the Soviet Union, and should be allowed, for compassionate reasons, to leave that country. If the Helsinki Accord were agreed to, she would be allowed to leave.

Mr. David Berger (Laurier): Mr. Speaker, I have a petition from a number of residents of Canada who also petition the House on behalf of Ida Nudel who is awaiting the opportunity to be reunited with her only living relative, her sister in Israel. In this petition the petitioners call upon the House of Commons to direct the Secretary of State for External Affairs (Mr. Clark) to call upon the Soviet Ambassador to demand that she be given an exit visa to join her sister in Israel immediately.

[*Translation*]

NUCLEAR WEAPONS FREE ZONE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I am pleased to table a very long petition signed by 785 students from the CEGEP and universities in the Montreal area who are asking the Parliament of Canada to take a stand against the Cruise missile tests in Canada and that Canada be declared a nuclear weapons free zone.

Mr. Speaker, that very important petition has been brought from Montreal to Ottawa by 8 students who travelled by bicycle to present it on behalf of the Canadian people.

* * *

[*English*]

EXCISE ACT

MEASURE TO AMEND

Mr. Mike Cassidy (Ottawa Centre) moved for leave to introduce Bill C-239, an Act to amend the Excise Act (exemption on home-brewed beer).

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

Some Hon. Members: Explain.

Mr. Cassidy: Mr. Speaker, I have the honour to present—

Some Hon. Members: Order, order.

Mr. Speaker: I think the Hon. Member is familiar with the rules about displays in the House of Commons. Before he introduces his Bill I might ask him to come to order, however he chooses to do that.

Mr. Cassidy: I will retire my display, Mr. Speaker. That was a bottle of Wilson's Wallop which would be available to you, and which I could extend to you, Mr. Speaker, were this Private Member's Bill to be adopted by the House of Commons. This Bill will amend the Excise Act which presently requires written consent from Revenue Canada before any Canadian can legally brew beer at home for his own use. At present, if a person brews beer at home and offers it to a guest or someone outside of his home, he can be liable to a fine of $250 or to hard labour. The purpose of this Bill is to change that and to put home-brewed beer on the same basis as home made wine.

I have had the support of the Campaign for Real Ale Canada—

Mr. Speaker: Order. As the Hon. Member knows, as with petitions, the summary should be short.

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 200 and 336.

[*Text*]

PEACEKEEPING FORCES

Question No. 200—**Mr. Stackhouse:**

1. How many Canadians are now serving under the United Nations (a) Truce Supervision Organization (b) Disengagement Observer Force and, in each case, what is the cost?

2. How many Canadians are now serving under the United Nations Force in Cyprus?

3. In 1983, what was the cost to Canada for the United Nations Peacekeeping Force in Cyprus and what was the cost to Canada since its inception?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. (a) Twenty Canadian officers normally serve with the United Nations Truce Supervision Organization (UNTSO), but this year, at the request of the United Nations, Canada has provided one additional officer. The estimated cost to Canada in FY 84/85 dollars is $1,436,390.

(b) Serving with the United Nations Disengagement Observer Force (UNDOF) are 223 all ranks. The estimated cost to Canada in FY 84/85 dollars is $8,538,883.

2. There are 515 all ranks currently serving with the United Nations Force in Cyprus (UNFICYP).

3. The cost to Canada in 1983 in FY 83/84 dollars is estimated at $25,126,046. The cost to Canada since inception of UNFICYP in 1964 to the end of FY 83/84 is estimated at $228,346,000.

CN TASK FORCE

Question No. 336—**Mr. Ouellet:**

Has a one man task force on the activities of Canadian National in Pictou County, Nova Scotia been struck and was Mr. Joe Stewart appointed as the person and, if so (a) what qualifications and experience does he possess which makes him suitable for the position (b) what are the terms of reference of his commission (c) what is his rate of remuneration (d) on whose recommendation was his appointment made?

Hon. Don Mazankowski (Minister of Transport): (a), (b) and (d) Yes. An internal management decision was taken by CN to engage Mr. Joe Stewart as a consultant to determine means of improving the community perception of Canadian National Railways. Similar studies by consultants are undertaken throughout Canada when deemed necessary by senior CN management.

(c) Remuneration is regarded as proprietary information to Canadian National.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

The House resumed from Friday, May 17, 1985 consideration of the motion of Mr. Mazankowski (for the Minister of Agriculture) that Bill C-25, an Act to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted to have the opportunity this afternoon to speak on Bill C-25 and to comment on the remarks made by the distinguished Parliamentary Secretary last Friday when he introduced the Bill in the House.

Bill C-25, an Act to amend the Agricultural Stabilization Act, is clearly a very important piece of legislation. It was first introduced about one year ago as Bill C-50. I am not sure why the Government has taken so long to introduce it in the House. There is a great deal of concern in the red meat industry about the current difficulties and problems faced by that industry.

● (1510)

We are pleased that the Bill is now before the House. The purpose of the Bill is to provide a stabilization program for red meat under the Agricultural Stabilization Act. It is a tripartite red meat stabilization program in which the provinces, the producers and the federal Government jointly and equally participate in the establishment of a uniform stabilization program. This would prevent top loading by some provinces because many provinces already have their own stabilization program.

The provincial stabilization programs have caused some concern in the country because the United States has imposed a countervail on pork and hogs going into the United States.

Therefore, one of the objectives of this program should be to establish and provide funds for a uniform tripartite red meat stabilization program. In fact, five funds will be established in this regard, one for cow-calf operators, one for backgrounder cattle; one for slaughtering cattle, one for hogs, and one for sheep operations.

The Bill provides that the three participants would share equally in the funding of the program and the Government's contribution would not exceed 6 per cent of the gross receipts of the participating producers.

A number of changes were made to the Bill that was originally introduced in the House in January. These changes, which would be retroactive to January 1, provide that stabilization could take place for less than a one-year period as provided in the former legislation. The price support formula for stabilization programs would be different from the one in the existing legislation. It provides for the establishment of a fund within the Consolidated Revenue Fund of the federal Government.

The greatest difficulty facing the Government with respect to this legislation is the problem of whether it will get full participation from the red meat sector. Alberta, Saskatchewan, Manitoba and Ontario have indicated their willingness to participate, and this represents a very significant proportion in terms of the total share of the production of red meat. With respect to slaughtered cattle, it represents approximately 94 per cent; approximately 88 per cent with respect to cow-calf production; 94 per cent for backgrounders; 79 per cent for lambs; and 57 per cent for hogs.

The question remains whether British Columbia, Quebec and the three Maritime Provinces will participate. Unless they support this legislation it is questionable if it will meet the objectives of preventing the balkanization of the Canadian production and market-place for red meat which seems to be taking place under current circumstances.

Last summer, the federal Government was very careful not to provide stabilization for the number of hogs that were sold into the Canadian market. Clearly, we do not want to contravene our GATT requirements in the American market-place because stabilization of production going into the international trade subjects us to countervails. That is the reason for a countervailing duty on pork production in Canada and the investigation which is taking place by the U.S. Department of Commerce.

This legislation will establish a national program which could take into account some of the production of red meat that goes into the United States and other markets in order to prevent the contravention of our GATT commitments.

Perhaps the Parliamentary Secretary could indicate this afternoon how much progress has been made in getting the co-operation of the other provinces that have yet to join the program. Unless the Minister of Agriculture (Mr. Wise) is willing to work out the details necessary for negotiation with those other provinces, the program will not be as effective and desirable as we would like.

That uncertainty is apparent in a Canadian Press story dated May 8. The Minister of Agriculture from Alberta expressed his concern about the proposal and his wish that the proposal not be changed if his province is to participate. He also expressed concern that many beef producers in this country believe that the federal Government has sold them out by increasing the quotas to the European Economic Community countries. The House will recall that in September, quotas were set at some 5.9 million pounds for 1985. It certainly appears that the Government will increase that quota to over 20 million pounds. That will have a devastating impact on the industry. I am sure it prompted the Minister of Agriculture in Alberta, as reported in the Canadian Press story on May 8, to say:

> We keep getting traded off in agriculture all the time. We have import levels of meat coming into this country. We don't mind competing with them, as long as it's not subsidized.

I suggest that that underscores the concern in the industry as a result of those increases in beef quotas from the European Economic Community.

The purpose of this Bill is not to provide a continual production subsidy but, rather, to provide assistance when the price drops dramatically. The price of pork has dropped dramatically in the last few weeks as a result of the countervail imposed by the United States. That countervail will remain until late July, at which time we will know if it will be imposed for a full year.

This legislation will be very beneficial in eliminating the wide fluctuation in prices for red meat. It is clearly not a marketing tool in itself because it is not designed to provide a market for red meat commodities. It is designed to provide stabilization when there are dramatic drops in price. I think in that regard it will be interesting in the committee hearings to hear the details of how the legislation will work. The Committee on Agriculture must find out exactly which provinces are prepared to participate in the program, because otherwise we will end up with a very balkanized situation in the production of red meat, with Quebec having a massive program of stabilization payments, some of the Maritime provinces having a very rich program, whereas many of the other provinces, the ones that have indicated they want to participate, not having similar type legislation and assistance available.

● (1520)

Those are some of the concerns that I have with the legislation. I hope the Minister will be successful in getting all the provinces to participate. I hope that we will be able to get a clear indication of support and participation from those other provinces. Clearly, the red meat industry today is probably in one of the most desperate situations we have seen in many years, not only because of the continuing level of low commodity prices, but because of high interest rates and, as we have seen, the dramatic drop in the last couple of years in the value of land, which has wiped out the equity many young producers have in their farms. All of those things, combined with the continuing increase in input costs, plus the countervail

that we have seen put on pork and hogs during the last couple of months, have had a devastating impact.

That is the reason for the dramatic report last fall of the Farm Credit Corporation which indicated that a large percentage, over 17 per cent, of our farm operators, especially the young ones, are facing serious financial difficulty. The situation has worsened since then with a drop in prices of pork and hogs by some $10 or $12 per animal. We have seen the increase in the European Economic Community quota which the industry has already recognized even though the Government has not made a formal announcement of that massive increase, but all in all it makes for a very difficult situation, one which requires government action.

I hope that besides working this legislation through the committee, improving it and making it functional, we will look at other ways to assist the red meat industry. I hope that the Minister of Finance (Mr. Wilson), on Thursday night when he stands in his place to deliver his Budget speech, will adopt at least some of the recommendations, hopefully all of the recommendations, of the Finance Committee which recommended, I believe, a $96 million agri-bond program, which is designed to assist some of the 39,000 young farmers who are facing very serious financial difficulties. Many of them will lose their farms this season.

Last week I was in Alberta. I was talking to one of the people responsible for the Alberta Agriculture Development Corporation. He indicated that many of the young farmers who have been in production for only a few years have a large capital debt, and with the reduction in the price of hogs brought about by the countervail they are facing a very short time period in which to recover their financial stability. In his opinion they will be facing the loss of their farms within a period of two or three months.

This legislation, within its limited scope, can be beneficial to the agricultural community. It is essentially the same Bill as the one introduced last June by Mr. Whelan when he was the Minister of Agriculture. I hope the Bill will move on to the standing committee where we can call witnesses with a view to making the Bill as functional and as beneficial as we can. Hopefully, the Parliamentary Secretary will be able to indicate to us this afternoon how much success there has been in getting the support and assistance of the other four or five provinces which have not until now indicated they would be willing to participate in this legislation.

I hope the Bill will go to committee in the next couple of days and that we will be able to go on with more detailed study at that time.

Mr. Towers: Mr. Speaker, the beef producers in Canada are in serious trouble today as a result of the neglect of the previous Liberal Government over a period of six years. The present Government is now trying to correct the problem. It has cut the import of European subsidized beef by over 50 per cent this year. The job would have been much easier had the homework been done by the previous Liberal administration and, instead of 50 million pounds of beef coming in last year, had that amount been 10 million, 15 million, or 5 million. The job would have been much easier for us this year had that been done.

Was the Hon. Member for Algoma (Mr. Foster) aware that the present Government has cut that importation of subsidized beef from the EEC by over 50 per cent this year? Is the Member prepared as a member of the Opposition to contribute in the best way he can to solving his problem so that the red meat producers will be able to get out of the serious difficulties in which they now find themselves?

Mr. Foster: Mr. Speaker, I am aware that last September 4 representations were being made by the Canadian Cattlemen's Association to trigger the meat import law. It took the Government three months to trigger that meat import law. By that time we had actually gone beyond the allotted 145 million pounds. Had the law been triggered on or about October 1, we would not have gone beyond the 145 million pounds, which is the historical guaranteed minimum access level. Finally, belatedly, after three months in power the Government did trigger the meat import law. It restricted the United States to 21 million pounds. The Government restricted the EEC, especially Ireland and Denmark, to 5.9 million pounds and Nicaragua to 600,000 pounds of meat. Other countries, such as Australia and New Zealand, were restricted to more traditional amounts. It is with great chagrin and concern that a few weeks after the Government established the quotas for the 1985 period we learned what the Government had done. It had secretly negotiated with the United States to increase its quotas from 21 million pounds to what I understand will be 65 million pounds. Also we heard that negotiations were under way for Nicaragua to increase its quotas from some 600,000 pounds to close to nine million pounds, and it may even be higher. There is as well the question of the United States embargo which was imposed recently. With regard to the EEC, we do not know exactly what it will come down to, but we understand that it will be 23.5 million pounds.

● (1530)

I asked the Minister for International Trade (Mr. Kelleher) why he and the Prime Minister (Mr. Mulroney), when they were in Europe a few weeks ago, did not take this matter up with the heads of Governments—with the Prime Minister of Great Britain, the Presidents of France and Italy, and the Chancellor of West Germany. If they were unable to raise it together, they could have done it on a bilateral basis as it was an important question. The Minister for International Trade indicated that there was not time or there was not concern on the part of the Government to maintain the quotas imposed under our meat import law.

I am aware of the import levels. I am aware that the Government triggered the meat import law on December 21 but did not have the intestinal fortitude to stand up to the EEC. As a result, we have not only an increase of some 17 million pounds of beef coming into the country, which works out to about 1,000 carcasses per week of additional meat coming to the market at a time when commodity prices are

low, but we have also upset the Australians, our traditional trading partners. They are very concerned about an additional 1,000 carcasses a week coming to the Canadian market of subsidized beef at 48 cents per pound, subsidized by the Treasuries of European countries. Australian is very concerned because it has had an historical access of a very large amount of beef, lower quality cuts. This is very harmful to our agricultural community.

I hope the Hon. Member will be able to make strong representations in caucus to the Minister for International Trade and to the Minister of Agriculture as I have been making in the House since January when it became apparent that the Government was planning to cave in to the pressures and threats of the countervails which the EEC was putting on the Government.

Mr. Hovdebo: Mr. Speaker, as the Hon. Member suggested, the basic Bill is very much like the one which was brought in by the Liberals last year. However, the situation with which farmers are faced is relative to income rather than to the price of commodities. Would the Hon. Member comment on a particular weakness in the Bill? They can stabilize the commodity price, but the farmer will still go bankrupt if he does not have a product to sell or if the five-year price is still lower than the cost of production.

Mr. Foster: Mr. Speaker, those are the kinds of questions which we will certainly want to delve into in committee. The Bill contains certain conditions about the amount of commitment that Governments can make. I think it is 6 per cent of the gross receipts for individual commodities. Also the fund must have fiscal integrity. In other words, it is not as if the Government would bail out the fund or producers would have to put more into it. We clearly have a serious problem in the red meat industry. We certainly want to save the industry. We want to see it continue to function. Certainly the formula will be one of the things we will want to examine in committee.

I know of the concern of the Hon. Member for Prince Albert (Mr. Hovdebo) in this regard. I would like to look at those aspects of the Bill at committee stage. As I said earlier, I do not believe it is possible under this legislation to solve many of the farm debt problems. They will have to be dealt with in the Budget on Thursday night. I hope the Minister of Finance will do that.

My other concern at this stage is how we get hog and beef producers to pay their premium with the industry being in such a devastated position this year. That is another matter we will want to consider in committee. I have had hog producers telephoning me and saying that they hoped this legislation would be in position immediately. Certainly we want to expedite it, but I am not sure that it can be moved forward rapidly enough to have pay-outs or even that the formula would trigger pay-outs over a short period of time, given the depressed state of the industry right now.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to make a few comments on Bill C-25. I represent a mixed community of urban and rural people. In fact, in the rural sector I represent a fair number of hog and beef producers. One does not have to represent rural areas to know that there is a severe crisis in agriculture today. Canadian farmers face a very uncertain future. If they look back over the last few years, they see that the prices for their commodities have either fallen or else have not kept up with the ever increasing cost of production. The squeeze in which they find themselves is forcing many people off the farms and is creating real stumbling blocks for young people to get into farming.

We have only to look at the statistics to know how serious the situation is. For example, in 1979 there were 125 farm bankruptcies in Canada. In 1980, there were 222; in 1981, there were 261; in 1982, there were 410; in 1983, there were 488; and in 1984, there were 551. Every year for the last number of years the number of farm bankruptcies has increased, and that is only the tip of the iceberg. In 1979, the estimated farm debt outstanding from all sources—that is, short, intermediate and long-term—was $14.6 billion, carrying an average interest rate of some 11.6 per cent. In 1981, the outstanding farm debt increased to $18.5 billion at an average interest rate of 15.46 per cent. In 1984, the Farm Credit Corporation reported in its survey that outstanding farm debts amounted to $20.7 billion, with an interest rate well in the two digit level.

• (1540)

We can look at some of the other problems. For example, in its 1984 farm survey report, the Farm Credit Corporation shows that one in five of a total of 37,000 Canadian farmers are in serious financial trouble with debt costs exceeding 40 per cent of income. There were 551 farmers who declared bankruptcy in 1984, a 20 per cent increase over 1983. The FCC estimates that another 1,700 farmers are on the brink of immediate insolvency.

We know that the situation is becoming much more difficult, particularly for the younger farmers. The younger section of the farm community has the weakest equity position and is most vulnerable to escalating interest costs and hence to foreclosure and liquidation. Unless decisive action is taken, Canada stands to lose a whole generation of its most efficient and productive farmers.

The FCC report went on to indicate that one-third of the farms carried about 80 per cent of the $20.7 million in outstanding farm debt and that about half the food produced annually in Canada came from these farms. In other words, of a total agricultural debt of some $20.7 billion, 80 per cent of it was carried by those farmers who produce about half of Canada's annual farm produce. Therefore, lack of productivity is not at issue, but income certainly is.

Let us take a look at income. Net farm income in 1984 is no higher in actual dollar terms than it was in 1974, and has fallen by a staggering 30 per cent in real terms over the past four years alone. We have a case of increasing costs and decreasing prices. It certainly does not require an economist or a farmer to realize that we cannot continue operating under

these conditions for too long. As the figures demonstrate, more and more farmers are being squeezed off the land. They no longer find what their parents and very often their grandparents did to be a productive activity.

The crisis in agriculture is not merely an economic question. Surely it is also a social question. Can we as a country afford to lose our agricultural sector? Can we afford to see ever-increasing numbers of farmers go into bankruptcy? What are the social implications of this? Surely a reasonable minded person would find that this situation is unacceptable and that our agricultural community must be kept viable.

We have to maintain the part of this country that is inhabited by farmers. Statistics indicate that there are fewer and fewer family farms and that these family farms will be replaced more and more often by large corporate farms. That, I believe, we all find unacceptable, regardless of political Party. I think we are all committed to maintaining the family farm as a viable economic unit and we all recognize that it is in the best interests of this country to maintain a viable agricultural community. For agriculture to be taken over by large corporate agri-business is not socially desirable. In fact, it will essentially lead to a new type of feudalism. In feudal times, feudal lords owned and controlled large tracts of land and the people who worked the soil were in essence the peasants or salaried agricultural workers, not the people who owned the land.

We must all recognize the seriousness of the problem that faces this country. This problem is not one that is faced by farmers alone; it is a problem that must concern us all. If we do not have a viable, healthy agricultural sector, everyone in the country will suffer. When farmers in Saskatchewan do poorly, the people of my riding of Regina East do poorly. The small shopkeepers and manufacturing and service centres that service the agricultural community do poorly. That means that there are more layoffs and less economic activity in Regina. The entire city and the entire province suffer. The same is true for Ontario, Quebec and other industrial areas. If farmers do poorly, farm implement companies cannot sell their products and they in turn must lay off workers. Manufacturing, servicing, retailing and wholesaling interests in Ontario, Quebec and the larger industrial regions suffer. The wellbeing of our agricultural sector is important to all men and women across this country.

What we are facing today is not simply a farm crisis, but a national crisis. It is a national crisis that must be addressed. Unfortunately, there is very little in Bill C-25 to address the issue. The Conservative Government has done very little so far to indicate that it recognizes the seriousness of the problem and that is capable of doing something about it. Despite the promises that we heard made during the election campaign, we have not seen much action.

During the election campaign, we heard Conservative Members denounce years of Liberal inaction, and promises to safeguard the future of the independent family farm. More specifically, we were told that a Progressive Conservative Government would establish a farm finance review board to adjust farm debts. At that time, the Prime Minister (Mr. Mulroney) told the Empire Club and the Canadian Club that new expenditures of $100 million would be made available in 1985-86 for farm mortgage financing. We heard many good promises being made last summer. It is too had that we have not seen them put into action since the summer. It is too bad that we are not seeing legislative action being taken today on the promises made by the Conservative Party during the election campaign.

Government Members have certainly had plenty of time to bring forward measures that would help strengthen the farm economy. Instead, we have Bill C-25. As everyone admits, it is essentially the same as the Whelan Bill, Bill C-50, which was introduced almost a year ago. It does nothing to solve the basic problem facing agriculture. It provides for stabilization based on market returns, but that will be insensitive to future cost increases. It will do nothing to raise price and net farm incomes. It is lacking because it does not offer a stabilization program that actually meets or begins to meet the real costs that farmers must face in order to produce red meat products.

By averaging out market returns over time, the Bill does take a very small step forward. However, that step is inadequate when the market itself has failed to generate a return to the farmer which covers his or her costs of production and a reasonable return on capital and labour. It is a stabilization plan based on prices which have been in effect for the last number of years. Those prices are inadequate in meeting the real costs of production. What we have is stabilization based on unacceptable prices.

• (1550)

We have been urging the Government to recognize that there is a need for a cost-based insurance system or a stabilization program. It is that type of program which we wish the Government would introduce. We want a program which is based on the real cost of production one which will ensure our farmers a sensible rate of return on their capital and labour investments in order that Canadian farmers and producers can carry out their important functions with a sense that there is a Government and a nation which cares enough to ensure that they will get an adequate rate of return on what they produce.

It is not an outrageous proposal. Everyone recognizes that agriculture in Canada is the least subsidized when compared to any other part of the world. American agriculture is subsidized through a variety of programs. The European Economic Community subsidizes its farmers in all sorts of different ways. Canadian farmers are the most efficient in the world, but faced with subsidized foreign competition, our farmers do not stand a chance. They stand a chance if they compete on a one-to-one basis with a farmer or a cattle producer in Ireland, France, Germany, Iowa or any other part of the world, but they do not stand a chance if they are competing against a farmer whose Government is standing behind him. Is it not time for us to stop expecting Canadian farmers to stand naked and alone in the world when competing against farmers in other parts of the world who have their respective Govern-

ments standing behind them? Is it not time to begin to guarantee to farmers in Canada a fair rate of return on their activity? It is not that the farmers are asking much; they are only asking for a fair rate of return.

Farmers do not have the clout which other players in the economy have. If a manufacturer of goods and services discovers that his costs have increased, he is able to jack up the price and recover the increase in his costs. When banks have to pay more interest to attract savers, they charge higher interest rates to the borrowers. Many working people in the organized trade union movement are able to recover increases in their cost of living the next time they bargain and achieve a wage settlement. However, I must say that the trade unions have been losing their clout over the last number of years. In fact, actual wages have declined as a percentage of the increase in the cost of living. Working people are discovering a reduction in their standard of living something farmers have been experiencing for a number of years. Farmers cannot pass on their cost of production increases. Therefore, farmers depend upon a collective action, whether it be a marketing board or a collective action taken by the federal and provincial Governments. Otherwise, farmers do not stand a chance in Hades of surviving.

I am certain that the Hon. Member for Crowfoot (Mr. Malone), who has a number of cattlemen in his riding, understands that. Even though he is a free enterpriser, I am sure he will admit that as far as agricultural production in Canada is concerned, there are limits to the free market. Given what Governments are doing in other parts of the world, there is a need for some collective action.

We believe that Bill C-25 is inadequate. It does not deal with the basic problem which farmers face. Neither does it deal with the whole question of front-end loading. The Province of British Columbia, the Province of Quebec and the Maritimes have offered certain forms of subsidies. The Provinces of Alberta, Saskatchewan, Manitoba and Ontario do not provide subsidies and object to front-end loading. The present legislation will not help producers in British Columbia, Quebec and the Maritimes. That is not entirely fair. The Province of Alberta has what could be called "bottom-end loading". The cost of production in Alberta might not be the same as in other provinces because Alberta does not charge a tax on gasoline.

A co-operative approach is needed. Ministers of Agriculture and producers from across Canada should sit down with the federal Minister of Agriculture (Mr. Wise) to discuss these matters. A system should be established across Canada to eliminate the possibility of price wars between provinces. What we need first and foremost is leadership from the Government and the Minister of Agriculture. We have not seen that leadership, therefore the farm crisis in Canada will get worse and worse. Until we have leadership, Bill C-25 will not provide a solution.

BUSINESS OF THE HOUSE

JOINT DISPOSITION OF BILLS C-47, C-48 AND C-49

Mr. Hnatyshyn: Mr. Speaker, there have been discussions among the House Leaders which will involve, after one more speaker of the Official Opposition, a change in the order of business. The change will involve the calling of the Bill relating to divorce for second reading. Therefore, we will deal with second reading of Bill C-25 and then move on to the divorce legislation which will be moved by the Minister of Justice (Mr. Crosbie).

There have been discussions in the House with respect to the divorce legislation. Bill C-46, Bill C-47, and Bill C-48 are related to the area of divorce. Therefore, the House Leaders have proposed an arrangement, and are seeking the unanimous consent of the House to deal with those three Bills in one debate.

I have a draft order, Mr. Speaker, which I believe the House will receive with unanimous consent. The order is as follows:

That when the Order for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-46, an Act to amend the Divorce Act, is called, notwithstanding any Standing Order, the following orders shall also be deemed to have been called:

(a) for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-47, an Act respecting divorce and corollary relief; and

(b) for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and attachment of certain moneys payable by Her Majesty in right of Canada.

● (1600)

Mr. Gray (Windsor West): Mr. Speaker, this is satisfactory to the Official Opposition and, therefore, we certainly consent to this order.

Mr. Deans: Mr. Speaker, as you are well aware, the three Bills named in the House order are dependent one upon the other, and it makes eminent good sense that the House should deal with all three in one debate. Therefore, the House order which is before us is certainly agreeable to us.

Mr. Deputy Speaker: The House has heard the Government House Leader propose a draft order. Is there unanimous consent for the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski (for the Minister of Agriculture) that Bill C-25, an Act to amend the Agricultural Stabilization Act, be read

the second time and referred to the Standing Committee on Agriculture.

Mr. Deputy Speaker: We will resume the question and comment period on the speech of the Hon. Member for Regina East (Mr. de Jong) with the Hon. Member for Lambton-Middlesex (Mr. Fraleigh).

Mr. Fraleigh: Mr. Speaker, by and large I agree with everything the two previous speakers said. Regarding the speech of the Hon. Member for Regina East (Mr. de Jong), I would simply say that although Bill C-25 may not be the panacea that he foresees, where we look after the farmers from the cradle to the grave, I think he would agree that it is a significant small step forward. I think we are doing the farmers of this country a great disservice if we do not move this Bill into committee very quickly so we can bring together the important players in this industry and try to resolve many of the problems which the two previous speakers so ably outlined in their remarks.

Mr. de Jong: Mr. Speaker, I agree with what the Hon. Member has just stated. As I understand it, I am the last speaker from my Party, so we will get this Bill into committee. I hope we will get the committee to deal with it quickly because I would like to see more legislation coming down, and the faster, the better. The Hon. Member agrees that this is just a small step, and I think what we need are big steps. Therefore, we will allow this small step to occur but, for heaven's sake, get some legislation ready so we can take some big steps.

Mr. Nystrom: Mr. Speaker, the Hon. Member made a brief reference to interest rates without elaborating very much. I think one of the very big problems farmers are having right now are high interest rates. I spoke in the House on Friday and read off the increase in bankruptcies of farmers over the last four or five years. It has gone up by leaps and bounds. One of the major problems in this country is the fact that we need to bring down interest rates. This was promised by the Prime Minister (Mr. Mulroney) when he was campaigning as Leader of the Conservative Party, and it seems to me we should be doing more about that. I would like to ask the Hon. Member what ideas he has for bringing down interest rates in Canada.

Mr. de Jong: Mr. Speaker, historically interest rates have generally been around two points above the inflation rate. We now have an inflation rate of around 3 per cent or 4 per cent. I am willing to give them 7 per cent, three points above the inflation rate. At 7 per cent, a lot of economic activity in this country all at once becomes viable. A lot of farm activity and small business activity all at once becomes viable. It becomes viable to think about putting out some money on a new home.

One of the central problems we have to address ourselves to is that of interest rates. I could stand here for a long time and talk about that issue, but my essential position is that as long as we have an arms race which sucks in around $1 trillion from the total amount of world capital available, we will have a shortage of capital. We are paying the price for the arms race. The total amount of U.S. savings is not enough to pay off the American deficit. They must maintain a strong dollar and high interest rates in order to attract capital to pay off their deficit. We have to compete and also maintain a high interest rate in order to keep some of that capital here. Given that, we begin to realize that the farmers, workers, consumers and small business people are the people who are paying for the arms race. As long as the arms race continues to suck this capital into non-productive activity, farmers are going to be in trouble, as they are in the U.S. and here in Canada; small business will be in trouble; we will have slow economic growth. The real solution has to come through stopping the insane arms race, which I am sure is destroying the Soviet economy just as it is destroying our economy.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, it is always with pleasure and interest that I to rise to take part in the debate in the House. Today, the House is considering Bill C-25, an Act to amend the Agricultural Stabilization Act. Stabilizing the prices of agricultural commodities is a matter of vital importance for Canadian farmers, and especially for farmers and producers in the Maritimes. The former Liberal Government understood this when it introduced Bill C-50 last year, and now, after seven months in power, it is high time the present Government introduced a Bill that meets the expectations of the groups concerned. Unfortunately, however, Bill C-25 is not what Maritime producers and farmers expected it to be. It is disappointing because it provides no solution to the increasingly serious problems being caused by the differences in agricultural prices among the various provinces.

This Government is talking about stabilizing agricultural prices. But what kind of stabilization? Does the Bill allow for the diverse problems facing each of our ten provinces individually? Does the Bill take into consideration that production costs in the Maritimes, for instance, are higher? It does not, Mr. Speaker. We are talking about a national tripartite plan for red meat producers without even looking at the specific situation in each province.

Before further considering this policy, I would like to recall the reasons that make it necessary to have coherent legislation on farm price stabilization. This legislation provides for stabilization payments for a certain number of commodities referred to as designated commodities when prices fall below previously set levels. Similarly, most provinces have, at some time or another, introduced their own price support or income insurance programs in response to the needs of their farmers. In some provinces, the role played by the provincial threshold is essential. Since the Agricultural Stabilization Act is aimed at providing adequate support levels for all producers when necessary, and since this is a goal that is difficult to achieve, the role played and the assistance given by the provinces becomes even more crucial.

However, under this legislation, the Federal Government has paid about $200 million to red meat producers since 1978.

For ten years, the federal and provincial governments have been working on an income stabilization program for red meat producers. Recently, Ontario, Manitoba, Saskatchewan and Alberta agreed to participate, together with the federal administration and national producer organizations, in setting up a new contributory stabilization program in the red meat sector. In the Atlantic Provinces, however, producers felt that the provinces should also be able to provide financial assistance. Producer associations in the Maritimes would like to see the solution on a regional rather than provincial basis. I think their position is quite understandable. Their position is that additional funds provided to producers would help the Eastern Provinces to remain competitive on national and international markets.

Finally, in New Brunswick, as in other Maritime Provinces, there is agreement on the concept of setting up a national farm price stabilization plan. However, if the plan is to be effective and fair for all Canadian farm producers, the Government must include the provinces and give them the option of adding financial funding if necessary. This way, should there be a difference between sale prices and production costs, agricultural products will still be competitive on the markets.

In fact, that is the crux of the problem. For instance, if we compare the cost of producing one hog in Ontario and in the Maritime Provinces, we are astonished to realize that producers in the Maritime Provinces spend $6.67 more on each hog. Multiply tht figure by the impressive number of hogs in our provinces and you will see why our pork producers pay thousands of dollars more. Obviously, our production costs being higher, the product has to sell for more to be profitable. Given the difference in production costs from one province to the next, the losing province has to make up the difference by giving additional assistance. This way the provincial stabilization program restores proper balance.

Mr. Speaker, I am sure other people realize as I do that Government Bill C-25 falls short of the mark. The problems faced by the Maritime Provinces are there, they exist, they are real, and something has to be done to solve them. I know what the problems are and, for their part, the various Maritime Provinces producers associations deplore them and fully expect the federal Government to take action. For instance, here is what the Pork Producers Association of N.S. said to the Government in a recent document:

● (1610)

[*English*]

The Pork Producers Association of N.S. cannot support the proposed Tripartite Red Meat Stabilization Plan until such time as the regional differences in the cost of pork production unique to the Maritimes are recognized and alleviated. Nova Scotia producers are extremely reluctant to give up their provincial program for the Tripartite Plan.

[*Translation*]

I do not see how it could be clearer, Mr. Speaker. According to the same association, quarterly instead of weekly payments as provided under Bill C-25 represent a losing proposition of producers.

[*English*]

Even with the same support or stabilization price, a weekly administered plan provides higher support than one based on average prices for the quarter.

[*Translation*]

This means that under the provincial program, the producer receives three times the amount received under the tripartite plan.

Admittedly, the difference in funding is very substantial indeed. With figures like these, it is understandable that Maritime Producers are very disturbed at the prospect of total elimination of provincial programs.

In fact, the Hog Producers Association of the Maritime Provinces insists that regional differences in production costs in the Maritimes must be acknowledged and considered when developing a stabilization program. It is absolutely essential, since the difference in production costs between Ontario and the Maritimes continues to increase very significantly.

The hog grower associations are not the only ones dissatisfied with Bill C-25. There is also the Maritime Farmers Council, an organization that represents 80 per cent of farm producers in the Maritimes and which also represents the three provincial farm federations and co-operatives in the Atlantic Provinces.

However, before discussing the demands of the Maritime Farmers Council here in the House, I would like to emphasize the importance of feed grain and the cost of grain used to feed livestock and poultry in the Maritime Provinces. First of all, feed represents about 70 per cent of the cost of raising one pig. Consequently, feed costs are the single most important factor that determines whether or not the hog growing industry will make a profit at the end of the year.

Aware of the impact equitable grain prices would have on all provinces, in August 1984, the previous Government revised the Feed Freight Assistance Program by granting $2 more per ton of grain being shipped from Western Canada to the Maritimes.

This decision by the former administration had been greatly appreciated by the agricultural producers, but there is still a lot of ground to cover because the feed grain cost difference between the Maritimes and the rest of Canada remains an unsolved issue. If the Government does not take immediate action, within a few years we stand to lose from 4,000 to 5,000 jobs in industries related to cattle breeding in the Maritimes. Otherwise, with a coherent policy, those industries might well create 4,000 to 5,000 jobs.

To be perfectly frank, the pork industry is ailing, particularly in the Maritime Provinces. In other words, it will vanish from the market before the end of next year unless preventive measures are taken as soon as possible. For example, close to

20 per cent of New Brunswick producers are practically bankrupt as it is. The first explanation for this situation, of course, is that pork prices throughout North American are depressed. The second reason is the fact that there is a wide gap in feed grain costs between the Maritimes and the rest of Canada, particularly Ontario.

[*English*]

On February 1, 1985, according to information provided by the Livestock Feed Board of Canada, the average cost of hog grower ration in Ontario was $207 per tonne, compared with $254 in the Maritimes, a difference of $47 per tonne. These food cost disparities between the Maritimes and central Canada are growing wider every year. Continuation of this trend will eventually threaten the survival of all sectors of our Maritime livestock industry. In the Maritime Provinces we produce 45 per cent of our annual requirement of feed grains and less than 5 per cent of our vegetable protein concentrates. The remainder is imported from central and western Canada.

[*Translation*]

So as to balance the costs of feed grains throughout the country, in 1941 the federal Government set up the Feed Freight Assistance Program under which Ottawa paid 90 per cent or more of the cost of transporting grain from Thunder Bay to the various regions of Eastern Canada. Since they did not have to worry about grain transport costs, eastern producers remained competitive on the markets. The price of feed grain was then the same for all Canadian producers. That is what the then Liberal administration wanted to achieve, as the Hon. Maurice Sauvé said at the time when he was the Minister responsible.

[*English*]

The policy has been to pay the transportation costs of grain from Port Arthur to eastern Canada, leaving no balance of cost to the producer. This is what we have called equalization. It is an equalization or elimination of transportation costs so that the normal cost of feed would be the same as if the feed has been purchased at Port Arthur.

[*Translation*]

In 1976, federal feed freight assistance dropped from 90 per cent to 60 per cent. Even worse, in 1985 the Government is reducing feed freight assistance from 60 to 28 per cent on corn from Ontario and to 33 per cent on grain from Western Canada. This reduction is unacceptable to Maritime producers. The Government must change its feed freight assistance policy as soon as possible and allocate additional funds. Federal aid must be revised upward to 60 per cent in other words, to its 1976 level. Meanwhile, producers in the Maritimes are monitoring the situation and taking steps in the hope that by the year 2000, the provinces in Eastern Canada will be self-sufficient in feed grain. The Government will, of course, have to promote this self-sufficiency by introducing assistance and research programs. Unfortunately, all this Government is proposing to do is to cut subsidies and, most recently, to increase the cost of inspection services for potato, pork and beef producers.

Mr. Speaker, the Government should act quickly and effectively to help the pork industry in Eastern Canada compete with the industry in other provinces and in the United States. This kind of policy is urgently required, because the economic situation and the financial resources of farm producers make it impossible for them to make a profit. Farm producers simply cannot cover the additional cost without this threatening the existence of a number of farm operations.

Finally, if our Canadian farmers are to supply the domestic market and be competitive on international markets, we must first resolve the problems I have mentioned throughout this debate. I say yes to a farm price stabilization plan, provided it is fair to all provinces and the provinces will be able to take part in setting up the program.

• (1620)

[*English*]

Mr. Deputy Speaker: Are there questions or comments on the speech made by the Hon. Member for Westmorland-Kent (Mr. Robichaud)? If not, is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Wise, seconded by Mr. Bissonnette, moves that Bill C-25, an Act to amend the Agricultural Stabilization Act, be read the second time and referred to the Standing Committee on Agriculture. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Agriculture.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Trade—Beef import quotas. (b) Prime Minister's role; the Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—Visible Minorities—Internment of Japanese Canadians during World War II—Compensation inquiry. (b) Government Action. (c) Deadline inquiry; the Hon. Member for Halifax West (Mr. Crosby)—National

Defence—Maritime command—Restoration of navy blue uniforms.

GOVERNMENT ORDERS

[*English*]

DIVORCE ACT

MEASURE TO AMEND

DIVORCE AND COROLLARY RELIEF ACT FAMILY ORDERS ENFORCEMENT ASSISTANCE ACT

MEASURES TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-46, an Act to amend the Divorce Act be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-47, an Act respecting divorce and corollary relief, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and the attachment of certain moneys payable by Her Majesty in right of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I rise to move second reading of all three Bills that you have just mentioned: Bill C-46, to amend the Divorce Act; Bill C-47 and Bill C-48, the Family Orders Enforcement Assistance Act. I am pleased to have the opportunity to do so. If the House adopts the legislation that is placed before it and once the Justice Committee has dealt with it, and perhaps made some improvements or changes if it appears to be required, I believe that we will have significantly improved the social legislation of Canada in this area.

The principles of the three Bills are based on the view that in the past there has been too much emphasis placed on the grounds for divorce and too little emphasis placed on what the consequences of divorce were or are for the parties and their children. It is based on the view that the divorce laws should be part of the solution rather than part of the problem in the difficult area of family relationships and family law.

It is also based on the view that once a marriage relationship has broken down irretrievably that we should sever the legal relationship with as little stress and acrimony as possible. Those are the principles that lie behind this legislation. We should stress any possibility there might be for reconciliation or mediation.

It is a fact that marriage breakdown occurs in our society. It is an unfortunate fact of life, but it is a fact. Therefore, legislation is required to settle the issues that arise once a marriage has broken down. It is the need to update and modernize our laws in this respect that leads to the introduction of this legislation.

The Divorce and Corollary Relief Bill seeks to update the 1968 Divorce Act by modifying the grounds for divorce, by improving provisions relating to support and custody and divorce procedure. The Family Orders Enforcement Assistance Act will provide additional remedies to help enforce support and custody arrangements made in the case of separation or divorce.

I might mention that legislation along these lines was introduced last year by Mr. Justice MacGuigan. The divorce part of this legislation is based in large part on that with what I believe are significant improvements, taking in mind the objections and criticisms that were made last year when that Bill was initially introduced. Among the major improvements I believe will be found the Family Orders Enforcement Assistance Act to provide for the better enforcement of support and custody orders.

Let me deal first with the reform of the Divorce Act. That was a priority outlined in the Throne Speech of the Government. It is a priority because there is mounting pressure to modernize the law. The pressure comes from the public, the legal profession and various women's groups. The provincial governments, which are generally responsible for the administration of justice, have also urged us to proceed with divorce reform. These pressures are due to the conditions that have changed since the law was last reformed 17 years ago.

Last year in Canada there were approximately 69,000 divorces. There were 179,000 marriages. That is a ratio of 2.5 marriages for every divorce. Canada's rising divorce rate and the declining marriage rate have led some people to declare that the institution of marriage is in decline. Some believe that what they call shorter divorce will only contribute to a further weakening of the family. In my opinion, that is not so. If I thought that were so, I would not be introducing this Bill.

Let us look at some of the facts. Although people are divorcing in greater numbers, they are also forming new relationships. Statistics Canada estimates that three-quarters of all divorced couples remarry at one time or another. We know that of the marriages that took place in 1983, 27 per cent were composed of couples where at least one of the spouses had been previously divorced. The family is not disappearing in Canada; it is taking on new forms. People who get divorced usually wish to be remarried, to form families and carry on the family relationships.

Marriages in Canada are under the same economic and social pressures experienced by those who live in all western nations. However, statistics show that our divorce rate is modest when compared to our neighbours. The United States, Denmark and Sweden experience much higher rates of divorce. The divorce rate in Canada is similar to those in the western Commonwealth nations, such as the United Kingdom and Australia.

As members know, according to the present Act, grounds for divorce are fault oriented. The commonly used ones are adultery and cruelty. The grounds of sodomy, bestiality, sexual aggression or homosexuality are largely ignored. When a fault ground is used directly, no period of separation is required at all. For separation to be a basis for divorce, the parties had to be living separate and apart because of the conduct of the respondent at the time of the presentation of the divorce petition. The only neutral possibility in the present law is that the spouses will be separated for three years by mutual agreement before they file a petition for divorce. Otherwise, the ground is fault oriented.

A major criticism of the present system is that it focuses overly on the alleged fault of the spouse or spouses. It polarizes a conflict situation. It creates increased tension. It discourages reconciliation. The present law does all of those things. The present system denies social realities because in more than 90 per cent of all divorce actions, the issues are uncontested at the time the divorce petition is heard and the divorce is the outcome of an agreement between the spouses. That is the actuality.

• (1630)

In addition, an accusation of fault is certainly not conducive to mediation of the possible consequences of divorce. If we want divorce to occur in the proper kind of atmosphere and in the proper circumstances, where the parties think what is the best way of dealing with the problem, what is the best way of looking after the children for whom we are now responsible, then we need to remove the fault grounds and deal with the consequence that a particular marriage has broken down. The legislation proposes that reform should focus on the consequences of divorce rather than on the possible grounds. If we are not going to use fault direclty as a ground for divorce, then the requirement of a long separation period as evidence of marriage breakdown simply forces the parties to build separate lives and minimizes any chance of adjustment or reconciliation.

Parties who agree to divorce tend to use at the present time the fault grounds so they do not have to wait three years. Yet if they choose to complete three years of separation, one spouse still has to petition against the other. It is still an atmosphere of conflict—antagonism and fault. If one has to petition against the other, they both need separate lawyers to negotiate a settlement of the consequences. That will be done away with if this legislation is approved.

Under the present system the granting of maintenance to a spouse is often based as well on fault considerations that have no connection with the real needs of the non-wage earning spouse. These fault considerations are used mainly to deny or decrease the right to or the amount of maintenance awarded to a dependent spouse who is found to be at fault. It is never used to increase the maintenance obligations of the wage-earning spouse who is at fault. There is an unfair application of fault considerations in this event in any case. If you are at fault but you are the wage or income producing spouse, your maintenance payment is not increased. If you are found to be at fault and are the dependent spouse, you either do not receive maintenance or your maintenance is reduced. It is not a fair situation. Mediation is not provided for.

At the present time if the divorcing spouses cannot agree upon maintenance, custody and access arrangements for the children, the issues are resolved by the court. There is no mention in the present legislation of the interests of the child. In the present legislation we are proposing, there will be only one basis or one ground for divorce, that is, marriage breakdown.

I believe the law should promote the philosophy that divorce laws are not for happy people. It is not a happy situation for those involved in a marriage breakdown. No one who is happy proceeds to a divorce. It is a remedy for an unhappy fact, that the marriage has broken down. A divorce or the grounds for it should not be a reward nor a punishment for conduct or misconduct. What is crucial is what evidence is needed to prove marriage breakdown and the most effective ways to address the consequences of the divorce.

In this legislation, we are proposing that marriage breakdown is the only basis for divorce and that it can be established in two different ways. You can prove separation for one year, or you can prove adultery or cruelty.

Mr. Nunziata: That is fault.

Mr. Crosbie: I will come to that in a moment.

Many people condider that if their partner has committed adultery, the marriage has broken down. The hon. gentleman might not consider that to be the case, but there are many many people, in fact the majority, I think, who happen to believe that if there is adultery or cruelty, the marriage has broken down.

The legislation we are discussing has to take account of the diverse views in this country. There are many who for religious or moral reasons believe that withholding a divorce decree where a spouse has committed adultery or cruelty is immoral. There are others who are concerned for the well being of a spouse who suffers physical or mental cruelty at the hands of the other spouse. Why should some woman, for example—usually a woman—have to stay married to her mate for a year if she is being treated with great physical cruelty or whatever? Why should she not be able to apply for divorce immediately? This Bill provides for that. There are two ways of showing marriage breakdown under this legislation. First, that you have been separated for at least a year, that the marriage has broken down despite any efforts of reconciliation. Second, if there has been physical or mental cruelty or adultery. That is a

change, by the way, from the legislation that was introduced last year.

Divorce on the basis of a fault ground provides for quicker relief from the other spouse and offers a chance to ventilate feelings, often a beneficial process. Shortening the separation period to one year from the present three years is in line with the desire to reduce the conflict between the spouses. It will also allow them to rebuild their lives more quickly. At the same time, we believe it long enough to allow for second thought and it is long enough to avoid rash and hasty divorces. If the two parties to a marriage have been living separate and apart for a year, they have not been able to patch up their differences and there is no reconciliation, the relationship has broken down and a year is certainly sufficient time to establish that. I do not think it is necessary to force people to wait another two years in addition before they can move to deal with the consequences of their marriage breakdown.

In addition, the possibility of proving marriage breakdown by fault is necessary for several reasons. First, many religious groups feel that divorce should be available immediately for moral reasons to a spouse victimized by the other. Religious beliefs and moral standards are such for certain individuals or groups that withholding a decree of divorce when it is pursued by a spouse who is the victim of adultery or cruelty would be considered immoral. For practical reasons, Mr. Speaker, we know it offers to a petitioning spouse the chance of ventilating frustrations while obtaining a judgment of divorce immediately or being granted immediate relief in the form of maintenance and or custody. That is why these grounds are being left in the legislation.

To those who favour a pure no-fault system, I answer that adultery and cruelty have long been considered valid proof of marriage breakdown and, therefore, they should stay. I can also point out that alternatives will exist and that the reduction in the separation period as an alternative means to prove marriage breakdown will render the use of fault less appealing or necessary. My guess would be that in four or five years time the use of the fault grounds will be very rare.

In addition to modifying the grounds for divorce, the principles upon which support will be provided are set out in the legislation. These do not include criteria under the present law of the conduct of the spouse. The Bill outlines the principles upon which you can obtain support. The principles do not include the conduct of the spouse. Fault is not a criteria for maintenance, nor should it be. Maintenance should be to meet the needs of a spouse, and retaining conduct as a criteria would encourage conflict between the spouses and run counter to our desire to reduce the adversarial nature of the proceedings.

In addition, this criteria has been unfairly applied in the present law. It was used to reduce maintenance received by a dependent spouse found at fault. As I mentioned before, it was never used to increase support payments owned by a supporting spouse found at fault.

Mr. Nunziata: What is your evidence?

● (1640)

Mr. Crosbie: With regard to the criteria to be applied in awarding maintenance, many groups and individuals have advocated that reference should be made specifically to the duration of and the functions performed during cohabitation in order to assess the need and quantum of maintenance. This will ensure that married people will still be free to organize as they wish the division of functions during a marriage. In the eventuality of divorce, the Divorce Act will recognize their different contributions through a maintenance order. The duration of cohabitation should be one of the criteria. If one is married for 30 years and has looked after the home for 30 years without an outside career, certainly that is a function which should influence the need for maintenance. If one has been married only two years and has been a homemaker for just two years, that would not be as significant, though it should be taken into account.

One of the problems which the Supreme Court of Canada outlined in the 1983 de cision of *Messier v Delage* was that the Divorce Act, that is the present Act, did not provide any guidance as to what a maintenance order was supposed to accomplish in the case of a divorce. The present Act has no objectives. It does not say whether it is to provide maintenance for life to a dependent spouse who divorces or is divorces after two or five years of cohabitation. It does not explain whether it is to provide means for a dependent spouse to become economically independent again. None of this is dealt with.

The criteria for determining what a maintenance order shold state have to be the conditions, the means and the other circumstances of the parties including the duration, the functions or the responsibilities which they performed during their cohabitation.

Our Bill proposes the following objectives for maintenance; first, that it recognize the advantages and disadvantages which arise from the marriage and the breakdown of the marriage, that it recognize the sharing of the economic burden of child care, that it recognize the relieving of economic hardship, and that where particable it lead to the achieving of economic self-sufficiency within a reasonable time. These objectives are not mutually exclusive, and they have no particular order of priority. A maintenance order should accomplish all those objectives unless one of them cannot apply.

We should note that the objective of economic self-sufficiency is a desirable one, but it is restricted in two ways. If it is not practicable, it should not apply. If it is practicable, then economic self-sufficiency should only be required to be achieved within a reasonable time. Under the present Divorce Act, the court can impose such terms, conditions or restrictions as it thinks fit and just regarding a maintenance order. For years the courts have imposed a fixed duration for maintenance in appropriate cases when economic self-sufficiency was possible. In my view, they should have that express power. It would seem to be inconsistent that such award should be

varied or revised indefinitely, but we also had to be careful of the words "fixed term".

Bill C-47 proposes certain exceptions which will alleviate injustices that such situations might create. In situations where economic hardship arises through changed circumstances related to the marriage which might have resulted in a different original order if they had existed at the time of the original order, then an application to change the conditions of the order should be received. This is an attempt to obtain a solution to a weakness which was felt to be in the legislation last year. The Bill will provide that applications can be made to change an order if the conditions change in the way that I have related. For example, there may be an incapacity on the part of an ex-spouse to become economically self-sufficient even after a fixed maintenance award term expired because of some kind of change in circumstances related to child care which could not have been contemplated at the time of the order. The Bill tries to provide for that.

With respect to children, Bill C-47 recognizes the view—and I believe it is widely accepted by all Hon. Members—that any arrangement regarding children should be according to their best interests. To give effect to this, the Bill recognizes the possibility of joint custody and that after divorce, children should have maximum access to both parents. That is the policy expressed in the Bill. The law stresses that maintenance of the children is a joint responsibility of their parents after a divorce. I think these are all steps forward.

Finally, since the present Divorce Act gives a court the power to deal with the custody of children only on the basis that the petitioner can have a divorce granted by that specific court, and since the children involved can be living somewhere else, the new legislation proposes to give a discretion to the court to transfer proceedings to the place where the children have the most substantial connection. That appears to be the most logical solution.

Under the present legislation, a divorce cannot be granted except, and I quote, "after a trial which shall be by a judge without a jury". There must be a trial under the present legislation. A costly court appearance is inappropriate in many cases, especially where both parties wish a divorce and where all the corollary issues of relief, custody and maintenance are settled. If everything is settled in a satisfactory manner, it should not be necessary to have a trial before the divorce order is granted.

Ontario has already adopted rules of procedure which will dispense with the need of a petitioner to appear in an uncontested case. The evidence then has to be in writing and supported by an affidavit. If the court is satisfied with that evidence, it can issue a decree of divorce with the appropriate maintenance or custody order. Other provinces may soon follow Ontario and, if they do, there may well be a reduction in the cost of divorce proceedings. The Bill now before the House will allow this and will give the discretion to provincial authorities.

It often happens that spouses are living in separate provinces at the time of divorce proceedings. In order to avoid the possibility of courts in two different provinces proceeding on two actions for divorce relating to the same couple, a copy of every divorce action has to be sent to the central divorce registry here in Ottawa. This registry conducts a computer search to check to ensure that there has been no duplication of divorce proceedings. In this way, couples are ensured that the dissolution of their marriage is granted by one court with proper jurisdiction to grant the decree and to award any other relief.

As part of the Government's expenditure reduction and revenue generation initiative, a $10 fee will now be charged to divorcing couples for the services performed by the central divorce registry.

Mr. Nunziata: Shame.

Mr. Crosbie: I think that is a fairly modest fee which people should be able to afford.

Any law which concerns itself with divorce also has to concern itself with the preservation of marriage whenever it is possible. We naturally want marriages to be preserved, and we believe in the preservation of marriages whenever possible. That is why the legislation now before the House continues the provision which was in the 1968 Act, that lawyers are required to encourage their clients to reconcile, unless that is clearly inappropriate, and they are directed to refer their clients to reconciliation services.

In addition, the Bill now before the House will replace the present provision which allowed for one 90-day period of cohabitation for the purpose of reconciliation and did not jeopardize one's status of living separate and apart. We want to take a more flexible approach, designed to encourage several attempts at reconciliation. The new Act will allow any number of attempts at living together and reconciling the total 90 days, cumulatively. In the year unfortunate couples are separated, they will be able to try to reach a reconciliation by living together again during that year for a period of up to 90 days without doing away with the fact that after the year is expired and if there is still no reconciliation they can proceed to have a divorce decree. Where a marriage is truly broken down and reconciliation has failed, we are encouraging the use of mediation to settle the questions of support for the dependent spouse, support for the children, custody and access. The use of a neutral third party trained as a mediator can often resolve those matters with less conflict and with a great deal more satisfaction than litigating them in court. The new Act will require lawyers to encourage their clients to mediate their divorces, unless that is completely inappropriate, and to refer their clients to mediation services.

• (1650)

We are promoting the use of mediation in ways that go beyond this Act. For example, we are providing funding for three years for a national association of mediators and others who are interested in promoting mediation. That association, known as Family Mediation Canada, is going to seek to improve communications and the exchange of ideas in that

area across Canada. It is going to seek to increase the availability of mediation services and to develop education and training standards and a code of ethics for mediators.

Mr. Kaplan: I hope there is a good Tory candidate for that job.

Mr. Crosbie: This might be an area for some people I could think of to use their well honed skills.

As my time is limited, I would like to move on to the Family Orders Enforcement Assistance Act. The need to improve the enforcement of support and custody orders is acute, as I am sure all Members of the House know. I have said this elsewhere, but the default rate for support payments in Canada is a national scandal. Between one-half and three-quarters of all support orders in Canada are in arrears in whole or in part. This is an intolerable situation and is the case despite the fact that research shows that a reasonable estimate is that 80 per cent of defaulting spouses can afford to make support payments. They can afford to make them, but they choose not to. That is a situation that cannot be permitted to continue. If the House passes the legislation that is now before it, that situation will continue no longer, or at least it will not continue as easily as it has heretofore.

The wholesale flouting of custody and support orders brings the authority of the courts into disrepute. It places a tremendous emotional and financial burden on the dependent spouse and on the children of the union who have to exist without the unpaid support payments. As we know, all too often most families are forced to turn to welfare, thus placing the financial burden of the defaulters on the shoulders of the taxpayers. The estimate is that $1 billion is spent annually by governments to support custodial parents and their children. One-half of that is contributed by the federal Government under the Canada Assistance Plan. Obviously any law that permits this situation to continue would be a poor law.

In some cases, a defaulting spouse is also a missing spouse. He or she cannot be located so that a support order may be enforced. Too often children are taken by the non-custodial parent in violation of a custody order and the criminal law and they disappear beyond the reach of the parent who is supposed to have custody. In such instances, the dependent spouse or custodial parent often does not have the financial resources to trace the missing spouse or child in order to enforce the support or custody order. We all know how difficult it is to enforce these orders in a country with 10 provinces, all having different court systems and different laws. We have had to develop initiatives to improve the enforcement of such orders and these initiatives have to meet the constitutional conditions that govern us in Canada.

Canada operates under a federal system. There is one federal Government, 10 provincial Governments and two Territorial Governments. Both levels of government have their respective jurisdictions. The federal Government has jurisdiction over divorce and corollary matters to divorce, but the provinces have jurisdiction over all other incidents arising out of a marriage. Both levels of Government have an interest in improving support and custody orders. However, the provinces are primarily responsible for the enforcement of those orders. They have the constitutional responsibility for the administration of justice and over half of such orders are made pursuant to provincial family law. They are not made as a consequence of a divorce action.

We have been consulting with the Attorneys General of the provinces to improve the enforcement of family orders. They have been very co-operative. It is with this in mind that the Family Orders Enforcement Assistance Act and the Divorce and Corollary Relief Act seek to improve enforcement.

First, the Divorce Act will allow support and custody orders to be registered in any court designated by a province. That will simplify enforcement. The new Act also allows the assignment of support orders to the federal or provincial Governments so that they can enforce the orders. This is a considerable improvement. The Act will allow the courts to order a spouse both to provide security for and to pay lumpsum or periodic payments. Under the new Act, the spouse can obtain a provisional variation of a support order in the province in which he or she habitually resides and have it confirmed by a court in the province in which the erring spouse resides. That will be an advance.

The companion legislation will improve the situation pursuant to both federal and provincial laws. The Family Orders Enforcement Assistance Act will provide two new remedies for the enforcement of these matters in addition to what already exists under provincial law. The first remedy will allow the release of information from designated information banks of the federal Government in order to trace a missing spouse or child where there is a breach of a support or custody order or an access right or where a charge has been laid of child abduction in contravention of a custody order pursuant to Section 250.1 or 250.2 of the Criminal Code.

The second remedy will allow the garnishment or attachment of designated federal moneys due a support defaulter for payment to the dependent spouse or other creditor. That remedy is available to enforce a support order or a support provision of an agreement where the agreement can be enforced under provincial law by garnishment or attachment.

The federal information banks that will be opened up include designated banks of the Health and Welfare Department and the Canada Employment and Immigration Commission. One will not be able to search any other information bank nor will one be able to search income tax files. However, those banks that can be searched provide information on 16 million adult Canadians and can be searched if the person's name or social insurance number is provided. We are looking after the right to privacy. The Act requires court authorized to apply to the federal Government for the release of the information. The information can be released only to authorities and services responsible for enforcing the orders, including the courts, provincial enforcement services and police officers. They must keep the information they receive confidential. Only information sufficient to trace the missing person will be

released. The information to be released is his or her address and the name or address of his or her employer.

The second remedy will be available for garnishment or attachment of income tax refunds, provided the provinces agree to that, interest in Canada Savings Bonds and unredeemed matured Canada Savings Bonds, the training income supplement, unemployment insurance payments, Canada Pension Plan payments, excluding children's benefits, Old Age Security payments, Guaranteed Income Supplement payments and agriculture, dairy and grain stabilization payments. Next year we will complete a review to see if there are any other federal moneys which might be added to the Act by regulation.

A court will already have found that the spouse who was ordered to pay can afford to pay. That spouse will have been given notice of these applications. The creditor spouse will have to prove the existence of the debt default and the amount of the default. The debtor spouse will have to be notified of the proceedings. All of these safeguards exist. Once the safeguards are complied with, the attachment notice can go into effect. The garnishee summons will bind Her Majesty for one year. Numerous summonses will not have to be submitted every year in order to intercept payments. The original garnishee will be good for one year.

Some have criticized this measure by saying that there should be a national enforcement service. That would be compelling in its simplicity, but it ignores the reality of the provincial constitutional authority in this field. We believe that the improvements that are to come in provincial enforcement services such as those already in place in Manitoba and Quebec, provinces which are leading the way, together with the federal legislation, will deal in a very effective manner with the problem of defaulted support payments or child abduction arising from separation or divorce.

• (1700)

In conclusion, I would like to say that I believe the legislation is well deserving of the support of Members of the House. I believe the Official Opposition and the New Democratic Party are supportive of the legislation in general. We know that there will be a few carping criticisms, which are bound to come from some, and that there may be legitimate criticisms from others. In any event, whether carping or legitimate, we hope that the Standing Committee on Justice and Legal Affairs will pay adequate attention to everyone's views and report back to the House, if we pass second reading, in order that this major reform and improvement can be put into effect before the end of June with the help of all Members in the Chamber.

Some Hon. Members: Hear, hear!

PRIVATE MEMBERS' BUSINESS

[*English*]

Mr. Deputy Speaker: Private Members' Hour is scheduled for this time, but unfortunately the Member in whose name the motion stands is not present in the House. There are two alternatives. Either we can adjourn for the day until tomorrow or, if the House wishes, it could continue with Government business. It is up to the House to decide.

Mr. Kaplan: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for York Centre (Mr. Kaplan) on a point of order.

Mr. Kaplan: Mr. Speaker, for my part, I wish to co-operate with the Government in seeing the legislation expeditiously moved forward to committee, but I would prefer to continue the debate tomorrow at the appropriate time.

Mr. Crosbie: Mr. Speaker, if that is the wish of the Opposition, I believe that we should agree with that. If opposition Members wish to wait until tomorrow, that is agreeable to our side.

Mr. Robinson: Mr. Speaker, we are also prepared to facilitate passage of the Bill to committee and to continue the debate tomorrow. However, if it is the will of the House to proceed this evening, I would certainly be prepared to hear the Hon. Member for York Centre (Mr. Kaplan). If he is not prepared to proceed now, we are agreeable to proceeding tomorrow.

Mr. Dick: Mr. Speaker, as there is not consent on the matter and other speakers are not prepared, move that the House do now adjourn.

Mr. Nunziata: Mr. Speaker, I understand, with respect to the Member whose motion is before us today, that this is the second time in three weeks that the matter has been on the agenda and the Member has not had the common courtesy to appear in the House to speak to his motion. I would expect, Mr. Speaker, that you would take disciplinary action with that Conservative member, who has shown not only disrespect for the Chair, but disrespect for each and every Member of the House. We have important and urgent business to conduct in the House, and when a Member is on the agenda to speak during Private Members' Hour and does not appear, it shows contempt for the Speaker and for the House of Commons.

Mr. Deputy Speaker: There is a motion from the Parliamentary Secretary to the President of the Privy Council that this House do now adjourn. Is there a seconder?

Mr. Dick: Mr. Speaker, I have just been informed that the Hon. Member for Athabasca (Mr. Shields) is on his way and will be in the Chamber in a moment.

Mr. Deputy Speaker: Would the House agree to wait for the Member?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Gauthier: I have no objection to the House waiting for the Hon. Member to arrive, but his allotted time would have to be shortened accordingly rather than being taken off the time of Liberal or NDP Members who want to speak to the motion. They are entitled to 20 minutes.

[*English*]

Mr. Deputy Speaker: There is a motion to adjourn the House which was proposed by the Parliamentary Secretary to the President of the Privy Council. Is there a seconder for the motion? The motion is not debatable, but I wonder if there is a motion.

Mr. Dick: Mr. Speaker, I would like to withdraw my motion as there is no seconder. I believe that we should debate the motion in the absence of the Hon. Member for Athabasca, as he can be the second or third speaker on the motion.

Mr. Gauthier: There must be unanimous consent to withdraw the motion.

Mr. Deputy Speaker: That cannot be done without the unanimous consent of the House.

Mr. Dick: The motion has not been seconded.

Mr. Deputy Speaker: As I do not have a motion, I will have to read every Private Members' Motion which is on the Order Paper.

Mr. Dick: Mr. Speaker, I would propose that you go ahead with the motion which is listed for today in the name of the Hon. Member for Athabasca. My understanding is that the Hon. Member will be here and be prepared to speak. However, under the circumstances, he could speak at a later stage. As a matter of fact, I understand that the Hon. Member has just arrived in the House. Perhaps we can proceed with Private Members' Business.

Mr. Nunziata: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for York South-Weston (Mr. Nunziata) on a point of order.

Mr. Nunziata: Mr. Speaker, I note that the Hon. Member for Athabasca (Mr. Shields) has just appeared in the House. It is now eight minutes past the hour. He was required to be here at five o'clock to present his motion. Could I have a ruling from the Chair with respect to whether the Chair intends to deduct from the Members' allotted time the eight minutes which he has irresponsibly kept this House waiting?

Mr. Deputy Speaker: The Chair cannot deduct the time from the Member's speech, but certainly Private Members' Hour will expire at six o'clock.

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

Is there unanimous consent for the House to proceed to Item No. 132?

Some Hon. Members: Agreed.

MOTIONS

[*English*]

GOVERNMENT WASTE

ESTABLISHMENT OF TOLL-FREE TELEPHONE LINE

Mr. Jack Shields (Athabasca) moved:

That, in the opinon of this House, the Government should consider the advisability of establishing a toll-free telephone line which would enable citizens to report cases of government waste and misuse of funds.

He said: Mr. Speaker, I wish to apologize to the House for the delay in starting Private Members' Hour. However, I would suggest that the Hon. Member for York South-Weston (Mr. Nunziata), who indicated that I was irresponsible, should have had the courtesy to check—which would not be in keeping with his mode of operation in the House so far—with me prior to making the allegation which he made. If he had done that, he would have discovered that the reason I was late was because the buses which service the Confederation Building were all up at this end of Parliament Hill. I waited for ten minutes and then ran halfway up the hill to get to the Chamber. That is why I am out of breath. But, I would suspect that the Hon. Member is not very interested in the reason—

Mr. Deputy Speaker: Could I ask the Member to please speak on the motion.

Mr. Shields: Mr. Speaker, I am asking the House to consider the advisability of establishing a toll-free telephone line which would enable citizens to report cases of government waste and misuse of funds. It is a suggestion which I received from a constituent a number of months ago.

I did some research on this question as it applied to the United States. They have a hot line program which has been operating for about five years. It is used to ferret out the misuse of Government funds.

● (1710)

All citizens of our country are vitally interested in how their dolars are used or misused. Through use of this hot line an individual, whether he works in a government department, out in the field, or even a concerned taxpayer, could pick up the phone and say that such a problem exists. They might say that such and such a problem should be looked into because they think there is an abuse.

How do these abuses come about? This House authorizes the spending of millions upon millions of dollars in grants for projects to various groups or individuals in order to create jobs. There may or may not be some abuses, but if there is, a concerned citizen or civil servant could alert the Auditor General's department of that fact through this line and save the Canadian taxpayers a great deal of money.

In the U.S. a request was made for a summary of what had happened through this program after it had been operating for five years. The program had not been formally advertised, but it got a good deal of news coverage. Over a period of five years, the hot line had recorded 53,000 calls, of which 10,600 were referred to the Comptroller General. Of those 10,600, about 1,100 were substantiated; there was enough evidence to proceed to investigate and recover funds that had been misused. In fact, they were able to identify situations where $20 million to $30 million had been misspent. They projected savings of another $24 million through tightening up on improper practices.

I cite that example because I think there is a good possibility that a proportionate saving could be made in Canada. We all hear stories about the misuse of government funds. I am sure that each one of us in this House can recount stories of constituents coming forward and making certain allegations. Because of the workload we have as Members of Parliament, while we may be able to alert a department about an allegation, we are not able to carry through with an investigation on our own. That is why I am asking that a program like this be set up in Canada.

I would suggest, Mr. Speaker, that a small department of the office of the Auditor General could set up this hot line across Canada in order to receive information from the taxpayers who do not ordinarily have access to the right kind of people to lodge their complaints, and from civil servants who are afraid to say anything because they might lose their jobs. Given the experience in the United States and the amount of taxpayers' dollars which have been saved, this could well be a worthwhile program here.

If we were to establish this hot line, it would also make the taxpayers much more interested in how their tax dollar is spent. The way it is now, the taxpayer feels he has no opportunity to speak up or change in any way what is happening. All they see is big government spending big dollars. They might shake their heads about it, but the vital interest is not there because they feel they cannot do anything about it. This line would give them a chance to do something about it. As well, I think it would clearly indicated to civil servants that they are charged with a special responsibility to jealously guard taxpayers' dollars. Therefore, I think if this is done, over a period of years we would see a much more responsible attitude on the part of the Public Service toward the public purse. We would also see a much greater concern expressed by individual taxpayers over how their tax dollars are being spent.

I know that others might wish to comment on my suggestion, so I will close by giving the House some indication of the types of calls which have been received by this hot line in the U.S. See if this is not familiar to us all. One caller alleged that space rented by the General Services Administration in a New York City office building had been vacant for months. That certainly reminds me of some of the accusations that were made in this House by Members on this side when we were in opposition, and indeed by members of the Opposition today. There is space being rented by government agencies and departments right across this country which has remained vacant for months or years. Yet we here do not know how these allegations are being investigated. As another example, an anonymous informant claimed that two university professors in Wisconsin had extorted money from trainees in a federal program and converted federal funds to their personal use. I know that there are federal funds being used in training programs across the country. There is potential for the same type of abuse as in this example.

• (1720)

An anonymous caller said an employee of the Department of the Interior in the State of Virginia was using a Government account with a local auto dealer to embezzle money. These things would never come to light unless taxpayers who see an abuse of trust or of the spending of tax dollars have the ability to pick up the phone and report such abuses. Another informant sent a photograph of a veteran, who was on full disability, operating a commercial fishing boat in Texas. That informant, who was a taxpayer, did not agree that the veteran should be ripping off the system. An informant alleged that a Major General, the commanding officer of an army installation, bought an interest in a nearby hotel after being advised by the Department of Defence of a planned troup increase and possible housing shortage at the installation.

I am sure that other Members could think of examples of misuse of Government funds. Such a system would give taxpayers the opportunity to more actively participate in the correction of abuses. Public civil servants and Crown corporation employees would become much more attuned to the concept that they are indeed spending taxpayers' money and that they are accountable for it. I hope that Hon. Members will take a positive attitude toward this suggestion. The results could be well worthwhile and show a considerable saving to the entire country.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would like to thank the Member for giving me this golden opportunity to speak of Government waste. There could be no more valuable occasion, outside of Question Period, to raise such issues. I am very pleased that we have this motion before us today. I shall have to introduce such a motion myself in order to bring up all the incidents of Government waste in the country.

One of the first issues of Government waste that I would like to deal with is the fact that the House wasted eight minutes waiting for the Hon. Member. Members are paid roughly $30 an hour. You have told us in the past, Mr. Speaker, that all Members are always present in the House. Therefore, we can only assume that every other Member was

here. Therefore, multiplying $4 by 281 other Members, we see that it cost the taxpayers of the country $1,124 for the eight minutes that we waited for the Hon. Member to show up here today. Two weeks ago the Member did not show up at all. We wasted one hour which cost $7,858. Add that to the $1,124 wasted today, and we have a grant total of $8,992 of wastage caused by the Hon. Member for failing to show up to debate his own issue in the House of Commons.

Mr. Foster: Shame, shame.

Mr. Boudria: Mr. Speaker, the Hon. Member across the way said that we should raise other examples of Government waste in the House. As much as I hate to, I am about to do so. Let us start at the top, Mr. Speaker. The Leader himself increased the budget of his own office by 57 per cent this year after telling everyone else in the country that it was time to tighten the belt. We can see that there is an awful lot of slack in the belt of the Prime Minister (Mr. Mulroney).

The Government handed out a number of jobs, some 1,200 of which are listed here in this black paper. They were mostly given to Tory friends and relatives. Two of those jobs are particularly notorious. One was given to an individual by the name of Lawrence Hanigan, the defeated Tory candidate in the riding of Laval-des-Rapides. The other one was given to Mr. Roy McMurtry, the former Attorney General of Ontario. Both of these individuals were appointed to high paying Tory rewards. That is enough to make some Conservative back-benchers in the House wish that they had lost so that they too could have partaken in such rewards. However, unfortunately for them and for us, the Tory back-benchers were elected and could not receive the high paying rewards of $100,000 each.

Well, the $100,000 salaries were not enough for Mr. Hanigan and Mr. McMurtry. The Government decided to help them make ends meet in their budgets. The Government gave them pay increases of $38,000 each to ensure they had enough money to pay the grocery bill at the end of the month, which likely comes free with that kind of job to start with.

We have since nicknamed Thursday, November 8, "Black Thursday." On that day the Minister of Finance (Mr. Wilson) perpetrated his vicious attack on the people of Canada. He decided that he would cut just about everything for the poor people of the country. The Minister of Finance decided to send copies of this notorious statement to his colleagues, the Tory Premiers of the country. It cost $23,850 in jet service to deliver a speech that should not have been read to start with. That would have cost $105 by Air Express. The sense of economics of the Government led it to believe that the proper thing to do was to waste $23,850 in order to do a $105 job. That is an example of Government waste.

Let us talk about the Shamrock summit in Quebec City. It cost us $525,000 to hear about the Irish eyes that were smilling. Notwithstanding that the singing was not much to start with, the price of the affair was enough to give indigestion to everyone who ate the caviar and quail that was served. The total cost of the event was $1 million to the taxpayers of the country.

The summit was supposed to be for good Canada-U.S. relations. Well, no sooner had the President of the United States flown home than there were countervail duties on Canadian pork and other products. That was the effectiveness of that endeavour. It was another waste of taxpayers' dollars.

Around Christmas time the Prime Minister decided that he should take a little holiday to Florida. Maybe he was right and he should have taken that holiday to Florida.

Mr. Marchi: With a one-way ticket.

Mr. Boudria: My friend says that perhaps he should have taken a one-way ticket. While he was there, he wanted to see what the Opposition was up to. Every day he had video clips flown to Florida. The cost of flying the video clips to Florida to enable the Prime Minister to watch the Opposition on television was $1,000.

Let us talk about another Member of the House. Perhaps—

[*Translation*]

—we might mention the "national air draft", Mr. Speaker, the Minister of Communications (Mr. Masse) who was described in those terms when he was a Minister in Quebec. He took it upon himself to take off for various destinations at the expense of Canadian taxpayers. The Minister chose to fill a jet with relatives, department officials and what have you and fly to the Middle East for a ribbon-cutting ceremony for which Canadian taxpayers had to shell out $57,000, Mr. Speaker.

Those are examples of waste of funds by this Government.

[*English*]

The Minister of Energy, Mines and Resources (Miss Carney) decided to take a trip to Vancouver on board a government jet. She arrived there three minutes ahead of Air Canada. The cost was $17,000. It cost us $5,000 a minute to send the Minister of Energy, Mines and Resources to Vancouver. That is a prime example of Government waste.

• (1730)

Let us talk about renovations to the offices of Cabinet Ministers. They are the ones who tell the people of Canada that it is time to tighten the belt. Let us hear about Government waste. The Minister of Public Works (Mr. La Salle) decided that it would require $10,000 to renovate his office on Parliament Hill. The Minister of National Health and Welfare (Mr. Epp) required $22,327. That will buy a lot of wallpaper and paint.

The President of the Treasury Board (Mr. de Cotret), the cutting man himself who is the watchdog of our tax dollars, requires $7,887. The Minister of State for Fitness and Amateur Sport (Mr. Jelinek), or the amateur Minister of Fitness and Sport, as he is sometimes called, required $13,496. The Minister of Consumer and Corporate Affairs (Mr. Côté) required $7,950. The Minister of State for Mines (Mr. Layton), whoever that is, required $17,712 to redo the inside of the Parliament Hill office.

As if that is not enough, add $173,000 worth of new limousines which make the West Door of the House of Commons look like a used car lot. They are added to the ones that were already there. Of course, one cannot have limousines without chauffeurs. One cannot have chauffeurs without political commissaires and chiefs of staff, which every Cabinet Minister has. They are paid the mere sum of $80,000 each, courtesy of the taxpayers of our country.

What about car rentals? It is not enough to have that used car lot outside the West Door, in the first three months of this year the Government had to rent another $30,000 worth of cars to make up for the shortage of cars to drive Cabinet Ministers around.

Yes, Mr. Speaker, there is Government waste. How about the $36 million of Government waste in order to colour our military differently because the Minister of National Defence (Mr. Nielsen), who has lost his coat over this issue, cannot differentiate one person in the military from another? It seems that everyone else could, but he could not.

Let's talk about chiefs of staff, about staff for the Prime Minister. Let's talk about nannies and about Ministers who spend $496,000 in their first few months in office on jet travel alone. My colleague, the Member for York West (Mr. Marchi), reminds me that not all was wasted. The Prime Minister himself paid $1.50 for every meal that he ate at his house. He reimbursed the people of Canada. Let me remind the House that most citizens of this country would gladly change their grocery bill for $1.50 per head per meal. I wish I could, frankly, and I am sure that most of my constituents could not feed their family on $1.50 a meal.

Last week we heard that the Government spent $103,000 in advertising a program which was signed in 1981 and took effect a year ago. The Government believes that now is the time the program should be advertised. What did it do? It gave a contract to the R. T. Kelley Advertising Agency, which is run by a former Ontario Conservative Cabinet Minister and former defeated Tory candidate in the riding of Hamilton West. They gave this $103,000 contract.

Mr. Schellenberg: Mr. Speaker, I rise on a point of order. This is Private Members' hour. The discussion is about easier access for Canadian citizens to the Government of Canada. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), although he is very interesting, is rambling far off the topic. Perhaps he could stick to the topic.

Mr. Deputy Speaker: The motion mentions a toll free line to report cases of Government waste. It is a question of debate about whether the items being mentioned by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) are a question of Government waste. The Hon. Member has not mentioned the toll-free telephone line. Presumably he will do so at some point in his speech.

Mr. Boudria: Thank you, Mr. Speaker. It would be my hope that everyone would report these Government wastes by means of whatever telephone line. I do not blame the Member for Nanaimo-Alberni (Mr. Schellenberg) being embarrassed by these examples of Government waste. Were I Tory right now—heaven forbid—I am sure that I would be as embarrassed as the Hon. Member.

For him to try to stifle debate like this is quite normal. It is normal for a Conservative backbencher who cannot partake in most of this waste. That Hon. Member who just spoke cannot have any of those expensive cars that were rented. He does not have a limousine or any other part of the Government waste that we have raised. I am sure that he wishes he could fly on a JetStar.

All that said and done, let me give the most glaring example of Government waste. The toll free phone line that the Hon. Member suggests today would cost $4,065 a month to operate. That is nearly $50,000 a year that would be wasted for a telephone line so that the Member could be in contact with his constituents the way he should be already in order to find out about Government waste. It would cost us $50,000 a year so that that Member and other Conservative backbenchers could do their jobs.

I have an easier solution. I invite all people to contact me at area code 613-996-2907. They can report all Government wastes at 996-2907.

Mr. Simon de Jong (Regina East): Mr. Speaker, it is interesting to sit in the House and hear the comments by the Member for Athabasca (Mr. Shields) who introduced this motion and to the comments by the Liberal spokesperson, the Member for Glengarry-Prescott-Russell (Mr. Boudria). It is interesting to hear the Liberals and Tories debating about who is the most gross when it comes to getting into the trough.

I listened with some interest to the Hon. Member for Glengarry-Prescott-Russell talk about renovations, nannies and advertising. We must mention the extensive renovations carried out by the former Liberal Prime Minister. We must keep in mind the extensive renovations to Stornoway that are now being considered. We are intrigued when we hear about nannies. We recognize that the Prime Minister (Mr. Mulroney) needed a nanny. We certainly understood that the previous Prime Minister needed a nanny.

We heard talk about advertising. I remember well, during the Constitution debate, the Liberal geese flying across our television screens. In fact, I think most Canadian people felt, after seeing these geese, that they were being goosed. I believe that that perception by Canadians was quite accurate.

The Hon. Member for Athabasca is proposing this resolution in the midst of the flowering of Tory patronage. He does so without a blush, just as the Hon. Member for Glengarry-Prescott-Russell reads his list without blushing. I believe that the Liberals, with their long experience, have become experts at going to the trough. Perhaps the only difference between the Liberals and the Tories, who have been away from the trough for such a long time, is that the Liberals had developed some table manners. At least they wore a bib when they were at the trough. The Tories have been away so long that they are madly rushing to the trough to distribute what they can. I

suggest that Canadians are upset at the method of Conservative patronage.

• (1740)

I think Canadians have become a bit cynical about political parties generally. I wonder what they must feel about the Prime Minister who, during the election campaign, wrapped himself in such righteous indignation. He condemned in ringing and eloquent terms the patronage in which the Liberals indulged just before the former Prime Minister left and the ascendency of the new Liberal leader. When the former Opposition Leader became Prime Minister, gone was the cloak of self-righteousness. He and his fellow Tories jumped into the trough. It is hoped over these next four years at least that some table manners are developed by the Government.

I think Canadians are concerned about the type of waste that does occur on a patronage level, but this is nickel and dime stuff really and is something Canadians generally expect. I certainly expect a certain amount by any political party that forms a Government. I think it is a question of degree. As well, it is a question of ability. If you are a Conservative government and appoint a Conservative person to a board, I will stand in my place right now and say there is nothing particularly wrong with that. The sin is if that person is not capable of carrying on the proper function to which he was appointed. It is on that level we must question some of the appointments which the present Government has made. We must also question some of the appointments which the previous Government made. Mr. Mackasey, for example, was appointed to Air Canada and other various spots. Surely some secret moments were enough to make even Mr. Mackasey blush. It is not political affiliation but the lack of ability in carrying out the function which is the biggest sin.

When we are talking about Government waste, the big item, it appears we have lost over $2.5 billion to $2.8 billion on an R and D tax credit scheme. Originally when this measure was introduced by the Liberal Minister of Finance, it was to cost the treasury $500 million in lost revenue. Everyone agrees it has become a scam. It is as though the doors of the treasury were flung wide open and we lost $2.8 billion. This is a big money item, Mr. Speaker. Nobody in this House will claim that we have had $2.8 billion in extra research and development here. If we had $2.8 billion more in research and development, we would be in quite a different situation today. It is apparent to all of us that the only research and development which this tax measure has created is research and development by accountants and tax lawyers.

Mr. Rodriguez: All Tories.

Mr. de Jong: Here we have a big budget item, $2.8 billion, which is $2.3 billion more than was estimated. It is "Oops", a $2.3 billion "oops". Then we have Mirabel Airport. Another billion dollar "oops". This was thought out by some bureaucrats in the Department of Transport who really like thinking in tremendous Technicolor screens, the same people who are destroying agriculture in western Canada by the Crow Bill which the Liberal Government was so stupid to push through and which the Tories have not revoked. These same people are the ones who projected the need for this tremendously large airport outside of Montreal which is a disaster. Everybody admits now that it is a billion dollar "oops" in lost change that fell out of a pocket.

The money on these two programs, the R and D tax credit and Mirabel, would do a lot to alleviate the hardships in which unemployed people are finding themselves. It amazes me that Governments, whether Liberal or Tory, are quite willing to nickel and dime people who are poor, sick, or elderly. They are quite willing to restrict the eligibility for unemployment insurance so they can squeeze $200 million out of the scheme.

Mr. Rodriguez: The tough Tories.

Mr. de Jong: Yet do we find the same concern when we lose $2.3 billion in this R and D tax scheme? No, Mr. Speaker. There is hardly a word about it. We do not talk about these welfare bums, or the lazy people who, if you only give them an extra squeeze, would get off their fannies and find a job. There is none of this rhetoric. It seems that we are quite willing to lose $2.3 billion in this mad hatter R and D tax scheme. There is not a ripple of protest. Yet we have all the wrath, fury, and self-righteousness directed at the poor soul who is on unemployment insurance. There might be some odd cheat in the unemployment world. Human beings are human beings, but the rip-offs that occur in unemployment insurance are nothing compared to the rip-off now occurring with the R and D tax credit scheme. All the focus is on the poor soul who is trying to get by on a few hundred bucks a week.

When the Hon. Member suggests that we set up a hot line so people can report on Government wastage, are they going to report on the guy next door who someone might figure should not be eligible for his welfare or his unemployment insurance cheques? After all, it is Government wastage. Will this be something like a crime watch, except it is on the civil service? Is this part of the extension of the civil service bashing in which Members opposite seem to indulge? Who are they going to phone? What are they going to phone about? Are they going to phone about government wastage in terms of advertising? What about the Liberal flying geese?

Mr. Shields: Mr. Speaker, I rise on a point of order. It has become increasingly evident that my motion, a pearl of an idea, should not have been cast before political swine.

Mr. Rodriguez: That is great language for a parliamentarian.

Mr. Foster: Mr. Speaker, I think the Hon. Member has used unparliamentary language. I have had a chance to look at Beauchesne. To call Hon. Members swine is quite unparliamentary. I know the Hon. Member, being a gentleman, would want to withdraw that remark. We have had a very heated debate, but I do not think that justified calling members of the Opposition swine. I think this is a matter of some gravity for

the House of Commons. I know the Hon. Member would want to withdrawn that remark.

Mr. Rodriguez: Mr. Speaker, on the same point of order, I think it is absolutely deplorable that a Member of this House would use that kind of repartee, using the word swine. It is not just an indirect reference. I made a mistake in this House and one has to have the courage to get up and admit that one has made a mistake. I think the Hon. Member should get up and withdraw that remark. It sets a certain tone. He is not the only one who can use that kind of language. I think he should take it back.

● (1750)

Mr. Crosby: Mr. Speaker, I heard very clearly what the Hon. Member for Athabasca (Mr. Shields) said. As a Member sitting in the House and hearing the remark, I must say, contrary to my friends in the New Democratic Party and in the Liberal Party, that I took no offence from the remark. It was a simple expression, often used in ordinary parlance, not intended to apply to any individuals. If Hon. Members are so paranoid that they respond to the least remark, I think they should take their problem elsewhere.

Mr. Deputy Speaker: The Chair has heard the remarks of the Hon. Member for Athabasca (Mr. Shields) and believes that they are certainly inappropriate and do not help the level of debate. However, the Chair does not find that the words are strictly unparliamentary. Therefore, the debate will continue with the Hon. Member for Regina East (Mr. de Jong).

Mr. de Jong: Mr. Speaker, I am not a bit upset by the remark of the Hon. Member. Certainly he is not a pearl, and everyone recognizes that his fanciful Bill is not one either. If it was, he would have made certain that he was here at the beginning of the debate. It was supposed to be dealt with a week or so ago and he did not bother showing up, and he showed up late today. Obviously it is not a pearl with which we are dealing. I recognize the general level of intellect of the Hon. Member in politics and so forth. What he said to me was of no great surprise. I do not feel insulted. That type of insult by that type of Hon. Member reflects rather well on me and identifies the Hon. Member and what he is all about.

Let me return to the Bill which is before us. It is sort of a crime stopper Bill on public servants which the Hon. Member is requesting Parliament to consider. The first question I would ask is: On what are they reporting? Can they pick up the telephone and say that there is government wastage as a result of the proposed renovations to the summer residence of the Prime Minister or to the residence of the Leader of the Opposition (Mr. Turner), or that they think there is wastage as a result of the R and D tax credit? On what will they report? My second question is: To whom will they report?

If we have a system which works properly, and if we have a Government which recognizes the important role that Members of Parliament can and should be playing, it is the role or job of Members of Parliament to get those telephone calls. They should hear from their constituents and from the Canadian public that they believe there is government waste on some project or other.

Public waste is an important topic. All Governments should be concerned about curbing waste and about running a tight and well administered operation. However, to do what the Hon. Member is asking will not accomplish that purpose. In fact, the result will be that public servants will be afraid. They will have the sense that they are being spied on all the time and that they have to account for policies and programs for which they are very often not responsible. Very often public servants are just people who are carrying out the duties and directions of their political masters. If things do not go right, they are the men and women who get blamed. They are the people who are held up to ridicule. They are the victims of public servant bashing. Very often the political masters who are really to blame escape it.

Possibly this becomes more odious under Tory Governments, in that the Tories really enjoy public servant and bureaucrat bashing. Very often when they form the Government, it is the directions which they give to the public servants that create the mistakes for which the public servants are blamed. Back home in Saskatchewan we see this time and again. Even though there is a Conservative Government in the Province of Saskatchewan, they continue to bash public servants; they continue to bash their own employees and blame them for their own mistakes. That is the most deplorable part of all.

I should like to turn to the role of the Auditor General, who is really the watch-dog on government waste. I believe the Auditor General should have a firm mandate. He should have access to all pertinent documents in order to make a decision as to whether or not there is gross government waste. When the Conservatives were in Opposition, they were all in favour of that concept. Unfortunately, now that they are in Government, with perhaps documents they would rather not have the Auditor General see, they do not want to give that power to him any longer. Perhaps they want a free telephone line to Ottawa with some bureaucrat at the other end taking all the complaints. Then perhaps they can feel they have done their job in terms of accountability for public expenditures. The Auditor General has the capacity, the mandate, the technical know-how and staff to do the job properly. If it is serious about government waste, one of the first things it should do is strengthen the role of the Auditor General.

Another question I would have if the service is set up is: How would the complaints and comments be responded to? Will someone take a complaint and pass it on to another person, to be passed on to a third person, so that it is eventually lost in a labyrinth of memos and cross-memos? Again I return to the role of Members of Parliament. We should receive those telephone calls. The Canadian public or our constituents should fee, regardless of whether their Member of Parliament is a Conservative, a Liberal or a New Democrat, regardless of whether he or she is a member of the Government or of the Opposition, free to pick up the telephone to tell us that they think there is a case of abuse or a case of

gross wastage. I am not referring to petty stuff, but to gross wastage. Then we should have the ability as Members of Parliament to follow through on the complaints. We should be able to talk to Ministers and to Deputy Ministers to obtain an understanding of what is going on and to get to the bottom of whether or not it is a legitimate complaint. This means a strengthening of the role of ordinary Members of Parliament. As well it means a strengthening of our role in committee and a touch less bipartisan politics. When government or opposition Members come across instances of government waste, they should not be out there to score political points. They should help to make Government more effective and work better for the public of Canada. We should all be able to co-operate in that effort. If we receive suggestions from our constituents on how to make Government more effective, we should have the ability and capacity to see that those suggestions are followed through and implemented. However, it means a different concept of what this place is all about and what we as Members of Parliament are all about. It means a different concept of how Government, Parliament and the committees work. Lacking that, I am afraid the Private Member's Bill which is before us is quite inadequate. I tend to think it is a Mickey Mouse public relations gesture. I see that it is six o'clock. I assume the Bill dies.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

TRADE—BEEF IMPORT QUOTAS. (B) PRIME MINISTER'S ROLE

Mr. Maurice Foster (Algoma): Mr. Speaker, on May 14, I put a question to the Minister for International Trade (Mr. Kelleher) concerning the press reports indicating that the Government had agreed to increase the quotas of European Economic Community beef coming into Canada from 5.9 million pounds to some 23.5 million pounds. On December 21, the Government triggered the meat import law and imposed a quota on European meat of 5.9 million pounds. This quota was well in tune with the amount of meat which had been coming into Canada in the previous four or five years. It was a sharp reduction for the EEC, but was certainly well within historic averages.

Some time late in January or February, we heard that the Government was considering caving in to pressure being put on it by the EEC. I do not know why it would do so. Clearly the beef which came to Canada last year was meat that was surplus within the European Economic Community. It was highly subsidized to cover the cost of transportation into Canada. In spite of this, we heard reports that the Government was going to cave in and abandon the red meat producers of this country by increasing those quotas.

I put the question to the Minister for International Trade. In his response, he indicated that the Government had initially an agreement with, I assume, the negotiators. However, he could not reveal the amount of the agreement. I think the Minister has a responsibility to come clean with the House of Commons and the industry which has suffered so much in the past six months by revealing exactly what is taking place.

Many of the agricultural producers of the country feel that they have been let down by the Government. The Government did trigger the meat import law. However, it took the Government three months to make up its mind, even though strong representations were made all fall for it to trigger the meat import law. In spite of that, no action was taken for this calendar year until December 21.

We must put this matter in perspective. The Government has already raised the United States quota from some 21 million pounds to some 65 million pounds of meat. There are rumours that a secret agreement has been reached to increase the Nicaraguan quota from some 600,000 pounds to over 9 million pounds and that even that estimate may be low due to the trade embargo placed by the United States on Nicaragua.

Naturally, agricultural groups, farm groups, the Canadian Cattlemen's Association and the Canadian Federation of Agriculture are just appalled at the prospect of the federal Government backing down and knuckling under by agreeing to an increase of some 17 million pounds of additional beef coming into the country. This amount of beef would represent at least 1,000 carcasses of meat which is subsidized by 40 cents to 48 cents a pound.

I would like to read into the record excerpts of a letter from the Bruce County Federation of Agriculture dated April 30, 1985. This letter was addresed to the Prime Minister (Mr. Mulroney), and a copy was sent to me as Liberal agriculture critic. The letter reads:

> We, as members of the Bruce County Federation of Agriculture, live in the foremost beef producing County in Ontario. To say the least, we are more than concerned about increasing the allotment of EEC beef into this country.

● (1805)

> We find it very difficult to understand at a time when the red meat industry in this country is in an unfathomable financial crisis, with a record high number of bankruptcies, why a supposedly concerned and caring government would allow even one single pound more of beef into this country.
>
> At a time of decreasing beef consumption and low commodity prices that don't even come close to covering the cost of production, it would hardly seem like a prudent financial move.
>
> With all of this in mind, we respectfully request an explanation from your office outlining the reasons for such a decision being made when we all know the result would be another disastrous blow to our Canadian beef industry. Doesn't our government care?
>
> We look forward to a reply—

Well, I am not sure whether Wayne Robertson, the President of the Bruce County Federation of Agriculture, has received a reply, but, clearly, Members of the House of Commons have not received a reply from the Government on the question.

During the same Question Period, I asked the Minister for International trade if, during the recent visit of the Prime Minister to the European Economic Community countries, he had raised the question of the massive increases in beef quotas with the Prime Minister of Great Britain, the Chancellor of West Germany and the President of France. I think, because the matter is of such importance to our agricultural community, that the Prime Minister should use the prestige and power of his office, either as a group or on a bilateral basis, to raise matters which are of fundamental importance to producer groups. The response which I received from the Minister for International Trade was very high-handed. He said that the Prime Minister was not there to negotiate beef agreements. Of course he was not. But, when he was meeting with senior heads of government of the European Economic Community, he should have seized the opportunity. It is a very important issue to the red meat industry in Canada. There is no reason why he could not have raised the question with the heads of government. I think the Canadian farmers and beef producers of Canada are appalled by that type of attitude.

There is more to be concerned about in this matter. Press reports have told us that Australia, which has been a traditional trading partner with Canada in red meat, and which has large access to our markets, is very concerned about the subsidized beef which is coming into Canada. The Australians feel that it will drop the price of their exports to Canada. The Australians have a very important stake in their beef exports to Canada. They are upset. In fact, I am told that Australia had offered—if the Canadian Government had summoned up the courage and gone to GATT to fight the issue rather than being a pussy-cat and backing down to the EEC—to assist Canada and fight the issue at the GATT tribunal. It is a matter of great concern. I hope the Government will not sell out the beef producers of Canada.

Mr. Stewart McInnes (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I quite agree with the Hon. Member that the matter of beef imports from EEC countries is one of great concern to Canadians. It is because of that that the Minister for International Trade (Mr. Kelleher) has been giving a great deal of attention to that issue. He has also been giving attention to a corresponding issue; that of the threat which has been made by the EEC to impose substantial quotas or tariffs on other sectors of our agricultural community—that group which intends to export to the EEC community. Both sides of the question must be taken into consideration, and that has been done.

I am happy to report that a tentative agreement has been reached with negotiators representing the European Economic Community and that the agreement has been secured. Only outstanding at this time is the ratification and formal approval by the Council of EEC Ministers. It is anticipated that that will come within a reasonable length of time.

• (1810)

It is necessary for the Minister to be sensitive to and have regard for the interests of the beef industry, which has suffered unduly because of the subsidized beef imports from the EEC. We are very much supportive of their position, and indeed the Minister has said so in the House on a number of occasions, especially on April 29 and May 14. However, the prolonged negotiations have now concluded and we hope to be able to make a more formal as well as full and final report in the very near future.

Mr. Dick: I rise on a point of order, Mr. Speaker. I was just wondering whether, with the consent of the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), we might reverse the order of appearance in the Adjournment Debate. He might be able to get a more full answer that way.

Mr. Epp (Thunder Bay-Nipigon): That is agreeable.

NATIONAL DEFENCE—MARITIME COMMAND—RESTORATION OF NAVY BLUE UNIFORMS

Mr. Howard Crosby (Halifax West): Mr. Speaker, in November, 1984, I received confirmation in the House of Commons from the then Minister of National Defence that the Government intended to take action to restore navy blue uniforms to Canada's Navy, and to accomplish this change in time for the celebration of the Canadian Navy's seventy-fifth anniversary, the major events of which will occur toward the end of June or early in July. I hope the Minister's representative, in commenting on this matter, will bring us up to date on the Government's and the Minister's plan for implementing the change to navy blue uniforms in Maritime Command, and also other changes in uniform which are contemplated by the Minister of National Defence (Mr. Nielsen). But I come here with what I believe will be a more important message. Let me begin by reviewing very briefly my involvement in the campaign to have navy blue uniforms restored to Canada's Navy.

Early in 1983 I became aware of the desire on the part of many members of Maritime Command, Canada's Navy, to again wear a navy blue uniform. I brought the matter to the attention of the House of Commons early in 1983. Then in July of 1983 Vice Admiral James Fulton, when he turned over command of Maritime Command, indicated in that ceremony that he, as a member of Canada's Navy, desired a restoration of navy blue. In a ceremony which was attended by literally thousands of people at CFB Halifax, he said that he would like all people present there to know that those in the Navy would like to be dressed in blue and look like sailors.

I review that situation by way of saying that quite often a Member of Parliament who hears a message from a constituent, and from an important constituent such as Vice Admiral Fulton, representing as he did the personnel of Maritime Command, is prepared to take action. I think we who were

interested were effective in bringing before the House of Commons that desire for change. Let me say very quickly, because I heard the remarks today in the House of Commons by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), who deplored the Government's action in bringing about a change of uniform for Canada's Armed Forces, even though that appears to be the overwhelming desire of the personnel in Canada's Navy, that we, and I hope I speak for all Members of the Progressive Conservative Party, want to react to the desires and needs of the personnel of Canada's forces.

We cannot deliver all that they might desire in the way of equipment and facilities, but we can at least recognize those needs that we can fulfil. It was in response to that kind of request from those personnel that I think our Government acted to restore the navy blue uniform to Maritime Command and to consider other uniform changes.

● (1815)

This is relevant today in the House of Commons because the same person, now retired from the Canadian Armed Forces, Vice-Admiral Fulton, has made the suggestion that the Navy must make its voice heard in Ottawa. I want to tell him and all people interested in the Canadian Armed Forces that that is exactly the case. The Canadian Forces in all three commands must make their needs known to parliamentarians and public officials. They must get the message to us so that we, in turn, can get the message to the public that the Canadian Armed Forces has to be a developing institution. It cannot stand stagnant and let the world go by.

We must all take Admiral Fulton's message to heart, particularly those of us in the Progressive Conservative Party who want to support the Canadian Armed Forces. I draw a distinction between our own position and the position of the socialists in the New Democratic Party who would have us withdraw from organizations such as NATO. They would have us cut back on National Defence expenditures and destroy the spirit and capacity of our Armed Forces as though it were not part and parcel of the Canadian fabric, the Canadian nation, and the national way of life.

Admiral Fulton must convince his own colleagues in the Armed Forces, and those who have retired from the Armed Forces, that there is a need for public education. The Leader of the New Democratic Party compares National Defence expenditures to other kinds of social programs and claims that National Defence expenditures adversely affect social programs. We cannot allow such an erroneous message to go to the public. We must fight for attention for the Canadian Armed Forces. The role of those involved in the Canadian Armed Forces in this exercise is of vital importance.

I want to say to Admiral Fulton, through the medium of the House of Commons, that his message is heard. It is recognized that in the national interest we must bring to the attention of all Canadians the need for improvement in our Canadian Forces. It is part of our sovereignty and way of life. It has been since the beginning of Canada. With our conscious attention to the needs of the Canadian Armed Forces, it will continue to be part of our national life.

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it gives me great pleasure to respond to the Member for Halifax West (Mr. Crosby) on behalf of the Minister of National Defence (Mr. Nielsen). I am able to stand and give this response today in good part because of the efforts over many years of the Member for Halifax West. So often in the House of Commons we start with an idea, bring it forward, and then have to wait and wait for its fruition. The Member's patience and hard work has been rewarded.

I can understand that he has exerted pressure for a distinctive blue uniform for the Maritime Command. He can realize that this is only one small part of the Government's decision to provide new, distinctive uniforms for all three elements. I am sure the Maritime Command on the East Coast is pleased, as it is on the West Coast. As east meets west across the country, we will find a whole new sense of pride and increased morale in our Armed Forces.

It would be remiss of me not to mention specifically the Hon. Member for Cumberland-Colchester (Mr. Coates). This Member came to power in Canada with a very firm decision and a strong sense of connection with the Navy from his own home area. He recognized that morale is all important in the initial stages of the rebuilding in which the Government is currently involved. I want to pay credit to the former Minister of National Defence today.

Keeping in mind the seventy-fifth anniversary of Maritime Command, for which the main celebrations will begin in late June and early July of this year, I am pleased to inform the Member that new uniforms will be available in appropriate numbers when the first public tatoo is presented on June 27. Indeed, we hope that the same situation will prevail for all three services. This is what we are aiming for. Accordingly, 50 per cent of the change-over will be completed by the fall of 1986. Specifically, by July 1 this summer, Naval will be in 750 winter uniforms and 500 summer uniforms. Land will have 750 winter uniforms and 400 summer uniforms. Air will have 750 winter uniforms and 400 summer uniforms.

● (1820)

That very tight target is in fact being met and Canadians will have their first view this summer. I am sure the Member for Halifax West will be standing at that tatoo with a very special sense of pride as he will know that his efforts have resulted in the Armed Forces marching in different uniforms.

In closing, let me stress that this is just the beginning. It is a symbol of better things to come. We have had North Warning, low level defence, new frigates and a communications system. A major policy review is under way with respect to manpower and the regulars and reserves. In spite of the economic conditions, we are maintaining our commitment to the Armed Forces, and this move is symbolic of that particular concern.

VISIBLE MINORITIES—INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—COMPENSATION INQUIRY. (B) GOVERNMENT ACTION. (C) DEADLINE INQUIRY

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, almost four months have passed since I raised questions in the House regarding the Government's plans to redress the injustice done to Japanese Canadians during the Second World War. At the time there was a real sense of anxiety about the possibility that the Government might act unilaterally to impose what it saw as a settlement on the Japanese Canadian community, not matter what they thought. Expectations of negotiation were raised while at the same time deadlines were suddenly imposed and unilateral action threatened. I raised questions about that and the need to achieve an agreement, as well as the possibility of early deadlines being used to cut negotiations short.

The months that have passed since then give us reason to bring this issue into focus for the nation and reveal the extent to which the Minister of State for Multiculturalism (Mr. Murta) has failed the Government, his leader and the Canadian nation. It has been a little over eight months since the Minister took office. In the first weeks of May, we heard some strange remarks from the Minister. On the one hand, in a radio interview on May 5, he declared that when he took office and found the slogan, "Celebrate our Differences" being used in his directorate, he scrapped that right off.

Inevitably, when he convened the Multicultural Conference in Winnipeg on May 14, that kind of suggestion forced him to deny that he was in fact thinking of Canada in melting pot terms. He said, "This country is never going to be a melting pot. I don't think Canadians want Canada to be a melting pot".

When he held a press conference to wrap up proceedings after this conference, he suggested that the fight against racism falls outside the jurisdiction of his Department. He said that although his Department is concerned about racism, it "really falls outside our jurisdiction". His concern would be to sensitize Canadians against racial intolerance.

Inevitably, that kind of statement led to questions in the House. Just this past Thursday, in response to questions in the House, the Minister stated:

—I and the multicultural Department have a major responsibility for the area of race relations in Canada. If you take the very narrow definition, in terms of legislation it falls in our area. We have a major thrust in terms of fighting racism at every level of society.

This evidence of indecisiveness and lack of clear leadership is nowhere more clear than in the matter of the Japanese Canadians. I call upon the Prime Minister (Mr. Mulroney) to very carefully consider the current situation. If the need for leadership is not obvious, surely the Prime Minister's pledge to address this issue makes its attention urgent.

● (1825)

What we have seen over the past month, after expectations of negotiation had been clearly raised, was a press release under the heading of the multiculturalism directorate. It clearly referred to a negotiation process, the process of negotiation. What we found in January was a refusal on the part of the Minister and his officials to negotiate with the Japanese Canadians. We saw the attempt to impose deadlines to arrive at an apology and a redress formula. We saw a resolution for apology being presented to House Leaders that was not the final resolution that had been discussed in these non-negotiations. We saw a refusal on the part of the Minister to consider compensation, either individually or corporately for the Japanese Canadians. We saw a rejection of any action on the War Measures Act, on criminal charges and other concerns which the Japanese Canadians have had in years past. A variety of those items were not considered.

The Japanese Canadian community, which has been clarifying its own mind on these matters, has in the last week felt driven to undertake a consideration of the costs of the losses suffered during the 1940s. This is being done by the firm of Price Waterhouse. The process presumably will be at the expense of Japanese Canadians themselves in order to clarify their needs. *The Toronto Star* pointed out in the last days that the Prime Minister said last year that Japanese Canadians need assurance that:

—this kind of heinous action will never again take place in Canada and, if it does, that we will have the nerve and the courage to stand up and apologize for it and deal with it honourably.

The Prime Minister recognized they, the Japanese Canadians, were not looking for overwhelming compensation, but symbolism and reassurance. He said:

—I feel very strongly that Canadian citizens whose rights were abused and violated and trampled upon indeed should be compensated.

That very clear statement has not been acted upon by the Minister of State for Multiculturalism and the honour of the nation which has been demanding redress action for months and months continues to wait. How long is this charade to go on?

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Government views this matter as a moral issue, not an economic issue. This has been stated in a letter addressed to the Government House Leaders of the two Opposition Parties sent to them on January 28, 1985, outlining what the Government is proposing and seeking the views of the two Opposition House Leaders. As yet the Government has not heard from the two Opposition House Leaders and has not been able to go ahead.

The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) indicated that he was worried at the initial stage that this matter would be forged ahead unilaterally. Obviously his initial concerns were wrong and his present concern is wrong. It has not been forged ahead unilaterally. It has never been threatened that it would go ahead unilaterally.

Mr. Epp (Thunder Bay-Nipigon): That is wrong.

Mr. Dick: There has not been any agreement, Mr. Speaker. That is the reason the matter has not gone ahead. Before the Hon. Member was suggesting that there should not be artifi-

cial deadlines to bring it to conclusion, but he is now asking in his statement this evening to bring the matter to a conclusion. That in itself is a contradiction. I would suggest these matters continue in discussion. Hopefully all Parties will find a consensus to allow this matter to be resolved. On Wednesday, May 15, the Minister of State for Multiculturalism met with Mr. Miki. They had amicable discussions at that time. At that time they agreed that an apology was necessary. Discussion at the present time centre around what appropriate redress, if any, there should be.

Compensation was not originally considered as the appropriate word and we have now heard various descriptions of what compensation may be, which defies any definition which is precise. We do not want this matter to go into an auction. The Government wants the matter to be dealt with as a moral issue and to give some emphasis to the people who have suffered and to the Japanese Canadian community that matters of this type will not happen again in Canada.

Other than that, I would suggest that the Hon. Member should read the letter dated January 28, 1985 and perhaps encourage his House Leader and the House Leader of the Official Opposition to respond to the letter of the Government House Leader.

[*Translation*]

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

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, May 22, 1985

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE BUDGET

GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, tomorrow is an important day, for that is when we will find out the true intentions of this Conservative Government. We will see whether the Conservative Government lives up to its election promises and whether its consultations were nothing more than make-believe. Tomorrow we will find out whether the Government pays more attention to financiers than to ordinary Canadians, middle- and low-income earners. Tomorrow we will find out whether Canadian men and women enjoy a sunny or cloudy day. Mr. Speaker, tomorrow we will find out whether the Government intends to redress its injustice towards needy senior citizens aged 60 to 64, and whether it will make all needy Canadians living alone eligible for the spouse's allowance. Tomorrow we will find out whether the Government intends to correct the unfair situation it created by slashing $17 million off the residential renovation and rehabilitation program in Quebec. Tomorrow we will find out whether the Conservative Government will slap a tax on gasoline to offset losses incurred through tax incentives to the oil multinationals. Tomorrow we will find out whether families with dependents will be penalized, particularly middle-income families.

Mr. Speaker, I dare hope—

Mr. Speaker: I must inform the Hon. Member that his time has expired. The Hon. Member for Prince Albert (Mr. Hovdebo).

* * *

[*English*]

SPORTS

PRINCE ALBERT RAIDERS WIN JUNIOR HOCKEY CHAMPIONSHIP

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Prince Albert Raiders are the best junior hockey players in Canada. They proved it last Saturday by winning the Memorial Cup.

The forestry capital of Canada, Prince Albert, Saskatchewan, produces pulp, lumber, and grain. Prince Albert also produces Prime Ministers and championship hockey teams.

After winning four Centennial Cup Tier II National Junior Championships, the Prince Albert Raiders moved up to major junior hockey in the Western Hockey League just three years ago. Last Saturday, in Drummondville, Quebec, Prince Albert defeated the Shawinigan Cataractes to win the Memorial Cup, the highest award for junior hockey in Canada.

Coach Terry Simpson of the Raiders distinguished himself world-wide five months ago when he coached the Canadian team to the World Junior Hockey Championship in Helsinki, Finland.

Coach Simpson and the Prince Albert Raiders have produced, and will continue to produce, outstanding citizens through their hockey program. Prince Albert is proud of the Raiders' accomplishment and their contributions as ambassadors to the world.

* * *

ENVIRONMENTAL AFFAIRS

KIWANIS SUPPORT FOR PROTECTION OF ENVIRONMENT

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, environmental concerns are very much on the minds of all Canadians, and the people of my riding are no exception. There is an increasing awareness that all pollution, wherever found, must be stopped, and that preservation and enhancement of our environment must become a major focus of government and the private sector.

On this occasion I would like to bring to the attention of the House a resolution forwarded to me by the Kiwanis Club of Stamford, which is located in my riding of Niagara Falls. The Kiwanis Club of Stamford, along with other citizens in my riding, are concerned and recognize the current serious state of our environmental situation. Their resolution states that they fully support the protection of our environment and, in particular, they encourage public education and legislation that provide for cleaner air, cleaner water, and proper conservation of land and vegetation. I have assured them that I will do everything to promote that cause, and I know that I have the support of all Members of Parliament in this endeavour.

S.O. 21

THE PRIME MINISTER

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, since Confederation, the Province of British Columbia has felt distant from the political, economic, and social forces of Central Canada. The geographic distance between British Columbia and Ottawa is approximately 4,000 kilometres, yet the psychological distance is nearer to 10,000.

The previous Prime Minister did very little to reduce this sense of distance and alienation. Indeed, many of his own Party members regularly asked him not to visit British Columbia, for his presence was not always seen as a positive one for the Liberal Party in that part of Canada.

However, it would appear that the new Prime Minister (Mr. Mulroney) must be receiving similar advice. Although near nine months have passed since the Prime Minister took office, he has not yet found time to visit the people of British Columbia.

Considering the isolation and alienation British Columbians have experienced over the years, and the extremely difficult economic times as reflected in the excessively high unemployment rates and numbers, the Prime Minister's failure to visit, meet, and consult with the People of British Columbia is totally unacceptable.

During the last election campaign the Prime Minister said that the people of British Columbia were a priority for his Government. But his own actions and behaviour appear to indicate otherwise.

* * *

NATIONAL SOIL CONSERVATION WEEK

IMPORTANCE OF HALTING LAND DEGRADATION

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, as this is National Soil Conservation Week I would like to address the very important issue of soil degradation. Soil degradation is one of the most vital concerns facing Canadian agriculture today. It is so vital that the attention of industry, universities, and Governments of all levels, is focused on it.

Soil and water conservation initiatives should be a priority item for all levels of government. We must recognize Canada's soil for what it is, the very foundation of our national wealth. We must maintain the productivity of our land, as well as the quality of our water, to sustain growth and prosperity for future generations.

With grain stocks at their lowest level in 40 years, the time to take a decisive action is now. I call on all levels of government to develop an effective strategy to halt and reverse the long term effect of land degradation, recognizing the importance of the primary producer in this plan.

THE ADMINISTRATION

NOMINATION TO CN RAIL BOARD OF DIRECTORS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Tories need to get their act together on patronage. The Minister of Transport (Mr. Mazankowski) announced the nomination of twice defeated Tory candidate in Nipissing, Marie Marchand, of North Bay, to the board of directors of CN Rail. The Minister will know that this nomination has been so unpopular with North Bay Tories that the local people have written letters of protest to the Government. Furthermore, the nomination prompted the Tory Member for Nipissing (Mr. Mantha) to say about the nominee: "If you can't say something nice about somebody, you shouldn't say anything at all."

When asked about her experience in railways, Mrs Marchand said that there is more to this than only patronage. After all, she said, she lives in North Bay—a railroad town. She further added to the newspaper that her grandfather was a well known railroader in the Maritimes. If that does not make someone qualified, what does? Are these the qualifications which the Minister used as a basis to appoint this person? Or is it the fact that she was a defeated Tory candidate? In order to find out the answer we will have to wait until Friday morning to see who will get the PAW award this week.

* * *

● (1410)

FORESTRY

SIGNING OF AGREEMENT WITH BRITISH COLUMBIA

Mrs. Mary Collins (Capilano): Mr. Speaker, forestry agreements mean jobs. Energy agreements mean jobs. Together they mean more jobs and economic health for the people of British Columbia. That is what this Government has been doing for the people of British Columbia.

This Saturday in Vancouver our Minister of State for Forestry (Mr. Merrithew) will sign a $300 million forestry agreement with British Columbia, an agreement which has been lauded by industry and labour alike. What does this landmark agreement mean? Renewed forests, replanting of 600,000 hectares, intensive silviculture, and jobs, 15,000 person-years of employment. This is only part of the $575 million ERDA-IRDP agreement between our government and the Province of British Columbia which will herald a new era of economic activity for our westernmost province.

That is not all. When the Energy Minister negotiated the Western Energy Accord a few months ago, we knew it was good news for British Columbia. Now we have solid proof. Most recently three energy companies announced their application to build a $600 million fertilizer plant on Annacis Island in Delta. The decision to proceed with this project was based on the efforts of the B.C. Government, but particularly, by the progressive policies of this Government to dismantle the heinous national energy—

Mr. Speaker: I must advise the Member that her time has expired.

* * *

MEMBERS OF PARLIAMENT

USE OF CARDBOARD IMAGES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, parliamentarians were dismayed to see in yesterday's Ottawa *Citizen* that a student entrepreneur is using a life-size cardboard image of the Prime Minister (Mr. Mulroney) for "photo opportunities". Right thinking Canadians will be quick to condemn this trend toward artificiality in politics, although they will, of course, acknowledge the poetic justice in that it is the Prime Minister whose presence is being so artfully simulated.

Several possible remedies for this fraudulent practice suggest themselves. Perhaps the presidential stance, or some outstanding physical characteristics, might be patented, copyrighted, or registered as a trademark to prevent counterfeiting.

In any case measures must be taken to nip this practice in the bud before it becomes too widespread. Consider the dangers. While most Canadians can probably tell the difference between the Prime Minister and a cardboard likeness, imagine the difficulties they would have if one-dimensional replicas of the Deputy Prime Minister (Mr. Nielsen) were to start springing up around the country. Dissension and dismay would spread as citizens argued over who had seen the real Member for Yukon and whether or not his lips moved.

In short, this practice could destroy by excessive exposure the images that the Government has worked so diligently to build up. It is a public menace, and must be stopped.

* * *

CANADA POST CORPORATION

CALL FOR PARLIAMENTARY REVIEW OF OPERATIONS

Mr. Howard Crosby (Halifax West): Mr. Speaker, it has been said before, but it bears repeating. Parliament must review the operations of the Canada Post Corporation in the interests of all Canadians. In 1981 Canada Post accepted a challenge from the Parliament of Canada to improve the postal service. Four years later it is clear that Canada Post has failed to respond adequately to its statutory mandate.

There is a long litany of complaints, and no real evidence of improvement: $425,000 and more was spent on consulting fees to monitor transmission times for letters; private couriers were engaged to deliver important post office mail; thousands of dollars were wasted on full page ads telling Canadians how to use the mail. The real offence against the Canadian public is the zero growth policy which destroys the right of new Canadian households to receive postal service.

Canada Post has the statutory monopoly on postal services in Canada. It must serve all Canadians, whatever the cost. It is time for a parliamentary review of all aspects of the operations of Canada's postal service.

* * *

THE CHARTER OF RIGHTS

EQUALITY PROVISIONS—VIEWS OF HAMILTON RESIDENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, when the Government was elected it promised that women would have equal opportunity. It promised that women would have a chance to compete equally in the market-place. It promised that equal pay for work of equal value would be a benchmark—

Some Hon. Members: Louder. Louder.

Mr. Speaker: Order, please. All Members are entitled to make their statements and be heard, at least by the Speaker. The Hon. Member for Hamilton East (Ms. Copps).

• (1415)

Ms. Copps: In fact not only is the Government not backing its promises to women, to aggravate the situation further it is ignoring the city of Hamilton.

When I heard that the equality committee was travelling across the country to hear what women had to say about the equality clauses in the Constitution, I was shocked to discover that, after only nine days of notice, the Minister decided that Hamilton was not an important enough place because the response had not been great enough. If the mountain will not go to Mohammed, Mohammed will come to the mountain. I invite the constituents in my riding to come to Ottawa to let the Government know how the equality provisions are as important to the people of Hamilton as they are to the people of Baie Comeau, and that they want to be heard in Hamilton on this very important issue.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

REFERENCES TO PREVIOUS ADMINISTRATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I do not see too many targets over there today. However, in the absence of the Minister of Finance, the Prime Minister, and the Deputy Prime Minister, I will direct my question to the Acting Prime Minister. Everyone in the House realizes that tomorrow is a day long awaited by Canadians, in fact eight months. There are great expectations. Of course there is some fear as well. I want to ensure the Minister of

Finance, through the Acting Prime Minister, that we on this side of the House wish him well as he puts on his new shoes tomorrow and delivers his Budget to the House of Commons and to Canadians.

Some Hon. Members: Hear, hear!

Mr. Johnston: With your indulgence, Mr. Speaker, I would ask you to add that to my very limited time.

The Minister of Finance has been derailed often enough in the last eight months, and we want to see him get back on track. Would the Acting Prime Minister, using his good offices, discuss with the Minister of Finance a problem which has come to bore us as Canadians, namely, the dragging out at every opportunity of all the tired and shop-worn complaints about the previous administration, based upon a distorted Tory view of history?

Some Hon. Members: Oh, oh!

Mr. Johnston: It is their Government; it is their agenda; no more excuses. Will the Acting Prime Minister assure us that he will convey that message to the Minister of Finance, get rid of those shop-worn complaints and get on with the job? We want to look to the future, not to a distorted view of the past.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would suggest to the Hon. Member that the best thing he can do between now and tomorrow is hold his breath.

* * *

FINANCE

THRUST OF FORTHCOMING BUDGET—TABLING OF STUDY PAPERS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, Canadians have been holding their breath for over eight months.

[*Translation*]

Now, if I must direct my question to the Minister of Finance, that is—

[*English*]

Mr. Speaker: Order, please. With great respect to the Hon. Member, I cannot hear his question because of the noise in the House, and it is not coming from that Hon. Member's Party. May I hear the question, please?

[*Translation*]

Mr. Johnston: It is a fair ruling and much appreciated.

The Minister has said that his Budget will be tough and fair, and it is to be hoped, Mr. Speaker, that it will at least be intelligent, not the pitiful document produced on November 8, when the Minister was obliged to review a whole set of ill-conceived cut-backs. Could he and could she give the House the assurance that an impact study of the Budget has been made with respect to employment, research, inflation, the regions and the environment, and that the study will be tabled here in the House with the Budget?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my hon. colleague, the Minister of Finance, will be intelligent, as always, in addition to tough and fair.

EFFECT OF POSSIBLE BUDGETARY CUTS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I wish the Minister of Finance were not in hiding today and had not sent forth his emissary, the Minister of State for Finance, who is hardly forthcoming.

In any event, in my last supplementary, Mr. Speaker, let me point out to you something you know well. The Liberal Party and the people of Canada look to this Budget above all to create jobs, not just for tax lawyers and accountants, not just for the people on Bay Street, and I know you agree with this approach. Will the Minister of Finance, through the Minister of State for Finance, agree to table in the House of Commons, which he refused to do the last time, those studies of the Department of Finance which show the job loss in all sectors and all regions arising from the cuts which the Prime Minister assured us would be in the Budget?

● (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the expelling of wind in the House today is really quite extraordinary. Since the economic agenda there have been over 200,000 jobs created in this country, and I can only reiterate: intelligent, tough, and fair.

* * *

ENERGY

WESTERN ACCORD—EFFECT ON TAXPAYERS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Western Accord will reduce federal government revenues by over $1 billion this year alone. Since the Prime Minister has told us that the cost of that Accord must be borne equally across the country, will the Minister tell us how it will be shared among Canadians?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as I have told this House, there is nothing in the Western Accord which would lead to the results indicated by the Hon. Member. His comments are sheer speculation.

MULTINATIONAL OIL COMPANIES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Government is saying the Budget is going to be tough but fair. It is going to be fair to the multinationals and tough on the consumers? Three of the multinationals are saying that further spending and job creation will depend on future world prices for oil and even more tax concessions. Will the Minister tell us if she is going to give further monies to the multinationals?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I fail to understand the basis for the Hon. Member's question. A number of projects have been announced which have created jobs since the Western Accord was signed. I have at least $15 billion worth of work and thousands of jobs in projects which are on my desk and which have been announced since the Western Accord was signed.

I am sorry that the Hon. Members opposite are indifferent to the information I have to offer, and that they are unable to listen to me talk about jobs for Canadians. Possibly they feel that their questions do not deserve an answer.

EFFECT OF ACCORD ON CONSUMERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy and I hope she will be kind enough to give me an answer. The Independent Petroleum Association has said that, as a result of the Western Accord, $1.2 billion will go to the oil companies through deregulation of oil. *The Financial Post* has said if you add in the PGRT, a tax which the Government is forgoing, it amounts to about $9 billion in government revenues to the oil companies over five years. Does the Minister still stand by her claim that this $9 billion shortfall in government revenue will not be taken out of the pockets of ordinary Canadian consumers?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, again the figures used by the Hon. Member are clearly speculative. The consumer is the major beneficiary of the Western Accord because, through deregulation, we are going to a system where competition will rule in the market-place, rather than administered prices. Consumers have more clout in a competitive system than they have in a regulated system.

MINISTER'S LETTER

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, those were not my figures; they were from IPAC and *The Financial Post*.

Is the Minister aware that the Minister of Finance has written to me personally—

Some Hon. Members: Oh, oh!

Mr. Waddell: Wait until you hear what the letter says. He has said that tax changes are contemplated to pay for the shortfall as a result of the Western Accord. Is the Minister aware of that?

Some Hon. Members: Oh, oh!

Mr. Broadbent: Pardon, Pat?

• (1425)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would suggest that—

Mr. Broadbent: What are you saying, Pat?

Mr. Speaker: Fair is fair. I would like to be able to hear the Minister's answer as well. Perhaps we could have some quiet in the Chamber.

Miss Carney: Mr. Speaker, I would suggest that the Hon. Member could possibly table that letter.

INTERPRETATION OF LETTER

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would be pleased to take the Minister up on her invitation to table this letter, but I would like to ask a further question. In the letter which was written under the Freedom of Information Act, in reply to my question about the Government's forecasts for getting back its revenue as a result of giving away the PGRT, the Minister of Finance cited Clause 18(3). I would like the Minister to comment on what he said. He said that there would be a "contemplated change in tariff rates, taxes, duties or other revenue sources". Is there any other interpretation that Canadian consumers can put on this letter and on the present deficit situation other than that the Government has given away $9 billion to the oil companies and will take the money back by taxing the Canadian consumers?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, again I cannot comment on a phrase from a letter which I have not seen. I can say that the speculation contained in the Hon. Member's question does not deserve an answer.

* * *

PUBLIC SERVICE

MYSTL MANAGEMENT INC.—ROLE OF DEPUTY MINISTERS

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Acting Prime Minister and concerns the Mystl Management case. There is no question that the four civil servants in question breached Treasury Board conflict of interest guidelines and for that they must be seriously disciplined. What is troubling is the fact that these four civil servants advised their Assistant Deputy Ministers and/or Deputy Ministers in advance of their intentions, and those Assistant Deputy Ministers or Deputy Ministers failed to take

any action to stop the formation of this proposed company. Would the Acting Prime Minister not agree that, by failing to take action, the Assistant Deputy Ministers and/or Deputy Ministers displayed extremely poor judgment and for that reason should be seriously disciplined for their inaction?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, perhaps I can respond in my capacity as Acting President of the Treasury Board. The Hon. Member's question points out precisely what I cautioned him against yesterday, and that is his demanding that something be done before he gets the facts. He has asked that all of these people be fired, and has now made serious allegations about Deputy Ministers and Assistant Deputy Ministers. While these individuals did in fact talk to their superiors, it is not the case that in all instances they talked to Deputy Ministers or Assistant Deputy Ministers. To the best of my knowledge, in no instance was a Deputy Minister aware of this matter.

COMMUNICATION WITH ASSISTANT DEPUTY MINISTER

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have the facts. I have a confidential memo that was sent from Mr. Spinks, the president of Mystl Management, to the Assistant Deputy Minister of the Department of Transport. This confidential letter describes the business, and goes on to say:

> While I do not consider there is any conflict of interest in the activities which we will be undertaking, I wish to provide full disclosure of our proposed business and be seen to operate in the full spirit of the policy.

In view of the fact that this secret memorandum was sent to the Assistant Deputy Minister on April 3 and was received on April 11, will the Minister of Transport not agree that by failing to take action, and by failing to tell these individuals that what they were about to do was wrong, this particular Assistant Deputy Minister displayed extremely poor judgment and, accordingly, should be seriously disciplined?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the information I have is that the ADM of Finance did in fact speak verbally to Mr. Spinks and suggested that it would be unwise for him to engage in the kind of activity in which he had intended to engage, and that it would be perceived as a conflict of interest. The ADM of Finance awaited further contact from Mr. Spinks but further contact was not forthcoming. However, as we indicated yesterday, this whole matter is being investigated internally by the Director of Staff Relations. All aspects of this matter will be looked into, including the actions of the ADM, the Deputy Minister, and all other people involved. The facts will be made available in the next two or three days. It would probably be in the best interests of all to stop making these innuendoes and charges, and wait until the facts are brought before the House.

• (1430)

ENERGY

WESTERN ACCORD—EFFECT ON GASOLINE PRICES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. Given the answer which my colleague from Vancouver-Kingsway received from the Minister of Finance with regard to the possibility of a tax increase in order to recover the revenues lost to the Government as a result of the Western Accord and other measures, would it be fair to suggest to the motoring public of Canada today that they should fill their gas tanks before the Budget comes down?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, Hon. Members know that the subject matter which they have raised is budgetary and, therefore, is sheer speculation. For the record of the House I would like to point out that the famous letter which Mr. Waddell mentioned, from Michael Wilson, the Minister of Finance, simply deals with the process of accessing information under the Access to Information Act, and certainly does not deal with the matters which have been raised.

Mr. Speaker: I am sure the Minister meant the Hon. Member for Vancouver-Kingsway, for the record.

CONTENTS OF MINISTER'S LETTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, with regard to the answer which was given by the Minister, I would like to ask her whether she denies that in the letter which was sent to my colleague from the Minister of Finance it clearly stated that the reason why my colleague could not receive the information which he sought was the following:

> 18. The head of a government institution may refuse to disclose any record requested under this Act that contains—
>
> (d)(iii) a contemplated change in tariff rates, taxes, duties or any other revenue source,

Does that not mean it is because there is a tax increase pending?

Hon. Pat Carney (Minister of Energy, Mines and Resources): No, Mr. Speaker.

* * *

PUBLIC SERVICE

MYSTL MANAGEMENT INC.—MINISTER'S KNOWLEDGE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Transport and it concerns the Mystl Management issue. I want to remind the Minister that it was the President of the Treasury Board who admitted yesterday that the guidelines had been broken, not opposition Members in the House, and he should not accuse my colleagues of saying so.

Yesterday, when asked by my colleague, the Hon. Member for Humber-Port au Port-St. Barbe, when the Minister had been informed of the affair and by whom, the Minister replied that his Deputy Minister had told him, but he neglected to tell the House when exactly he found out about the issue. Would the Minister now tell the House who told him, exactly when he found out and when his Deputy Minister found out about this whole affair?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I sincerely apologize for not giving the information yesterday. I inadvertently omitted to do so.

I was informed about the incident late on Friday night at my home in Vegreville. I was given further details on Saturday, and apprised myself fully of the details yesterday. I believe the Deputy was first advised on the sixteenth day of May.

REQUEST FOR INDEPENDENT INVESTIGATION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, as Deputy Ministers and ADMs are ultimately responsible to their Ministers, I would like to direct a question to the Acting Prime Minister, reminding him that the four Ministers in question must be taken to task in the matter. Will the Acting Prime Minister immediately order an independent and external investigation of the whole affair, such investigation to deal with the conduct and negligence not only of the ADMs and the Deputy Ministers, but as well of the four Cabinet Ministers who are involved?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I am always grateful for the Hon. Member's suggestions, which I know will be taken as seriously as they were given.

Mr. Boudria: What about the investigation?

Mr. Beatty: I do not know whether the Hon. Member wants an answer or not, but I am quite anxious to give him one.

I think at the outset it would be appropriate if he would ask his colleague who sits next to him to tender his evidence that, in all cases, Deputy Ministers and Assistant Deputy Ministers knew about this. Or is his evidence the one letter to one Assistant Deputy Minister, which I acknowledge? But the allegation which was made was that in all cases Deputy Ministers or Assistant Deputy Ministers knew. That highlights exactly what I was warning about yesterday. When the Hon. Member makes wild allegations and demands—

Mr. Nunziata: You are responsible.

Mr. Beatty: Again they try to shout me down when I give information. When the Hon. Member demands that people be fired first and tries to get information afterward, that is a denial of basic justice. Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Is the Hon. Member finished?

Mr. Beatty: No, Mr. Speaker. I would like to finish if I could, because I think the House is entitled to answers on this subject and I am anxious to give them.

What I would ask from the Opposition is that the basic principles of natural justice be allowed. Surely in a country such as Canada even public servants are entitled to simple justice.

Some Hon. Members: Hear, hear!

Mr. Beatty: Mr. Speaker, I communicated to the House that an investigation is under way at the present time—

Some Hon. Members: Oh, oh!

Mr. Beatty: Mr. Speaker, if I could have order I could indicate to the House that—

Mr. Speaker: Clearly the answer is taking an unusual length of time.

* * *

FINANCE

EFFECT OF POSSIBLE TAX INCREASE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance who will be well aware of the struggling state of small businesses in Canada and the crisis in the farm community. In her own family she is well aware of the plight which young people face today in finding a job in the shrinking job market.

Would she not acknowledge, at this very critical time in the economy of Canada, that even a 1 per cent increase in tax would be considered especially harsh, tough, and essentially unfair?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, let me just add something to the information which I have already given to the House. The Budget will not only be tough and fair, it will be appropriate.

Some Hon. Members: Hear, hear!

POSSIBLE EFFECT ON SMALL BUSINESSES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of State for Small Businesses. I will try a more direct question. The Minister has indicated on a number of occasions that jobs in Canada would be created by that sector. He knows how critical it is. I would like to ask him the same question. Would he not agree that a 1 per cent increase in tax on small businesses today would be considered especially tough and certainly unfair to impose at this time—

Mr. Speaker: I indicated to the Member yesterday that a hypothetical question which is simply repeated is not appropri-

ate. I must do the same thing today. The Hon. Member is simply repeating the same question.

* * *

[*Translation*]

SMALL BUSINESS

PERCEPTION OF SALES TAX

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Minister of State (Small Businesses). Small businesses spend a lot of time and effort collecting sales tax on behalf of the Federal Government. Often they are obliged to pay this tax to the Government between 45 and 60 days before receiving the money from their customers. Is the Minister of State (Small Businesses) prepared to give this service the recognition it deserves and to recommend some manner of fair compensation for the businesses that collect the tax?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I think the Hon. Member's question is very apt. We all know that small businesses must collect this tax. It is certainly not new and was introduced a number of years ago. However, if the Hon. Member is asking us to review the matter, I am willing to do so.

PAYMENT OF SALES TAX TO GOVERNMENT—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, it is a well-known fact that small businesses are an excellent source of job creation, provided they have sufficient liquid assets. Does it not seem unfair to the Minister that a small business should be forced to lend to the Federal Government, without interest, for a period of 60 days or more? Does the Minister think it would be fair to allow 60 days' grace for payment of the federal sales tax, and if he does, what does he intend to do?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I think the answer I just gave applies here. If the Hon. Member for Saint-Léonard-Anjou is asking the Government to review the tax refund issue and the deadline, which is now 30 days, I think his request can be appropriately considered, whether the Hon. Member is asking for 30, 60 or 90 days. I am not saying what the answer will be, but I am prepared to look into the matter.

• (1440)

[*English*]

THE ECONOMY

CONSUMER DEMAND AND CONFIDENCE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister is no doubt aware of the malaise and lack of confidence in Canada's manufacturing industry. Its output is down, its shipments are down and, most serious of all, its employment levels are down. It shows no willingness whatsoever to step up activity on its production lines and put people back to work until it sees more solid signs of increased demand from both consumers and business. Does the Minister not agree, given this situation, that continuing with deficit reduction and imposing even more cut-backs and tax increases on ordinary Canadians, will only serve to reduce consumer demand and confidence further, much as we have seen in British Columbia, and thus will defeat our efforts to put Canadians back to work?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would have thought that the Hon. Member, instead of having such a voice of despair, would have been encouraged by the falling interest rates which we are experiencing in Canada. Undoubtedly the Hon. Member has noted the number of jobs which have been created since September 4, which was a very momentous day in Canada.

Mr. Angus: Perhaps the people of Canada would have more confidence if there was a guarantee that those rates would not go back up again.

GOVERNMENT POLICY

Mr. Iain Angus (Thunder Bay-Atikokan): The Minister will remember from last year's election campaign a quote from the Prime Minister as follows: "Clearly there can be no drastic reduction in the deficit until interest rates are lower and the country gets back to work. Massive cuts now would guarantee a recession". Would the Minister explain to this House, and to the people who elected him and his colleagues, why the Government is now doing a complete about face and bringing in deficit reduction policies which would guarantee a recession?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I only wish the Hon. Member had read his question before he asked it in the House, because the Prime Minister anticipated falling interest rates and made it clear that that is one way to help reduce our deficit.

HOUSING

SITUATION IN METROPOLITAN TORONTO

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister responsible for housing. The over-all apartment vacancy rate in the City of Scarborough and throughout Metropolitan Toronto is well below the national average and is becoming critical. In view of the report of the Metro Planning Board which claims that initiatives must be taken by all levels of government if adequate housing is to be assured in the future, what action does the Government of Canada plan to take to help the municipalities of Metro Toronto meet this challenge?

Ms. Copps: Cuts, cuts.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I recognize the seriousness of the Hon. Member's question and share his concern. In the next two months we will be meeting again with the provincial housing Ministers.

Some Hon. Members: Oh, oh!

Mr. McKnight: I hear from the Opposition that it does not want us to consult with the housing Ministers or the metropolitan housing authorities who have accepted, and will continue to accept, their part in providing housing for Canadians. We cannot provide housing singly. We have to do it in co-operation with the provinces and municipalities involved, and I look forward to assisting the people of Canada in that manner.

* * *

ENVIRONMENTAL AFFAIRS

IMPACT OF TOXIC CHEMICALS ON SEA-GULLS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. Could the Minister tell the House why she insists on denying that her Department has a responsibility to assess the impact of toxic chemicals on sea-gulls as a way of anticipating the impact of toxic chemicals on human health?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I should think that the Hon. Member for Davenport has all the answers on that subject. He has been asking the same question in the House for the past six months and I have always given him the same answers.

[*English*]

REQUEST THAT MINISTER MEET SCIENTISTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, since the scientific community has repeatedly expressed concern about the cancellation of that monitoring program by the Minister, would she at least be so kind as to meet with the scientists who are raising their concern, listen to them, and perhaps reconsider her decision? Would the Minister be prepared to do that?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): I am sorry, Mr. Speaker, but I must repeat the same answer. The program has been reinstated at the Burlington centre and monitoring continues.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

PUBLICATION OF DISCUSSION PAPER

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In the Economic and Fiscal Statement of November 8, 1984, under the heading "Unemployment Insurance", the Minister of Finance, on behalf of the Minister of Employment and Immigration, said:

> A discussion paper will be published shortly by the Minister of Employment and Immigration, followed by appropriate parliamentary review.

Can the Minister tell this House when we can expect this discussion paper on unemployment insurance?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member refers to the economic statement of last November. The Minister of Finance stated at that time that there would be a review of the unemployment insurance fund. I can assure the Hon. Member that that will be undertaken shortly.

REQUEST FOR CONSULTATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that in that Economic and Fiscal Statement the Minister of Finance said that the review would be "undertaken on an urgent basis", and in view of the fact that there is a lot of tough talk about what is going to be in the Budget with respect to unemployment insurance changes, can the Minister assure this House that no structural and important changes will be made to the Unemployment Insurance Act until she has consulted with ordinary Canadians about unemployment insurance benefits?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I wish that Hon. Members of the New Democratic Party would make up their minds about consultation. One day they are saying: "Don't consult with the Canadian people about foreign policy", and the next day they are saying: "Consult with the Canadian people about unemployment insurance".

Some Hon. Members: Hear, hear!

Miss MacDonald: Obviously we want to consult with the Canadian people—

Ms. Jewett: You've had eight months.

Miss MacDonald: —and I can assure the Hon. member that that is indeed what we will be doing.

Mr. Rodriguez: A further supplementary, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair allowed a supplementary question.

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[*Translation*]

TRANSPORT

PCB SPILL IN CERTAIN REGIONS—GOVERNMENT INTENTIONS

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is directed to the Minister of Transport and has to do with the PCB spill in Eastern Canada over the past weekend.

As the Minister knows, a truck from the Magdalen Islands spilled part of its load while travelling across New Brunswick and the Matapédia Valley.

I would like to ask the Minister what have been the consequences of this unfortunate incident for people in the area and what measures will his department take.

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, a Transport Canada inspector is investigating this particular incident. Samples are being evaluated and tested for PCBs by Environment Canada officials. The results of those tests will be made available this week. Until such time as the investigation is complete it is difficult to contemplate what action will be taken. However, I can advise the Hon. Member that the protective direction which was issued by myself last month was in fact received by Hydro Quebec, and any action with respect to prosecution or clean up will be decided next week.

* * *

ENERGY

SALE OF COME-BY-CHANCE REFINERY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns the sale of the Come-By-Chance refinery in Newfoundland for which five bids have been received. A senior political adviser in the Prime Minister's Office is quoted as saying that Canadian businessmen in the Middle East are being quietly warned of negative repercussions for Canadian business in the Middle East if that refinery is sold to an Israeli-based concern. Will the Minister tell this House what criteria in fact will be used in determining who the successful bidder will be? And will she assure this House that Newfoundland economic concerns and conditions, as bad as they are, will be her primary criteria, not geopolitical concerns in the Middle East, in deciding who should be the successful bidder for that refinery?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the priority which we have given to Newfoundland I think is proven by the fact that we signed an Atlantic Accord with Newfoundland which will bring great economic benefits to the province, which the former Liberal administration failed to do.

In terms of the actual issue the Hon. Member raises, I can assure him that the nature of the bids are not being released at this time until they are reviewed by Petro-Canada.

• (1450)

REPORTED ESTABLISHMENT OF PROVINCIAL COMMITTEE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, if we do not start getting more serious answers to questions, we are going to have to insist on having a breathalyser installed at the door of the House of Commons for government Members.

Some Hon. Members: Oh, oh!

Some Hon. Members: Withdraw.

Mr. Tobin: My supplementary question is directed to the Minister of Regional Industrial Expansion.

Some Hon. Members: Withdraw.

Mr. Clark (Yellowhead): Why don't you apologize?

Miss MacDonald: That is going too far.

Mr. Speaker: Order. I think the Hon. Member knows there is a level of comment that is inappropriate. The Hon. Member has a supplementary question.

Mr. Tobin: Mr. Speaker, my supplementary question is directed to the Minister of Regional Industrial Expansion.

Some Hon. Members: Withdraw.

Mr. Speaker: Order, please!

Ms. Copps: Down boys.

Mr. Speaker: Order, please. The Hon. Member has a supplementary question.

Mr. Tobin: Thank you, Mr. Speaker. My supplementary question is directed to the Minister of Regional Industrial Expansion. A senior Minister of the Newfoundland Government has indicated in *The Globe and Mail* this morning that the Newfoundland Government has set up a special committee

to meet with one of the five bidders and is considering, in his words, providing incentives for that bidder to reactivate the refinery in Newfoundland. Has the Minister received any communication whatsoever from the Government of Newfoundland requesting that a joint federal-provincial fund, or initiative, be established to assist in helping one particular bidder reactivate that refinery?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that the Government of Newfoundland has not made any such representation to us at this time. We are certainly not considering that possibility at this time.

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FISHERIES

REPLACEMENT OF WHARFINGERS IN PRINCE EDWARD ISLAND

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. I am wondering if he might share with us some more of the elements in his personal campaign of patronage. Would the Minister confirm in the House that he has released, or terminated, a number of wharfingers in Prince Edward Island without any cause or complaint whatsoever? That is a repeat of what has happened in New Brunswick. It is a repeat of the patronage situation that is occurring in Comox-Powell River. Could the Minister confirm to the House that he has done it again?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I can confirm that wharfingers have been replaced in the provinces that the Hon. Member mentioned. I suggest that if the Hon. Member thinks there is any need to replace wharfingers in his own riding, I would be prepared to listen to him.

Some Hon. Members: Hear, hear!

Mr. Skelly: Mr. Speaker, I, for one, am appalled that the Government is not prepared to provide any process of natural justice to people who are doing an excellent job. I would not be a part of that.

APPEAL PROCESS REQUESTED

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I ask that the Minister guarantee the House that he will put in place some form of appeal through which these people can at least hear the complaints made against them. They should not be replaced on the basis of some vague innuendo made by a Member of Parliament who wants them replaced on the basis of their Party card.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, apparently the Hon. Member has no complaint with wharfingers in his own riding. As a consequence, I do not think there is any need to worry about a process in that particular part of the country.

* * *

AGRICULTURE

UNITED STATES GRAIN EXPORT PROMOTION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Last week the Secretary of Agriculture in the United States announced a $2 billion program of grain bonuses to promote export sales. This could have a very distorting and devastating impact on the price of grain in the world. It could perhaps even touch off a price war.

Can the Minister tell us whether the Government of Canada has protested this action by the Government of the United States? What action is the Government taking to protect the traditional markets of our grain producers and the Canadian Wheat Board?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the U.S. Secretary of Agriculture took the time and courtesy to inform me of this action late last week. There is no question that I expressed some concern. We expect to have further discussions in the very near future in relation to the issue. Due to the improved relations between our two countries which have developed since September 4, we can take some satisfaction from the fact that the U.S. Secretary of Agriculture indicated to me that he would do everything possible to ensure that we would not get caught in the cross-fire.

Mr. Foster: Mr. Speaker, it sounds to me like the Minister was more of a pussy-cat in his meeting with Secretary Block than someone really defending the interests of agriculture in this country.

CANADA-UNITED STATES RELATIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister talked about the alleged friendship of the Prime Minister and the President. In order to forestall the U.S. Department of Agriculture dumping its stored grain on to the international market, would the Prime Minister and the President be prepared to negotiate a new international grain agreement which would guarantee reasonable floor prices for grain and ensure the viability of grain producers in western Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I would not slough off the fact that relations between the two countries have indeed improved. There is no question about that. I am sure that the agricultural industry in our country will benefit from that improved relationship. However, it is inappropriate for me to respond at this point in time as to exactly what discussions or negotiations may take place in the future between the Prime Minister and the President of the United States.

Oral Questions

TRADE

GATT NEGOTIATIONS ON EUROPEAN BEEF EXPORTS

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Minister of International Trade. Have the GATT negotiations been completed with regard to agricultural products?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I presume my hon. colleague is referring to the discussions we were having with the European Common Market on beef. I can advise that those discussions have been completed. The settlement has been initialed, but as required under the GATT procedure it must be ratified by both the European Community and Canada. We expect that that will happen within the next week. We will be in a position to disclose the terms of settlement at that time.

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EXTERNAL AFFAIRS

BRAINWASHING EXPERIMENTS FUNDED BY CIA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. During his weekend visit to Washington it was reported that the Minister had informal discussions with the Secretary of State of the United States concerning compensation for the nine Canadian victims of CIA-funded brain washing that was done in Montreal more than 25 years ago. Would the Minister tell the House why these discussions were held on an informal basis in private, as opposed to being part of the formal agenda of his meetings? More important, could he tell the House and the victims what progress was made in those talks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the matter was raised in the private and informal part of my discussions with the U.S. Secretary of State precisely because I wanted to make it abundantly clear that this was a matter of very real concern to me personally as well as in my capacity as Secretary of State for External Affairs. It was not a matter of concern simply on the official level, but was very much a matter about which Canadians of all Parties had expressed concern. We have not yet received the kind of response that the Leader of the New Democratic Party and I are looking for. I hope the conversations I had on the weekend with Mr. Shultz will advance the interest shared by all Members of the House in getting adequate compensation for the people affected by the procedures he has described.

COMPENSATION FOR CANADIAN VICTIMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the CIA has admitted publicly in the United States its responsibility for this abominable act. It has offered a mere $25,000 per victim, which is an insult to the Canadian victims as well as to Canada as a whole. Could the Minister tell the House what the Government plans to do next in order to obtain, at long last, just compensation for these Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, without associating myself with all of the language of the Leader of the New Democratic Party, some of which I think was excessive, I can certainly assure the House that the Government of Canada intends to continue, through every avenue that is open to it, to encourage the American authorities to respond with a higher level of compensation.

• (1500)

I cannot report more progress today, except that the matter has been raised personally, directly and forcefully by myself with the U.S. Secretary of State. I share the anxiety, and the determination, if I may say so, of the Leader of the New Democratic Party to achieve a higher level of compensation.

Mr. Speaker: One very short question.

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[*Translation*]

PUBLIC SERVICE

JOB CLASSIFICATION—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question was meant for the President of the Treasury Board but, in his absence, I will direct it to the Acting Minister.

Last February 4, I asked a question of the Minister concerning job overclassification in the Public Service and, in light of the Prime Minister's election campaign commitment to make classification standards a negotiable issue, I would like to ask the Minister whether he can announce or promise today that classification will be negotiable in the near future.

[*English*]

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I apologize to the Hon. Member. I do not have the answer to this question. Certainly I recognize that he is making a representation, and I will certainly ensure that it is brought to the attention of the President of the Treasury Board.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, May 21, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Ottawa Centre (Mr. Cassidy) does not meet the requirements of the Standing Orders as to form.

POINTS OF ORDER

STATEMENT OF MR. DICK IN ADJOURNMENT DEBATE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. Last evening during the Adjournment Debate, at page 4947 of *Hansard*, the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Dick) said:

> Mr. Speaker, the Government views this matter as a moral issue, not an economic issue. This has been stated in a letter addressed to the Government House Leaders of the two Opposition Parties sent to them on January 28, 1985, outlining what the Government is proposing and seeking the views of the two Opposition House Leaders. As yet the Government has not heard from the two Opposition House Leaders and has not been able to go ahead.

I want to draw to the attention of the Parliamentary Secretary something about which I think he may not be aware. As one of the two House Leaders in question, I did in fact respond to the January 28 letter. I responded on January 30 to the Government House Leader and set out quite clearly the views of the New Democratic Party with regard to this issue. I would very much appreciate if the Parliamentary Secretary could correct the record in this regard.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on the same point of order. I would remind the House that our position on this matter has been stated very clearly in the House by our leader and by our critic. It is the responsibility of the Government to take its decisions and present its proposals to the House.

If it really wants to act in this matter, it does not need our consent, and by not acting it shows a shallowness, emptiness and lack of commitment on this important issue of Japanese Canadians.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I thank the Hon. Member for Hamilton Mountain (Mr. Deans) for the information which he has passed on to me. It merely shows that the fact is that the House Leader of the Official Opposition has not replied in the sense of co-operation that we would like to have around here.

Mr. Speaker: I believe that all the participants in this point of order know the degree to which it is not a point of order but, perhaps, a grievance.

STATEMENT ALLEGED UNPARLIAMENTARY OF MR. TOBIN

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order with respect to proceedings which took place during the course of Question Period. I am inspired to do so by comments made by the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) who rose to speak in the House with respect to the demeanour in which we conduct ourselves in the debates. He made some observations, to which you responded, about the way in which we conduct ourselves on the floor of the House of Commons.

Point of Order—Mr. Hnatyshyn

I rise on a point of order today because of the comments and statements made by the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) during the course of Question Period. The Chair will know that there are certain terms that are unparliamentary and that it is unparliamentary to accuse an Hon. Member of certain activity. There are lists of precedents and words that have been the subject of rulings by Speakers throughout the years.

I think it does us well to reflect on what we are doing and on some of the obligations that we have as Members of Parliament not only to this institution that we all respect very much but to the public's growing cynicism about the way in which we conduct ourselves in the House.

During the course of Question Period—apparently dissatisfied with a response given by the Minister of Energy, Mines and Resources (Miss Carney)—The Hon. Member made a statement that on the basis of the answer we should have a breathalyser stationed at the entrance to the House of Commons.

I know that the Hon. Member has respect for the House. However, these terms imply, without directly saying so, that an Hon. Member—in this case a Minister—is in fact giving an answer which she did not intend because she was under some influence. Such a direct statement would be unparliamentary.

I rise because I think it is important for all of us, regardless of which side of the House we stand, to be careful with this kind of allegation. We have different points of view and we can and do argue strenuously on the issues. I think that is expected by the public and by the Members of the House. However, I do not think it adds anything to the debate when such an allegation is made, no matter which Hon. Member utters the words.

I hope we can reflect on our conduct in the House of Commons not only with respect to noise in the Chamber but with respect to personal allegations concerning Members in the House. I think that is something that we all want to avoid and we should seriously consider in terms of our future conduct.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, since the comments by the Hon. Government House Leader (Mr. Hnatyshyn) concern the comments that I made this afternoon, I think it would be appropriate that I be given an opportunity to respond to him.

First, I want to thank him for acknowledging the respect that he said I have for the House, because I do have a great deal of respect for this institution. However, I suggest to the Hon. House Leader that he is perhaps best known in this Chamber, of all 282 Members, for his ability to quip under his breath and for his entertaining and heckling during the Question Period on a persistent and regular basis. For a while I was wondering whether he had lost his sense of humour because he knows, and I suggest to him that I made no statement today that was unparliamentary.

It was quite clear that I was referring to the quality of the answers and the seriousness with which the questions that I

was raising were being answered. That was the only reference I made. I made no reference to sobriety, which is the word he used, not I. I make no such reference now. I think that would be inappropriate. I would never do such a thing, and I hope the Hon. Member does not believe that I have done such a thing.

As one of the best quipsters in the House, the Hon. Member knows precisely what I was doing. I was reflecting on the lighthearted and flippant manner in which Ministers were answering questions today. He knows that full well and he knows that no offence was meant.

Assuming that he has not lost his sense of humour, I hope that he understands that no offence was meant. Even though these coming days will be tough and, we are told, fair ones for Canadians, I suspect they will be a lot tougher for Members opposite, and I beseech them to keep their sense of humour.

Mr. Speaker: I can assure Hon. Members that if I thought that language or a charge had been made about the honour or lack of honour of a specific Minister, I would have indicated at the time that the language had to be withdrawn. I did rise but I did not indicate at the time that I thought the language had to be withdrawn. I find the point of order to be similar in quality to a point of order raised earlier.

• (1510)

I do, however, want to say that the fact that something may be in order does not necessarily make it appropriate. I think there are times when some of us err here in the language we use, and I think Hon. Members know that in the heat of battle we sometimes say things we do not want to say. That is why I indicated at the time that, whatever the intentions were that lay behind the phrase, I did sense some Members of the House took it perhaps in a way which the Hon. Member indicated he did not intend it to be taken. That is why I indicated at the time that I thought the language or the comment was inappropriate. I think I will leave it at that.

* * *

CORRECTIONAL INVESTIGATOR

WITHDRAWAL OF 1983-84 ANNUAL REPORT

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I rise on a point of order. On Wednesday, April 3, 1985, I tabled the annual report of the Correctional Investigator for the period June 1, 1983, to May 31, 1984. I was under the impression at that time that the Standing Orders provided for a referral of this report to the committee. However, I subsequently realized that this was not the case since the tabling of the report is not required by statute. Under the circumstances, I would ask the House to disregard my request pursuant to Standing Order 46(4).

Mr. Speaker: I am sure the House is in agreement with that and the records will be changed.

Mr. Robinson: Mr. Speaker, the Hon. Solicitor General made reference to the annual report of the Correctional Investigator which he had purported would be referred to the Standing Committee on Justice and Legal Affairs. He indicated that upon reflection he felt that the report need not be referred. In the circumstances, Mr. Speaker, would it be appropriate for the Solicitor General to seek the consent of the House, if that consent is required, in order that this very important report might be referred to the Standing Committee on Justice and Legal Affairs where it can be given a careful examination and the scrutiny it deserves?

Mr. Speaker: The Hon. Solicitor General may have an indication. May I suggest that we wait until Motions are called and the Solicitor General may make such a motion or seek unanimous consent to waive notice, if that is his intention. Otherwise it would require a formal notice procedure. Perhaps I will recognize the Solicitor General under Motions.

* * *

POINT OF ORDER

WITHDRAWAL OF COMMENT CONSIDERED INAPPROPRIATE

Mr. Jack Shields (Athabasca): Mr. Speaker, last night during Private Members' Hour an occasion arose when I paraphrased a quote from Shakespeare, when I referred to the casting of pearls before swine. In the context that I did it, I think it falls into the category which you just outlined. Although it was not ruled out of order, not being unparliamentary, it was not an appropriate comment. The Hon. Member for Algoma rose and asked for the remarks to be withdrawn, which I did not do. A Member from the New Democratic Party also rose and asked that I withdraw the remark.

Upon reflection, I would like to withdraw the remark because I certainly did not want to cast any aspirations on any Members of this House sitting on the other side.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: I think we will correct *Hansard* one more time and say that I think the Member meant allusions—

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps it is aspersions.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I thought I would rise at this point to talk about the business of the next day or so. Today, as has been indicated previously, we will continue the discussion and, hopefully,

make progress, possibly even complete second reading, with a bit of good luck and co-operation all around, on the divorce legislation so that we can have this important matter in committee and allow the committee to hear representations not only of Members of Parliament but of the people of Canada generally.

That leaves tomorrow to consider. We might start the day off on the right note and continue, as the Deputy Speaker made reference to with the motion in the name of my colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), relating to time allocation under Standing Order 82 on Bill C-15, Investment Canada.

Following that Bill it will be my intention to call Bill C-32, which is a Bill to amend the Fisheries Act. I am hoping we can, during the time available to us tomorrow, make progress with respect to these important amendments.

As Hon. Members know, by order of the House, tomorrow will be a government day commencing at the usual hour of 11 a.m. At four o'clock, proceedings will be interrupted and suspended at that time for half an hour. The speech of my colleague, the Minister of Finance (Mr. Wilson), relating to the Budget of Canada will commence at 4.30 p.m. Proceedings of the House will continue in the usual tradition until the spokesperson for the Opposition has had an opportunity to rise and give the usual preliminary remarks. This procedure will continue on the first day of the budget debate which will be Friday.

As I indicated previously, Mr. Speaker, it is my intention to carry on with the second day of the budget debate on Monday. We will monitor the situation from time to time. I am hoping that we will be able to make progress on the time usually allocated for budgetary matters, but I will be in constant and continuing contact with the distinguished Opposition House Leaders to discuss the order of business from time to time as may be appropriate.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—FOURTH AND FIFTH REPORTS OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the Honour to present the fourth and fifth reports of the Standing Committee on Public Accounts. If the House gives consent, I intend to move concurrence in the fifth report later this day.

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

Petitions

FINANCE, TRADE AND ECONOMIC AFFAIRS—SIXTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Finance, Trade and Economic Affairs. The report asks for an extention of the time allowed the Canadian Commercial Bank to make its report until Friday, June 14, 1985.

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

* * *

[*Translation*]

CONSUMER AND CORPORATE AFFAIRS

TABLING OF REPORT OF COMMISSION OF INQUIRY ON PHARMACEUTICAL INDUSTRY

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I have the honour to table, in both official languages, the report of the Commission of Inquiry on Pharmaceutical Industry.

* * *

CANADA COUNCIL

TABLING OF SUPPLEMENT TO 1983-84 ANNUAL REPORT

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, pursuant to Standing Order 46(2), I wish to table, in both official languages, copies of the Supplement to the 27th Annual Report of the Canada Council for the year 1983-84.

[*English*]

Mr. Speaker: Petitions. The Hon. Member for York Centre (Mr. Kaplan).

* * *

PETITIONS

IMPRISONMENT OF BRUCE CURTIS IN NEW JERSEY

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour to present the petition of a group of Canadians resident in Ontario urging the federal Government to enter a treaty for the exchange of prisoners with the State of New Jersey so that Bruce Curtis, a Canadian citizen imprisoned in New Jersey, can be transferred to serve his time in his own country.

Mr. Speaker: Further petitions?

Petitions

[*Translation*]

SPOUSE'S ALLOWANCE

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have the honour of tabling a petition on behalf of residents in the federal ridings of Calgary West, Calgary North, Calgary South and Calgary Centre, who wish to ask the House that people between the ages of 60 and 64 who are single, separated or divorced and who are in need, be made eligible for the spouse's allowance available to widows and widowers.

I have a second petition from the riding of Rosemont, next to my own riding in Montreal, from residents who are opposed to the fact that the spouse's allowance is restricted to widows and widowers only. They are asking that the program be extended to people between the ages of 60 and 64, who are in need, and who are single, separated or divorced.

Mr. Speaker, my third petition is from constituents in the riding of Thunder Bay-Nipigon, in Ontario, who now avail themselves of their ancient and undoubted right to present a grievance common to your petitioners in the certain assurance that your Honourable House will therefor provide a remedy. They are asking that the Government of Canada extend eligibility for the spouse's allowance to all people between the ages of 60 and 64, who are in need and who are single, widowed or separated.

My last petition, Mr. Speaker, is from residents in Calgary West, Calgary North, Calgary South and Calgary Centre, who see the spouse's allowance program for widows and widowers between the ages of 60 and 64 as a social injustice where people who are single, separated or divorced are concerned.

They are asking this Honourable House to extend to them the same privileges granted to widows and widowers under Bill C-26.

● (1520)

[*English*]

OPPRESSION IN CENTRAL AMERICA

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I have the honour to present to the House of Commons a petition signed by members of my riding of Sarnia-Lambton who are exercising their fundamental and democratic rights by petitioning this House to seek redress of certain grievances.

My constituents are concerned about the current situation in Central America. They ask that the Canadian Government state openly that we are against the attempts of those Governments of Central America which block genuine freedom and reform, and that we work to aid the people of that region who so desperately need our help.

CHANGES TO OLD AGE SECURITY ACT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour to present a petition signed by a number of residents of Kamloops-Shuswap. These people are objecting to the provisions of Bill C-26 which unfairly discriminate against single people between the ages of 60 and 64. They wish immediate redress to ensure that these people will be allowed benefits.

[*Translation*]

Mr. Speaker, I have another petition signed by 25 residents of Sainte-Anne-de-Prescott in the great riding of Glengarry-Prescott-Russell, who are opposed to the fact that Bill C-26 discriminates against people between the ages of 60 and 64 who live alone and are single, divorced or separated.

I also have a petition signed by 94 residents of the village of Embrun in the electoral district of Glengarry-Prescott-Russell, and the 94 undersigned are asking that Bill C-26 be amended to enable people who are in need, between the ages of 60 and 64, and who are single, divorced or separated, to benefit under the new legislation.

Mr. Speaker, I have another petition, signed by residents of Plantagenet, Ontario. Mr. Speaker, you will be glad to hear that these people are also asking to have Bill C-26 amended so that people in need who are single, divorced or separated and between the ages of 60 and 64, will be able to benefit from the provisions of Bill C-26.

Mr. Speaker, I have a petition signed by members of the Senior Citizens' Club of Chute-à-Blondeau, Ontario. These 18 residents are also asking to have Bill C-26 amended to enable people living alone, who are in need, and are single, divorced or separated and between the ages of 60 and 64, to benefit under Bill C-26 and receive the spouse's allowance.

I have one last petition, with your permission, Mr. Speaker. It is signed by people of Saint-Albert, Ontario, which is in my riding, and the 63 undersigned humbly pray that the discriminatory provisions of Bill C-26 be amended to enable people who are in need and are single, divorced or separated, and between the ages of 60 and 64, to receive the allowance and to remedy forthwith the injustice that is being perpetrated against 80,000 Canadians.

Mr. Speaker: The Hon. Member for Richmond-Wolfe (Mr. Tardif). Petitions.

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am pleased to table a number of petitions concerning the same thorny issue of Bill C-26. A group of constituents from my riding of Richmond-Wholfe have felt it necessary to speak out officially against the discrimination of which single, separated and divorced persons are the victims.

Here is another petition, Mr. Speaker, again from my riding of Richmond-Wolfe, which states that the exclusion of single, separated and divorced persons from the benefits of Bill C-26 cannot be justified.

I have here another petition, again from my riding; it is from some 40 of my constituents who expressly deplore the totally discriminatory treatment made to people 60 to 64 years

of age, many of whom are in dire financial need and who are excluded from the benefits of Bill C-26.

Another petition, this one from a neighbouring constituency, strongly deplores this discriminatory legislation against some Canadians between 60 and 64 years of age.

I have another petition in which the petitioners oppose the unacceptable, unfair and discriminatory treatment of single, separated and divorced persons between 60 and 64 years of age. They insist on a new amendment being introduced to make them eligible to these benefits in accordance with a basic principle of social justice.

[*English*]

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have several petitions to present to the House. The first petition is from the residents of the federal riding of Essex-Kent. They are petitioning the Prime Minister (Mr. Mulroney) and asking him to extend eligibility for the spouses' allowance, which has been granted to needy widows and widowers between 60 and 64 years of age, to all Canadians who are either single, separated or divorced and who have identical needs.

I have a further petition. It is similar to the first one. It is from residents of the federal ridings of Calgary West, Calgary North and Calgary South, and several from Calgary Centre. This particular petition is asking the Government to extend the eligibility for the spouse's allowance, which has already been granted to needy widows and widowers between 60 and 64 years of age, to all Canadians who are either single, separated or divorced and who have identical needs. Mr. Speaker, 80,000 persons will suffer discrimination and social injustice if the Prime Minister overlooks the amendment they are proposing to Bill C-26.

I have a further petition signed by 19 residents of the federal ridings of North Vancouver-Burnaby, Capilano and Vancouver-Kingsway. These petitioners as well are petitioning the federal Government to extend the benefits in Bill C-26 to all Canadians who are either single, separated or divorced and who have identical needs.

The last petition I wish to present today is from a number of residents of the federal riding of Rosemont in Quebec. These citizens, who are very concerned about Bill C-26, are asking the federal Government to extend the eligibility for spouse's allowance to all Canadians who are either single, separated or divorced and who have identical needs.

Mr. Speaker: Presentation of Bills.

Mr. Malépart: Petition.

Mr. Speaker: Presentation of Bills. I had called it, I am sorry.

[*Translation*]

Mr. Malépart: On a question of privilege, Mr. Speaker.

Mr. Speaker: What is the question of privilege?

Mr. Malépart: Mr. Speaker, strangely enough, my privileges as a Member of Parliament are being jeopardized by your attitude.

My colleague has just finished with his petitions. I rose immediately, and you have twice refused me—

[*English*]

Mr. Speaker: Order. It is clearly not a question of privilege. It is also very clear to the Member that I had called petitions three times.

[*Translation*]

I called petitions three times and the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) did not rise. I waited—

Mr. Malépart: But, Mr. Speaker—

[*English*]

Mr. Speaker: I am sorry. I am indicating to the Member that there is no question of privilege. I had called petitions three separate times. The Hon. Member for York South-Weston came in after the Hon. Member for Glengarry-Prescott-Russell had finished. He came in and I called "further petitions", and the only Member who rose was the Hon. Member for York South-Weston. He was the only Member who rose. When he was finished I had already called it three times, and I therefore moved to the Introduction of Bills.

• (1530)

[*Translation*]

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault) on a point of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I simply want to point out that I believe that you were looking the other way. I saw what happened. Since my colleague was on his feet before you called the next item, there is no reason for not recognizing him on petitions.

[*English*]

Mr. Speaker: Is the Hon. Member indicating he wishes to challenge the Speaker's ruling? Is the Hon. Member indicating that?

[*Translation*]

Mr. Guilbault (Saint-Jacques): That is not what I meant.

Mr. Malépart: On a point of order, Mr. Speaker.

[*English*]

Mr. Speaker: Order. I have indicated to the House that as far as I am concerned everybody who had indicated they wished to present petitions had been heard. That is it.

[*Translation*]

Mr. Malépart: On a point of order, Mr. Speaker.

[*English*]

Mr. Speaker: Order. The Hon. Member for Ontario (Mr. Fennell).

Mr. Fennell: Mr. Speaker, it is my privilege to introduce a Private Bill, the purpose of which—

Mr. Speaker: Mr. Fennell, seconded by Mr. Kempling, moves for leave to introduce a Bill entitled An Act to Amend the Criminal Code (Capital Punishment).

[*Translation*]

Mr. Malépart: It is unacceptable! On a point of order.

[*English*]

Some Hon. Members: Sit down!

Mr. Speaker: Is it the pleasure of the House—

Some Hon. Members: Sit down!

Mr. Speaker: I will ask both Members to resume their seats.

I have indicated what I have done. I called petitions three times. The Hon. member says I did not. The fact is he was not in the Chamber.

An Hon. Member: That's right.

Mr. Speaker: Order. If the Hon. Member persists, he will leave me no choice.

Mr. Guilbault (Saint-Jacques): Do it.

[*Translation*]

Mr. Malépart: On a point of order.

[*English*]

Mr. Speaker: Order. The Hon. Member for Ontario (Mr. Fennell).

[*Translation*]

Mr. Malépart: Go ahead, throw me out! You will not prevent me from speaking. We have the right to express our views here.

[*English*]

Mr. Speaker: The Hon. Member for Montreal-Sainte-Marie leaves me no choice; I must name the Member for disregarding the authority of the Chair. He leaves me no choice.

[*Translation*]

Mr. Malépart: We are not going to let the Chair dictate to us. We want to have impartial justice, not partial justice.

[*English*]

Mr. Speaker: I invite the Hon. Member to withdraw his challenge. It is very simple. Under the circumstances I have no choice but to name the Member unless he chooses to resume his seat and not pursue this matter. He is creating a disorder in the House by refusing to accept the authority of the Chair. I invite the Hon. Member to leave the matter—if he rises, I must name him.

[*Translation*]

Mr. Malépart: Are you recognizing me, Mr. Speaker?

[*English*]

Mr. Speaker: I have to name the Hon. Member for Montreal-Sainte-Marie.

[*Translation*]

I have no choice.

Mr. Malépart: Question of privilege, Mr. Speaker, I have the right to speak.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I do not know, is the Hon. Member prepared to accept the ruling of the Chair? If not, I am obliged to move a motion, which I am reluctant to do, naturally. We make our points in this place, but if the Hon. Member is serious about challenging the Chair, then it leaves me no alternative but to move a motion.

[*Translation*]

Mr. Malépart: Mr. Speaker, may I say something? You have decided on this issue without hearing me out. I cannot, therefore, accept the fact that the Chair can deprive me of the right to speak without giving me an opportunity to be heard. This Parliament is not only for Members of the Progressive Conservative Party, but for Members of all parties.

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I very much regret to have to move this motion:

That the Hon. Member for Montreal-Sainte-Marie be suspended from the service of the House for the remainder of today's sitting.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Hnatyshyn) which was agreed to on the following division:

(Division No. 25)

YEAS

Messrs.

Andre
Angus
Beatty
Belsher
Benjamin
Bernier
Bertrand (Mrs.)
Binns
Bissonnette
Blackburn (Jonquière)
Blaikie
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Cassidy
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Chartrand
Clark (Brandon-Souris)
Clifford
Clinch
Cochrane
Collins (Mrs.)
Comeau
Cook
Côté (Lac-Saint-Jean)
Crofton
Crombie
Crosby (Halifax West)
Darling
Deans
de Cotret
de Jong
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Thunder Bay-Nipigon)
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fraser
Fretz
Fulton
Gagnon
Gass
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Holtmann
Horner
Hovdebo
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Jewett (Ms.)
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Keeper
Kempling
Kilgour
Landry (Mrs.)
Langdon
Lanthier
La Salle
Layton
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
Mailly (Mrs.)
Malone
Manly
Mantha
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCurdy
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McDougall (Mrs.) (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
Merrithew
Minaker
Mitges
Murphy
Murta
Nicholson (Niagara Falls)
Nickerson
Nystrom
O'Neil
Oostrom
Paproski
Parry
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Ricard
Riis
Robinson
Rodriguez
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Young—181.

NAYS

Messrs.

Axworthy
Boudria
Caccia
de Corneille
Finestone (Mrs.)
Foster
Frith
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Hopkins
Isabelle
Kaplan
Killens (Mrs.)
MacLellan
Marchi
Nicholson (Miss) (Trinity)
Nunziata
Pépin (Mrs.)
Prud'homme
Robichaud
Rossi
Tardif (Richmond-Wolfe)
Tobin—26.

[*Translation*]

Mr. Speaker: I declare the motion carried. I must now order the Hon. Member to leave this chamber pursuant to Standing Order 38(2).

And Mr. Malépart having withdrawn:

Some Hon. Members: Hear, hear!

* * *

[*English*]

CRIMINAL CODE AMENDMENT ACT, 1985

MEASURE TO ENACT

Mr. Scott Fennell (Ontario) moved for leave to introduce Bill C-240, an Act to amend the Criminal Code (capital punishment).

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

Some Hon. Members: Agreed.

Mr. Fennell: Mr. Speaker, it is my pleasure at this time to introduce this Private Members' Bill. The purpose of the Bill is to restore the death penalty for substantiated first degree murder and high treason. The Bill also provides for a more humane method of implementing the punishment.

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

* * *

CRIME VICTIMS ASSISTANCE ACT

MEASURE TO ENACT

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-241, an Act to provide assistance for victims of crime.

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

Some Hon. Members: Agreed.

Mr. Crosby: Mr. Speaker, this Bill enacts a new statute called the Crime Victims Assistance Act. The provisions require that a crime victim be kept informed respecting the investigation of the crime and the prosecution of the offender. At present, the victim has no status in the legal process.

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

Order Paper Questions

PUBLIC ACCOUNTS

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, if the House gives its consent, I move that the fifth report of the Standing Committee on Public Accounts presented to the House earlier this day be concurred in.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 154, 176 and 220.

[*Text*]

SCIENCE AND TECHNOLOGY PROGRAMS

Question No. 154—**Mr. Orlikow:**

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

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): No.

ABORTION COMMITTEES

Question No. 176—**Mr. Stackhouse:**

1. On the last day for which information is available, how many Canadian hospitals had abortion committees and how many did not?

2. How many were Department of National Defence hospitals?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Health and Welfare and National Defence as follows:

1. In its report, the Committee on the Operation of Abortion Law (appointed by the Pricy Council, September 29, 1975 and chaired by Robin Badgley) indicated that out of 1,348 non-military hospitals, 559 were eligible to establish therapeutic abortion committees in terms of their major treatment functions, the size of their medical staff, and their type of facility. Out of these, 271 hospitals had established therapeutic abortion committees by the end of 1976, and 288 hospitals had not.

The latest data obtained from Statistics Canada (Institutional Statistics Section) pertains to 1982. In that year there were 1,218 non-military hospitals in Canada of which 261 maintained therapeutic abortion committees. No information is available on the number of non-military hospitals that were eligible for such committees in 1982.

2. None.

RELEASE OF ARMED FORCES PERSONNEL

Question No. 220—**Mr. Howie:**

For the year ending March 31, 1984, were any personnel released from the Canadian Armed Forces and, if so, how many?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): During the period April 1, 1983 to March 31, 1984, 5,078 personnel were released from the Canadian Armed Forces.

[*Translation*]

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

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

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

DIVORCE ACT

MEASURE TO AMEND

DIVORCE AND COROLLARY RELIEF ACT
FAMILY ORDERS ENFORCEMENT ASSISTANCE ACT

MEASURES TO ENACT

The House resumed consideration of the motions of Mr. Crosbie that Bill C-46, an Act to amend the Divorce Act; Bill

C-47, an Act respecting divorce and corollary relief; and Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and the attachment of certain moneys payable by Her Majesty in right of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am pleased to see the Government move forward with its divorce legislation. On behalf of my Party I have done everything I can to co-operate to see that the Bill moves forward expeditiously to the committee in the hope that it might even become law by the summer. In fact, I suggested to the Government House Leader (Mr. Hnatyshyn) that the three Bills that relate to the divorce question be read together at all stages. That order has found approval. Therefore, I am rising to speak to the second reading of all three Bills dealing with the question of divorce.

We have had some loss of time this afternoon but I want to reiterate the intention, which I know is shared by the New Democratic Party, to try to conclude second reading of the Bill this afternoon and see it referred to the Justice Committee. I must say that I was disturbed that the Minister took so long yesterday in his remarks. I would have wanted to speak yesterday and would have been prepared to do so if he had left some time for that purpose.

What disturbed me even more is to have read in the media yesterday that the Government does not expect that any of the Bills of the Minister of Justice (Mr. Crosbie) will become law before the summer. This applies to the drunk driving legislation, which was part of Bill C-18 that is now before the Senate, and it applies to this Bill as well as to the Government's initiative on street soliciting.

I want to make the position of our Party very clear on these subjects. As early as last December we were offering our full co-operation to get the drunk driving legislation on the books in time for Christmas. We would have co-operated in moving toward that goal if the Government had had the initiative to do so.

With respect to the question of soliciting, our Party recognizes that it is a serious problem which, in some parts of our country, becomes even more serious during the summer. I want to put on the record for the Government once again that while we do not agree with the entire Bill that the Government brought forward with respect to street soliciting, we wanted to get it into committee. We would have co-operated with a short second reading debate so that the Bill could get to the committee. We could then determine if the Government is aware that its drafting of the Bill poses dangerous consequences for civil liberties and for prostitutes themselves. The Government recognizes that this would continue to be a problem even with its legislation on the books.

We wanted to hear from the Minister how the extra crime that appears to be the consequence of his legislation would be countered. What would happen to prostitutes under the legislation as he proposes it? Would their lives be subject to greater danger, greater pressures from possibly corrupt policemen, from pimps, and from customers? We have a lot of questions about that Bill. At the same time, to read in the newspaper yesterday that the Minister is not prepared to get that legislation through by the summer should make it clear to the Canadian people that it is the Government that is responsible for these problems remaining with us. We are ready to co-operate on this side of the House. We would like to see the divorce Bill through. We would like to see a solution implemented in the area of street soliciting. We would like to see drunk driving legislation on the books. These Bills are not on the books because this Government is not organizing its business properly.

• (1630)

Some Hon. Members: Oh, oh!

Mr. Kaplan: It has the full co-operation—

Mr. Speyer: What about the Senate?

Mr. Kaplan: —of this side of the House in moving—

Some Hon. Members: Not true.

Mr. Gormley: What about Bill C-15?

Mr. Kaplan: You talk about what is happening today. I am not talking about Bill C-15. That is a different story. Bill C-15 is not a Bill that we are prepared to assist the Government in passing. We are prepared to see the Government move forward on these other three matters. I am sorry but before the delay today, before we had an opportunity to indicate on the floor our position on these other Bills, the Government was already throwing up its hands. I hope that I will not hear the Minister of Justice (Mr. Crosbie) say during the summer that street soliciting is the problem of the Opposition because the Opposition is not co-operating. We are co-operating. Let the Canadian people know where the responsibility is for the failure of this legislation, these three important Bills, to move forward now.

I would like to say a few words on the subject of divorce. I will reduce my remarks beyond perhaps what they should be and certainly beyond what I had in mind because I am anxious to see the Bill get to committee, perhaps by the end of the day.

We agree that divorce legislation needs to be reformed and that reform is overdue. We agree that the legislation now in effect tends to increase the contentious nature of a divorce proceeding. When that happens, reconciliation becomes less likely rather than more likely. We wanted to see legislation introduced that would make divorce less contentious. We are happy to see legislation brought forward that makes the divorce procedure less expensive and less drawn out.

The existing legislation requires if no fault can be found, that there must be three years of separation. That is a very lengthy period of time. We on this side of the House do not believe that a broken marriage, broken for one year, is more

likely to survive if a three year period of separation is required. In other words, we think one year is long enough. We think also that the procedure could be streamlined. That is addressed in this legislation. What is the necessity in an uncontested divorce of the court appearance and the court proceeding? Divorce does not have to be as expensive and as lengthy before the courts as it is.

We are pleased to see legislation brought forward that deals more directly, more humanely, in a more contemporary manner with the consequences of divorce and with the question of maintenance, to which I want to come back later in my remarks. We are glad to see that it is addressed and that there is a better rationale, more in keeping with the equality of spouses and more in keeping with the nature of a marriage nowadays. We are also happy that custody is addressed and the problem that now exists in the area of custody is being addressed somewhat in this legislation.

I would like to remind the House and the Government that all of these problems were known to the former Government and were the subject of the legislation brought forward by the former Government. I want to pay tribute to my former colleague, the Minister of Justice Mark MacGuigan, who brought forward a very good bill that addressed all of the issues addressed by this Bill, except for one or two matters that I hope to have time to deal with and offered the same solutions.

What is interesting is that when the former Government brought forward its Bill, we did not have an Opposition Party that said it was going to co-operate to improve the divorce law. The former Opposition, the present Government, laboured anxiously and met in caucus to discuss how it would deal with the Bill. The present Minister of Employment and Immigration (Miss MacDonald) announced what the Government's position on that legislation was.

The Tories were going to fight it, they were against it and even though it was exactly the same in all important respects as the legislation being brought forward now—I will deal with the differences—the Tories said, "After intense discussion, we have come to the conclusion that the existing divorce Bill,"—namely the one of the former Government—"is shallow, superficial, and simple." They were stuck with having characterized the divorce Bill brought forward by Justice Minister Macguigan as shallow, superficial, and simple. The Tories were stuck when September 4 came along with the problem of having to address divorce. They have agreed in what they have done that the matter is a priority but, not being able to do exactly what the former Government did, even though in substance the Tories have brought forward the same thing, they engaged in a search for a face-saving tactic to bring forward essentially the same legislation, allowing them to live with the remarks they made while in Opposition.

Let me say what I like about the Government Bill. What I like are the essential parts which copy exactly what was in the former legislation. I will then have to say what I do not like about it, which is the face-saving technique the Tories found to differentiate their Bill from the Liberal Bill. It is a face-saving technique to which I would concede if it were not damaging, but it is damaging to the divorce Bill. It is a mistake to do what the Tories are proposing to do to differentiate their Bill. I am referring here to the very superficial frill the Tories have added on the subject of fault, Mr. Speaker.

Let me first go over the features of the Bill we welcome, that we think are overdue and should have been in effect for a year or more than a year had the Bill introduced by the former Government been passed and not fought so hard by the former Opposition.

We are moving away from a contentious type of divorce. The old requirement of a three-year separation for marriage breakdown made the other grounds more attractive and the parties tended to be driven into a situation where they were wanting to characterize themselves with one as the innocent party and one as the guilty party and so get a divorce on the basis of fault. We are glad the Bill follows its Liberal predecessor in moving away from the contentiousness that has characterized divorce in our country until today.

We are glad not only for its own sake but because it makes divorce a more dignified process that we recognize it is. In fact, this is a divorce procedure which encourages reconciliation more than the present procedure does. Like the Liberal Bill, there is an incentive and a requirement for attempted reconciliation during that one year of separation.

We do not believe, as the Government does not believe, that having tough divorce laws makes for stronger marriages. In other words, if it is hard to get a divorce, people will try for that reason to make their marriages work. We do not agree with that. People who are trying to make marriage work do not look over their shoulders at what the divorce law is. I cannot accept the argument of those who want tough divorce as a way of showing the sanctity of marriage or as a way of showing that spouses should work to make their marriages work. As long as they want to make their marriages work, they are not looking over their shoulders at what the divorce law is. When a marriage does break down, and the grounds are to be set out in the Bill—we accept them—divorce should be realistic. Divorce should be contemporary and above all, as is the tenor of the Bill before us, the divorce procedure should try to encourage reconciliation. Better than the existing law, this Bill tries to encourage reconciliation. I will not go into the details as they were placed on the record by the Minister in his statement yesterday.

• (1640)

We are glad that the Bill reduces the amount of legal process in court proceedings. This is a Bill which, like the Bill of the former Government, will not require that the spouses appear before a judge when there is no contention or no contest and when all matters are settled. Also, we are glad to see a modern philosophy of maintenance which is based upon a recognition of the equality of the spouses but which recognizes that, where one spouse is dependent, there is an obligation on the other spouse to assist the spouse in achieving economic independence if it is possible. If it is not possible, that is

recognized and maintenance of the dependent spouse is provided for.

Although the Government introduced fault as a ground for divorce, it specifically detached the issue of fault from the issue of maintenance. I am worried that that detachment, which is formally provided for in the Act, will not work and that because the Government brought fault into the Act, it will find its way into the maintenance issue. I will explain how I think that will happen, regrettably, in a moment when I come to urging the Government to withdraw the face-saving component it added on the question of fault.

We are also glad that custody is addressed. When we get to committee, we will want the Government to consider the issue of custody because more than it should, custody has developed in divorce situations to be custody of one parent or the other. The time has come to recognize that joint custody is a viable basic concept and that divorce itself should not be a ground, as often as it is, for the judge confronting the issue of which parent should have primary custody and what the rights of the other should be. Joint custody works very well in some jurisdictions in the United States. Having been dry run in the United States, we think it needs to be brought more than it is into the Canadian context. When that feature of this package of legislation is addressed, we will want to express our views about it.

In a final area, I want to indicate that the Government went further than the former Government in the area of enforcement of maintenance orders. We are happy about that, but we do not think the Government has gone far enough. In our legislation in the last Parliament, we talked about going to the provinces and speaking with them about enforcement. The new Government considers itself to be in a very different position in relation to the provinces. The new Government feels that it has a very good relationship with each province. I am prepared to concede that it has a better relationship with a lot of the provinces than did the former Government. If the Government has that good relationship, why is it not using it to try to get a better system of maintenance that the one proposed? It talks about an exchange of information and about entering into agreements with provinces. I would like to see more.

Given its claims about good co-operative relations with provinces, it should have put more on the table now. We will be asking the Government in committee to put more on the table, to protect dependent spouses and dependent children, and to ensure that the wealthier spouse is in a position to make the payments. We would like to see more machinery and more recourse contained in this legislation to assist dependent children in getting what is their due. The Minister made a good sounding speech about it. He recognizes the cost to other taxpayers when dependent spouses and children are unable to collect from more independent spouses the payments ordered by the court, but I would like to see more machinery to give effect to that.

I mentioned that the Government was faced with a dilemma because it wanted to produce all these good things. I have outlined them and the reasons we support the Bill. However, government Members could not have simply reintroduced the Liberal Bill because they had criticized it when they were in Opposition. Thus they introduced the concept that, notwithstanding a general no fault philosophy, fault—that is, cruelty or adultery—would be a continuing ground for divorce without having to wait for one year. I do not suppose we are in a position as one small opposition Party to prevent the Government from introducing the concept of fault, but we will try to convince it that it is wrong in the general framework of the legislation we have discussed and of the good things included in the legislation, borrowed, as I said, from the former Liberal Government, to add on this little frill about fault.

I will refer to the information which the Government put forth. It claims to want the divorce process to be less adversarial while increasing chances for the reconciliation of the spouses or, where this is not possible, providing a more humane and fairer resolution of the consequences of divorce. Mr. Speaker, you can see the problem. If fault and cruelty are grounds for an early divorce, there will be a tendency in some situations, if not by both spouses then by one or the other, to want to use those grounds to obtain an early divorce without waiting for the year. If those are available grounds, I submit that even if the legislation indicates that fault should not go to maintenance, there will be a negotiation which takes account of the possibility of early divorces between spouses. In many cases one will put pressure on the other to go the fault route in order to obtain an earlier divorce at the price of some concessions on maintenance. I think that is wrong and that fault should be taken out for that reason alone.

There is another reason as well—the custody issue. I see nothing in the Bill which unties custody from the fault issue. What I am worried about—and I will want the Minister to deal with it—is how we will assure that custody is decided on proper grounds and that custody is not side-tracked into the cause of an early divorce where fault becomes one of the grounds. I do not want either of the spouses or the court to be directed, because of this little face-saving fault issue, into taking fault into consideration unduly in the awarding of custody. I am worried that the Bill, the way the Minister presented it, will lead to custody being affected inordinately by considerations, which may not even be very serious considerations of fault, designed by the couple to allow for an earlier divorce.

Also I think that the addition of fault will tend to work against the reconciliation machinery provided in the divorce Bill, and that we will see couples avoiding the reconciliation route which is in the law because the Government has found it necessary to provide for a divorce by way of adultery or cruelty on a quicker basis.

The Minister was very uncomfortable with the issue of fault. We could see that from the speech he delivered in the House yesterday. I wondered how he would resolve the dilemma of favouring the no fault divorce yet including a provision for a divorce by way of established fault. When I listened to him, looking for the way he would resolve the dilemma, I found that

he did not resolve it at all. He said, as reported at page 4933 of *Hansard:*

A major criticism of the present system is that it focuses overly on the alleged fault of the spouse or spouses. It polarizes a conflict situation. It creates increased tension. It discourages reconciliation.

● (1650)

Yet, having made all that criticism of fault, he introduces it in this bill. He also said:

—an accusation of fault is certainly not conducive to mediation of the possible consequences of divorce. If we want divorce to occur in the proper kind of atmosphere and in the proper circumstances, where the parties think what is the best way of dealing with the problem, what is the best way of looking after the children for whom we are now responsible, then we need to remove the fault grounds and deal with the consequence that a particular marriage has broken down.

Later he continues:

It is still an atmosphere of conflict—antagonism and fault.

If the Minister feels so negatively about fault that he would go to such lengths to criticize it in the same way the former Government criticized it, why not follow the model of the former Government and leave that ground out and come back to the grounds provided for before? He does not even think that fault will be used very much. At page 4934 he says:

My guess would be that in four or five years' time the use of the fault grounds will be very rare.

I hope he is right. But if he is, why put it in to complicate the package? The fault ground is counter-productive and it can only lead to more acrimonious divorce and provide a back-door entry to fault as an issue in maintenance or custody; it can also decrease the likelihood of reconciliation taking place.

[*Translation*]

Those are the comments I wanted to make on Bill C-46, Bill C-47 and Bill C-48. I had a long list of my colleagues—I have three other colleagues who told me that they wanted to speak on this issue on second reading. However, to be helpful to the government which would like to refer the bill today to the Committee on Justice and Legal Affairs for consideration and public input, I will conclude now. I will not carry on the debate to urge the government to remove the concept of fault contained in the bill. Finally, it is the responsibility of the government to take a decision considering its huge majority. However, the Liberals will do their utmost to make sure that the legislation is amended before it is enforced this summer.

[*English*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise and take part in this debate on the most significant overhaul of Canada's divorce legislation since 1968. This Bill represents a major improvement over the previous Bill tabled in this House by the former Minister of Justice in the spring of 1983. Where it has been improved most significantly is in the area of enforcement of maintenance orders. I want to pay tribute not only to the many groups and individuals from across Canada, including the National Action Committee on the Status of Women, the Canadian Advisory Council on the Status of Women, and other such groups, but also to single out the contribution made by my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald). In her capacity as justice critic in the spring of 1984, on behalf of the federal New Democratic Party caucus, she worked very hard to bring to the attention of the Government our concern about the deficiencies in the Bill, particularly in the area of maintenance and the enforcement of maintenance orders, access to government data banks, and the whole question of pension splitting. I believe that much of the credit for the improvement in this legislation today must lie with that Hon. Member for the work she did on behalf of our caucus in this area.

The question of divorce is one which has touched the lives of literally hundreds of thousands of Canadians. The most recent figures show that over 65,000 divorces were granted in 1983, a decline from 1982 when there were over 70,000. Of course, the statistics show as well that some four out of ten marriages in Canada today end in divorce. It is a rather sad commentary that almost half of the marriages in Canada today end in divorce. It is a rather sad commentary that this is happening at a time when we see in our society the phenomena of increased alienation, loneliness and pages and pages of ads in newspapers of people looking for companions. It is a rather interesting irony that while marriages are breaking down and families are splitting, there are still many Canadians who seek relationships. Certainly many of us regret very deeply the number of divorces and the extent of divorce in our society. It has touched, as I say, hundreds of thousands, including Members of this House. Indeed, I myself have been through the experience of divorce and thus can empathize with the feelings of pain and hardship which is experienced in the process.

Over half the divorces in Canada involved young children. In 85 per cent of those cases, custody is granted to the mother. The difficulty at present is that half of all single parent families in Canada headed by women live in conditions of poverty. When one combines those statistics, we can see that we must do a great deal more to ensure that women of single parent families have the means to bring up their children. Perhaps one of the most telling statistics are those disclosed in a recent study in the U.S. which show that following divorce the standard of living of men increased by some 42 per cent, whereas for the women it dropped by some 73 per cent. So, while we certainly have to look at the grounds for divorce and the question of enforcement of maintenance orders, we have to recognize as well that the position of women following divorces, generally speaking, is far worse than that of men.

Compounding those difficulties is the fact that social assistance levels in Canada today, and I might say particularly in my own Province of British Columbia, are far too low. In many cases they force women to live in what can only be described as abject poverty, and not just women but also their children.

The most important innovation in this legislation, Mr. Speaker, is the introduction of the concept of marriage breakdown as being the sole ground for the granting of a divorce. Marriage breakdown is to be evidenced by a period of separa-

tion of at least one year. I want to say without reservation that we in the NDP strongly support this move. Indeed, as long ago as 1967 we adopted a policy calling for the introduction of no-fault divorce in Canada. That followed hearings by the special joint committee in 1966 and 1967. Indeed, it was in 1967 and 1968 that the last major overhaul of the Divorce Act took place. At that time my colleagues in the NDP argued for marriage breakdown as the sole ground for divorce. I want to pay tribute to the far-sightedness of former Members like Grace MacInnis, Andrew Brewin and John Gilbert, along with other Members, who argued for the kind of enlightened legislation which is being brought forward today.

● (1700)

At the same time, I would like to pay tribute to two gentlemen who perhaps more than any others fought to ensure that the House of Commons recognized that divorce law in Canada was archaic and had to be changed. Those two gentlemen were Arnold Peters and Frank Howard. They single-handedly conducted a filibuster in this House by bringing each individual petition for divorce from the Province of Quebec before the House. Back in the 1950s and the 1960s, as you will recall, Mr. Speaker, it was the case that divorces in the Province of Quebec could only be obtained by bringing an individual petition to the House of Commons. It was Arnold Peters and Frank Howard who said that that kind of nonsense had to end.

There are those who have expressed concern about the fact that we are not retaining the 14 or 15 grounds of fault which are contained in the present Divorce Act even though realistically, only three or four of them have been used in the courts on a regular basis. Perhaps it was the Catholic Women's League that put it best in its brief to the House with respect to the question of no fault divorce. The brief indicates the following:

> The present system of having to "air one's marital laundry" in a public courtroom seems both demeaning and time-consuming. It is obvious that at a point of time where the matter is being heard by a Divorce Court Judge, any possibility of reconciliation has long since dissipated. The present system appears to lend itself to a good deal of mutual disrespect and disposes of any possible future friendship the spouses may have. Furthermore, the accusations and counter-accusations of the present adversarial system seem to do a great deal of harm to the familial relationship which often-times must survive the dissolution of a marriage because of children.
>
> Accordingly, it is our submission that the best interests of all parties concerned, including children would best be served if the only ground for divorce were permanent breakdown of the marriage.

As I said, that was the position taken by the Catholic Women's League. It is rather interesting that it would appear to be in some conflict with the position taken by the Catholic bishops. I would certainly defer to the wisdom of the Catholic Women's League on this particular issue.

The Government has decided that it will effectively eliminate the fault provisions of the Divorce Act, but instead of accepting the argument that we should eliminate entirely the fault grounds on the basis that a marriage breakdown is a complex situation and that to ascribe the breakdown to a particular act or series of acts denies the reality of the marriage, the Government has attempted to retain the fault concept by permitting couples to obtain a divorce after a separation of less than one year on the grounds of adultery or cruelty. We have serious concerns about the retention of these fault grounds and I would like to take a moment to explain why it is that we believe that this is not the most appropriate course for the Government to take and that in fact its provision for a one-year period of time before marital breakdown is established should be the sole ground for divorce.

First I would note that by retaining the grounds of adultery and cruelty, children will still be called upon to testify with respect to violence. Children will still be called upon to testify as to how daddy beat mommy. We will still have a situation where fault is ascribed and the marriage breakdown is pinned solely on one party. That cannot be a step forward for Canada today.

As well, by retaining the ground of adultery, couples will still connive even though conniving and collusion is illegal. I think most Hon. Members know that when couples wish to obtain a divorce earlier, they will go through the motions of establishing evidence of adultery by hiring private investigators who burst into motel rooms at in appropriate times with flashbulbs flashing. The charade which is involved in establishing the ground of adultery will continue. Private investigators will still peer through the windows of individuals after which they will swear affidavits. I had hoped that those days would be gone. Unfortunately, the Government has decided to retain those two grounds for divorce. I hope that the Standing Committee on Justice and Legal Affairs will consider carefully whether this is indeed in the best interests of Canadian men and women whose marriages have broken down.

It has been argued that these grounds will be relied upon only in rare circumstances. I would like to point out that the evidence from other jurisdictions is very much to the contrary. In fact, in jurisdictions which grant divorces on both fault and no fault grounds, fault grounds are used more often than no fault grounds. In 1974, for example, in England and Wales where there is a two-year period of separation before a no fault divorce can be granted, slightly over 60 per cent of divorces proceeded on fault grounds. I would point out as well that if one wants to prevent couples from making too hasty a decision to divorce, it does not seem wise to maintain in the Act grounds which would facilitate a divorce after only a few weeks or months. Surely a one-year minimum is appropriate in those circumstances.

Mr. Thacker: What about the pregnant woman?

Mr. Robinson: Other Members have raised concerns about issues related to this matter and I am certain that in the context of the committee hearings on this Bill, those concerns will be aired fully. The Canadian Advisory Council on the Status of Women has raised its concern that in some instances, the retention of the grounds of adultery and mental or physical cruelty may in fact receive undue consideration in determining custody arrangements in provincial courts.

There are some who ask about the situation in which the woman is pregnant as a result of adultery. They ask if she should not be able to get out of her marriage even more quickly than the one-year period provided by the Act. Fortunately, in Canada today, the stigma of illegitimacy has disappeared. That is a concern, but we should weigh the pros and cons involved in retaining the grounds of fault. Despite that concern, which I do recognize, I feel that on balance it is not wise to retain the grounds in these circumstances.

I think it is also important to note very clearly that when we are dealing with a Divorce Act, we are dealing with marriages which have broken down and with relationships which have failed. Those who argue that by easing the pain and suffering involved in these circumstances we are somehow facilitating divorce are flying in the face of the reality of these relationships. Of course we want to do everything in our power to strengthen marriages and the role of the family in our society. However, where relationships have broken down, we should not be perpetrating measures which simply add to the pain, suffering and hardship involved in what is already a very difficult situation.

We should be supporting families through economic means. There should be better provision of child care, improved family allowances, shelters for battered women and economic equality for women. We should be ensuring that people in our society are better prepared for marriage itself. There should be more provision for pre-marital counselling in our communities and there should be better marriage preparation.

At this point, I would like to pay tribute to those church and other organizations that do engage in pre-marital counselling. In my own constituency of Burnaby, the Burnaby Christian Fellowship in conjunction with a number of other churches has embarked upon an excellent program of pre-marital counselling as well as counselling for those couples whose marriages have run into difficulty. The objective there is to attempt to salvage the marriage. But there is the recognition where that marriage has broken down, that the relationship should not be aggravated and the hardship which is faced by children should not be aggravated by forcing couples into the courts to point fingers with respect to allegations of wrongdoings by one party or the other.

• (1710)

In addition to strengthening marital relationships and ensuring that adequate funds are available for premarital counselling programs, we should do everything in our power to promote mediation and counselling at the point at which couples feel their relationship has begun to flounder. Unfortunately, it is still the case in too many provinces that the resources which are made available for mediation and counselling are totally inadequate. In the Divorce Act there exists a legal requirement for lawyers to point out to couples which are contemplating divorce any resources which might exist in their communities for mediation and counselling. Yet, as is too often the case, that obligation in the Divorce Act is a mere formality. In many communities there are inadequate resources for mediation and counselling. While there should continue to be an obligation on members of the legal profession to advise on the services which are available, as well, federal funding should be made available to ensure that those services are, in fact, a reality. Once again, hopefully, marriages can be salvaged rather than proceeding to divorce.

In too many cases it is the children who are the real victims. They are helpless victims in a divorce. The pain and scars which children too often feel can last for many, many years. I would hope that one of our most important and fundamental objectives in the area of divorce would be to ease the pain which is felt by children. One of the most important ways of doing that is to ensure that the Divorce Act does not, in effect, represent a tug of war between two parents over their children, but rather, recognizing that it is the best interests of the children, which should be the only relevant factor, that wherever possible those interests should be promoted through the use of joint custody. Instead of assigning custody of the children to one parent or to the other, we should recognize that while it is not possible for the spouses to continue living together, their love for and responsibilities to their children continue and, wherever possible, custody should be joint. That is the norm in a number of other jurisdictions, including a number of American jurisdictions. For example, California's Civil Code has been amended to declare that while custody should be awarded according to the best interests of the child, the first priority is to award custody to both parents jointly. The California Civil Code further states that the custody orders should encourage frequent and continuing contact with the noncustodial parent, and shall not prefer a parent as custodian because of that parent's sex.

There is still a perception in Canada today that mothers should be granted custody on a preferential basis. There are too many fathers who are denied custody in the courts who would be willing, able and, indeed, anxious to share in the custody of their children through a joint custody provision. That could only be in the best interests of the children. I would note, as well, that the former legislation did make provision for the appointment of a child advocate, a lawyer to act on behalf of the child where the interests of the child could be represented independently in the court room. That was a good provision and it is one which should be included in this legislation.

In addition, the Bill is not clear about the possibility of awarding custody or access to persons other than parents. The previous legislation made it clear that in those rare circumstances in which a parent was not the appropriate person to whom custody should be awarded, that another individual could be granted custody, for example, a grandparent, an aunt or an uncle who had looked after the children. I would suggest that the Bill should be made more explicit to make it clear that that is a possibility under this legislation.

With respect to procedure, in Canada today, 95 per cent of divorces are uncontested, but it is still necessary for the individuals in question to go through the ritual of court proceedings. In many cases, it is an expensive revolving door. It is a mere formality. We welcome the provisions in the Bill

which would permit the provinces to allow divorces which are uncontested without an expensive court hearing. That would save both time and money. At the same time, I would urge the Government to do whatever it can to promote the concept of unified family courts. There are unified family courts in a number of jurisdictions. I hope the Government will recognize that the concept of one court, in which legal proceedings can take place with respect to divorce as well as providing facilities for conciliation and mediation, is important. Financial assistance to establish unified family courts should be provided.

Reform in the area of divorce law involves two basic elements. It involves the whole question of the grounds upon which divorce is granted, and it involves the question of maintenance. The Law Reform Commission of Canada, in 1976, made that point very clearly. It stated:

> Reform involves two courses of action. First there must be an effort by government in Canada to improve individual laws and practices that deal directly with maintenance enforcement. Second, the whole body of marriage breakdown law must be thoroughly re-shaped. It is as much the traditional fault-and-adversary foundation of this law as it is the particular deficiencies in enforcement techniques that accounts for the appalling record of non-payment of maintenance obligations in Canada.

The final areas I wish to address today are the question of maintenance, the enforcement of maintenance orders and an assurance that where maintenance is ordered, the spouse in question makes those payments. This Bill is a significant improvement over the previous legislation in several respects. First, the criteria upon which maintenance is granted are improved. They are more appropriate and recognize that it is not always possible for a woman who is 50 or 55 years of age, who has been working in the home for many years, to be able to quickly establish economic independence. Indeed, that may not be possible, given the high levels of unemployment today. The second improvement was in the area of fixed maintenance awards. The previous Government's legislation made provision for awards which, at the end of the term, could not be varied under any circumstances. Clearly that was wrong. I am pleased the Government has recognized that and is making provision for the possibility of reopening fixed term awards where the circumstances might not have worked out as the court had anticipated in making the original award. The previous provisions were particularly unfair to older women who might have undergone a process of retraining but simply were not able to find jobs after that.

With respect to the enforcement of maintenance orders, I would urge the Government to adopt as a policy the establishment of a national enforcement agency which would begin the enforcement process when a spouse defaults on payments, and which would also have the authority to garnishee wages and other income sources. The enlightened Government of Manitoba has, once again, led the way in that area. Manitoba in fact has the only automatic state initiated enforcement system in Canada. Whereas in 1975, some 75 per cent of Manitoba orders were in default, in 1983, after four years of automatic state enforcement, 85 per cent of maintenance orders were in fact being collected. The program was so successful in 1983 that it actually made a profit. It collected some $8 million and the total cost of collecting that amount was about $300,000. Of the amount collected, some $600,000 was turned over to the provincial treasury. Therefore, I would urge the Government not to just nod its head and say, "Yes, this is a good system", but to go further.

• (1720)

In the United States, the federal Government in fact funds to the tune of 75 per cent state enforcement mechanisms similar to those of Manitoba. I would urge the federal Government in Canada to similarly assist in the cost of provincial enforcement mechanisms such as the excellent enforcement mechanism used in the Province of Manitoba.

I welcome the access which is being made available by the federal Government to a number of federal government data banks. I would hope that all provinces would open up access to at least one major data bank in order that people who live in any province might avail themselves of these provisions. Fifty per cent to 85 per cent of divorce awards in Canada today remain in default. This is partly as a result of bitterness over the court process, and only some 15 per cent remain in default as a result of inability to track down the defaulting spouse. The main problem is enforcement. Certainly, a national enforcement system, coupled with strong and effective provincial enforcement mechanisms, would go a long way to ensuring that women who are awarded maintenance in fact receive that maintenance.

Finally, Mr. Speaker, on the question of variation of maintenance orders, I would note that once again this Bill is an improvement over the predecessor legislation. Under the previous Bill, an order could be sought varying maintenance in one province, even though the spouse was in another. This worked a particular hardship, particularly on women who could not afford to travel to the ex-husband's province. It was again as a result of representations made by the Province of Manitoba that the Government changed this provision.

The final area I would like to touch on just briefly is the whole question of pension splitting. I would have hoped that the Government would have moved forward and recognized that in this country today, at both provincial and federal levels, women should be entitled to an equal share of pension credits. The federal Government in fact should have included in this Bill an amendment to all federal pension laws which would provide that all pension credits, subject to its jurisdiction, would henceforth be shared equally between the spouses on the breakdown of the marriage. In many cases, Mr. Speaker, the woman has been working in the home for many years and has not been in the work force. She has not been in a position to build up credits for a pension. I hope that the Government will move forward quickly in the area of the splitting of pension credits.

In conclusion, Mr. Speaker, may I say that we welcome the introduction of this important legislation. We support the underlying principles of it. We will be proposing a number of amendments to strengthen the Bill in committee, but we are anxious that it be referred to committee quickly so we can hear

from national organizations representing women and others who have concerns in this area. Because of our desire that the Bill be passed quickly, a number of my colleagues, who otherwise would have wished to speak in the debate, are not speaking, although my colleague, the Hon. Member for Broadview-Greenwood will be making some remarks. As I said, I welcome the legislation. It is an important step forward and will indeed help to make the painful process of divorce in Canada just a little easier for the many Canadians who must still go through that today.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to comment on the Bill respecting divorce and corollary relief and on the Family Orders Enforcement Assistance Bill.

First of all, I want to point out that as far as the Divorce Act is concerned, it is a great pleasure to see that a Bill similar to the one introduced last year by the Liberal Party is before the House today.

In fact, I agree that certain provisions of the Bill to amend the Divorce Act are of interest and reflect the changing attitudes of Canadian men and women.

This kind of legislation must always meet with the broadest possible consensus in society, while at the same time ensuring that the principles of justice and generosity are observed.

In Canada, 44 per cent of marriages end in divorce and 48 per cent of the couples that do divorce have children, and despite newspaper articles that describe a new generation of father as responsible and concerned about their children and actually obtaining their custody, 85 per cent of the time, women still obtain custody of their children.

The member of single-parent families increased 50 per cent between 1971 and 1981. Most single-parent families are headed by women, and more than half of the youngest women in this category have incomes below the poverty line.

Mr. Speaker, I am stating all these figures in order to emphasize the importance of our divorce legislation for that half of the population that has suffered for too long under an economic and social system that is weighted against it. Further statistics demonstrate that many women are far worse off than men after a divorce. A study carried out in 1984 shows that one year after the divorce, the husband's income had gone up 42 per cent, while the wife's had dropped by 73 per cent. Reforming the system for collecting alimony is certainly not a luxury.

Mr. Speaker, I must say that the principles on which the Minister of Justice (Mr. Crosbie) is basing the new Divorce and Corollary Relief Act and the Family Orders Enforcement Assistance Act, are entirely admirable. I am sure that the vast majority of Canadian men and women will agree with these principles.

Unfortunately, as is the case for many Bills passed by the Progressive Conservative Government, the principles are excellent but the provisions to enforce them are deficient, in most cases. For instance, the House will recall the measures relating to equality issues in employment tabled in the House last March. The principles on which the proposals for equality in employment for women, native peoples, the handicapped and visible minorities were based were admirable, but the tools for enforcing those principles are defective and leave some doubts as to whether the political will of the Progressive Conservative Party is genuine.

As stated by the Minister of Justice, we must make divorce proceedings more humane, while at the same time trying to protect the family bond. We must provide for equality among spouses and protect the dependent spouse who is not in a position to achieve his or her financial independence after the divorce, by seeing to it that neither party is made to suffer serious economic hardship. Access of children to both parents is also one of the Minister's objectives.

Mr. Speaker, the Progressive Conservative Government provides that marriage breakdown is the only grounds for divorce. Unfortunately, the concept of "no-fault divorce" was not included. The legislation provides that breakdown of a marriage is established if the spouses have lived separate and apart for one year or if the spouse against whom the divorce proceeding is brought has committed adultery or treated the other spouse with cruelty, in which case the divorce may be granted immediately.

Although it may not be this Government's intention to do so, by maintaining adultery or cruelty as grounds for divorce, it has thereby eliminated the possibility of speeding up divorce proceedings, which are painful enough as it is.

According to the Minister of Justice, we should advocate more humane and more equitable divorce proceedings. Who does not have a brother, a cousin, an aunt who must meet the legal requirements to obtain a divorce, and regretfully charge his or her former spouse with mental cruelty to speed up the divorce proceedings? If at least the legislation provided that two consenting adults may divorce immediately without charging each other, but not even that! And yet people can get married if both agree. Why not apply the same logic to divorce?

With the concept of no-fault divorce spouses would not have to ruin each other's reputation. We know how painful that can be for people who are going through a period of their life which is not particularly joyful. The concept of no-fault divorce would make it possible to lay more emphasis on what is primarily at stake in a divorce, namely the children's future and the restructuration of family finances, rather than stressing the unproductive and painful aspects of divorce, such as charges and counter-charges. A great many Canadian men and women nowadays are disappointed that the concept of no-fault divorce has not been accepted.

As to the Family Orders Enforcement Assistance Act, many groups of women have pointed out that the proposed legislation does nothing more than make it easier to gain access to information concerning husbands who do not respect orders, without allowing enforcement of support orders. In my judgment, it is imperative to set up a national organization for enforcing family orders when one of the spouses defaults. If such an organization is not established, then a very strict agreement should be signed by the provincial and federal Governments. Mr. Speaker, perhaps the Minister of Justice would like us to believe that such a protocol will be established, but a careful reading of the Family Orders Enforcement Assistance Act points to the opposite.

Clause 3 provides that the Minister may, on behalf of the Government of Canada, enter into agreements with each of the Provinces concerning the searching for and the release of information. You understood correctly, Mr. Speaker, the Minister "may", which does not mean he "shall".

Moreover, the legislation grants certain rights to a person trying to locate his or her former spouse, either because the latter does not pay the allowances ordered, or because he or she has kidnapped a child. Under this legislation, that person could petition a court to search for information on his or her former spouse. The Canadian Government is putting a series of information banks at the disposal of investigating authorities, but what seems to be creating a problem, Mr. Speaker, is that federal information banks will be available only after the provincial bank will have been. Not only must each Province determine what information banks will be available for searches—and this opens the door to high-handedness and variations between provinces—but if a Province delays in designating those information banks or bluntly refuses to do so, the whole process will become impossible to engage.

Therefore, in point of fact the working paper introduced by the Minister of Justice says on page 5 that use of federal provisions is not possible unless a province allows at least one information bank to be searched. This means the Federal Government is willing to help women trying to locate their defaulting former husbands, provided those women live in a Province whose authorities have agreed to co-operate. We know what would be the outcome of that, Mr. Speaker. Women in Quebec and Manitoba would be provided with good services, that I know for sure. But as to women in other Provinces, this is open to question.

Yet the Tory Government recognizes the problem. In the working paper I have quoted, it is stated that federal-provincial agreements are essential to the implementation of the Act. The Minister of Justice may be nearsighted, or perhaps he is simply inconsistent and irresponsible. Passing legislation and having other people carry the responsibility for enforcing its spirit and letter is a sign of poor judgment. I must say that our parliamentary rules prevent me from using the terms that truly reflect what I think of that.

Also, the political will to set up and enforce an efficient system for collecting support monies is not there. Rather than squarely taking sides with the individuals at odds with their former spouses who do not fulfill their obligations, this Government wants to go the easy way, and above all else not to hurt the Provinces. The working paper on the Family Orders Enforcement Assistance Act stresses the fact that the federal Government will make every possible effort to be flexible as to the choice of the information bank or banks to be searched, provided the bank chosen holds information that is adequate. The least we can say is that this Tory Government will avoid quarrels with the Provinces, even when they are recalcitrant and will not co-operate.

Clearly said, Mr. Speaker, this means that the system provided for by the Bill will crumble like a house of cards if the Tory Government does not get federal-provincial agreement. This is a flaw that could make this legislation completely powerless in some Provinces.

Briefly, I believe the principles that underlie the Act respecting divorce and corollary relief are commendable. They reflect the change in mentalities in Canada. However, I doubt this Government has the political will indeed to make the legislation more equitable when I see the weaknesses and inconsistencies inherent in these bills.

Mr. Speaker, it is to be hoped that some amendments will be incorporated into the bills now before the House.

The Acting Speaker (Mr. Paproski): Questions and comments. Debate. The Chair recognizes the Hon. Member for Broadview-Greenwood (Ms. Lynn McDonald).

• (1730)

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, Bills C-46, C-47 and C-48 which are before us today deal with the very difficult question of divorce. There are some who would oppose the legislation, believing that divorce should be as difficult as possible to obtain, and in so far as it is difficult, that marriages will not break down. They believe that the stricter the laws are, the more marriages will be saved. However, I believe that the measures before us today are responsible. We can debate some of the finer points, but I do not think these measures will make divorce so easy to obtain that people will not make every reasonable effort possible, short of divorce, to solve their marital problems.

Most importantly, making marriage breakdown the grounds for divorce will make the process less of an adversarial one. I think that separation for a year or more will, practically speaking, become the main grounds for divorce in Canada. This will stop the terrible occurrence which we have seen in the past of children being forced to testify for one parent against the other. This is the first legislation we have seen which makes a serious attempt to deal with the issue of maintenance. Canadian women and children have suffered for

a very long time because of the non payment of maintenance orders.

[*Translation*]

The three bills now before the House fully meet the objections which the New Democratic Party had raised when the previous government had introduced its Divorce Bill. On second reading, we had opposed the principle of the bill, for this so-called reform was not likely to improve in any way the lot of the great many women and children who depend for their support on maintenance payments. It is a well known fact that court-ordered maintenance payments are only partly made, if made at all. The result of this is that, following a divorce, the spouse on the labour market, generally the husband, benefits from an increase in his disposable income, while the spouse who has custody of the children, the wife most of the time, finds herself in a distressing predicament.

This bill will go a long way toward providing adequate income to these women and children who depend for their support on delinquent husbands and fathers. First of all, the criteria for determining maintenance payments are more just that those in the preceding legislation. As a matter of fact, that Liberal legislation could have made these women's situation even worse by insisting on maintenance payments with fixed terms and the economic independence of the divorced wife.

This bill is more realistic. It reflects the fact that economic independence for some divorced women is impossible. In some divorce cases, there are some women who have never been on the labour market, or have not been for 30, 40 or even 50 years.

In such cases, it would be unfair to compel the divorced woman to accept any job to become financially independent. Economic conditions are difficult. A 60-year old woman without experience on the labour market can earn her living but is it fair that such a woman should suffer a substantial reduction in her standard of living? Fortunately, the criteria proposed in the bill are more reasonable; they are as follows:

Firstly, the maintenance order should recognize any economic advantages or disadvantages to the spouses arising from the marriage or its breakdown; secondly, it should apportion between the spouses any financial consequences arising from the care of dependant children; thirdly, it should relieve any economic hardship of the spouses arising from the breakdown of the marriage; and fourthly, it should in so far as practicable, promote the economic self-sufficiency of each spouse within a reasonable period of time.

• (1740)

[*English*]

Let me note that there are real difficulties in establishing economic independence and real equality after the break-up of a marriage. Even if there is a fifty-fifty split of assets—provinces are moving toward this procedure, although it is not perfect yet—and even if some support money is granted to the spouse who has been in the home looking after the children, there will still be difficulties. What seems to be equality may not in fact be equality in practice because the partner who has stayed in the home has missed the opportunity to develop skills that are marketable. The partner who has been in the labour market during those peak years of job training and experience-gathering has human capital and the opportunity to invest. That person will have far more opportunity to gain a good livelihood after the marriage break-up. I suspect that even with better laws, women will be seriously disadvantaged. While we hope that they will be above the poverty line, they will still not be on an equal footing with their husbands because they have lost all those years of skills training which can be sold in the market-place in career development.

A serious gap in this legislation concerns the fact that pensions, even those under federal jurisdiction, are not mentioned in the legislation. ed1988;-1 While most private and employment related pensions come under provincial jurisdiction, there are some pensions under federal jurisdiction. Therefore, this unfairness with regard to pensions and the dependent spouse should be remedied. There should be automatic pension splitting for the Canada Pension Plan, with no need for application. We know that most female spouses do not make that application, nor should there be a deadline for it. There should be automatic splitting for all pensions under federal jurisdiction, especially since homemakers do not qualify for the Canada Pension Plan in their own name. Women are badly treated with respect to pensions.

The wife must negotiate pension splitting as part of the marriage settlement, which means that she may have to give up something else during that negotiation. The splitting should be automatic, unless the court finds a good reason not to do so. The federal Government could set a standard by automatically splitting all pensions under its jurisdiction. I hope that recommendations for such amendments will be made in the committee.

There has been some improvement in the legislation with respect to grounds of divorce, compared with the current laws. The New Democratic Party supports the principle of marriage breakdown being the sole ground for divorce because we believe that this is the way to have the fairest settlement, to decrease the adversarial nature of the proceedings and to prevent conduct from beginning a matter for maintenance decisions. However, the new Bill before us today would have both marriage breakdown in effect by separation of fault grounds of divorce either by adultery or cruelty. I have some concerns about the wording of the cruelty section. It states, "if one spouse has treated the other spouse with physical or mental cruelty of such a kind as to render intolerable the continued cohabitation of the spouses". This raises a question of how much cruelty must there be? How many beatings must there be before the situation is rendered intolerable?

Mr. Thacker: The same as the last law.

Ms. McDonald: The last law is very unsatisfactory in that respect. We certainly heard of cases where the spouse has gone

to court claiming physical cruelty and was told that she wasn't beaten hard enough or there weren't enough bruises. The single beating or the beating she had was not enough.

It does not require a simple assault but one of a nature to render continued cohabitation intolerable. Judges have differed as to what they considered "intolerable". Therefore, people have been turned down on the grounds of physical cruelty because it was considered that a wife should be able to put up with some. It is a question of what is intolerable, and I question whether that wording is adequate for this day and age. There is also the issue of the one year separation and whether it is an adequate period to establish marriage breakdown.

I certainly have had representations in my riding, particularly from clergy, who believe that perhaps a longer period of separation might provide an opportunity for a marriage to be saved. That is a reasonable and important point to be made and it is difficult to choose a particular cut-off period. While I am not opposed to a one-year proposal, I would be glad to hear representations concerning a different period of time.

One can note that lawyers in such cases, as the courts themselves, have an obligation to work toward reconciliation and advise clients as to the possibility of marriage counselling. The court has an obligation to stop the proceedings if it believes there is a possibility for reconciliation. I believe that the legislation treats the obligation of seeking reconciliation and avoiding marriage breakdowns seriously.

With respect to the issue of enforcement machinery, there are enormous improvements in this legislation. However, one can question whether the legislation goes far enough. I might point out that the New Democratic Party opposed the previous legislation in principle simply on the grounds that it did not have adequate enforcement machinery. We worked very hard with women's organizations in the country to ensure that adequate machinery would be introduced. We fought for that very vigorously, and it is a great pleasure to see that these objections have been taken seriously.

However, organizations are saying that it is not good enough yet. Let me quote the Canadian Advisory Council on the Status of Women:

> The proposed legislation only offers increased access to information on spouses who default on support and custody orders. It should provide enforcement of these orders.
>
> The CACSW again calls for a national enforcement agency which would begin the enforcement process when a spouse defaults on payment and which would also have the authority to garnishee wages and other income sources. Without such an agency, people in need—and that is mostly women—will still have to initiate lengthy legal proceedings to get the payments they have already been awarded by the provincial courts.

This is a thorny legal question of jurisdiction between the federal and provincial Governments. I would like to see the provinces do more. Certainly, Manitoba is proving that automatic computer monitoring is successful is getting maintenance orders actually paid, and it would be beneficial for other provinces to follow suit.

The United States Government has been far more aggressive in encouraging the collection of maintenance payments. In my Party, one seldom has the opportunity to congratulate President Reagan on anything. However, in this case, if not for the right reasons, we do see some action. The purpose for his action is to save welfare payments on the part of the state. Nevertheless, bless Ronald Reagan for ensuring that women get their maintenance payments. The federal Government in the United States accomplished this by paying 75 per cent of the enforcement costs. The Government could at least consider such a mechanism. Certainly, the provincial and federal Governments should consider the establishment of much greater enforcement machinery.

Let me refer to a study by Finnbogason and Townson which raises serious doubts about the proposal before us today. What it says is that such an agency, if it is only going to have information in it and not be linked into actual enforcement, may not be cost effective. Why set one up if it is only going to have those purposes? It points out that the experience of Manitoba and other jurisdictions, such as the United States, indicates that effective enforcement of maintenance orders is a matter of regular monitoring of accounts, prompt notification of default, and vigorous pursuit of defaulters. Such requirements are only met through an automatic computerized state initiated enforcement system. The establishment of such a system should therefore be a priority in each province where it does not already exist.

● (1750)

If all Canadian jurisdictions were to adopt such a system, then a central registry could become an effective part of a nationally linked system for monitoring and enforcement of maintenance and custody orders. However, to confine a central registry to the passive role of a mere repository for the purposes of providing information on maintenance and custody orders is to develop a very expensive computerized filing system which would do little to improve the day to day enforcement of maintenance and custody orders and to relieve the desperate financial situation of so many Canadian single parent families. These are strong words and I think they are very appropriate. I think this is an area where we still need to see more work done.

The legislation does provide adequate safeguards for the abuse of privacy. This has been a traditional objection, and I think these objections are quite properly answered in the legislation. It would remove the barriers to the garnishment of federal moneys, including income tax refunds, unemployment insurance, Canada Savings Bond interest, Canada pension plan payments, old age security, guaranteed income supplements, and this list could even be extended. The important point is that there is recognition of responsibility to pay for the support of children and the people looking after them, normally the mother. A person does not have the right to say this money is mine for my use alone, but a recognition that marriage is a partnership, that family involves responsibilities of both the parents. This is a most important reform, that the right of a person to income, and the responsibility to support other people in the family unit be recognized. It is a point I

have argued in the House on a number of occasions, and I am very glad to see it being recognized in the legislation today.

I have a couple of points on a few other matters in the legislation. With respect to variation orders, here we see some better recognition of the reality of Canadian mobility patterns. It is a reasonable compromise. This will allow for greater flexibility in varying orders for maintenance and also for custody. Also, there are some better safeguards than in the Liberal legislation of last year to prevent one's spouse from moving to another province just to get a variation order that the dependent spouse could not fight. The reform, which is a very sensible one, requires that the new order be confirmed in the court of the province where the concerned spouse actually lives so there cannot be this evasive action which we know occurs. This was a recommendation of the National Action Committee on the Status of Women of Canada. It shows Common sense has prevailed and that a good recommendation has been incorporated into the legislation.

There is a similar provision for custody where a child is in one province with one parent and the other parent applies for custody. The parent who has the child can apply to have the case heard in their province so that the information on the child's welfare can be brought to the court and the decision will not have to be made in a distant place where the other parent is. In other words, the needs of the child concerned will be treated seriously by the court. It will be possible to get the information on those needs to the court.

Finally, there will be greater flexibility in allowing the provinces to determine the nature of the court procedures for divorce. This will permit provinces, although it will not require them, to avoid trials on uncontested matters. This is a proper procedure, allowing these decisions to be made by the provinces. Some will probably choose to insist on having court appearances, and some will dispense with that procedure.

To conclude, Mr. Speaker, I have a great deal of satisfaction in seeing the many improvements in the legislation before us. I think it goes to show that democracy is indeed alive, that common sense can prevail, that Ministers of Justice can listen to constituents, organizations, and what Opposition Parties are saying. The Bills before us today still need some work. The NDP will support passage of them. We want these Bills to go to committee for some modest amendments. They are a considerable improvement over previous legislation. It goes to show that an Opposition Party, by raising vigorous objections and making them in a very constructive way, can have a position impact in seeing real reform brought into legislation when a matter comes to Parliament.

The Acting Speaker (Mr. Paproski): Are there any questions or comments?

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Crosbie, seconded by Mr. La Salle, moves that Bill C-46, an Act to amend the Divorce Act; that Bill C-47, an Act respecting divorce and corollary relief; and that Bill C-48, an Act to provide for the release of information that may assist in locating defaulting spouses and other persons and to permit, for the enforcement of support orders and support provisions, the garnishment and the attachment of certain moneys payable by Her Majesty in right of Canada, be now read the second time and referred to the Standing Committee on Justice and Legal Affairs. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motions agreed to, Bill C-46, Bill C-47 and Bill C-48 read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Paproski): I believe there is disposition to call it six o'clock?

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 5.58 p.m.

HOUSE OF COMMONS

Thursday, May 23, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-15

The House resumed, from Tuesday, May 21, 1985, consideration of the motion of Mr. Stevens:

That, further to the notice given on Thursday, May 2, 1985 by the Minister of Regional Industrial Expansion, and pursuant to the provisions of Standing Order 82, in relation to Bill C-15, An Act respecting investment in Canada, one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the said bill; and

That fifteen minutes before the expiry of the time provided for government business on those days, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the stage of the bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, when the debate was adjourned last Tuesday, we were discussing closure or time allocation for consideration of Bill C-15.

If we look at the debate on this Bill and what has happened up to this point, I must say, although the Opposition claims we did not have enough time to consider this legislation, that this is strictly the perception of the Opposition. On second reading, after six hours of serious debate, the Opposition moved a motion to postpone consideration of the Bill for six months. It was not the Government that decided not to have a serious debate on the Bill but the Opposition that decided that it was not now in a position to proceed with a serious study of the bill. In any case, we had sixteen-and-a-half hours of debate on second reading, including the Opposition's motion.

The Bill was referred to committee for consideration. The Committee heard 23 associations and more than 30 briefs were submitted and analysed. At this stage, the Opposition agreed to let us screen this information and, with the agreement of the Official Opposition, we were able to define the scope of the study to be carried out in Committee. At the stage of clause-by-clause consideration, we accepted 19 amendments, which were the result of our meetings with various associations and of our analysis of various briefs. These amendments were mainly aimed at improving the Bill and making it respond to the expectations of so many Canadians.

The Bill has now been reported back to the House, and in addition to the 19 amendments that were approved, we have also had to examine 102 amending motions proposed by the Opposition. It soon became clear that with these amending motions, the Liberal Opposition especially wanted to make Investment Canada even stricter than FIRA. During the election campaign, however, Canadians knew perfectly well that the Progressive Conservative Government would introduce a Bill that would reflect the comments of Canadians and the changes that had to be made in the existing legislation.

If we look at the proposed legislation, it is clear that serious objections that had been made were taken into account in drafting this Bill, and that special attention was given to factors that could have an impact on Canadian culture. There is also special emphasis on the investments to be screened.

In the report stage study which the House must complete, the Opposition put up a whole slew of speakers who did not have anything new to contribute to the debate. Here we are still considering 105 Opposition motions, including 50 or close to half of them that have been rejected for being irrelevant and out of order. Every motion introduced at the various stages was meant to prolong the debate. Again last night I was listening to a public affairs program during which it was obvious that the majority of Canadians are under the impression that the Investment Canada Bill has long since been adopted. Only here in the House are we still facing the same opposition, they resort to delaying tactics, they are not ready, they want to hoist this measure. The Liberal Opposition is bent on delaying consideration of this Bill till kingdom come, yet it has had ten years to debate the issue and introduce its own amendments. We know that interested parties had been seeking changes for years and that the Liberals have had more than enough time to take action had they wanted to do so. They have come up with good suggestions since September 4, so I wonder why they did not think of them before.

I know what has been going on in the House, that we even had an Opposition day debate on the issue we are still considering today—and that was rather unusual—a debate which is a waste of time since we know the positions of the parties will not change, which makes this debate utterly useless. The Opposition is simply rehashing the same old arguments day after day, we are wasting time, the debate will not change anything.

Mr. Speaker: It being 11.09, the last seven minutes of the two hours allotted for the consideration of the motion now before the House pursuant to the provisions of Standing Order 82 have now expired. Consequently, pursuant to that Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of this motion.

• (1110)

[*English*]

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Stevens), which was agreed to on the following division:

(*Division No. 26*)

YEAS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Chartrand
Clark (Brandon-Souris)
Clifford
Clinch
Cochrane
Collins (Mrs.)
Comeau
Cook
Corbett
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis (Mrs.)
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fraser
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Layton
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
McKinnon
McKnight
McMillan
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
O'Neil
Oostrom
Paproski
Pennock
Peterson
Pietz
Plamondon
Porter
Price
Ravis
Redway
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer—182.

NAYS

Messrs.

Angus
Axworthy
Baker
Benjamin
Blaikie
Boudria
Caccia
Cassidy
Chrétien
Copps (Ms.)
Deans
de Corneille
de Jong
Dingwall
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Henderson
Hovdebo
Kaplan
Keeper
Killens (Mrs.)
Langdon
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Ms.) (Broadview-Greenwood)
Mitchell (Ms.)
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Orlikow
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Tobin
Waddell
Young—50.

Mr. Speaker: I declare the motion carried.

* * *

FISHERIES ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-32, an Act to amend the Fisheries Act, as reported (with amendments) from the Standing Committee on Fisheries and Forestry.

Mr. Speaker: As Hon. Members are aware, there are 12 motions on the Order Paper at the report stage of Bill C-12, an Act to amend the Fisheries Act. I have had an opportunity to examine the motions and have found them to be procedurally acceptable. Motion No. 1 should be debated and voted on separately. Motions Nos. 2 to 9 inclusive should be debated

together and voted on separately, in my view. I gather there may be an Hon. Member rising on that point and I will come back to it in a moment to hear his argument.

Motions Nos. 10, 11 and 12 should be debated separately and voted on separately, in my view. The Hon. Member for Comox-Powell River (Mr. Skelly) wishes to make representations on this matter.

Mr. Skelly: Mr. Speaker, in the grouping of the amendments, I just wonder if it might be possible to take a couple of motions out of that group, Nos. 2 to 9, so that we might debate them separately. There are some important matters which relate to native people which are certainly separate issues. They would not necessarily fit in with the other amendments. It strikes me that those are important matters which would be worthwhile for the House to consider separately. The debate would be part of the record, and I presume that the positions taken by various groups in this House relating to those issues would be relevant. They certainly break into areas affecting the sports fishery versus the commercial fishery and it would be useful if we were able to have a short debate on the issues affecting the sports fishery. I am particularly concerned about the native area, which is relatively unique.

• (1140)

Mr. Hnatyshyn: Mr. Speaker, I appreciate the observation made by the Hon. Member, but I understand your ruling to be that while the various motions would be debated at one time, there is no question that each would have a separate vote. I think the most important thing is to find out where Members of Parliament stand on individual issues as demonstrated by their vote. I suggest that in order to have a debate which makes procedural and logical sense, your ruling allows us to deal with matters of great importance in the motions put forward, and utlimately there will be a separate vote. I think that solves the Hon. Member's problem.

Mr. Fulton: Mr. Speaker, I just want to reflect for a moment on what the House Leader said in that items 2 to 9 are important amendments which flow from the Constitution. This is one of the first opportunities we have had to make the Fisheries Act comply with the wording in Section 35 of the Constitution. We heard the evidence of a large number of witnesses from Canada's native community, and a very important amendment was proposed by groups from the West Coast relating to that Section. I think it fair for purposes of debate to include the sports fishery and the others in relation to items 2 to 9, but I think it is very important, for purposes of clarity, that these amendments, particularly those put forward by the Nishga Tribal Council, be debated separately.

Mr. Speaker: I appreciate the arguments which have been made. That is why I indicated on a preliminary basis what my views were. I have to say that my view has not changed. Clause 2 is the purpose clause and all amendments proposed in items 2 through 9 relate to proposed amendments to that same clause. It is therefore logical that they be grouped for debate because that clause is then before the House for consideration.

It is precisely for the reasons advanced by the Hon. Member for Comox-Powell River (Mr. Skelly) and the Government House Leader that it made sense to me that they be voted on separately in order to achieve what I think the Hon. Member for Skeena (Mr. Fulton) wished, which is that the House have the capacity to express itself separately on various matters regarding Clause 2. However, I continue to believe that it makes sense, given that it is one clause, the purpose clause, that they be debated as one group and I therefore so rule.

Mr. Ray Skelly (Comox-Powell River) moved:

Motion No. 1

That Bill C-32, be amended in Clause 1 by striking out line 12 at page 1 and substituting the following therefor:

"(c) the eggs, spawn, spat and"

He said: Mr. Speaker, the Bill before us today has had a great deal of discussion in the House and in committee. It is interesting that the Government has not been forthcoming on the concerns raised by thousands of people about this legislation. It is unfortunate that the Government really has not, in an appropriate way, consulted people about this legislation; nor has it taken seriously the amendments put before us. The rough road this Bill has had moving through the House certainly reflects this Government's good faith in dealing with this legislation.

When this legislation was presented to us early last winter, the Minister and others indicated that the fishing industry would collapse without this legislation. It was presented, in fact, the day before the herring fishery opened and the Government indicated that that $75 million industry was in danger of collapse; there would be some very serious consequences if we did not pass this Bill through all stages immediately. The reality is that this is an old piece of legislation drafted by the Liberals when they were in power. But the Liberals found that Parliament was not willing to deal with this legislation expeditiously and immediately put it on the shelf. It is interesting to note that the 1984 fishing season passed by without a problem, despite the fact this legislation was not passed.

If the Minister were prepared to sit down with user groups and discuss this legislation in a forthright and upfront manner, certainly the 1985 fishing season would go down without a hitch. But I think the Minister has chosen to play politics with this legislation and with critical issues on the West Coast. He is claiming he does not have authority to sit down with people and negotiate and work out proper allocations and opening dates for the fishing season. But he does have this authority.

Unfortunately, we then find ourselves in a very serious impasse. Basically this is a three clause Bill which purports to change definitions in the Fisheries Act, and those definitions extend the ability of the Minister to regulate. The degree of regulation already imposed on the fishing industry is just enormous and astounding. We heard in committee that the Minister had the authority to regulate the fishing industry in an appropriate way with some checks and balances where legislators or others would have an opportunity to review the regulations and have some input. But what officials from the Minister's Department stated was that this simply makes it

more convenient for them. They do not have to continually go back and seek authority.

There comes a point when you have to question the track record of the Government and the Minister involved, as well as how his officials have performed. You have to ask yourself if you want to give these people more power and make it more convenient for them to regulate the lives of Canadians.

I know Members opposite cried from the roof-tops about the heavy hand of regulators, rule by Order in Council, and the inability of Canadians to have some proper input in the decisions which affect their lives. But no sooner are they in power than we find the absolute reverse situation. We do not have open government. It is extremely difficult to talk to people in that Government concerning user groups whose lives are affected. Not only has the Government closed the doors, it has made up its mind about how things will work. It is extremely difficult to have the Government accept reasonable changes.

• (1150)

Finally, through this Bill, the Government is attempting to make it easier to impose regulations without having to come to Parliament. This amendment, which would extend definitions in the legislation, also allows the Government to extend its authority. That is extremely unfortunate. We believe we should be able to question that authority and question the definitions.

When this Bill was being considered in committee the Government appeared willing to accept only one amendment which was moved by my colleague from Prince Edward Island. Late in the proceedings he noticed an enormous omission in the legislation and attempted to include larvae in this particular Section. I have serious questions about that because the Liberals and the Conservatives are in bed, attempting to have the hand of Government regulate the fishing industry even further.

On that basis, I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That this House do now adjourn.

Mr. Deputy Speaker: The Chair has received the motion by the Hon. Member for Comox-Powell River (Mr. Skelly), seconded by the Hon. Member for Skeena (Mr. Fulton). Because we do have a special order today which states, "notwithstanding any other order", and because it is a Budget day, the Chair must rule that the motion is out of order.

Some Hon. Members: Hear, hear!

Mr. Waddell: Mr. Speaker, I rise on a point of order. On what point do you make that ruling? Motions to adjourn the House are always in order. That is completely erroneous.

Mr. Deputy Speaker: The Member knows that the decision of the Chair cannot be appealed.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, we were discussing an amendment which would include in the clause defining fish, "portions of fish" as defined under the new Fisheries Act. I suggest to the Minister that this further complicates the definition of fish and fisherpersons in the various Acts and regulations that are in effect in this country. For example, the fact that the Department of Fisheries and Oceans will now have jurisdiction over "portions of fish" will bring into question whether it has the constitutional right to do so since a fish is the real property of the person who has landed it. Therefore, would the Department not be infringing on the provincial jurisdiction as far as portions of fish are concerned? Once a fish is landed and brought onshore it comes under provincial jurisdiction and therefore that province may regulate what happens to the portion of the fish as well. The provinces issue the relevant licenses concerning fish and generally administer the transportation, storage and processing of the product once it is landed.

I suggest that the Minister of Fisheries and Oceans (Mr. Fraser) should examine the ramifications of changing the definition of fish as it relates to other definitions that are in effect in other legislation.

Another example is the Unemployment Insurance Act, and its definition of who is a fisherperson, fisherman, and what happens to that fish when it is brought over the side of the boat.

I raise that issue because most of the cases that are pending before the Unemployment Insurance Commission, as a result of a determination of the Department of National Revenue, involve the question of the definition of fish and the definition of a fisherman as a person who is a member of a crew and catches that fish. As a result of this amendment, will it also now include the definition of a fisherperson who handles the portions of a fish? In other words, what is the meaning of the definition as it relates to the Unemployment Insurance Act?

This is a very important subject. I am sure that Members of Parliament who have constituents with a case before the Board of Referees, the Federal Court of Canada, or have appeals to the Minister responsible for the UIC, recognize that there must be some consistency with the changing of this definition and the regulations that are in effect under the Unemployment Insurance Act.

The Government of Canada has embarked upon a policy of checks and balances, examining the books of fish companies and the records of fishermen as they relate to the fish they catch. It is unfortunate that the Government, which wants to tighten up on unemployment insurance, has implemented that process. In carrying out this procedure, the investigator goes back to the regulations that were based on the definition of fish, and now based on the definition of portions of fish, to determine how that person actually established his claim.

For example, as a result of this new section of the Bill, it would be possible to classify a fisherman as someone who rakes up Irish moss, but it would not be possible to define a fisherman as someone who takes a portion of a fish and completes the processing of that fish. In other words, persons who spend their entire time salting portions of fish or working with portions of fish on shore as part of a fishing crew are no

longer covered by the Unemployment Insurance Act. Will they be covered with this new definition of fish as presented under the Fisheries Act? The obvious answer to that is no. The judge, or the Department of National Revenue in making that determination would only go by the regulations in the Unemployment Insurance Act. The need is there for the Minister of Fisheries on behalf of all of these fishermen—

• (1200)

Mr. Dick: Fisherpersons.

Mr. Baker: —fisherpersons who will in the future get into trouble with the Unemployment Insurance Commission because of the actions of this Government, to try to co-ordinate these definitions to lessen the chances of a man having to pay back $5,000, $6,000 or $7,000 as it is now.

There are hundreds and hundreds of fishermen across Canada who have to pay back this money because of a problem with definitions. In one section of Newfoundland 278 fishermen are having to pay back $7,000 or $8,000. They are appealing the decision. But why did that situation occur? It happened because of a problem with definitions, the problem that we are dealing with here today. It happened because it is the policy of the Government of Canada to remove all those people who should not be getting unemployment insurance. What they did when they threw out the net is they cut people off because of the problem with definitions. They had to draw the line in regulations. They asked, "Was this a fish that the person caught? Does this cover portions of fish? No, it does not cover portions of fish". The Fisheries Act with this amendment covers portions of fish. Why does the Unemployment Insurance Act or its regulations not cover portions of fish?

In the spirit of this amendment, and in dealing with this clause, the Minister of Fisheries with the rest of his Cabinet colleagues should examine and change the regulations in the Unemployment Insurance Act so we will not have thousands and thousands of Canadians being judged not eligible for unemployment insurance after having received it for three and four years, and having to pay back thousands and thousands of dollars because of a problem with definitions. These are poor people, people with average incomes of $7,000 or $8,000 a year. Perhaps, Mr. Speaker, with this new clause in the Fisheries Act there can be some co-ordination of Unemployment Insurance and Fisheries Act regulations in order to have matching definitions.

Before I sit down if the Minister is going to say a few words, I want to make sure that he has in his statement the answer to a very important question. Is the Minister or is he not going to answer positively the request from the Fishermen's Union and every fisherman in Newfoundland and on the Quebec coast, including those in the Prime Minister's (Mr. Mulroney) own riding, to extend unemployment insurance because of the ice conditions?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the purpose of this Bill, as all Members know, is to give the Minister and the Department the authority necessary to manage the fisheries of Canada, especially in view of court cases last summer which put this authority in doubt.

I want to remind Hon. Members and the public, and especially friends on the West Coast, that this Bill was tabled on March 4, 1985. On March 6 second reading debate began. On March 12 at my invitation and with the concurrence of the Government House Leader the debate was adjourned.

On March 14 from 9:30 a.m. to one o'clock in the afternoon I appeared before the Standing Committee on Fisheries and Forestry as a consequence of that arrangement—an unusual procedure. On March 20, second reading and reference to the Standing Committee on Fisheries and Forestry was agreed to in this House. On March 21 the committee review began with sessions with officials from my department. From March 24 to April 3 the committee, with my full endorsation and support, held seven days of hearings on the West Coast, during which time the subject of this Bill formed part of the representations heard at that time.

From March 26 to April 2, the Hon. senate conducted a pre-study of the Bill in the Senate Standing Committee on Agriculture, Fisheries, and Forestry.

On April 22, the House of Commons Standing Committee heard testimony from representatives of seven industry groups and from the West Coast Minister's advisory committee. On April 24, I appeared before the Standing Committee again. On April 29, the Standing Committee of the House of Commons heard testimony from representatives of ten native groups and the Government of New Brunswick. On April 29 clause by clause consideration of the Bill began in committee. That went on until the early hours of the next morning. On May 2, I appeared again before the Standing Committee on clause by clause study and the Bill was reported to the House with two amendments.

I would point out to my friend, the Hon. Member for Gander-Twillingate (Mr. Baker) that one of the amendments accepted was the amendment of his colleague from Prince Edward Island to include larvae in the definition of fish. That is the item which the Hon. Member for Comox-Powell River (Mr. Skelly) is trying to remove, which is most unusual.

On May 16, the Government gave notice of amendment motions to safeguard aboriginal rights. I would remind all of those who are here to keep in mind that the Government is proposing an amendment that says nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada.

There has been a common misconception in the House, among the public and the media that somehow or other the Hon. Member for Comox-Powell River is the only person opposed to this Bill. That is not so, Mr. Speaker. The Leader of the New Democratic Party clearly concurs in that opposition as does the House Leader for the New Democratic Party—

Ms. Mitchell: We always act as a group.

Mr. Fraser: —as does my friend, the Hon. Member for Skeena (Mr. Fulton) and other friends of mine in the New Democratic Party from British Columbia. It must be clearly understood that as long as this Bill is delayed I do not have the legal authority to proceed with the allocation and disposition of fishing plans in the Gulf of Georgia. This authority is necessary and should be announced in the interests of the Gulf trollers and for the continuation of the sports fishing commercial enterprise which the Province of British Columbia is so dependent upon at this time.

I want it clearly understood, Mr. Speaker, that it is the New Democratic Party, with its motion to adjourn, that has clearly decided to do everything it can to scuttle this Bill, no matter how reckless or irresponsible the action might be. The Hon. Member for Comox-Powell River said he had questions to ask. He has spent hours with my officials up until recently going over all the details of the proposed spot closures which will be very difficult to implement if this Bill is not passed. The Act without these amendments is still very much at risk, because there will be a court of appeal hearing on June 28 on the substance of the decision of last summer. I ask Hon. Members and the public to recognize the difference between constructive debate and intelligent and legitimate inquiry. That has ceased and Members of the New Democratic Party have decided, no matter how careless their action may be or how it will affect the livelihood of people in my province and on the West Coast, that they want to obstruct the process.

We have to do what we can to implement the terms of the Canada-U.S. Pacific Salmon Treaty as well, which involves restrictions on catch, and we need the power in this Bill to implement that. It is clearly the New Democratic Party, and not just one member who, while conscientious in my view, is misguided and seems to lack some understanding of the purpose of all this, that is preventing us from proceeding. The New Democratic Party has decided, no matter how long it has had to discuss this Bill and no matter how many days in committee, no matter how many private meetings with officials and discussions with myself or somebody else, to wreck the process and try to keep this Bill from being passed under any circumstances whatsoever. It must be clearly understood what the NDP is doing.

I am a little surprised that the Hon. Member for Skeena is doing this. He has representatives from his riding dealing with me on a matter of very great importance to the native people on the Taku River. I am trying to co-operate with him. There is no co-operation from the New Democratic Party on a Bill of immense importance to the administration of the fisheries in Canada.

• (1210)

I also want to point out, because it is appropriate to do so, that Hon. Members of the Official Opposition in the Liberal Party have been very diligent throughout the entire process. They have made constructive suggestions and have helped to bring before us those problems of the provinces which have now been resolved. They argued strongly for the inclusion of a section to ensure that there be no abrogation or denigration of native rights, and that was appropriate. They have played a full and effective part in this process. It is not Her Majesty's Official Opposition which desires to wreck this piece of legislation.

I urge all Hon. Members to assist the House in passing this piece of legislation so that the uncertainties, especially those on the West Coast, can be clarified as quickly as possible. As soon as the Bill is passed, it is the disposition of the House to co-operate, I will be able to do something very quickly to alleviate the uncertainties with respect to Gulf trollers and others.

This is not only a West Coast matter. We are not asking for powers that have not been assumed. It may have been incorrect to assume them, given the court decisions which have flowed from the challenge. Nonetheless, those powers of allocation and administration have been assumed. As Hon. Members from Atlantic Canada know, the fisheries of the Atlantic Provinces could not be managed if the amendments requested at this time were not granted.

In conclusion, I urge all Hon. Members to understand clearly what this matter is all about, and that it is the New Democratic Party, with a Leader stationed in central Canada who does not understand fisheries, which is attempting something that is reckless and irresponsible.

Mr. Jim Fulton (Skeena): Mr. Speaker, I have great respect for the Minister of Fisheries and Oceans (Mr. Fraser), but that little puff piece he just put before the House requires some response.

This Bill was introduced on March 4. In the Standing Committee on Fisheries and Forestry we talked for the first time in a quarter of a century about going to British Columbia and listening to sports fishermen, native fishermen, seine boat fleets, gill-netters and trollers to find out their views. We took thousands of pages of evidence from the different user groups in British Columbia. Other than commercial sports fishermen, we found no support whatsoever for Bill C-32 as it is drafted.

The Minister said it was only the New Democratic Party which was holding up the legislation. We in British Columbia have listened a long time to jiggery-pokery from the Tories about consulting and then drafting legislation to meet our needs. In fact this Bill was drafted by the Liberal Party. The Minister of Fisheries and Oceans took it hook, line and sinker from his bureaucrats, either here in Ottawa or in Hull. He talked about central Canadian legislation. That is where this piece of legislation was drafted; that is from where it came.

Also the Minister said that the committee should go out and hear evidence on what the people really wanted. We have heard from fishermen in British Columbia. They do not like the Bill as it is drafted because it does not have a consultative or protective mechanism for existing user groups. We are talking about native people, the native food fishery and the commercial fishery. We are talking about existing gear types and a group in British Columbia and within other areas of Canada which is massively expanding, the sports fishermen. There are

now close to 500,000 licensed sports fishermen in British Columbia. A few small, fragmented groups claim to represent them all, but clearly that is not the case. None of the groups which appeared before us produced membership lists which indicated that they represented 50,000 or 75,000 members.

I was interested in hearing the Minister of Fisheries and Oceans say that he had the Liberal Party penned up in a room doing exactly what he wanted. The Minister accepted one amendment, the addition of the word "larvae". All scientific experts who appeared before the committee said that the addition of the word "larvae" was not necessary, that to describe it as the juvenile stage of fish was perfectly adequate. I see that the Parliamentary Secretary is present. He knows that this was a puff piece, adding the word "larvae" to the Bill. It makes no significant change. I challenge him to produce a single scientist or biologist who said that this was the greatest and most necessary legal addition possible to the Bill.

Let me return to what the Minister of Fisheries and Oceans is saying. He proclaims himself as a prima donna representing only British Columbia interests. That in fact is not the case. When the fishing industry appeared before the committee, it made clear that it did not want the Bill passed in this form. The New Democratic Party takes that seriously. We have attempted to have included, as contained in Motions Nos. 2 to 9, a consultative or protective mechanism for those 500,000 sports fishermen, native people in British Columbia and those who operate on seine vessels, gill-net vessels and the troll fleet. We have tried to introduce some semblance of sanity into the legislation.

The Tories are always talking about consultation. Why did we go to British Columbia for two weeks? Why did we sit from eight o'clock in the morning until midnight, with no lunch break or dinner break, to take evidence from fishermen? I challenge the Minister of Fisheries to rise in the House today and say that he has read that evidence.

I should like to deal now with the Government of New Brunswick. When representatives appeared before the committee just a couple of weeks ago they said that the Bill was both illegal and unconstitutional. Although those representatives could not speak for the politicians in New Brunswick, they made clear that the Bill, as presently drafted, would be challenged in the Supreme Court of Canada. What does the Minister of Fisheries have to say about that? Why has he not come forward and told us how he will deal with the very real concerns of the Province of New Brunswick, going back to the 1880s and the Robertson case, the famous fly-fishing case which went to the Supreme Court of Canada? The Minister of Fisheries has not dealt with that.

Motion No. 12, in the name of the Hon. Minister, reads as follows:

Nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada.

He is trying to tell aboriginal peoples that Section 35 of the Constitution is empty. That section is not empty, it in fact contains rights. What about the proposal which came forward from the Nishga Tribal Council?

I see the Minister of Indian Affairs and Northern Development (Mr. Crombie) present in the Chamber. I hope he will rise in the House and tell aboriginal peoples whether he supports the inclusion of the Minister of Fisheries that Section 35 is empty. The proposal which the Council put forward is very clear and supports that of the Government of New Brunswick. I always thought there was a Tory Government in New Brunswick. I guess that is not the case any longer; I guess it is just another little group to be swept aside.

Motion No. 2 is very clear and to the point. It reads:

—to provide for the proper management and control of the inland fisheries of Canada and for the allocation of those fisheries, subject only to:

(i) the constitutional jurisdiction of the provinces—

That is why the Government of New Brunswick came here and argued its case forcefully and openly. The Minister of Fisheries does not want to deal with it. Having been through the constitutional process myself, I believe we should respect the constitutional jurisdictions as put forward by the provinces. The motion continues:

(ii) the constitutional rights of aboriginal people to the fishery;

We live in a country where rights have to be respected. We cannot just pile drive this through. The Minister of Fisheries says that we must have Bill C-32 because of the Collier decision in British Columbia. I urge the Minister of Fisheries to read the Collier decision and to look at the progress which has occurred in British Columbia with the Mac Committee. There were no problems in this year's herring fishery. There was an agreement on the part of the Department, the Minister and the existing fleet to come forward with a rational plan. Some very sensible amendments were put forward by the Hon. Member for Comox-Powell River (Mr. Skelly) to entrench within the legislation that for which people have been crying for decades—a consultative mechanism to protect existing allocations and to ensure that before the Minister comes up with a new management plan for a season he has consulted with the trollers. He cannot just say that he will give them 13 per cent this year and 4 per cent the next year. He cannot simply say that there will be "shinners cubes" for the sports industry and all that gobbledygook.

The Minister of Fisheries pleaded his case. He said that the media misunderstood him, that he was a good guy, that it was only the NDP which was holding up the Bill, and that the Liberals had their "larvae" amendment accepted. He wants to throw this bone to the aboriginal people and say that he will sort of recognize their aboriginal rights. What was the constitutional process all about? I think the Minister of Indian Affairs and Northern Development is the one Member of this House, as the Crown representative of the aboriginal peoples, who should be fighting for them.

This is one of the oldest Acts in Canada; it was written in 1867. This is the first time in many decades that a proposal has come forward to put a purpose section in the Act for the interpretation of the courts. There are many fisheries cases involving aboriginal peoples, gulf trollers and others which will end up in the Supreme Court of Canada. We will have a purpose section without the recognition, as it should be writ-

ten, of provincial constitutional jurisdiction and constitutional jurisdiction as we see it in Section 35 for aboriginal peoples, making it clear that it is a recognition of aboriginal rights, and making it clear that provincial jurisdiction is not being tampered with. We must take these kinds of opportunities in Parliament to bring our Acts into the 20th century. It was written in 1867 and now we are adding a purpose section, with reference to marine plants, portions of fish and other new wording. If we do not take the opportunity to make it constitutionally accurate and to reflect the nature of our country, we are not doing our job in this Parliament.

● (1220)

The Minister of Fisheries and Oceans (Mr. Fraser) can go to British Columbia and say that the NDP is stalling the Bill. The fishermen there know that our committee went there, received a lot of evidence and came back here meaning well. They know we mean to amend this Bill to reflect the views of British Columbia fishermen, sports fishermen, native fishermen, trollers, gill-netters, seine boat operators. We want it to reflect that reality.

When the Deputy Minister appeared before the fisheries committee this morning I asked him what user groups he had dealt with in the Atlantic provinces, and he replied "Oh, none." I asked what his dealings had been with Governments in the Maritimes and he replied "Oh, none." Is this the great era of Conservative consultation? A group from this House of Commons went in good faith to British Columbia to hear evidence. We came back with logical proposals based on the evidence given by fishermen in British Columbia. The Tories say we cannot have any of that in there, but that they will throw in "larvae" and a little extra wording. They say they have to get the Bill through because of the Collier decision.

Let me deal for a moment with the Collier decision because it is the crux of the matter. The Minister says that because the Gulf trollers are fishing, he is in a terrible dilemma. He will not be able to allocate to different user groups in British Columbia. That is simply not the case. The facts are clear. The herring fishery proceeded this season.

The Minister has to deal more openly and fairly with the Gulf trollers. The rest of this season's fishing plan is falling into place. This Party does not intend to stall Bill C-32 forever and a day. We want this Bill to contain a consultative and protective mechanism for the user groups, not just in British Columbia, but for all Canadians. We want to be sure that those who have been involved historically in an industry are protected. New users of a resource such as salmonids in British Columbia must be given a protected place within the fishery.

I am a sports fisherman. I do not want to see sports fishermen excluded. The Minister plays games, saying that the NDP is trying to take away from the rights of sports fishermen or from others. The fact is that this Bill is not representative of the evidence that we heard, the constitutional evidence, legal evidence, evidence of user groups and evidence of aboriginal peoples.

The Minister does not urgently require this legislation. It should be redrafted or, during this process of debate, the Minister should put on his consultative hat and demonstrate to Canadians that he is prepared to accept in good faith amendments that are based on logical evidence. The Parliamentary Secretary knows the evidence was given in good faith. We sat early in the morning until late at night. We sat up all night dealing with this Bill. Now we only have "larvae" attached to it. The Minister of Fisheries and Oceans should return to this House and not carry on with this puff piece about the NDP stalling this Bill. We are holding this Bill in an attempt to make it good legislation which represents the user groups of Canada.

Mr. George Henderson (Egmont): Mr. Speaker, I do not intend to speak at any length on this first amendment. I moved the amendment to have the word "larvae" included. I did that because the previous legislation talked about the eggs, spawn, then there was a gap, spat, juvenile stages of fish.

There is a very important stage in the development of fish that was not taken into consideration in the legislation we had before us at the committee at that time. The larval stage as far as musks are concerned for oysters, clams and most shellfish, is a critical stage. I will use oysters or clams as an example. There are male and female oysters. After an oyster develops gonads, it develops the eggs and the sperm. Fertilization takes place in suspension. There is an 18 to 21 day period that is definitely not covered under the old legislation. It is a very critical stage in the development of oysters or shellfish, extremely critical. Indeed, one-half of one per cent of oyster larvae survive to the stage of maturity and indeed come to spat. Why would this be left out of this legislation in the definition? It is a very minor technicality, but one that most biologists would certainly agree to. My understanding is that since that word has been put in, by my request, biologists in fisheries and in other areas have confirmed that it is important to have that included.

I am only going to speak to this motion at this time. We have major concerns about other motions which we will speak to at another time. We will not be supporting the motion to delete the word "larvae" moved by my friend from Comox-Powell River (Mr. Skelly). I presume that my friend probably wanted to remove the word for other purposes. I think he understands the technicalities of it. It was probably to open debate on Clause 1, and that is fine. At this time I am going to stick to the motions we are dealing with here. We will be speaking on further motions later in this debate.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, it is always difficult to follow the Hon. Member for Egmont (Mr. Henderson). He usually speaks with a great deal of expertise on anything he debates, especially with relation to the fisheries. In his recent speech he seemed to be an expert in the sex life of oysters. I would not want to debate that too much with him. I know the old Liberal Party believed the state should keep out of the bedrooms of the nation. The new Liberal Party

must want to get the state into the sex life of oysters. Well, Parties change. I guess they are entitled to do that.

I am a bit upset with the comments of the Minister of Fisheries and Oceans (Mr. Fraser). Let me say something about his contribution to this debate. When I was the short-lived fisheries critic for my Party I said in this House that I have a great deal of respect for the Hon. Member for Vancouver South, the Minister of Fisheries and Oceans. We have been colleagues for a long time. We appeared against each other in courts in Vancouver and in other areas. However, I do not take too kindly to his comments about the role of the New Democratic Party in this debate. We are saying some real things. We are speaking for western Canada. We are speaking for British Columbia. We are speaking for the fishermen. That is what the Minister should be doing. How soon they forget.

• (1230)

When government Members sat on this side of the House, they acted like an Opposition Party. When they moved to the government benches they suddenly became just like the old Liberal Party. They have become centralized Canadians. They forget about the interests of the West Coast and about ordinary Canadians, the little people who really make up this country. I see that a government Member from B.C. is present. He is one of the 19 Tories from B.C. who are not really carrying on a good fight for British Columbia. They are putting out a lot of hype about what they are doing but they are not really doing very much.

I can tell the House why we do not like this Bill as it relates to the consultation process. As the Hon. Member for Skeena (Mr. Fulton) said, the committee spoke to the fishermen's groups and the fishermen's groups told us almost unanimously that they did not like this particular Bill. They told us that they are afraid it will give the Minister too much power and will concentrate power in the bureaucracy. That is the problem with the Bill. It is a Bill which is an overkill reaction to a lawsuit with which I will deal in a moment.

The biggest growth industry in the fisheries sector these days is in the fisheries bureaucracy. The problem with the fisheries industry used to be that there were too many fishermen chasing too few fish. Now the problem is that there are too many bureaucrats governing too many fishermen who are chasing too few fish. The bureaucracy is growing by leaps and bounds. I have heard it mentioned that there are 6,000 bureaucrats who deal with the fisheries industry. Perhaps that figure is wrong. It is simply one that came to mind. In any event, there are too many bureaucrats.

The position we are taking is one which befits a popular western Canadian Party. The Minister should realize that the interests of ordinary Canadians and the little people ought to be protected from people over in Hull or here in Ottawa who work in fancy buildings and make decisions for fishermen who live in British Columbia. The very lives of these fishermen depend on when the fishing season opens.

The Minister of Indian Affairs and Northern Development (Mr. Crombie) is present in the House today. He appreciates these new kinds of arguments that come up from time to time. The latest argument being put forward by the Department of Fisheries is that it is doing this for the fish. It is easy to do things for the fish because the fish do not talk back. We are getting our instructions from the fish. The bureaucrats should be getting their instructions from the fishermen, the human beings who are participating in the fisheries process, as well as from the environmentalists and concerned Canadians, particularly members of the New Democratic Party who are fighting for the rights of Canadian fishermen.

As I said, the problem began with a court case. The ruling of Mr. Justice Collier of the Federal Court stated that the federal Government was only entitled to allocate fish on the basis of conservation. This decision interfered with what the bureaucrats considered to be their powers over opening and closing the fishing season and dealing with everything concerning the fisheries on the West Coast. That is why they were upset by this particular decision.

Another problem with the decision was that Mr. Justice Collier, in what lawyers call an *obiter dictum*, something which is not the law but is thought to probably be the law, indicated that the Fisheries Act was unconstitutional, that some of its provisions violated the Canadian Constitution and that the federal Government had no business putting those kinds of controls on the fisheries industry. That is a serious matter.

Rather than rushing this Bill forward in an attempt to plug the loopholes created by the Collier decision, by trying to add to the powers of the Fisheries Department without really consulting the fisheries groups, the Minister should go to court to test the constitutionality of the fisheries law provisions. If Mr. Justice Collier, a well respected and experienced judge, is right in what he said, then the Bill we are debating, the Bill which we were accused by the Minister of filibustering, will then fall and all of the debate will be wasted. We are saying that the Bill should be referred to the court for an opinion. During the course of the second reading debate of this Bill, I put that specific question to the Minister. I would refer the House to *Hansard* which recorded that exchange.

We think the Fisheries Department has a hidden agenda. Because of this Bill, we think there will be more users competing for a shrinking resource. We feel that no part of the legislation improves the plan for the protection of the environment. There is no plan to base enhancement on the principle of watershed management. There is no move to protect our stocks from high sea intervention by foreign fleets. In fact, we say that thousands of pages of direct testimony from experienced users of the resource have been set aside by the Minister and the Department in bringing in this Bill. That is a serious charge and demands some serious answers.

The problem with the Bill is not just with an amendment affecting larva. As important as it is and as much as my colleague from the Liberal Party likes the sex lives of oysters, although he indeed has made a significant contribution to this debate by expounding on the sex lives of oysters, there are bigger issues which the Liberal Party must address. I have

never heard the Leader of the Opposition, the Hon. Member for Vancouver Quadra (Mr. Turner), speaking on West Coast issues. I hope he will speak on this particular Bill today.

I would like to deal with another aspect mentioned by my colleague, the Hon. Member for Skeena; that is the part of the Bill which relates to native people. The Hon. Member for Skeena indicated that it almost seems as though this Bill and its amendments were drafted without considering Section 35 of the Constitution. Section 35 of the Constitution establishes existing aboriginal rights of the native peoples of Canada and is an important part of the Constitution. Hon. Members might as well accept that now. We have to deal with it. It is no good to put in an amendment indicating that we will acknowledge that section. We must deal with it in more detail.

I remember when we were dealing with Bill C-48, the oil and gas measure, in the Energy Committee. At that time, the Liberals proposed the same clause that is proposed as an amendment to this Bill. It is not good enough to slip in a clause that says we will not do anything with existing rights. My colleagues, the Hon. Member for Comox-Powell River (Mr. Skelly) and the Hon. Member for Skeena, have many native people in their ridings and have specifically proposed certain amendments to this Bill. With respect to Hon. Members, I think those amendments are worth examining.

We do not apologize for not dealing with larvae amendments and for presenting more substantial amendments. We do not apologize for holding this Bill up until we can get a better deal for the fishermen on the coast. Fishermen are unique. They are the last real hunters of Canada. The fisheries industry is unique, and what these bucreaucrats do with it affects these people's lives. That is why we want to make sure that the bureaucratic power is restricted as much as possible. That is why we want to make sure that the users, the trollers, the seiners, the gill-netters, the sports fishermen and the native fishermen are consulted. That is why my colleagues were prepared to sit up all night in committee. That is why we are speaking in this House today.

As much as we like the Minister of Fisheries personally, we will not accept it when he says that we are guilty or that our Leader is only a central Canadian. We are standing up for the rights of the fishermen in Canada and we will continue to do so.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, like my colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell), and other Members of our Party, I was rather distressed to hear the remarks of the Hon. Minister of Fisheries and Oceans (Mr. Fraser) who described the actions of our Party regarding Bill C-32 as being reckless and irresponsible. We in this Party believe that Bill C-32 is reckless and irresponsible because of the kinds of powers it gives to the Minister. We feel that the Bill is irresponsible and fails to listen to what the fishermen of the Pacific Coast have had to say.

The committee went to a great deal of effort to travel to British Columbia to listen to what the actual fishermen had to say. The committee returned to Ottawa and found that really nothing about the Bill has been changed. We are still giving *carte blanche* to the Minister to do whatever he wants to do.

When the committee travelled, the majority of witnesses who appeared before it made it very clear that they did not want this Bill passed in its present form. As the Hon. Member for Vancouver-Kingsway pointed out, what we have in the Bill is a form of overkill in reaction to a court decision.

● (1240)

I do not believe that it is reckless and irresponsible of our Party to insist that there should be proper consultation before the Bill, in its final form, is passed. I do not believe that it is reckless and irresponsible to insist that a consultation process should be built into the Bill in order that different user groups on the coast could have a say as to how the resource should be allocated. That is exactly what the Minister promised when he was fisheries critic for the Official Opposition before the election. But it would seem that elections change views. Elections not only change the Government, they change the minds of some individuals who form the Government.

I regret that the Minister has changed his view. Before the election he appeared to be very open to the idea that all user groups and all people who had a basic interest in the fisheries should be involved in making decisions. However, now the Minister is standing in the House and telling us that we are reckless and irresponsible because we refuse to give him *carte blanche* to make all sorts of regulations without the requirement of consultation.

I remember, as do other Members, when the Davis plan was introduced to limit the number of people who would be involved in the fishing industry on the West Coast. That plan was introduced some 15 or 16 years ago. I think all sides of the House would agree that the plan was a disaster. At that time we had yet another instance of "Minister knows best". The Davis plan was dreamed up by the Minister and his advisors. It had nothing to do with the actual people who were involved in the industry. Those people attempted to raise their voices and point out the problems inherent in the Davis plan. But, the Minister knew best and the plan went ahead. Now we all recognize that the plan was a complete disaster.

I have three basic concerns regarding the Bill in its present form.

Mr. Gass: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Malpeque (Mr. Gass) on a point of order.

Mr. Gass: Mr. Speaker, I am wondering to what motion the Member is speaking. I thought it was the motions to which we were speaking and not the whole Bill.

Mr. Skelly: Mr. Speaker, had the Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Gass) read the amendment and understood its import, he would have recognized that the Davis plan, in fact, affected the fishery in such a

complicated and far-reaching manner that even the production of eggs, spat and other things were affected. The Hon. Member was referring to the reorganization of fisheries, which touches on the matter of regulations, and the amendment deals with how closely the regulations deal with every aspect of fishing. Of course, that is what we are working toward removing.

Mr. Gass: Mr. Speaker, I have listened very intently to the previous Member and he never once mentioned the word "larvae".

Mr. Deputy Speaker: I am sure the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) will make his comments relevant to Motion No. 1.

Mr. Manly: Mr. Speaker, I will be very glad to discuss the issue of larvae. As a preliminary, I believe it is important to recognize that the Hon. Minister of Fisheries and Oceans made a fairly lengthy speech, but he did not refer to larvae. He referred to the New Democratic Party and said that it was reckless and irresponsible. He referred to our Leader as being reckless and irresponsible, as well as the Hon. Member for Comox-Powell River (Mr. Skelly). However, I did not hear the Minister speak on the question of larvae. I would be glad to continue, if I may, to make several prefatory comments.

I have three concerns regarding the Bill: first, the failure to consult prior to the drafting of the Bill; second, the fact that the fishing industry on the West Coast is already subjected to over-regulation; and third, that the Bill gives too much power to the Minister. My third point goes back to the comment I was making before I was interrupted by the point of order, which is that we have already seen what resulted from that kind of situation through the Davis plan.

There has been a failure to consult with the fishing industry on the West Coast and there has been a refusal to recognize that the people who are most involved in the fishery are the people who could arrive at the best solutions. One of the jobs of the Minister should be to sit down with all the people who are involved in the industry and establish a comprehensive program which would result in long-term solutions for the fishing industry, instead of telling us that the whole issue is so complex that only the Minister and his advisors can deal with it.

If we look at the treatment which Indian witnesses received, we get a very good idea about what the failure to consult in drafting the legislation meant. When the committee was considering the Bill it decided that it would not hear Indian witnesses. The Conservative Party decided against hearing Indian witnesses. However, the Indian people wanted to be heard. They sent a deluge of telegrams, letters and made numerous telephone calls to pressure the committee, together with the Hon. Member for Comox-Powell River and the Hon. Member for Skeena (Mr. Fulton).

Finally, the Conservative Party saw the light and felt that it should change its previous position. So, the decision was made to hear Indian people, but what happened? The Indian people were brought to Ottawa and subjected to an around-the-clock process. They were required to appear all evening before the committee. Ed Newman, President of the Native Brotherhood of British Columbia, told us that he travelled some 3,000 miles to appear before the committee and then had to speak to a group of empty seats. He felt that the Indian people were being treated very shabbily. When I visited the committee I was surprised. Of the 11 Conservative members on the Committee only the Parliamentary Secretary and the Chairman were present. Members from the New Democratic Party and the Liberal Party were present, but only one Conservative member was present.

Mr. McDermid: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Brampton-Georgetown (Mr. McDermid) on a point of order.

Mr. McDermid: Mr. Speaker, I believe the Hon. member's remarks are completely out of order. Attendance in the House or in committees is not to be mentioned in the House of Commons. In addition, the work of the committee should not be mentioned. I would ask the Chair to rule that those remarks are completely out of order.

Mr. Rodriguez: Mr. Speaker, I rise on the same point or order. It has been the practice—not to single out any Member in the House, or to say that that Member was not in the House or was not in committee. But, never in my experience have I been aware of the fact that it is unparliamentary to say that Tory Members, Liberal Members or NDP Members were absent. There is nothing wrong with mentioning that. Indeed, I believe it is quite correct to mention that the Conservatives who are so concerned about the Bill have a sparse attendance in the House. There is not one Tory from British Columbia in the House. We have not specifically named anyone. I noticed that I was very careful not to name anyone. That is a very important—

• (1250)

Mr. Deputy Speaker: I think the Hon. Member has made his point.

[*Translation*]

Mrs. Mailly: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Yes, Mr. Speaker. Concerning the same question, I thought that the remarks of the Hon. Member were not altogether relevant.

Mr. Deputy Speaker: Quite true with respect to the relevance of the speech of the last speaker.

[*English*]

I give the floor to the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). He has one minute left in his speech.

Mr. Manly: Mr. Speaker, I apologize if I was slightly out of order on that last issue. I simply raised the matter because of the concern of the Indian people themselves. They felt that they had been shabbily treated. However, if I was out of order, I do apologize to the Hon. members of the Conservative Party.

Mr. Rodriguez: They are so sensitive.

Mr. Manly: I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That debate on Bill C-32 be adjourned until 4 p.m. today.

Mr. Deputy Speaker: The Chair has received a motion by Mr. Manly, by virtue of Standing Order 50, wherein he moves that the debate on Bill C-32 be adjourned until four o'clock today. The first part of the motion technically would be in order. However, by having added a certain time limit, the Hon. Member has qualified the motion. For that reason, the Chair must rule the motion out of order.

Mr. Manly: Mr. Speaker, I would ask permission to withdraw the final words of the motion in order to make it in order.

Some Hon. Members: No, no.

Mr. Deputy Speaker: The Chair has already ruled on the motion and it is out of order. The Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. McDermid: Tell us what you know about fish.

Mr. Stan J. Hovdebo (Prince Albert): Where I come from, Mr. Speaker, we do a lot of fishing.

Some Hon. Members: Oh, oh!

Mr. Hovdebo: This Bill before the House is very typical of what this Government has been doing during its few months in office. It keeps giving lip service to a large number of issues but never really gets a good hold on them. It never follows up on what it says it is going to do. For instance, Motion No. 1, the process of consultation was insisted upon by the New Democratic Party with respect to this particular Bill. We finally convinced the Government to allow the committee to travel to the West Coast—

Mr. Gass: Mr. Speaker, I rise on a point of order. The Hon. Member is speaking on Motion No. 1, I believe, and that has to do with eggs, spawn, spat and larvae. It has nothing to do with consultation.

Mr. Skelly: Mr. Speaker, I find the behaviour of the Parliamentary Secretary certainly very questionable. I wonder if there is not a mechanism available to the Chair to prevent frivolous points of order so that the Hon. Member will not keep on disrupting what I think has been an incredibly good speech. He has failed to allow the Hon. Member to develop the context in which his remarks will be made.

Mr. Gass: Mr. Speaker, Motion No. 7 is in respect to consultation with coastal communities. Motion No. 8 has to do with consultation with traditional user groups. I believe the Hon. Member has his speech notes mixed up and is speaking on Motions Nos. 7 and 8 rather than Motion No. 1.

Mr. Skelly: Mr. Speaker, we have a problem that if the Government wishes to impose regulations on eggs, spat and larvae, there definitely has to be consultation on how this will be implemented, and the Hon. Member was moving towards that. In the limited time remaining, he will have difficulty developing his remarks.

Mr. Deputy Speaker: The Hon. Member for Prince Albert (Mr. Hovdebo) has the floor, and I would ask him to be relevant to the motion.

Mr. Hovdebo: Mr. Speaker, I would like to put on the record exactly what the definition of fish is and the need for this Bill to take a look at that definition in regard to some consultation with—

Mr. Rodriguez: Fish. What is a fish?

Mr. Hovdebo: —so that this Bill does react to the requirements and needs of the fishermen on both coasts.

Mr. Crombie: Three coasts.

Mr. Hovdebo: Three coasts. Thank you, Sir. The definition of "fish" includes:

(a) portions of fish,

(b) shellfish, crustaceans, marine animals, marine plants and portions thereof,

(c) the eggs, spawn, spat and juvenile stages of fish, shellfish, crustaceans and marine animals, and

(d) such fish products and by-products as are prescribed pursuant to Section 34;

The amendment adds to that definition "larvae". I started to develop the need for consultation, the need to put definitions into the Act so that the fishermen know exactly what they are getting into.

My second point as far as this Government is concerned is that it says it is going to put less government on the people, that there will be less regulation. But what does this Bill do? It increases the amount of intervention in the fishery industry by the Government. It establishes more control in an industry where the control is probably already at maximum.

This is a Bill which the Government insists we pass without any debate. It has completely overlooked the kind of consultation which is needed by the native groups and fisherpersons across the country. Just by looking at this one Bill, I can name four areas where this Government is going back on its word. It says it will listen to consultation, yet it does nothing. It says that it will protect the native rights of the native people of Canada and it ignores them in this particular Bill. It says it will have less government regulation and it proceeds to put before us a bill which increases government regulation in this

particular industry. It says that it is concerned about all private primary industries and here we have a primary industry which the Government is devastating by putting this Bill in place. I will continue my remarks after two o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MEMBERS OF PARLIAMENT

SEXUAL HARASSMENT COMPLAINT—CALL FOR AMENDMENTS TO LEGISLATION

Mr. John Nunziata (York South-Weston): Mr. Speaker, the sexual harassment case involving the former Minister of National Defence, the Hon. Member for Cumberland-Colchester (Mr. Coates), illustrates how the procedures and practices with respect to complaints under the Human Rights Act are grossly unjust. The Member has been denied some very basic rights. Fundamental principles of natural justice, including the right to be presumed innocent until proven guilty, have been breached. The damaging media coverage surrounding the launching of a complaint has the effect of convicting an individual in the eyes of the public before a fair hearing has been conducted. Even though a complaint might subsequently be determined to be without merit, the damage caused cannot be corrected. Complete vindication is impossible.

The Human Rights Act does not require a complainant to swear an affidavit or provide independent substantiating evidence. There is absolutely no protection against frivolous and vexatious complaints. Reputations and families can be destroyed by the publicity surrounding the mere laying of a complaint. The media have special rights in a democracy which must be scrupulously protected. But these rights, especially in relation to a quasi-judicial body, must give way to the greater right of the individual to be presumed innocent until proven guilty. I call on the Government, in the name of fairness, to bring forward immediate amendments to the Human Rights Act to prohibit the publication of a complaint by the media until a hearing and subsequent decision by the Commission.

[*Translation*]

NATIONAL PARKS

IMPACT OF BUDGETARY CUTBACKS ON NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, last weekend, the people of the Village of Alma, in New Brunswick, strongly protested against the cutbacks affecting Fundy National Park, announced by the Conservative Government last November.

Thirty residents of Alma have just lost their jobs which, needless to say, are very important to them. At least 300 residents depend on Fundy Park for employment which is mostly available only during the summer months.

First of all, in a province where the unemployment rate is very high, the Government has no right to cause further loss of jobs. Furthermore, cutbacks in our national parks also affect tourism. Admission fees have tripled, so that now it costs $12 instead of $5 to have access to a camp site.

Mr. Speaker, Canadians are increasingly feeling the impact of Conservative policies that will bring the development of our national parks to a halt. Already, since the opening of the new season at Fundy, it seems there are far fewer visitors than last year.

This is only the beginning, and the worst part is that everyone is going to suffer: workers are losing their jobs, and it will cost more to visit the parks. What it boils down to is, Mr. Speaker, that this Government is trying to destroy the heritage and the economy of New Brunswick.

* * *

[*English*]

HOUSE OF COMMONS

ENGAGEMENT OF CNIB CATER PLAN SERVICES

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I recently learned that luncheon arrangements for school children visiting Ottawa from our various constituencies will now be accommodated through the Canadian National Institute for the Blind Cater Plan services. I understand this has been brought about by the closure of the cafeteria in the Wellington Building. The Government is to be commended, and I assume you as well, Mr. Speaker, for engaging the services of this splendid organization to cope with our present shortfall in accommodating these groups.

CNIB Cater Plan services has been in existence for 58 years. At present it employs 1,071 people across Canada, 240 of whom are registered blind. This is a non-profit organization whose main purpose is the employment of the blind in a meaningful and fulfilling occupation. In Ottawa they provide catering services in 26 federally occupied buildings.

Cater Plan is the largest employer of blind people in Canada, and in my Province of Alberta it has 39 operations,

two in Calgary, and province-wide provides employment for 43 blind people.

Cater Plan has been asked to provide 28,000 meals this summer under the current House of Commons program, and I believe all Canadians will be proud to know that CNIB Cater Plan services have been contracted to provide meals at a very reasonable cost to these visiting groups.

* * *

THE ECONOMY

DROP IN INTEREST RATE LEVELS

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, the Bank of Canada rate fell this afternoon to 9.59 per cent.

Some Hon. Members: Hear, hear!

Mr. Tupper: The prime rate is currently the lowest it has been since September, 1978. Mortgage rates are falling. The Bank of Montreal cut its six-month mortgage rate last week to 9.75 per cent, the lowest rate for any mortgage offered since 1973. The one and two-year rates at the same institution fell to 10 per cent and 10.75 per cent respectively. London Life Insurance Company dropped its five-year mortgage rate below 12 per cent for the first time since 1979.

In addition, automobile manufacturing, rail loadings, housing starts, real estate transactions, the output of several industries, and employment are all up.

Why? It relates to the fact that Canadians and Canadian businessmen are gaining confidence in themselves and in Canada. Much of that confidence relates to the initiatives of the present Government. The mood across the nation is buoyant, Mr. Speaker, as we await the Budget of the Minister of Finance (Mr. Wilson).

* * *

CANADA POST CORPORATION

POSTAL SERVICE DELAYS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, while Canada Post applies for an inflationary rate increase, service in many areas continues to deteriorate. Constituents ask questions for which no reasonable answers can be given.

Why does it routinely take nine days for a letter to go from Galiano Island to Vancouver, less than 20 miles away?

Why is mail from the U.S. held at the border until a certain quantity is reached, so that a constituent receives four pieces of mail in one day which had been written over a one month interval?

Why is Canada Post trying to take from community newspapers their traditional business of delivering inserts and flyers? Why is it harassing these papers with excessive charges for minor mistakes in date-line? Why does it insist that all inserts must be placed in the centre of an open newspaper, when small operations have to do this by hand?

Why does Michael Warren not answer letters of complaint?

The Government must instruct Canada Post that there will be no increase in postal rates until service has been brought to a satisfactory level.

* * *

THE ECONOMY

GOVERNMENT'S POLICY

Mr. Gordon Taylor (Bow River): Mr. Speaker, do you know what? Our country is in one terrible, deplorable, disgraceful, scandalous, bad, disastrous, painful, shameful, dishonourable, discreditable, disreputable, unmentionable, humiliating and ignominious shape. In other words, we have been broke since 1975, but the Liberals, aided by the NDP, pretended, bewildered, mystified, misinformed, equivocated, evaded, ignored, rationalized, subterfuged, claptrapped, quibbled, blinded and shaded the facts to fool the people, and lived high on the hog on more than $108 billion of borrowed money. But the people were not fooled, and on Septermber 4 last they elected a Progressive Conservative Government to save the country from going into bankruptcy. Now, to increase productivity, create jobs, and increase social benefits, it must get rid of the monstrous debt that is bleeding the country dry.

The PCs are working, struggling, fighting, digging, analysing, exerting, reducing, strengthening, shortening, discounting, demonstrating, converting, co-operating, tightening, collaborating, and consulting, and doing it all fairly and above the table to restore Canada to its rightful place among nations. Our citizens may bleed a little, but Canada will rise again as a united, sovereign nation, reflecting the thinking of all of its people. Canada, we stand on guard for thee!

Some Hon. Members: Hear, hear!

* * *

• (1410)

DANGEROUS PRODUCTS

USE OF HERBICIDES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, on a more serious note I am sure that many Canadians will be saddened today upon hearing that the Ontario Government has had to decide to make free bottled water available to those whose drinking water is contaminated by the herbicide alachlor, rather than ban its use. Who would have thought that the day would come in Canada when we would be reduced to handing out bottled water? Is our fascination with herbicides and pesticides so great that we would rather give up our water than seek ecologically sound alternatives to the use of these dangerous substances?

The federal Government should have had the courage to ban alachlor altogether. It would have been standing on guard for Canada by banning dangerous substances. But it has not addressed that problem, nor has it addressed the problem recently brought to its attention about the wood preservative, PCP.

Finally, I wonder if MPs could be told just what herbicide has been sprayed on parts of the Parliamentary Lawn, and why this was felt to be necessary. The ugly little yellow signs, however temporary, as well as the herbicide itself, hardly enhance the image of the Hill.

* * *

TRADE

SUCCESSFUL FUR NEGOTIATIONS WITH EUROPEAN ECONOMIC COMMUNITY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, congratulations are in order for the Minister of State for International Trade (Mr. Kelleher) and his team of negotiators who have successfully persuaded the European Economic Community not to impose its threatened increase in tariffs against Canadian fur products.

The proposed increase in import tariffs from 7 per cent to 24 per cent would have had a disastrous effect on Canada's $650 million per year fur industry. However, we must not forget that the reprieve lasts only until November, when shoe import quotas are due to expire. If Canada unrealistically imposes renewed quotas, the European Community will undoubtedly, once again, retaliate against our fur producers.

The Minister of State for International Trade must therefore not rest on his well deserved laurels but renew his efforts to keep the European market open for Canadian furs on a permanent basis.

* * *

FINANCE

BUDGET FORECAST

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, today, May 23, 1985, will be a day that will long be remembered by middle and lower-income Canadians. At 4.30 the Minister of Finance (Mr. Wilson) will smash these Canadians with a sledgehammer type of budget. It is the same type of budget that defeated the Tories in 1979. Today, for the first time, the Tory Government will show its true colours to the people of Canada as the Prime Minister (Mr. Mulroney) bows down to his friends in big business who will be the ones profiteering from the Wilson Budget.

[*Translation*]

Mr. Speaker, I sympathize with those Canadians whose lives will be drastically changed by this Budget: senior citizens, farmers, workers whose money will go to fill the coffers of the

big corporations that support the Conservatives. The repercussions of this Budget will come back to haunt this Government which has always blamed the previous Government for its own incompetence.

Mr. Speaker, I would urge all Canadians to buy new shoes today, because only the Minister of Finance (Mr. Wilson) will be able to afford them tomorrow.

* * *

[*English*]

INDUSTRY

START OF NEW BRUNSWICK PAPER MILL PROJECT

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, Tuesday of this week was an historic occasion for the Miramichi, the area which I am pleased to represent. A 40-year old dream came true when the Minister of State for Forestry (Mr. Merrithew) participated in a sod-turning ceremony that marked the beginning of a $360 million paper mill project.

Some Hon. Members: Hear, hear!

Mr. Jardine: In the words of the Minister, "it was one of the most important days in the history of New Brunswick, and especially the Miramichi".

This repap paper mill will help stabilize employment for more than 1,600 mill and woodlands workers; it will provide 1,000 person years of employment during the construction phase, and will create 125 new permanent jobs.

This is a prime example of how this Government, through the Minister of Regional Industrial Expansion (Mr. Stevens), in co-operation with the province and private enterprise, has worked in a positive way to provide what this country needs—jobs, jobs, jobs.

* * *

CANADIAN PACIFIC RAILWAY

EMPLOYEES' RAIL PASSES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, for 100 years, ever since we started building railways in our country, there has been an agreement, written or unwritten, between the employees of the railways and the company management that employees would have passes to travel on the railway lines. That benefit has been cut back as passenger service has declined.

Recently the CNR reached an agreement with its employees whereby its employees continue to get the pass privileges. Unfortunately the CPR, that poor company which has been given hundreds of millions of dollars by Canadian people, still opposes that kind of agreement.

I urge the Minister of Transport (Mr. Mazankowski) to use his influence with the CPR to see that it makes the same kind of agreement with its employees.

ORAL QUESTION PERIOD

[*English*]

CANADIAN ARMED FORCES

REPORTED SUBMISSION TO EQUALITY SUBCOMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Justice I will direct my question to the Deputy Prime Minister. I have a copy of the intended submission of the Department of National Defence to the Justice subcommittee on Charter equality. It was reported on this morning in *The Globe and Mail*.

This is a highly offensive document, and a serious insult to Canadian women, just in the same way that the Government discussion paper on charter equality was an insult. It confirms our suspicions that, whatever the Government's rhetoric, it has no intention of supporting the implementation of the goals of the Charter.

Will the Deputy Prime Minister confirm that the senior officiers who wrote this document did so after scrapping a whole process that they had established within the Department of National Defence, under a consultant named Jim House, which was to provide for true consultation and participation by men and women at all levels of the Department of National Defence in the preparation of their submissions? Is that the way this report was developed?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member describes the document in his hands, I presume, as being an intended submission to the subcommittee now studying this matter. I know of no such submission in documentary form—

Some Hon. Members: Again?

Mr. Nielsen: —in documentary form that is so intended at all.

I read the press articles, including the one that the Hon. Member referred to, and others. It would be my intention to examine whatever document exists in order to acquaint myself with its contents.

The Hon. Member will be happy to know that I have written to the Chairman of the subcommittee offering to appear before the subcommittee at a mutually convenient date and time for the purpose of addressing this and other matters affecting the policy of the Department.

EQUALITY FOR WOMEN IN COMBAT ROLES

Hon. Bob Kaplan (York Centre): Mr. Speaker, other Canadians have and will be reading this intended report with interest. Will the Minister be endorsing this as government policy? Particularly, does he really believe that Canadian women should suffer inequality in DND because women do so in some other countries, and because mixed combat units have never been tried before in Canada?

I ask him to answer that question bearing in mind that combat roles don't just mean pulling the trigger type jobs. According to DND definition, combat roles include such jobs as pilots, sonar technicians, weapons technicians, all sea artillery and infantry jobs. Are these to be denied women on the spurious grounds contained in this report?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member, who is a lawyer and who, at one time, was a Solicitor General in the previous administration, asks me to endorse something that I have just told him I have not seen. Surely even he would recognize the unreasonableness of that.

With respect to the role played and to be played by women in our Armed Forces, I think I can speak with specific and particular knowledge which is held fairly exclusively in the House. I can tell the Hon. Member of the significant contribution made by women in our Armed Forces during World War II, which was quite substantial in a wide variety of roles. I would expect that kind of contribution to continue, much to the credit of women, and much to the credit of Canada.

• (1420)

APPLICATION OF CHARTER OF RIGHTS TO WOMEN PERSONNEL

Hon. Bob Kaplan (York Centre): Mr. Speaker, whatever the excellent role of women in World War II, I suggest it is a pretty patronizing observation to say that that is the level at which their participation will continue in the Department of National Defence.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Because the Minister of Justice said recently that he does not know what the Charter will eventually be determined to imply for women in the Department of National Defence, if the view is as expressed in this document can we get an assurance that the Government will not introduce a notwithstanding clause into legislation to prevent the Charter from applying to women in the Department of National Defence, giving them the rights that were intended when the Charter was introduced?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Charter is the law of the land and will be applied as the law of the land.

Mr. Chrétien: Apply it.

Mr. Nielsen: As far as being patronizing is concerned, the Hon. Member is patronizing. I have first-hand knowledge of

the extremely important role played by women both in war and in peace, a knowledge he does not share with me. I can tell him that I was very proud to have served for ten years alongside women in our Armed Forces, something which that hon. gentleman cannot say.

Some Hon. Members: Hear, hear!

Mr. Gauthier: You would send kids to war?

APPEARANCE OF ARMED FORCES PERSONNEL BEFORE SUBCOMMITTEE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of National Defence. First I would like to tell the Minister that it is very nice to know he worked with women in the Second World War. There were no women in the House in the Second World War. Women's roles in the Second World War were very different from today. There are some changes one has to take into account.

Some Hon. Members: Hear, hear!

Mrs. Finestone: The Minister earlier refused to allow the equality rights committee to hear views and to take testimony from individual members of the Armed Forces who requested to appear before the committee. Is the Minister going to allow liberty, or enforce silence, for the individual members of the Armed Forces? What possible basis does the Minister have that women cannot appear as individuals? Why is the Minister neglecting their freedom of right to speak? It is not a national security issue. Will the Minister allow individuals who wish to do so to appear and to testify before the equality rights committee?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): It is simply not true, Sir, for the Hon. Member to say to me that I have refused to allow members of the Armed Forces to appear before the committee, whether they be women or whether they be men. That is not true. That is not a fact. What I will inform her and Members of the House is that the conduct of all members of the Forces, be they women or be they men, among other things is governed by Queen's Regulations and Orders to which all members of the Forces must adhere.

With respect to that question which was raised initially by the Hon. Member for Burnaby, I am having an examination made of Queen's Regulations and Orders to see whether, for the maintenance of good order and discipline in the Forces, it might be possible for that appearance. I very much doubt though that that would be the case.

COURT CHALLENGES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have a supplementary question for the Minister of National Defence. The interpretation of the new Charter of Rights would indicate, I hope, a much more open spirit when the Minister examines those rules and regulations in those instances.

If the Government continues to show the desire to muzzle the voice of women in the military, will the Minister be prepared to support and finance those cases which will have to be challenged in the courts so women can earn their equality rights, something which the Minister does not seem ready to give?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the accusation of the Hon. Member with respect to muzzling is both inaccurate and untrue. If that were not enough, it is also false.

Some Hon. Members: Oh, oh!

An Hon. Member: To say nothing of being offensive.

Mr. Nielsen: With respect to the whole question of equality, I have informed the House that it is my undertaking, my commitment, as Minister responsible, to appear before the committee and to answer all of those kinds of questions.

An Hon. Member: Why don't you?

Mr. Rossi: Go back to sleep.

Ms. Copps: Zipper up.

Mr. Speaker: Order, please.

* * *

CONSUMER AND CORPORATE AFFAIRS

PHARMACEUTICAL INDUSTRY—PAYMENT OF ROYALTIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct my question to the Minister of Consumer and Corporate Affairs. Yesterday after he tabled the Eastman report he made the observation that he was concerned an increase in the royalties paid by the generic companies would mean an increase to the consumer and he did not want to see that.

Is the Minister aware that the highest price paid by consumers for prescription drugs, and the highest profits made by the multinational companies, were in those years when the multinationals had the exclusive right to produce and sell prescription drugs?

Is the Minister not favourably impressed by Dr. Eastman's recommendation that the period for which the multinationals have exclusive rights to sell the products, be reduced to four years?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): In answer to the question, Mr. Speaker, I can tell my colleague that the general recommendations of the Eastman report are acceptable to us, to the extent that they advocate

research and development in the pharmaceutical industry. However, I did express certain reservations with respect to the reaction to higher royalties on consumer prices and my opinion has not changed yet.

[*English*]

REQUEST THAT COMMITTEE BE DISBANDED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a supplementary question for the Minister. Given the fact that both the multinational companies and the generic companies have expressed opposing views with regard to the recommendations of the Eastman Commission, it is obvious that the committee he has had working with his Department cannot reach any useful conclusion. Is it not time that the Minister dissolved that committee? It must be an embarrassment to him, given the fact that his Director of Combines Investigation is investigating his Department?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): All I can say, Mr. Speaker, is that our Government initiated a democratic consultation process in September. We intend to carry on with it and meet with our provincial colleagues and the various consumer associations to see how they react to the report. We will then be in a position to implement a policy which will be in the best interests of Canadian consumers, I am sure.

[*English*]

DRUG PRICES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my last supplementary question is for the Minister of Consumer and Corporate Affairs. Before 1969 when the patent laws were changed to the present system, Canadians were paying the second highest drug prices in the world. Since then we have been paying the second lowest prices. Will the Minister tell the people of Canada that he is not going to make any real changes which will destroy that favourable situation which they have enjoyed since 1969?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can only repeat that we will try to promote research and development in Canada, while at the same time making sure that consumers pay as little as possible for pharmaceutical products.

* * *

[*English*]

CANADIAN ARMED FORCES

EMPLOYMENT OF WOMEN

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Minister of National Defence. It is nice to know the Minister is going to attend the committee, but if he is as forthcoming with information there as he has been in the House, then the Members will be better off doing something else.

Some Hon. Members: Hear, hear!

Mr. Hopkins: I refer once again, Mr. Speaker, to an internal Department of National Defence document entitled *Canadian Forces Policy on the Employment of Women*, dated March, 1985. After reading that report one would think that it was written in 1885 instead of in 1985. The report makes shocking statements about discipline, emotional stability, unit cohesion, morale, and effectiveness, which would cause the majority of Canadian women to shudder with anger. Is the Minister prepared to dissociate himself, his Government, and his Party, from this discriminatory document?

● (1430)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I repeat the responses which I made with respect to the question originally put by the Hon. Member for York Centre in general reply to the Member. I can tell him by way of reassurance that whatever might be in that report is not government policy. When that has been set, it will be announced in the appropriate way. However, I find it rather strange that these Hon. Members in the Official Opposition should be asking that kind of question when it was not they, when they were in office, who forced through the provision in the Charter of Rights and Freedoms with respect to women's equality rights; it was this Party which did that.

Some Hon. Members: Hear, hear!

Mr. Nielsen: It was those Hon. Members who had to be dragged, kicking and screaming, to support women's equality rights.

WOMEN'S CAREERS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, we all know that the Deputy Prime Minister is very professional—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I get the distinct impression that somehow questions and answers are not really on everybody's mind today.

Mr. Hopkins: The Deputy Prime Minister just brought another red herring on to the floor of the House; he is a pro at it. I want to remind him of a Conservative election promise, and I quote from his own document, "to ensure the full career development of members of the Canadian Armed Forces". Is the Minister willing to assure Canadians that all the distasteful and discriminatory implications of this report will not affect the careers of the thousands of competent women

already in the Armed Forces? If he is not willing to do so, are we to assume that women are not full and legitimate members of the Canadian Armed Forces today, in 1985?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have just reassured the Hon. Member, in response to his first question, that whatever that document contains does not constitute government policy and that when that policy is formulated it will be announced in the appropriate way. Again I express surprise at this line of questioning coming from him when he describes as a red herring an amendment ensuring women's equality rights which we proposed, and which they had to accept when they were in office. We did not consider that to be a red herring. I am very surprised that he does.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

PCB SPILLS IN PRINCE EDWARD ISLAND, NEW BRUNSWICK AND QUEBEC

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. Yesterday, upon leaving the House, the Minister said that Hydro Quebec had been advised of the new regulations on transporting PCBs and that it should have passed this information on to the carrier whose truck recently leaked PCBs in Prince Edward Island, New Brunswick and Quebec. The Minister also said, and I quote: "The new regulations are very clear on the manner in which this product is to be shipped, and if there is any infringement of these regulations, charges will certainly be laid." Could the Minister inform the House today whether the Government intends to lay charges against Hydro Quebec or the carrier responsible for the PCB leak last week?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I thank the Hon. Member for his question. Obviously, if it is proved that the regulations now in effect have been infringed, charges will be laid.

[*English*]

POSITION OF DEPARTMENT OF TRANSPORT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my supplementary question is directed to the Minister of Transport, given that the Minister of the Environment displayed her usual passion for the environment. Could he tell us whether his Department, as the Department in charge of transportation of dangerous goods, has initiated any inquiry? There is some rumour to the effect that violations of the Canada Shipping Act and violations of the directive issued by the Minister have taken place. I am wondering whether the Minister has taken an interest in this event, whether there will be an investigation, and whether there is a willingness on the part of the Government to pursue it to the full extent of the law if these violations are confirmed?

Hon. Don Mazankowski (Minister of Transport): Yes, Mr. Speaker, this Minister has taken an interest in this issue. I indicated to the House yesterday that the matter was being investigated by a Transport Canada inspector and that tests were being conducted on the level of the concentration of the PCBs. As soon as all that information is available, and it should be available by the end of this week, a decision will be made. In so far as prosecution is concerned, that determination will be made next week. I should say as well that there has been excellent co-operation on the part of Transport Canada, the Department of the Environment, and the provincial authorities, in this whole issue.

* * *

[*Translation*]

NATIONAL DEFENCE

AN OFFICER'S OPINION—MINISTER'S POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Defence.

On a recent trip to Germany with the Canadian Forces, an officer actually told me that having five men go to battle and only one come back would be much better than having five women in the same situation and only one come back, because the man could then impregnate the women who stayed home, and it was a matter of the survival of the human race, because one male could replenish the entire stock.

Mr. Speaker, now that we have the Canadian Charter of Rights and Freedoms and considering the very positive experience of female cadets in the armed forces, does the Minister not think this is a decadent sign of male chauvinism and is he prepared to endorse such outrageous statements?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would certainly not be prepared to endorse the philosophy expressed by the the Hon. Member as having come from an officer with whom she was speaking when she was in Germany without knowing what was that expression of philosophy. However, I can tell her that it is the ambition or the determination of every member of the Forces, of whatever sex they might be, in a wartime mode or in a battle mode to strive to the utmost of get back in one piece.

[*Translation*]

ARMED FORCES' MENTALITY—MEASURES TAKEN BY GOVERNMENT

Mrs. Lucie Pépin (Outremont): I have a supplementary, Mr. Speaker.

Since Government policy to promote the status of women will not be implemented unless the Government makes it clear to public servants that it is committed to this policy, why does the Progressive Conservative Government not insist on a change in attitude in the Canadian Forces, and what specific measures have been taken by the Minister to show he is serious when he refers to the rights of women and his respect for the Charter?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member would know, as one who would have cause to know, —and it must have disappointed her at the time having regard to where she sits now—that it was this Party which insisted upon including in the Charter of Rights and Freedoms a provision with respect to women's equality rights, and that it was her Party which had to be dragged into consenting to that amendment introduced by this Party.

* * *

● (1440)

FINANCE

CONTENTS OF FORTHCOMING BUDGET

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, in the absence of the Minister of Finance, I have a question for the Deputy Prime Minister. The Ministry has left Canadians with no doubt that it is determined to reduce the budgetary deficit. The Minister is undoubtedly aware that efforts in the past to do this by means of spending restraint had the effect of increasing expenditures and reducing revenue, with the result that the deficit has been larger later. Has the Government considered the potentially unfortunate budgetary consequences of a program of deficit reduction in the Budget this afternoon? Will the—

Mr. Speaker: Order, please. The Budget will be called later today as a special order of the House and, therefore, any questions with regard to it are out of order under the rule of anticipation of an order later today. Does the Member have a question on another subject?

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

PHARMACEUTICAL INDUSTRY—MEASURES TAKEN BY GOVERNMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Now that the Eastman report on the pharmaceutical industry has been tabled, and considering that Quebec and the rest of Canada urgently need new jobs in high technology sectors, can the Minister tell the House what measures he will take to promote research and development in that industry?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I appreciate the concern expressed by my colleague. I can reassure him by saying that we will indeed give priority to finding a solution with respect to pharmaceutical products so as to boost research and development in the Provinces of Quebec and Ontario as well as in the rest of Canada.

* * *

[*English*]

VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have a question for the Minister of State for Multiculturalism. He is aware of concern about the failure of the Government to negotiate a redress settlement with the National Association of Japanese-Canadians. In Tuesday night's adjournment debate his representative blamed the failure of opposition House Leaders to respond to a letter from the Government House Leader last January for the failure to act. Does the Minister actually believe that the Opposition's failure to agree to an imposed settlement prevents him from negotiating with the National Association of Japanese-Canadians?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, we never refer to anything we are doing in terms of our conversations as negotiations with the Japanese-Canadians. I have been in discussion with them over the last number of weeks in terms of trying to reach an agreeable settlement. As the Hon. Member knows, the association is now involved in its own study in terms of the cost of redress, the cost of the loss of what the community suffered during the war. Until that study is completed, which will probably take until late summer, September, October, we intend to continue holding discussions with them and keeping the lines of communication as open and free as possible.

* * *

CANADIAN ARMED FORCES

EMPLOYMENT OF WOMEN

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of National Defence. The Minister likes to talk about the Conservative record on women. We know that it is a source of continual embarrassment for that Party that, in convention, 75 per cent of the delegates voted against extending equality rights to women. That is the real face of the Tory Party. The rest of the real face of the Tory Party will emerge at four o'clock. The Minister continually in this House, with regard to documents that have been offered by him or by his officials, denies any knowledge. This document entitled *Federal*—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Some day I may get to be heard by Hon. Members.

Some Hon. Members: Oh, oh!

Mr. Speaker: It fascinates me that people would yell at me that people should be shouted down. Does the Hon. Member have a question?

Mr. Tobin: Mr. Speaker, I have a question. I want to ask the Minister of National Defence whether this document entitled *Equality Issues in Federal Law, Canadian Forces Policy on the Employment of Women*, with the seal of the Canadian Forces on the document, dated March 17, 1985, is a document of his Department. I will tell him now that his continual attempts to deny knowledge of the document are wearing thin. I do not believe you, Members do not believe you, Canadian women do not believe you. Nobody in this country believes those answers. Is this your document, yes or no?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman obviously is not listening. I did not deny the existence of any such document. What I did say, for his benefit, was that I had no knowledge of the contents of the document. Now then, he will—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. With great respect to the Minister and others, it is somehow unfair to complain to me about not being able to be heard when you are asking questions and then to yell continuously when someone is answering. It just is not fair. Has the Minister completed his answer?

Mr. Nielsen: I believe so, Mr. Speaker.

CONTENTS OF DOCUMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it is unfortunate the Minister believes that he is finished answering the question. Let me say this to the Minister.

Some Hon. Members: Oh, oh!

Mr. Tobin: I am asking a question. Be patient. Be polite. Civility. Whether the Minister believes he has answered the question and whether he acknowledges the contents of the report or knows of them, the contents of the report and the archaic attitude expressed in the report are being practised today, discriminating against Canadian women. Will the Minister call in his Chiefs of Staff? Will he apprise himself of the contents of this report? Will he instruct them that, until such time as the Minister gets on with the business of doing his job, to quit the high level of discrimination being practised against the women of Canada and the kind of patronizing attitude expressed in this report? Burn it.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is wrong for the Hon. Member to attempt to leave the impression that whatever might be in that document that he has read is the policy of the Government. I have said repeatedly today that whatever is in that document is not the policy of the Government. When government policy is formulated, it will be made known in the appropriate way.

With respect to his suggestion that I call in the Chiefs of Staff and consult with them, I intend to do just that and to discuss the matter with the Chief of Staff. There is only one now since the Forces have been unified. Perhaps the Hon. Member has forgotten that, as members of his Party had forgotten about the whole question of women's equality rights when they brought the Charter before this House of Commons and had to be reminded by this Party.

* * *

THE DISABLED AND THE HANDICAPPED

REMOVAL OF HANDICAPPED PERSON FROM AIR CANADA AIRCRAFT

Mr. Les Benjamin (Regina West): Mr. Speaker, I am sure the Minister of Transport is aware that a handicapped person travelling to the Sports Federation for the Handicapped was removed from an Air Canada aircraft on the grounds that the person was unattended, even though she had flown many times unattended. What redress, if any, has been made to that person, and what action is he taking to improve travel arrangements for the handicapped in transportation in general?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that of course is an issue of ongoing concern to the Department of Transport and, indeed, to the carriers. A number of steps have been taken to deal specifically with the issue which the Hon. Member has raised. I understand that Air Canada has issued an apology to the person in question. I further understand that any reparation to correct this issue will be arranged between the two parties.

ROLE OF ADVISORY COMMITTEE

Mr. Les Benjamin (Regina West): Mr. Speaker, some time ago a special advisory committee was set up on transportation of the handicapped. They met in February. They were to meet two more times. I am advised that either the Minister or his officials asked them to cancel the last meeting. One member of that committee said that the committee has not done very much. What, if anything, is this advisory committee doing? Is it being disbanded? Is it going to be allowed to function, or does the Minister have some alternative plan for the transportation of handicapped people in Canada?

● (1450)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, indeed some very important recommendations have come forth from the advisory committee to which the Hon. Member refers. We are now in the process of putting in place a plan to implement a number of those very important recommendations that have been advanced. My colleague, the Minister of State, will be taking full responsibility for that. He will be announcing a plan of action in that regard in the very near future.

* * *

CRIMINAL CODE

IMPAIRED DRIVING AMENDMENTS

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Justice my question is for the Parliamentary Secretary to the Minister of Justice. The Parliamentary Secretary is well aware of the fact that, as a result of a news report yesterday, there is a great deal of concern in the minds of judges, law enforcement agencies, and the Canadian public, regarding the date on which the Criminal Code amendments, and specifically those relating to impaired driving, are likely to go into force and effect and become law in Canada. Will the Parliamentary Secretary give us a clarification of this matter? Will he advise the Canadian people of what his best judgment is of when the Criminal Code amendments relating to impaired driving will become law?

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, as the Hon. Member knows, the Bill is presently in the other place. I anticipate, and indeed hope, that it goes through that place in all stages within two weeks. I know that we have received the co-operation of the NDP and of the Liberal Party. I do not think there is anyone in the House who does not want to see the strengthening of the impaired driving laws. I anticipate that by late summer this particular law will be in full force and effect.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

PETROMONT REQUEST—GOVERNMENT POSITION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

As the Minister knows, the Quebec Government is committed to invest $30 million to upgrade Petromont facilities. Will the federal Government make representations to the National Energy Board and support Petromont's application to upgrade and extend the natural gas pipeline with a view to ensuring the profitability of that plant?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member is undoubtedly aware, there are various proposals being put forth at the present time concerning the petrochemical industry, and in particular the Petromont plant itself, including a possible pipeline to transport natural gas to that facility, as well as various other conversion approaches. Naturally we are helping with the study of some of these proposals and are discussing the matter with the Province of Quebec. We are certainly cognizant of the fact that the province has indicated that money could be made available by it in the way suggested by the Hon. Member, but at the present time we believe that we must consider all the possible alternatives connected to Petromont before making a federal decision.

[*Translation*]

PETROCHEMICAL INDUSTRY IN QUEBEC—GOVERNMENT POSITION

Mr. John Parry (Kenora-Rainy River): A supplementary question, Mr. Speaker.

The federal-provincial committee on Canada's petrochemical industry, which is made up of representatives of the western provinces, Ontario and Quebec, submitted its report to the federal Government last January. It concluded that the three petrochemical centres—

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

Mr. Parry: Here is my question, Mr. Speaker. Will the federal Government use its own studies, and will it guarantee Petromont's viability so as to maintain the 250 direct and 24,000 indirect jobs on the south shore?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure all Hon. Members are well aware of the fact that we are indeed using such studies and other data bases. We are meeting with the industry at the present time. There is a memorandum of understanding under negotiation with the petrochemical industry that will, most important, hopefully solve some of the problems with respect to other plants in other areas of Canada. It is the Canadian petrochemical industry that we have as our concern, and we hope to restore it to a uniform viability.

* * *

EXTERNAL AFFAIRS

VISIT BY NICARAGUAN MINISTER OF EXTERNAL AFFAIRS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Right Hon. Secretary of State for External Affairs, but first I would like to say to the Deputy Prime Minsiter that the women's section of the Charter of

Rights was introduced by the Minister of Justice, which I was at that time.

Mr. Speaker: Order, please. I appreciate the Hon. Member's concern. Presumably the Hon. Member would be making a preamble to a question and not simply making a preamble and then moving to another preamble.

Mr. Chrétien: Mr. Speaker, when receiving the Minister of External Affairs for Nicaragua, Mr. Victor Hugo Tinoco, tomorrow, would the Secretary of State for External Affairs assure him that the policy of the Government is a very clear one, and it is that we do not want any intervention at all in Nicaraguan affairs, either by the United States or the Soviet Union?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want to reply, both in my capacity as Secretary of State for External Affairs and as the Member of Parliament who had the opportunity and privilege of moving the amendment that led to the adoption of Section 28 of the Charter of Rights.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Nunziata: You stabbed him in the back at the leadership convention. You weren't applauding there.

Those are the guys who stabbed you in the back, Joe. With friends like them, who needs enemies? That's why Brian is Prime Minister, Joe.

Mr. Speaker: Milk and cookies are later.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Mr. Speaker, I look forward to the opportunity of meeting Mr. Tinoco tomorrow, as does my colleague, the Minister for External Relations. I understand Mr. Tinoco will also take advantage of the opportunity to meet the Hon. Member and representatives of the New Democratic Party. For our part we certainly intend to make it very clear again that we believe that the root of the problems in Nicaragua, and indeed in that region of the world, is a socio-economic one. We intend to continue not only our aid programs but our political influence to advance that view of the problem, and to move the region toward settlements on that basis.

CANADIAN TRADE WITH NICARAGUA

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, perhaps you will let me reply by saying that after the five—

Some Hon. Members: Oh, oh!

Mr. Chrétien: Of course they do not want to know the truth. When it was taken out by the provinces, it was through an amendment to a Section that I put in after November 5.

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

Mr. Chrétien: As the former Prime Minister has had so much bad luck in his life, I will not insist on this point any longer.

Some Hon. Members: Oh, oh!

Mr. Speaker: I made a comment earlier that I can see applies to other Members as well.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have a supplementary question. I want to ask the Minister whether he intends to direct his department officials to grant immediate permission for the Nicaraguan Government to establish its trade office in Toronto—rather than wait for weeks—and direct them to provide immediately the list of all Canadian manufacturers and distributors who are ready to sell products to replace those which are now boycotted by the Americans.

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member may have had some bad luck in his life. I consider mine to have been pretty good.

Some Hon. Members: Hear, hear!

• (1500)

Mr. Clark (Yellowhead): The Government of Nicaragua for several months discussed the movement to Toronto of a trade office which has been based in Miami. It is now proceeding to accomplish that purpose. Naturally, it, like any other client defined by the foreign investment review legislation which was passed by the Hon. Member and his colleagues, has to go through certain procedures. Those procedures will apply to the Government of Nicaragua in exactly the same way as they would apply to anyone else. Certainly I would reaffirm, in the House of Commons the determination of this Government to continue to play a very constructive role with regard to the development of Nicaragua and other countries in Central America.

* * *

CHALLENGE '85

NON-PROFIT ALLOCATION INQUIRY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I would like to remind the House that it was the women of Canada who got their motion in, not the Liberals or the Conservatives.

Some Hon. Members: Hear, hear!

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

Mr. Hovdebo: Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Challenge '85 non-profit allocation—

Point of Order—Mr. Epp (Thunder Bay-Nipigon)

Mr. Speaker: Order, please. Fair is fair. The Member's preamble was on a different subject. The Member will now immediately put his question.

Mr. Hovdebo: Will the Minister restore the non-profit allocation to the Province of Saskatchewan, at least to the level at which it was last year, and make it possible for Saskatchewan residents to have projects in place without requiring the one-half allocation to be contributed by themselves?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I always enjoy speaking about Challenge '85 and the remarkable number of jobs which it has produced both in the private sector and in non-profit organizations.

Some Hon. Members: Hear, hear!

Miss MacDonald: I am pleased to say that voluntary organizations, municipal governments, and the private sector, have all contributed to making Challenge '85 a great success.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Wednesday, May 22, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions which were presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) do not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MINISTER'S STATEMENT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, in response to a question a few moments ago, the Minister of State for Multiculturalism (Mr. Murta) suggested that the word "negotiation" was being imported into the discussions in dealing with the National Association—

Mr. Speaker: Order, please. Could the Member please come to his point of order.

Mr. Epp (Thunder Bay-Nipigon): I have a document which was issued last December by his directorate. That document twice referred to "negotiation". The document read:

A full and frank discussion was undertaken—

Mr. Speaker: Order, please. Clearly the Hon. Member is engaging in debate. He does not have a point of order.

ROUTINE PROCEEDINGS

[*English*]

GULF CANADA LIMITED

SALE OF SHARES

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I rise at this time to make a brief statement concerning what I believe is an important announcement, certainly for the oil and gas industry in Canada and, indeed, for all industry and Canada at large. Perhaps I should first read a press release, which was issued only a few hours ago, in which Chevron Corporation of San Francisco, California, and Olympia & York Resources Inc., a wholly-owned subsidiary of Olympia & York Developments Limited of Toronto, Ontario, today announced that Chevron has agreed to sell its holding in Gulf Canada Limited of Toronto to Olympia & York, Subject to Olympia & York being satisfied prior to June 18, 1985, with respect to certain regulatory and other matters.

The agreement provides that Olympia & York will purchase approximately 112 million common shares, or 49.24 per cent of Gulf Canada, for approximately $22.21 Canadian per share, on or before July 16, 1985.

In addition, Olympia & York will purchase at that time an option on the remaining 25 million common shares of Gulf Canada which are held by Chevron. The price of the option is $6 Canadian per share, and the exercise price for the optioned shares is approximately $15.04 Canadian per share. The option is exercisable prior to December 31, 1985.

The press release further states:

Upon exercise of the option, Olympia & York will own 60.2 per cent of the currently outstanding common shares of Gulf Canada for an aggregate consideration in excess of Cdn. $3 billion.

Olympia & York has advised Chevron that Olympia & York does not intend to make a similar offer to the other shareholders of Gulf Canada.

If I may, Mr. George M. Keller, Chairman of the Board of Chevron Corporation, concluded the press release by stating:

Although we are sorry to lose our major position in a fine company like Gulf Canada, we feel this is an excellent arrangement for all parties. The Canadian Government's objective of increased Canadian ownership has been met; from our side, the sale proceeds will be used to significantly reduce the debt incurred last year in our purchase of Gulf Corporation. The sale of these shares will put us significantly ahead of schedule on our debt reduction program.

Some Hon. Members: Hear, hear!

Mr. Stevens: I would like to highlight the significance of the proposed purchase which, hopefully, will be closed before the end of the year. It will be the largest single Canadianization of the oil and gas industry in Canadian history and, indeed, it is the largest such Canadianization in Canadian industry.

Some Hon. Members: Hear, hear!

Mr. Stevens: We believe it is particularly noteworthy that this repatriation of Gulf Canada to Canadian ownership will also result in the repatriation of certain cash assets which are

now invested in the United States by Olympia & York, to be brought back to Canada in connection with the purchase of Gulf Canada.

To put it into perspective, Gulf Canada had assets in 1984 of $5.6 billion, and sales of $5.3 billion. As a company, it ranks third among petroleum companies in Canada in terms of oil protection, and fourth in terms of sales. It has extensive oil and gas rights in Western Arctic and off the East Coast, in the Beaufort Sea and the Arctic islands. In 1983, it spent $300 million on exploration and development. I have received assurances from Gulf Canada that their operation will be maintained as planned in the exploration and development fields.

Some Hon. Members: Hear, hear!

Mr. Stevens: As Members will undoubtedly know, Gulf Canada operates refineries in Montreal; Clarkson, Ontario; Edmonton; Port Moody, British Columbia, as well as an asphalt plant in Moose Jaw, Saskatchewan. Gulf Canada has some 9,000 employees across Canada. Again, I have been assured that those employees will be maintained and that possibly the total employment will be expanded.

Some Hon. Members: Hear, hear!

Mr. Stevens: I would like to sincerely congratulate Chevron and Olympia & York for arranging this significant acquisition. This is an important initiative on the part of the Canadian private sector to achieve Canadianization of the oil and gas industry.

• (1510)

I am pleased to note as well that the transaction has been structured by the parties in such a way as to minimize the impact on the Canadian dollar. It, of course, also follows the very successful Canadianization involving Texaco Canada where we had 14 million shares of that company, worth about $485 million, sold to Canadians, which are now selling at a premium.

The net effect on Canadian upstream oil and gas assets is that where they were 40 per cent Canadian owned prior to this transaction, upon the closing of the Gulf transaction, upon Gulf coming into Canadian hands, it will mean that we are 45 per cent Canadian-owned—

Some Hon. Members: Hear, hear!

Mr. Stevens: —as far as that industry is concerned. In short, Mr. Speaker, this is the Mulroney Government in action. This is the private sector in action. If the Opposition would stop blocking the Investment Canada Bill, it would see that this is only the beginning of what we can do.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, we are afraid that if we let the Investment Canada Bill go through this will be the end of what Government will do in Canadianization.

I would like to say to the Hon. Minister of Regional Industrial Expansion (Mr. Stevens) how pleased the Liberal Party is that these shares in Gulf Canada have been sold to a Canadian company. And we appreciate that this has happened in keeping with the Canadianization policy of the former Liberal Government. I have quite a few of concerns, though, about this transaction. I hope that the Minister will follow through and give us the details of the bids which were made for the shares of Gulf Canada, as I asked him to do earlier, because I think it is very important that we know all of the details of all of the bids which were presented for these shares.

The Minister mentioned the repatriation of funds presently in the United States via this purchase of shares by Olympia & York. What I would like to know is, did the fact that a large portion of the moneys which were used to buy the shares was American money have a bearing on the fact that the successful bidder was Olympia & York and, perhaps, not some other Canadian company which could not put up the American money and which would have had to pay for it in Canadian funds?

I would also like to take note of something said by the Minister. He made reference to the exploration and development field, that the undertaking by Olympia & York is in the exploration and development field. There is quite a large amount of money involved when you pay $6 a share for an option on a share. That is a sizeable amount of money and an indication that one is pretty sure of taking up that option. Is it a possibility that the downstream activities of Gulf Canada will be sold by Olympia & York to another company, possibly Petro-Canada? I would like the Minister to be frank with us today on that question because it is an important one. It is not a question which is disturbing other than that there will be a consolidation of marketing and stations in this country and some stations will close. But it will mean a further endorsation of a policy of the former Liberal Government, a policy which was criticized quite severely by the Progressive Conservative Party when it was in opposition.

I hope, Mr. Speaker, that the Minister will give us some information on this. I would like to know as well how many—

Mr. Speaker: Order, please. I regret to interrupt the Hon. Member but I have a question to ask him, if I may. Since he is, I think, asking questions of the Minister, I would like to be clear as to whether he wants me to take this as part of the question period or part of his speech. I am happy to take it either way.

Mr. MacLellan: These are concerns that I have, Mr. Speaker. We really have no objection to the actual sale itself to a Canadian company. What we want to know is what portion of this undertaking is not being disclosed by the Minister here this afternoon. This is something we would like to know. The shares which are yet to be purchased are to be purchased by the thirty-first day of December and I would like to know if the Minister is giving us an undertaking as well that these shares, if they are not picked up by Olympia & York, will in fact be picked up by a Canadian company? And will this undertaking towards increased Canadianization be ongoing in this transaction? Because we don't want to stop here. The aim

of the former Liberal Government was 50 per cent Canadian ownership by 1990. The Minister says this transaction raises the level to 45 per cent. If that is correct, which we hope it is, it is still 5 per cent short and we have a long way to go if, as he says, it is the position of his Party to likewise try to obtain 50 per cent Canadian ownership by 1990. Certainly, it is the position of the Liberal Party to try to obtain at least 50 per cent ownership in the oil and gas industry by 1990. We would want to make sure that the Minister is going to continue on in this process of Canadianization.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, we have replaced a Rockerfeller with a Reichmann now. I am not so sure whether we in fact have succeeded in doing all that much differently.

I would like to make some comments, Mr Speaker, with respect to some concerns I have. I am sure you know, Mr. Speaker, that in March of 1984, Chevron of San Francisco bought Gulf Corporation of Pittsburgh in a massive takeover for $13.2 billion. Buying Gulf Corporation, of course, meant that Chevron Canada and Gulf Canada were owned by the same company and, of course, they are often in competition. In my home Province of British Columbia, for example, they have competing gas stations, and so on. There clearly was a problem as to what should be done with the two companies. For instance, should there be a merger would there be loss of jobs? In a sense, the deal would be welcomed but we will have to press the Minister on what guarantees we will have that there will be no loss of employment for some of the 13,000 employees who work for Gulf and Chevron. I will be asking the Minister some questions in that regard in a few moments.

The Minister said that this was the Mulroney Government in action, that this is the private sector in action, and this is only the beginning of what we can do. Let me put this into perspective, Mr. Speaker. What the Canadian Government did with the Western Accord was to give a lot of money to Gulf so as to inflate the price of Gulf, and to give them better tax deals. It took all the old oil the corporation owned and brought it up to the value of world prices. In other words, Gulf received a huge windfall.

James Doak, an oil company analyst with First Marathon Securities Ltd. of Toronto, said Gulf Canada will gain $200 million a year from the energy agreement by 1989. And Denis Mote, a Toronto-based analyst for Maison Placements Canada Inc. of Montreal, said the pact adds $1 billion to Gulf Canada's value.

• (1520)

These are not NDP MPs saying that, these are energy analysts. They are saying that Gulf was pumped up in value by about $1 billion as a result of the Western Accord and the Mulroney Government giving that windfall to the oil industry.

What is happening now is that Canadians are paying an inflated price for Gulf. The Minister said it will cost something like $3 billion, and that the money will go to reduce a debt which was incurred. That money, paid by Canadians, will go back to the U.S. to reduce Chevron's debt. So before we start falling all over ourselves with praise for the Mulroney Government, as the Minister has just tried to do, we should look at how expensive and how inflated this deal is.

As far as Canadianization is concerned, I am not sure this is the largest exercise in Canadianization. I think the largest was when the Government of Canada set up Petro-Canada and that company began to expand. I call that real Canadianization, and at a cheaper price. We want to know from the Minister what is going to happen to that inflated amount of $3 billion which was paid for this company, and it is inflated because of the Canadian Government's oil deal.

Mr. McDermid: You have to take a basic course in economics, E-100.

Mr. Waddell: I wonder if the Parliamentary Secretary would let me finish. He may not be concerned about the jobs of 13,000 employees, but I am. He may not be concerned about the $3 billion and where it goes, but I am.

Mr. McDermid: Your idea of Canadianization is the Government buying a company.

Mr. Speaker: Order, please. Will Hon. Members please let the Hon. Member finish his statement? The Minister and the Liberal Party spokesman were both allowed to make their statements in peace.

Mr. Waddell: Thank you, Mr. Speaker. If the deal is so good why are Tory members so touchy?

Mr. Thacker: We just like the truth.

Mr. Waddell: Mr. Speaker, they will get their chance in the debate.

We want to look at this deal very closely. We want to know where the money is going and how it will affect the balance of payments. We want to know what $3 billion going out of Canada will mean. We want to know whether the 13,000 employees will be protected. Finally, we want to know whether replacing the American shareholders with a Canadian family at the head of this corporation will really make a difference. I think the difference will be marginal because private Canadian companies have a better record of investing than private American companies, but I would still like the Minister to tell us that he is still prepared to have Petro-Canada as the number one Canadian company. That is our position, and it should be used by the Government to direct Canadian energy policy for the benefit of Canadians. We have a mixed system here and we are going to continue to have a mixed system. This is an interesting deal but it raises many questions. I would not go as far as the Minister has gone, and I have some questions for him.

Mr. Speaker: Questions?

Mr. MacLellan: Mr. Speaker, is the Minister aware of any other arrangements in this transaction which would have shares of what is now Gulf Canada going to Olympia & York,

or a transfer of options or warrants or whatever? Is there another arrangement whereby the downstream activities of what is now Gulf Canada will be sold to yet another company, perhaps PetroCan?

Mr. Stevens: Mr. Speaker, as far as the arrangement in which approximately 49 per cent of the total shares is to be sold, firm, with an option on the remaining roughly 11 per cent, I understand the reason it is being structured that way has nothing to do with the possibility of an option being sold to some party, but more for tax planning reasons. There are certain reorganizations which have to be done, and for an interim period the Olympia & York people feel it would be more advantageous to not have a 51 per cent interest but stay at 49 per cent. However, it is certainly their stated intention to us that they want the full 60 per cent.

As to what they may do in any restructuring, to the best of our knowledge there is no agreement to sell to any other concern, either upstream or downstream.

My reference to the exploration and development commitment was that that is where most people are concerned that there be suitable investment in that field. Now, whether as a result of this transaction there are service stations sold to someone, that is yet to be seen. Contrary to what the earlier speaker had to say about employment, if some deal like this had not gone through Chevron was proposing to merge Chevron Canada with Gulf Canada, probably, and that would have resulted in a loss of Canadian jobs. We do not, as the NDP apparently do, want to see that.

Mr. Waddell: Mr. Speaker, let me say that that is absolutely false. We are trying to protect these jobs, and I am pleased the Minister is prepared to guarantee that these jobs will not be lost.

Can the Minister tell me why the minority shareholders could not bid on the deal? Could he also tell me whether the Government of Canada is putting anything into the deal at all, giving any tax breaks or concessions or grants or guarantees as part of the deal?

Mr. Stevens: Mr. Speaker, if any minority shareholder had these kinds of resources, of course they could have put a bid in. There was a very serious alternative bidder who withdrew. To their credit, the Reichmanns saw it through and they have come up with this signed agreement.

As far as any agreements with the Government are concerned, other than discussions with representatives of Olympia & York as to the nature of this deal, what they were hoping to achieve, there has been no contract between the Government of Canada and the Reichmanns or Olympia & York, and certainly no tax rulings have been given at this date.

Mr. Waddell: Mr. Speaker, can the Minister tell me whether or not the $3 billion will go to the United States to pay off debts? He said in his statement something about reducing debt incurred.

Can he also indicate to us what he means by the reference to there being no effect on foreign exchange? Would he kindly answer those two questions?

Mr. Stevens: Mr. Speaker, that of course is a fair question because every time we contemplate the Canadianization of assets now owned by foreigners it means taking Canadian dollars and using those dollars to pay the foreigner, who in turn will convert the Canadian dollars into whatever is his currency, which in turn puts pressure on the Canadian dollar.

• (1530)

Naturally, finance is always concerned when there are huge amounts involved. We wanted to make it clear that because of the Olympia & York interest in the United States, their liquid assets in the U.S. are sufficient that they were able to call on those assets to the extent of almost half of this $3 billion purchase, which puts no pressure on the Canadian dollar. As far as the remaining $1.5 billion that must be made up in Canadian dollars is concerned, Chevron has agreed to stage the payment in a way that there will be a minimum pressure on the Canadian dollar to avoid any foreign exchange problem.

In short, the problem to which the Hon. Member has been referring was certainly contemplated by all parties and, to their credit I think, they have tried to make it as easy a deal as possible as far as Canada is concerned and as far as the value of our dollar is concerned.

The Hon. Member asks where the money goes. When speaking to Mr. Keller, he makes it very clear, and does so as well in his press release, that they incurred quite a large debt in acquiring Gulf America, the U.S. company, and they will use at least part of the proceeds to pay down the debt that they incurred. Of course, that was one of the reasons they were looking for a buyer. We asked them to seek a buyer actively. I was very pleased when they responded positively and agreed to seek a Canadian buyer before the end of April.

At the time it was felt that a Canadian buyer or consortium could not be put together because this is the largest type of transaction in our history. In order to put it into perspective, the total amount involved with the Petro-Canada purchase of Petrofina in a similar equity fashion was $1.460 billion. This transaction is more than twice the size of the Petro-Canada purchase when it bought Petrofina which, of course, was generally felt to be at a premium price.

Mr. MacLellan: I can appreciate the Minister's concern for the impact on the Canadian dollar. It certainly would be a consideration in a purchase of this size.

Did the Government take this into consideration in the successful bid of Olympia & York and was it one of the reasons it was successful?

If Olympia & York does not pick up the option, will the Minister assure us that he will maintain the same principle of ensuring that Canadian participation will be present in the purchase of the option shares? It is very important to continue this policy of Canadianization. Would he also make the details

of this whole transaction, the number of bidders and the various bids, public?

Mr. Stevens: I know that Hon. Members will understand that we cannot have it both ways. I have indicated that this is a private transaction. It is a transaction that we on this side of the House like to encourage. It is the private sector in action.

I am not free to start disclosing—even if I knew—who all the bidders are. For example, I know of an alternative bidder because he was in touch with us. He is a very substantial all-Canadian bidder. He frankly felt that he could not justify this size of bid. Although he was close, as far as he was concerned, he had to fall out on a question of price. That was the only reason he backed off.

As far as the Hon. Member's comment about the option shares is concerned and assuring that they would go to Canadians, that is not within our power. Naturally, we will mention to Olympia & York that we hope they can complete the deal, including taking down those option shares. However, if they decide for any reason that that option could be transferred to somebody else, we would naturally hope and indicate to the Reichmanns that they give Canadians a chance to pick it up.

Ms. Copps: Mr. Speaker, the Minister talks about having it both ways. It seems to me that his statement today is clearly a case of having it both ways. On the same day that his Government evoked closure on the Investment Canada Bill and on the same day that the Government is introducing a plan that would abandon Canada rather than invest in Canada the Minister cites the increase in Canadianization of the petrochemical industry, which can be directly tracked to two Liberal programs—the NEP and FIRA—which his Government is in the process of dismantling and destroying. How can he talk about Canadianization of the petrochemical industry at the same time that his Government's future initiatives or lack thereof with respect to Investment Canada will in fact prevent the kind of Canadianization of the petrochemical industry which was fully in evidence as a result of the previous initiatives by past Liberal Governments?

Mr. Stevens: Mr. Speaker, I think the Hon. Member is wrong on at least two scores. By referring to Investment Canada as something that would perhaps not facilitate this type of Chevron-Gulf-Olympia & York transaction, of course, she is dead wrong. If Investment Canada were in place six months ago, the type of deal that took place here would have been exactly the same. This is a reviewable transaction. The deal we have proposed with Chevron would have been very similar. Of course, the added element would have been that we would have had the power and certainly the mandate in Investment Canada positively to promote Canadian investment.

When the Hon. Member says that we will not get these kinds of deals as a result of our changes to the NEP, I find that a tremendous riddle. Although I cannot prove it, the fact is that it is very unlikely that a Canadian group—Olympia & York or anybody else—would have found Gulf Canada interesting enough to buy if the NEP were still in place. I hope the Hon. Member will understand that. There are very fundamental matters at stake here. The National Energy Program made the oil and gas industry extremely unattractive for both Canadian and non-Canadian investors.

Mr. Speaker: I will recognize the Hon. Member for Hamilton East (Ms. Copps) on one question, and I will allow a final supplementary from the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Ms. Copps: Will the Minister not agree that as a direct result of the National Energy Program and FIRA, the Canadianization of the petrochemical industry over the last ten years has tracked the same model that was developed by previous Liberal Governments? If it were not for FIRA and the NEP we would not have Canadianized the petrochemical industry to the extent of the 45 per cent which the Minister brags about today.

I very much fear, as do Canadian consumers, that the initiatives of the Government to embrace any kind of investment, regardless of the nature of origin and any kind of job guarantees, will result in the destruction of the very Canadianization about which he speaks today. Is the Minister not at all concerned that the former increases in Canadianization of the petrochemical industry will in fact be threatened by his Government's decision to introduce a Bill with no teeth in the form of Investment Canada?

Mr. Stevens: I am rather pleased, actually, that the Hon. Member is asking these kinds of questions. Surely it shows how totally out of touch some Members on the other side of the House are. The fact is that since 1974, when FIRA got its teeth into our economy, the total Canadianization in Canadian businesses—

Ms. Copps: Petrochemical was the question.

Mr. Stevens: I am giving you the whole figure.

Ms. Copps: I know what the figures are. The petrochemical industry.

• (1540)

Mr. Stevens: Mr. Speaker, total Canadianization amounted to $16 billion. What people forget, certainly the socialists do not forget because Canadianization to them means nationalization, that is their creed—

Some Hon. Members: Hear, hear!

Mr. Stevens: —but the fact is that 33 per cent of that Canadianization was the takeover of petrochemical companies by the federal Government. The total takeovers were $5.5 billion.

Ms. Copps: Are you against that now? Are you against Petro-Canada?

Mr. McDermid: Listen to the answer.

Mr. Stevens: I would point out to the Hon. Member in addition to that—

Ms. Copps: Are you against that?

Mr. Speaker: Order, please. I am having trouble hearing the Minister's answer.

Mr. Stevens: In addition to the 33 per cent, provincial Governments of various sorts took over 9 per cent, which was $1.4 billion worth of assets, but total private Canadianization was $9 billion. In this announcement today is one transaction we have identified Canadianization involving $5 billion. I hope that is impressive enough to show that there is another and a much better way to go about this, namely, the Investment Canada way.

Some Hon. Members: Hear, hear!

Mr. McDermid: You hate to hear good news over there.

Ms. Copps: Investment Canada is not here yet. Heaven help us when it comes.

Mr. Dick: Does she ever stop talking?

Mr. Waddell: May I put a final supplementary question to the Minister, Mr. Speaker? It is just a follow-up on sometime he said. He will recall that I suggested in my comments that it was the Government through the Western Accord that inflated the price of Gulf. I quoted two energy analysts to indicate that the price was inflated by about $1 billion because of the money given to the oil industry. Does the Minister agree or disagree with that?

I also expressed the problem of $3 billion flowing out of Canada. He indicated to me that one-half of that would flow out of Canada but the other half would somehow be recouped in Canada by the Reichmanns selling their assets in the United States. Has the Minister had any indication from Reichmann of what kind of assets are going to be sold and whether they will be sold at inflated prices or at bargain basement prices to recoup that money?

Mr. McDermid: Do you want to buy something?

Mr. Stevens: Let me assure the Hon. Member, Mr. Speaker, that if I am going to put any money at risk, I will put it at risk with the Reichmanns as opposed to the Hon. Member—

Some Hon. Members: Hear, hear!

Mr. Stevens: —when he starts trying to judge whether they will be selling their U.S. assets at some bargain basement price. All they have said to us is that they do have sufficient liquid assets in American dollars that they feel about half the total transaction can be mustered in U.S. dollars. I think that is very much to their credit.

As far as the Hon. Member's other question is concerned, perhaps he could put it again.

Mr. Waddell: Perhaps I can assist the Minister, Mr. Speaker. I indicated to the Minister that the Government had inflated the price and has given Gulf, according to two energy analysts, up to $1 billion as a result of a windfall in the breaks in the Western Accord that has just been signed.

Mr. Stevens: Let me put it this way to the Hon. Member, Mr. Speaker. He is forgetting that the PGRT benefit to which he is referring, and I think some analysts commented on it, does not fall into place until 1988.

Mr. Waddell: What about the old oil?

Mr. Stevens: As far as that income advantage is concerned, it would be downstream. I can assure the Hon. Member that a Canadian group would be less inclined to buy under the old National Energy Program structure than at the present time because of the prospect that they are really buying a healthy company that will be less government-fettered and a better cash flow. In truth, the Hon. Member would find that there would be no deal either at a lower or at a higher price if the National Energy Program were still in place.

Mr. Speaker: I have to say to the Hon. Member that this is a question period like any other and that the same rules with regard to questions by Parliamentary Secretaries apply.

* * *

[*Translation*]

PETITIONS

SPOUSE'S ALLOWANCE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased to table in the House a petition on behalf of the people of the riding of Montreal-Sainte-Marie who ask the Right Hon. Prime Minister of Canada (Mr. Mulroney) not to discriminate against the elderly, and especially elderly people in need, between the ages of 60 and 64, who are single, separated or divorced.

Mr. Speaker, the people of Restigouche in New Brunswick have asked me to submit a petition on their behalf. They are asking the Right Hon. Prime Minister of Canada and the Minister of National Health and Welfare (Mr. Epp) to extend the spouse's allowance to all persons living alone who are in need, whether they are single, separated, divorced or widowed.

I also have another petition from the people of the electroral districts of Edmonton South, Edmonton West and Edmonton East in Alberta. Mr. Speaker, the men and women of these ridings are asking all the Members of this House to support their petition to the Right Hon. Prime Minister not to discriminate against elderly people in need.

Mr. Speaker, I have another petition from the federal riding of Hamilton-Wentworth in Ontario. These people are also seeking the support of all Members of this House for their

request that the Progressive Conservative Government refrain from discriminating against elderly people in need.

Mr. Speaker, in concluding, I have a petition from the people of the federal riding of Victoria in British Columbia, who want the Right Hon. Prime Minister of Canada to force the Minister of National Health and Welfare and the Minister of Finance (Mr. Wilson), who is bringing down his Budget today, to extend the spouse's allowance to all persons living alone, between the ages of 60 and 64, and who are in need, whether they are single, separated or divorced, and these people are asking all the Members of this House to support their petition to avoid discriminating against the elderly.

[*English*]

RELEASE OF MARK NIKLUS FROM SOVIET PRISON CAMP

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have the honour to present a petition signed by over 1,500 concerned Canadians. They are calling for the release of Mr. Mart Niklus, a prisoner in the Soviet Chistopol prison camp. He was sentenced to 10 years hard labour and five years internal exile. Mark Niklus' only crime was to speak out against the Molotov-Ribbentrop—

Mr. Speaker: Order, please. The Member has the right to make a summary of his petition. It sounds to me as though he were making a speech about an issue that he thinks is important. It is a speech. This is the time for a summary of a petition only.

Mr. Attewell: It was in connection with the Molotov-Ribbentrop pact of 1939. He was forbidden to speak in his mother tongue.

Mr. Speaker: Order, please. The Member has submitted his petition. We will take it as read. Does the Hon. Member have a summary of his petition to make?

Mr. Attewell: These concerned Canadians, Mr. Speaker, are calling on the Houses of Parliament to urge the Soviets for his release.

CHANGES TO OLD AGE SECURITY ACT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a petition signed by 38 people of St. Isidore de Prescott, Ontario. These people are objecting to the discriminatory provisions of Bill C-26 which would discriminate against single, unmarried and divorced people between the ages of 60 and 64.

I have another petition signed by Members of the Golden Age Club, Hawkesbury, Ontario, signed by 35 people. They object to the discriminatory provisions of Bill C-26, which would adversely affect single, divorced or separated people between the ages of 60 and 64—

[*Translation*]

—and it is signed by three residents of the village of Plantagenet who are against the discriminatory provisions of Bill C-26 under which needy persons living alone, as well as single and divorced persons aged 60 to 64 would be denied benefits.

Mr. Speaker, I have a petition signed by 150 people who are members of the Unions culturelle des franco-Ontariens and who are opposed to the provisions of Bill C-26 which discriminates against needy single, divorced or separated persons aged 60 to 64.

Mr. Speaker, I have a petition signed by three residents of the village of Limoges, Ontario, who are also opposed to the provisions of Bill C-26 which might discriminate against needy single, divorced or separated persons aged 60 to 64.

I have another petition, Mr. Speaker, and this one is signed by six residents of Rockland's Laurier House. As you may have guessed, Mr. Speaker, these people are against Bill C-26 discriminatory provisions which would prevent needy persons aged 60 to 64 who live alone, and single, divorced or separated people persons from receiving benefits to which they are entitled.

● (1550)

[*English*]

CBC PROGRAM *THE NATURE OF THINGS: A PLANET FOR THE TAKING*

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the honour to present to the House of Commons a petition from the residents of my constituency of Fraser Valley East, British Columbia. They petition the House in order to express their concern that the Canadian Broadcasting Corporation has utilized the television program, *The Nature of Things: A Planet for the Taking*, to put forward the evolutionist point of view whilst ignoring the opposing points of view of creationism. The petitioners call upon Parliament to remind the CBC that it is mandated to provide balanced programs on controversial issues.

CHANGES TO OLD AGE SECURITY ACT

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have several very important petitions to present to the House today. The first one is signed by 36 residents of Le Club d'âge d'or d'Alfred in the federal riding of Glengarry-Prescott-Russell. These 36 petitioners are petitioning the Government to amend Bill C-26 to end its discriminatory provisions to ensure that all elderly people are treated equally.

I have another petition signed by 36 residents in the federal riding of Glengarry-Prescott-Russell who belong to Le Club d'âge d'or d'Embrun. They are also petitioning the federal Government to ensure that the discriminatory provisions of Bill C-26 are left out of that particular piece of legislation. They petition the Government based upon the inequality of that particular piece of legislation.

I have another petition which is very similar to the first ones. It is signed by 17 senior citizens who belong to Le Club d'âge d'or de St. Eugène in the federal riding of Glengarry-Prescott-Russell, which is represented very ably by my colleague on my right. These petitioners are requesting that the Government ensure that Bill C-26 does not contain discriminatory provisions and that the provisions apply equally to all senior citizens.

I have another petition from Le Club d'âge d'or de Treadwell in the federal riding of Glengarry-Prescott-Russell. These petitioners are petitioning the Prime Minister (Mr. Mulroney) and the Conservative Government to ensure that Bill C-26 does not contain any discriminatory provisions with respect to senior citizens. Senior citizens have contributed immensely to the—

Mr. Speaker: I think the Hon. Member is about to veer away from a summary and into a speech on an important issue, but nevertheless a speech.

Mr. Nunziata: Mr. Speaker, I am glad you agree that it is an important issue. It is for that reason my colleagues and I have presented a number of petitions.

The final petition I wish to present today is signed by 36 residents who belong to Le Club D'Age D'Or de Wendover in the federal riding of Glengarry-Prescott-Russell. These 36 senior citizens are deeply distressed by the discriminatory provisions contained in Bill C-26, and they are asking the federal Government to ensure that those discriminatory provisions do not continue to exist in Bill C-26.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, question No. 326 will be answered today.

[*Text*]

OFFICE OF MINISTER OF STATE (SMALL BUSINESSES)

Question No. 326—**Mr. Gagliano:**

Have any public servants been seconded to the office of the Minister of State (Small Businesses) and, if so, how many and, in each case, what is his/her salary?

Hon. André Bissonnette (Minister of State (Small Businesses)): As of April 15, 1985, one employee within the salary range $42,789—$48,076.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Fisheries Act

[*English*]

Mr. Nunziata: Mr. Speaker, I rise on a point of order. A number of weeks ago I placed approximately 240 questions on the Order Paper concerning the "MacKay-Hatfield" affair. We on this side of the House have been patiently awaiting answers to those specific questions.

When might we be in receipt of answers to those very important questions on the Order Paper? If the Parliamentary Secretary intends to respond by saying "soon", I would ask him to define to the House what he means by "soon". I respectfully request that he indicate a specific period of time within which those answers might be forthcoming.

Mr. McDermid: Mr. Speaker, in reply to the Hon. Member's question, I spoke with the Solicitor General about that today and he informed me that those questions will be answered in the fulness of time.

Mr. Boudria: Mr. Speaker, does the Parliamentary Secretary have any information regarding the questions which I placed on the Order Paper nearly two months ago, requesting that a full and detailed cost be provided to the House regarding the Quebec City Shamrock Summit, that expensive extravaganza? Those questions were put on April 1, 1985, and as yet no reply has been received from the Government. There are some 50 questions to which we deserve answers as the issue is a very important one. I trust the Parliamentary Secretary will be able to rise immediately and provide us with these answers.

Mr. McDermid: In the fullness of time.

GOVERNMENT ORDERS

[*English*]

FISHERIES ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-32, an Act to amend the Fisheries Act, as reported (with amendments) from the Standing Committee on Fisheries and Forestry, and Motion No. 1 (Mr. Skelly) (p. 4983).

Mr. Speaker: I suspect that someone will rise to ask me to see that it is four o'clock.

An Hon. Member: Yes, Mr. Speaker.

SITTING SUSPENDED

Mr. Speaker: It being four o'clock, pursuant to Order made Monday, May 13, 1985, the sitting is suspended until 4.30 p.m. at which time, may I remind Hon. Members, the House

will consider a Ways and Means Motion by the Hon. Minister of Finance (Mr. Wilson).

At 4 p.m. the sitting of the House was suspended.

SITTING RESUMED

At 4.30 p.m. the House resumed.

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Michael Wilson (Minister of Finance) moved:

That this House approves in general the budgetary policy of the Government.

He said: Mr. Speaker, on September 4, Canadians voted for a new approach to Canada's problems and potential.

[*Translation*]

They voted not only for a change in policies.

[*English*]

They voted for a new approach to making public policy. In doing so, they opened the way for a fresh start, based on national reconciliation and economic renewal.

Two months later, on November 8, we charted a course of action to create growth, jobs and opportunities. I set out our guiding principles and new policy directions in an Agenda for Economic Renewal. We pledged to consult before we acted. And we pledged to act fairly.

Today, I am putting before this House and the Canadian people a budget of opportunity. A budget to encourage private initiative. A budget to build growth and lasting jobs for Canadians.

This budget is designed to produce more efficient and more effective government. It contains the tough measures necessary to reduce the deficit.

The actions I am proposing are realistic, effective and fair. They represent a fundamental break with the past. For too long, government decided what is best for Canadians. Government set priorities, directed activity and subsidized effort. My budget calls for Canadians, not government, to choose what is best for Canada. And it challenges Canadians by rewarding success, not subsidizing effort.

The actions in this budget are consistent with the urgent priorities for international economic renewal affirmed by the leaders of the major industrial nations at the Bonn Summit. At home and in concert with our international partners, we are working to free up the entrepreneurial spirit of our citizens, to remove obstacles to productive growth, to lower barriers to international trade, to control and reduce high deficits, and to let the dynamism of our renewed economies produce jobs and opportunities for all.

[*Translation*]

WORKING TOGETHER

Step by step, we have been building a clear and growing sense of harmony and purpose with our international trading partners and among all Canadians.

Since November, my colleagues and I have spoken with and listened to people from all parts of Canada. The National Economic Conference, chaired by the Prime Minister, brought Canadians together in a unique and historic forum to discuss with each other, and with government, how to achieve our shared objectives.

[*English*]

My colleagues and I are grateful for the enthusiastic and positive response we have had from Canadians across the country. I have personally benefited from the most extensive round of pre-budget consultations ever held. These have had an important influence on this budget.

Canadians recognize that, in this uncertain world, we must work together with patience and determination to secure economic renewal. The Prime Minister (Mr. Mulroney) has carried this message consistently, vigorously and unceasingly—to labour leaders and business leaders; to the provincial First Ministers at the Regina Conference last February; to the National Economic Conference; to President Reagan at the Quebec Summit in March; and to the leaders of our major trading partners at the Bonn Economic Summit.

And working together, we have made progress.

We have achieved a measure of federal-provincial harmony absent for many years. We have brought a new spirit of co-operation to government relations with business, with labour and with other groups. We have restored Canada-United States relations to the status worthy of two sovereign nations who are not only close neighbours but who share similar goals and ideals. And we have refurbished Canada's image around the world as a secure and reliable partner. We have begun, at home and abroad, a process of reconciliation and rejuvenation.

A RECORD OF ACTION

We can point with pride to our record of action in the past eight months. Consider some of these achievements:

The Minister of Employment and Immigration (Miss MacDonald) is implementing a series of employment and training initiatives with the full support and co-operation of provincial governments and groups in the private sector. I will be committing additional funds to support these programs.

The Minister of Regional Industrial Expansion (Mr. Stevens) has moved to establish Investment Canada in place of the Foreign Investment Review Agency. This has already provided a clear signal to investors around the world that Canada is once again "open for business".

The Minister of Energy, Mines and Resources (Miss Carney) has concluded energy accords with both Newfoundland and the western producing provinces. These historic agreements mark an end to a decade of federal-provincial bitterness and lost opportunity for Canada. They signal a new

beginning that will benefit Canadians in all regions of this country.

We are acting vigorously to support our ability to excel as a trading nation. The Minister for International Trade (Mr. Kelleher) is seeking the views of Canadians on how best to secure access to our traditional markets and expand our trade.

● (1640)

[*Translation*]

The Minister of the Environment, working with her provincial counterparts and the private sector, has made significant progress in the fight against acid rain.

The President of the Treasury Board has announced a new deal and a fair deal with the public service unions: a deal that among other things proposes to remove taxpayer subsidies from the financing of public service pensions by establishing the plan on a sound financial basis.

[*English*]

The Minister of State for Finance (Mrs. McDougall) has proposed far-reaching and comprehensive reforms to the rules governing financial institutions in Canada. These proposals will promote competition, increase the availability of business financing and strengthen consumer protection.

We have extended eligibility for the spouse's allowance for the elderly to an additional 85,000 low-income widows and widowers. We have embraced the concept of employment equity that Judge Abella recommended to provide women and minority groups a fair chance at realizing their full potential. We have made progress in advancing the hopes and aspirations of aboriginal peoples and in eliminating discrimination under the Indian Act.

We are moving to modernize the Criminal Code and the divorce laws. And we have initiated a long-overdue study of Canadian broadcasting policy, a vital element of our cultural sovereignty.

In all these areas, and in others, we have consulted, we have listened and we have acted. Today, it is time to take further actions to secure our future.

ECONOMIC OUTLOOK

The outlook for sustained and balanced growth in the world economy is better than it has been in years. But that optimism must be tempered by certain realities. There are signs that the American economy is slowing. High deficits continue to put pressure on interest rates worldwide. Protectionist pressures threaten the open trading system that has done so much to increase world prosperity.

In Canada, our economy grew strongly in 1984. Real growth was 4.7 per cent, the highest since 1976. Inflation averaged 4.4 per cent, the lowest since 1971. Inflation has since fallen below 4 per cent.

Interest rates have declined. The prime rate is below 11 per cent for the first time since 1978. Mortgage rates have declined substantially. Longer-term mortgages are beginning to appear—a sign of growing confidence.

[*Translation*]

Investment is expected to expand strongly this year. I expect that inflation will continue to be subdued through 1985 and beyond; real economic activity will likely expand by more than 3 per cent this year—about the same as the average for the major industrial nations.

[*English*]

Our recent performance and immediate prospects are encouraging. More than 200,000 jobs have been created since this government took office; the recorded increase in employment last month was the highest in five years. This is very positive, but it is still not good enough. The unemployment rate has recently fallen but remains just below 11 per cent. There are still close to 1.4 million Canadians unable to find work. We can, we must, and we will do better.

The federal government has accepted the responsibility to lead the way in meeting this challenge. But this is more than just a challenge for the government. What is needed is a national effort by the people of Canada. Everyone must participate.

Working together, we can build new confidence in the future of this country. Confidence is rising. It shows in higher consumer spending and growing business investment plans. Our job is to reinforce that confidence through our actions in this budget and to encourage Canadians to accept the challenge of economic renewal.

SECURING ECONOMIC RENEWAL

To meet this challenge, I will be proposing a large number of measures in this budget—too many to mention all of them or to provide full details in this speech. Additional information is contained in the Budget Papers I am tabling today. I encourage Hon. Members and others to refer to this material.

The actions I am proposing are consistent with the comprehensive economic strategy that we set out last November. They are designed to deal with the two major problems facing Canada today: high unemployment and our spiralling national debt. High deficits constrain our ability to promote growth and create jobs. High unemployment in turn contributes to even higher deficits.

This budget addresses the vicious circle of unemployment and debt with a range of measures carefully balanced to support economic renewal now and into the future.

We confronted a major problem of rising deficits when we took office last September. This year, in the absence of any action by the government, the deficit would have risen to more than $38 billion. The actions taken in this budget, together with those introduced in November, will reduce this year's deficit by $4.4 billion to $33.8 billion. Next year, the deficit would have been over $40 billion. Our actions will reduce that deficit by more than $8 billion to a level of $32.7 billion.

I believe that larger reductions at this time would not be prudent in light of current economic conditions. Instead, I am proposing actions which control the deficit now while ensuring that significant reductions will occur over the balance of the decade.

I am implementing a clear and realistic medium-term plan to control our debt. That plan requires tough actions to be taken now. There will be expenditure reductions and tax increases. The impact of these actions, and those taken in November, will continue to grow. Our actions will directly reduce the annual deficit at the end of the decade by more than $20 billion. Between now and then, our actions will cut a total of $75 billion from the projected increase in the public debt.

These actions represent an unprecedented response to control the dangerous trend of rising debt.

[*Translation*]

But this budget does much more than restore fiscal responsibility to government finance. The strategic rebalancing of priorities in this budget constitutes a major step in the direction of securing a prosperous economic future. We will promote growth and job creation by encouraging private initiative, improving government effectiveness and controlling our national debt.

[*English*]

ENCOURAGING PRIVATE INITIATIVE

Our priority goal is jobs for Canadians.

Maintaining the jobs we have and creating the jobs we seek requires a strong and healthy business sector. In particular we need to recognize that small and medium-sized businesses across the country are the most dynamic forces for growth and employment.

If we are to stimulate the creation of new businesses and the expansion of existing ones, we must increase our investment in productive activities. We are major savers, but too few of us are willing to invest a part of our savings in new ventures. It is through capital investment that new ideas get implemented, new activities are generated and new jobs are created. I believe Canadians understand this. I believe they will respond to the challenge of taking a direct stake in the future if they are encouraged by government, not discouraged.

• (1650)

I want to encourage risk-taking, but in a way that lets the investor choose where to invest. I do not want to further distort the tax system by measures that tell Canadians where and how to invest. This government wants individual Canadians to pick the winners within a tax framework that rewards success.

I am therefore proposing a major change in the taxation of capital gains.

Individual Canadians will be granted a lifetime capital gains exemption of half a million dollars. All capital property will qualify for the exemption. The lifetime exemption limit will be phased in over six years beginning this year.

The full exemption will be available immediately for capital gains realized on the sale of farm property. Based on my consultations with the farming community, I believe this to be the most effective way to provide the necessary assistance to this vital sector of the economy.

This measure will encourage more Canadians to invest in small and large businesses. It will help Canadian companies to accelerate their return to a healthy financial position by attracting new equity investment. It will assist smaller businesses in raising capital to pursue new ideas and new directions. It will help raise capital for research and development.

Most important, this is a broadly-based incentive that allows individual Canadians to decide where to put their money and how to create wealth, economic activity and jobs. This is central to our philosophy. The decisions should and will be made by individuals across Canada, not by politicians or public servants here in Ottawa. This is a measure designed to unleash to full entrepreneurial dynamism of individual Canadians.

With this measure we are sending a clear signal to Canadians across this country: invest in Canada's future; help build the strong and prosperous country we all seek; help create jobs. This government wants Canadians to enjoy the rewards of those efforts.

Lack of access to start-up capital has been a constraint for many small and medium-sized businesses.

I am announcing measures to encourage greater investment in smaller businesses by pension funds. Registered retirement savings plans will also be eligible to invest in private Canadian corporations with which they deal at arm's length. This will encourage the redirection of significant amounts of capital from one of the fastest growing pools of savings in the country into a sector of our economy that needs financing to create more jobs.

[*Translation*]

An innovative venture capital initiative has been taken by organized labour in the province of Quebec, in co-operation with the Quebec government. The Solidarity Fund is managed by the Quebec Federation of Labour and has been used effectively to maintain and create jobs in Quebec, by investing in small and medium-sized businesses. Tax assistance to individuals investing in the fund has been provided by the Government of Quebec. This initiative deserves support, not only in Quebec but across Canada. Because of the unique nature of this initiative, the federal government will provide a tax credit for individual investors in the Solidarity Fund in Quebec or in any similar funds that receive provincial tax assistance.

[*English*]

A further key to growth and more jobs is investment in research and development. Technological change is the driving force behind economic progress. We must keep pace in order

to compete both at home and in foreign markets. A strong R and D performance has a vital role to play in meeting this challenge. It is an ongoing priority of this government to encourage a much-improved R and D performance in Canada.

I propose to assist small companies in a significant way by refunding 100 per cent of the tax credit which they earn on their first $2 million of qualifying R and D each year. This full cash refund will be of most use to start-up companies which have particular problems attracting investment capital.

I am also announcing changes to the definition of qualifying R and D expenditures that will respond directly to the real needs and requests of the R and D community.

The capital gains exemption will also aid the growth of high technology firms. As a consequence of these measures, I have decided that the flow-out of the scientific research tax credit to investors will be terminated as of today. There will be appropriate transition rules.

The Western Energy Accord has already led to strong signs of revival in the petroleum industry. This historic agreement will free up one of our most dynamic industries to create economic growth, new oil and gas security and job opportunities across Canada. To support the renewed growth of the energy sector, I am pleased today to table Notices of Ways and Means Motions that will give effect to the fiscal measures announced in the agreement.

In these three areas—small business, research and development and energy—the government has clearly identified the components of economic growth most likely to result in the greatest and fastest response.

The capital gains exemption will give small businesses a boost to expand. There are more than 700,000 small businesses in Canada. If each of these firms created just one new job, the impact would be dramatic.

If other Canadians start up new companies, more jobs will be created. And if our R and D incentives result in new inventions and more competitive companies, still more jobs will result. The energy sector has much room to grow, creating jobs across Canada.

The Challenge is there. The opportunity is there. I am confident that Canadians will seize that opportunity and lead the way to a competitive and vibrant economy.

As we become more competitive, it will be critical to ensure that international markets remain open to our products. More trade means more jobs. That is why the government is working hard on several fronts to improve Canada's trade position. The Prime Minister and President Reagan have opened the door to a more productive trading relationship between Canada and the United States. Canada is in the vanguard of countries pushing for the early start of a new round of multilateral trade negotiations. Here at home we are working closely with the provinces and consulting carefully with business and labour. We must develop negotiating positions which carry their full support and maximize for Canada the benefits of trade liberalization.

• (1700)

All these actions will help to create job opportunities. As these new opportunities arise, we must ensure that Canadians, and particularly our young people, have the skills and training to seize them.

At the Regina First Ministers' Conference the Minister of Employment and Immigration announced a new and innovative approach to training and employment—an approach which will lead to career development, not just short-term jobs. This approach is based on greater private sector and local participation. It was unanimously endorsed by provincial governments and has received broad support from private sector and community groups across the country. We have allocated $900 million to these programs this year. Agreements are now being negotiated so that they can be implemented as quickly as possible. I am announcing today that for 1986-87 the government will allocate an additional $900 million to these programs. This commitment now will provide greater certainty to those designing and implementing these programs. This should help get them off the ground and operating more quickly.

I am also announcing that the government will soon launch a major review of the unemployment insurance program. Our objective is to improve and simplify the unemployment insurance system to make it fairer and to ensure that it promotes flexible adjustment in the labour market. I want to emphasize that we are not undertaking this review with an objective of reducing federal contributions to the unemployed.

Pending the completion of this review by the end of March 1986, I am announcing today that the government intends to maintain the current entrance requirements and to prevent any increase in unemployment insurance premium rates for 1986. Holding the rates to their current level will avoid imposing a heavy tax on lower-income employees and labour-intensive businesses, particularly in the small business sector.

We also need to have a hard and thorough re-examination of the corporate tax system.

There is something seriously wrong when investment decisions are dictated by the tax system rather than by good business sense. I am therefore tabling with this budget a discussion paper aimed at making the corporate income tax fairer and more effective in supporting economic growth. This paper describes how the same amount of revenue as in the current system could be raised in a simpler manner by eliminating a number of tax incentives and, in return, lowering the federal corporate tax rate by 7 percentage points. The effect would be to promote growth and job creation by allowing investment to be allocated more efficiently.

IMPROVING GOVERNMENT EFFECTIVENESS

The measures I have just announced will encourage private initiative throughout our economy and provide new opportunities for Canadians to innovate, create and build. They will spur economic growth and increase employment.

Canadians have been telling us for years that there is too much waste, too much inefficiency and too much overlap of programs in Ottawa. They know that a healthy and vibrant private sector must be supported by a government that is lean, efficient and effective.

[*Translation*]

I will be proposing measures to streamline the operations of government, restrain its growth, rationalize a number of programs, increase fairness in the tax system and implement pension reform. I will also be proposing fundamental changes to the budget process.

[*English*]

BETTER GOVERNMENT MANAGEMENT

A Ministerial Task Force on Program Review, in co-operation with business and labour leaders in the private sector, is undertaking the most comprehensive and detailed examination of government programs ever carried out by a Canadian government. The purpose is to eliminate unnecessary activities, get rid of unproductive duplication and increase efficiency in government activities so that service to the public is improved.

I am tabling today, on behalf of the Deputy Prime Minister, the first report of the Ministerial Task Force. This report sets out the decisions the government has taken so far in response to the recommendations of the study teams.

Among other things, the study teams looked closely at the cost of tax incentives. They questioned whether particular incentives are worth the revenue loss that must be made up by other taxpayers. This is an important issue. In order to provide a basis for informed discussions, I will shortly be releasing a detailed accounting of the cost of targeted tax measures. In providing this information to Canadians, I am particularly pleased to be continuing the initiative introduced by the Minister of Justice when he held this portfolio in 1979.

The study team examining services and subsidies to business pointed out that undue stacking of benefits can result when investments receive both tax incentives and government grants. I am proposing measures to reduce the undesirable effects of this giving with both hands.

The study team also recommended that many of the items currently exempt from the federal sales tax should be included in the tax base. The current exclusions are often imprecisely defined and lead to competitive distortions among manufacturers producing essentially similar products.

I am therefore announcing that, effective July 1, a range of items will no longer be exempt from the federal sales tax. These include candy and confectionery, soft drinks, pet foods, certain goods related to energy efficiency, and beauty and health goods. Over time, distortions were created as many of these items were excluded from the sales tax base. I will also be removing, effective July 1, the existing differential between the tax for off-site and on-site construction materials. Due to changing construction practices, the differential is no longer appropriate.

The government also places a high priority on rationalizing the current structure of Crown corporations. Crown corporations with a commercial value but no ongoing public policy purpose will be sold. The government announced last week an agreement in principle to sell the Northern Transportation Company Limited. The sale is expected to be completed by the end of June. In the near future the government also expects to sell Teleglobe Canada, Canadian Arsenals Limited and its interest in the Canada Development Corporation. Crown corporations with no commercial value and no effective public policy purpose will be dissolved and others, where appropriate, will be absorbed within existing departments. As a first step, up to 13 Crown corporations in these categories have been identified.

I am also announcing, on behalf of the President of the Treasury Board, measures to tighten the government's own belt and increase the effectiveness with which taxpayer dollars are spent. The government has already proposed that the guarantee of automatic indexation for public service pensions be replaced by a new formula. This would relate inflation protection to the earnings of the pension fund on a comparable basis to private sector pension funds, thus eliminating the financial risks to taxpayers in the future.

[*Translation*]

The government is also proposing to end the guarantee of full indexation for pensions of Members of Parliament and Senators, effective January 1, 1986. A joint committee of the House of Commons and the Senate will be established shortly to review all aspects of parliamentary pensions.

• (1710)

[*English*]

The President of the Treasury Board (Mr. de Cotret) has embarked on an aggressive program to improve the government's management of its cash and of its inventory of real property.

The Public Service was projected to increase by 15,000 in the next six years. Instead, action will be taken to bring about a decrease of 15,000 by the end of this period—a difference of 30,000.

These measures will require difficult decisions by public service managers. But we are confident that they will adjust to achieve greater productivity and efficiency with a minimum amount of disruption in service to the public.

MORE EFFECTIVE ECONOMIC PROGRAMS

Government is not only too big, it also reaches too far into almost every corner of the economy. It over-regulates some industries and over-protects others. In trying to facilitate investment, government too often distorts it. Instead of encouraging strength, many actions perpetuate inefficiency. Too often, government frustrates entrepreneurship and discourages initiative.

[*Translation*]

We must re-examine a number of programs, remove obstacles to growth, cut waste, improve effectiveness and make better use of limited resources. I am announcing today a number of specific program changes to achieve those objectives.

[*English*]

Transportation expenditures will be reduced by $75 million this year and $200 million next year. The operation of VIA Rail in the Windsor to Quebec City corridor will move toward full cost recovery.

In keeping with the philosophy of greater reliance on market incentives, the government is moving to reduce the use of grants and other subsidies. Industrial subsidies will be reduced by $100 million this year and $150 million next year. Agricultural expenditures will be lowered by $50 million a year.

The projected increase for official development assistance will be reduced next year by $50 million. This will not compromise the government's commitment to increase our foreign aid to 0.6 per cent of GNP by 1990. To assist the Canadian business community in actively pursuing third world projects of a developmental nature, the government will establish a new trade and development facility.

In energy, we will effect savings of more than $150 million this year and $900 million next year. The Petroleum Incentives Program will be phased out by December 31, 1987. Since the CANDU technology is now well established, federal funding for Atomic Energy of Canada Limited's R and D program will be reduced over a six-year period. The priority that AECL assigns to health and safety research will be maintained.

The heavy water plants in Glace Bay and Port Hawkesbury are recognized as striking symbols of government waste and mismanagement. They cost the taxpayers of this country more than $100 million per year to produce a product for which there is no demand. We will move immediately to close the plants, but we will not abandon the people or the region of Cape Breton.

Workers at the plants will receive generous severance benefits and will be assisted in seeking new employment. Atomic Energy of Canada Limited will be announcing further details of these measures shortly.

To promote more productive, durable employment and development in Cape Breton, the government is taking two important steps.

We are introducing immediately an enriched tax incentive for new investment in Cape Breton. This will be achieved by significantly broadening the application of the existing 50-percent investment tax credit to include a wide range of investments. This will mean that almost all new investment in Cape Breton will be free of corporate income tax for 10 years.

The Minister of Regional Industrial Expansion (Mr. Stevens) will soon announce the appointment of a private sector advisory committee to recommend new initiatives to the federal and provincial governments to promote economic development and productive employment in Cape Breton.

The approach we are following in Cape Breton reflects the basic philosophy of this government with respect to the problems of adjustment in both the private and public sectors. We simply cannot afford to continue supporting non-competitive economic activity. To do so drains resources and energy from more productive, job-creating activity. But we must ensure that adjustment takes place in a humane way.

[*Translation*]

This philosophy also underlies the approach the government is taking to assist individuals in isolated and remote communities. Tax relief for severance compensation will be offered, on a case-by-case basis, to employees affected by a company closure in isolated communities. Northern allowances are being reviewed and, after public consultation this summer, I will establish a permanent regime.

[*English*]

MORE EFFECTIVE SOCIAL AND CULTURAL PROGRAMS

When resources are increasingly limited, we must also adjust social programs so that benefits are targeted to those most in need and funds are freed for other social priorities. Nowhere is this more apparent than with regard to child benefits.

CHILD BENEFITS

I am announcing today a restructuring of benefits provided through the tax system to families with children. These changes respond to suggestions made by many individual Canadians, social groups and the Standing Committee on Health, Welfare and Social Affairs. Beginning in 1986, the child tax credit, which is delivered to low-income families, will be increased significantly and will reach a level of $524 per child in 1988—an increase of $140. The income level at which the child tax credit begins to phase out will be lowered. Starting in 1987, tax exemptions for children will be reduced over a three-year period so that the exemption for children under age 18 will equal the value of family allowances.

These changes achieve a number of important goals. The universal family allowance is maintained. Support to lower-income families will be increased and child benefits will be made more progressive. Our child benefit system will become more effective and fair but the changes will be implemented in a gradual way to ease the impact on those who will receive less.

IMPROVED PENSIONS

Adequate incentives and fairness in the structure of our private pension system are essential to ensuring that Canadians prepare for their retirement in a self-reliant manner.

After a decade of discussion about pension policy, I am proceeding to implement major reforms. These are far-reach-

ing changes. They will make fundamental improvements in the ability of Canadians to build decent pensions in a fair and flexible way.

• (1720)

I will be introducing legislation to improve minimum standards for private pension plans under the federal *Pension Benefits Standards Act*. The measures improve rules for vesting, portability and survivor benefits. They will be of particular benefit to women. These proposals are the result of extensive consultations with provinces to ensure a high degree of uniformity in pension benefits across the country—another excellent example of federal-provincial co-operation.

[*Translation*]

The changes that I am announcing will ensure that more workers will have the opportunity to join pension plans and the right to participate in the management of pension funds.

[*English*]

They will provide workers with rights to their pension benefits after two years of plan membership and ensure that such benefits will be portable. They provide for equal pensions for women and men retiring under identical circumstances. Provision will be made for survivor benefits and for splitting of pensions between spouses upon marriage breakdown.

I am not proposing to legislate mandatory inflation protection at this time. There are too many uncertainties about the future costs of various proposals for inflation protection and there is no consensus on how best to achieve it. However, the Government will encourage all firms under federal jurisdiction to adjust pensions for inflation on a voluntary basis. They will be required to report publicly on the adjustments made and the source of funds used for that purpose.

The government will monitor the situation closely and continue discussions with provinces, business and other interested groups with a view to taking additional action to protect the purchasing power of pensions.

I also propose to reform the system of tax assistance for contributions to private pension plans. The current system discriminates among people in different types of pension plans. Starting in 1986 the limits on RRSP contributions will increase each year until 1990, at which time equity will be restored between RRSPs and other types of pension plans. Persons who do not fully use their allowable RRSP contribution in any year will be able to make up the difference within a seven-year period. This will provide Canadians with access to a much more flexible and comprehensive pension system.

These new measures will significantly improve opportunities to build decent retirement incomes for the growing number of Canadians in small business, farming and the professions.

SUPPORT FOR THE DISABLED

At the National Economic Conference the point was made strongly that the tax definition of disability is too narrow. I intend to broaden the definition of disability for income tax purposes. I expect 120,000 individuals to benefit from this change.

CULTURAL MEASURES

The arts and cultural sector plays a vital role in preserving and developing our intellectual heritage. It is not only a source of pride for Canadians, it is also an important source of jobs. I am announcing, in collaboration with the Minister of Communications, (Mr. Masse) the formation of a special task force to propose initiatives to encourage the private sector to increase its support for the arts.

In response to representations that have been made, I am also announcing tax changes to permit Canadian visual artists to write off the cost of their inventories and to assist them in donating their own works of art to charitable institutions.

VOLUNTARY SECTOR

The voluntary sector will benefit two initiatives in this budget. I am proposing changes to make it easier to donate gifts of property to charities and to protect the charitable status of organizations carrying on non-partisan political activity in support of their charitable goals.

IMPROVING TAX FAIRNESS

Many Canadians have questioned the fairness of the tax system and of tax administration. This is a matter the government views with great concern. Our tax system rests on a foundation of self-assessment and voluntary compliance. If Canadians feel that the system is unfair, this foundation will erode.

[*Translation*]

The greatest source of concern is the ability of some high-income individuals to take advantage of existing tax incentives to shelter virtually all of their income. There is no question that such tax planning is legitimate, and that the incentives serve valid objectives. Canadians nevertheless feel frustrated when some high-income individuals pay little or no tax. I share this frustration.

[*English*]

I will therefore be introducing a minimum personal income tax, beginning in 1986, to ensure that high-income Canadians pay their fair share. I am tabling today a paper that explores three alternative ways of imposing a minimum tax. I will use this consultation process to encourage the provinces to adopt the same system in order to maintain uniformity and consistency across the country.

In addition, I am moving to curtail the tax-shelter financing of certain types of property, including yachts, recreational vehicles and hotels when used in certain circumstances.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I am glad that the Leader of the Opposition still has a sense of humour.

I am also proposing to end the tax advantages of splitting income through interest-free or low-interest loans among family members. Transitional rules will ensure that the new rules are introduced fairly.

Building on the significant initiatives introduced by the Minister of National Revenue (Mr. Beatty), I am proposing a number of further measures to achieve fairer tax administration consistent with the Charter of Rights and Freedoms. Additional protection will be provided for taxpayers in the area of search and seizure, audits and examinations, and demands for tax information.

We will continue to move forward with necessary and effective change in the tax system in a responsible, moderate way. This approach is reflected in our commitment to a minimum tax for Canada and in the discussion paper on the corporate income tax. But I have deliberately not launched a process of massive tax reform as a solution to the problem of tax fairness or any other problem. We must not and we will not risk creating the kind of uncertainty and instability that could undermine the effort to get Canadians investing strongly in opportunities that will lead to growth and jobs.

IMPROVING THE BUDGET PROCESS

Finally, I am tabling a discussion paper that proposes significant reforms to the budget-making process, including a fixed period each year for presentation of the annual budget. This would provide greater certainty for planning and decision-making for Parliament, for the federal government, for provincial governments and for the private sector. It would provide the opportunity for more complementary economic and fiscal policy-making by both levels of government.

CONTROLLING THE NATIONAL DEBT

The actions I have taken will revitalize the private sector and make the federal government a more effective partner in pursuing economic renewal. For this partnership to truly flourish, however, we must restore order to our financial position.

In November, I estimated that the deficit for 1984-85 would be $34.6 billion. Final figures for 1984-85 are not yet available, but my current estimate is that the deficit will be just under $36 billion. I expect that government expenditures will be lower than projected. But revenue projections have not been met.

• (1730)

When I began to plan the budget for this year, I was looking at estimated deficits that would have continued to rise, even with continued growth in the economy and even after the actions I took in November. This was quite clearly unacceptable.

It is important that Canadians understand the magnitude of the deficit and debt problem and why it poses serious risks to our ability to achieve sustained economic growth.

The public debt is simply the sum of all past deficits. It took 100 years to accumulate a debt of $18 billion. Now, less than two decades later, the debt is approaching $200 billion.

Like any borrower, the Canadian government pays interest on this debt. And like any borrower, the government has been affected by high interest rates. Interest charges have risen from about $8 billion per year in the late 1970s to $22 billion last year. They have become the fastest growing component of government expenditures.

The government has been borrowing additional funds to pay these interest charges. That is why our debt is spiralling out of sight. If we do not show the resolve to deal with this problem, the result will be paralysis of the Government of Canada.

This is the vicious circle we are now in. At some point we must begin to pay the bills for current services and not pass them on to our children.

[*Translation*]

If we fail to act now and maintain our present borrowing pattern, annual interest charges at the end of the decade could approach $50 billion.

[*English*]

Where would we find the money?

We might try to borrow it. But that just continues to build up future problems. At some point, the bills come due.

We could simply print it. But to do so would guarantee an outbreak of inflation and rising interest rates that would damage confidence, investment and growth in the same way it did in the 1970s and early 1980s. This would be an abdication of responsibility. I will not do that.

Ultimately, we would be forced to find the money through drastic cuts in government services and major tax increases. Many government programs would be in jeopardy. This is also unacceptable.

[*Translation*]

Some say that faster economic growth will solve our fiscal dilemma. It is an important part of the solution. And the measures I have introduced will boost economic growth. But growth alone will not solve our problem. If we are to get off this deficit treadmill, we must also slow down the debt spiral through lower deficits and lower interest rates.

[*English*]

We all know that lowering interest rates is easier said than done.

It is true that interest rates in Canada are heavily influenced by interest rates in the United States. And as we deal with our fiscal problem we must be mindful of how quickly and how deeply the United States is prepared to cut its own deficit. But Canadian interest rates also depend on our own fiscal actions.

A key action to control interest rates is to maintain our vigilance against inflation. And that means acting to reduce our annual deficits, so that Canadian and foreign investors can be assured that future governments will not resort to the printing press to inflate our debt away.

Most Canadians agree that we must restore fiscal order. But they rightly feel that this process must start by eliminating waste and inefficiency in government, and that any further actions that are necessary must be balanced and fair.

The measures I have outlined to put our own house in order, together with the actions announced in November, represent a significant step in getting control of government spending. Program expenditures are expected to increase by slightly more than 2 per cent this year and next year—the lowest rates of increase in almost two decades. The government's non-statutory program expenditures, excluding defence and foreign aid, will actually decline by more than $1 billion next year—the first such decline in more than two decades.

This is an impressive start. But it is not enough. Over the past decade, the financial position of the Government of Canada has worsened at an accelerating pace. As a percentage of Gross National Product, budgetary expenditures rose by 3.7 percentage points in the past decade. During the same period, budgetary revenues as a percentage of Gross National Product have dropped by 3.5 percentage points. There is a built-in structural imbalance that contributes to an everwidening gap between revenues and expenditures. With each passing year, government policies that tend to widen this gap have become less and less sustainable.

With total spending that now exceeds $100 billion, we cannot make significant saving without examining transfer programs. These programs now account for over $40 billion and are growing rapidly. One of the key factors in this growth is the automatic indexation of transfer programs to the consumer price index, regardless of the income situation of the recipient.

The purpose of indexation has been to protect Canadians from the effects of rising prices. But it has become increasingly clear that Canadians must also find a way to protect themselves against rising deficits and the soaring national debt.

Accordingly, I propose to modify indexation for old age security payments and family allowances. Beginning January 1, 1986, these payments will be indexed only for the annual increase in the consumer price index greater than 3 per cent. No payment will be reduced as a result of this measure. Any increase in inflation above 3 per cent will be fully compensated.

By maintaining the principle of indexation, we are assuring Canadians that if serious inflation breaks out again, these payments will be protected by this potent form of insurance. The government will review the adequacy of payments in light of future circumstances and will increase them as resources permit.

[*Translation*]

Indexation to the full consumer price index will continue for the guaranteed income supplement and for payments to veterans.

[*English*]

To spread the burden of expenditure reduction fairly, the government will also be seeking to limit the rate of growth of transfers to provinces to yield annual savings of $2 billion by the end of the decade. There will be no absolute reduction in federal transfers. Even after this adjustment, federal transfers to provincial governments will grow significantly over the balance of this decade. In 1990-91, they would represent about the same share of total program expenditures as they do today.

• (1740)

With this budget and the action taken in November, we have reduced every area of government spending. It is only reasonable that transfers to provinces, which account for 19 per cent of program expenditures, should be included. I made a commitment to my provincial counterparts last January that I would not reduce these transfers in the current fiscal year and that commitment will be honoured. I will meet with provincial Finance Ministers this fall to discuss the full range of issues relating to federal-provincial fiscal arrangements. I will wish to discuss at that time how quickly and how best we can move to secure the savings the government intends to achieve.

[*Translation*]

We have looked hard at areas for expenditure reduction. We have started with our own operations and we have restructured programs in a balanced and effective way. We have put in place a plan that will meet the need for sustained reduction of deficits over the medium term. We have tried to be fair to individuals to other governments. We have delivered on our commitment to take actions that will achieve net expenditure reductions of $15 billion in 1990-91. And we have done so in a balanced way that is sensitive to the regions of the country.

[*English*]

This restructuring is very significant. But it is not enough to make a meaningful start on restoring a healthy fiscal balance. I have therefore, reluctantly, accepted the necessity of increasing taxes.

I am proposing the following changes:

The automatic indexation of excise levies on alcoholic beverages and tobacco products is being terminated. Effective today the excise levy on alcoholic beverages will increase by 2 per cent. Effective this afternoon the levy on tobacco products is being increased by 25 cents on a package of 25 cigarettes. I recognize this increase is substantial, but I have taken into account the serious health hazards and high public health costs related to smoking.

Some Hon. Members: Hear, hear!

Mr. Boudria: For our own good, Michael?

Mr. Wilson (Etobicoke Centre): I see the Hon. Member is trying to buy a package of cigarettes before the price goes up.

The Canadian Ownership Special Charge of 0.7 cents per litre on transportation fuels will be removed June 1. In its place, the excise tax on transportation fuels will increase by 2 cents per litre, effective September 3. I am delaying this increase until after Labour Day in order to avoid any impact

on the tourist season and on Canadians planning holiday travel this summer.

The rates of federal sales tax will be increased by one percentage point, effective January 1, 1986.

I am also proposing a number of income tax changes.

—The modified indexation factor applied to personal transfer payments will also apply to the tax system. Beginning next year, the indexation of personal exemptions and tax brackets will reflect only the annual increase in the consumer price index greater than 3 per cent.

[*Translation*]

—The $50 federal personal tax reduction will be eliminated next year.

—A temporary deficit-reduction surtax will be imposed on higher-income individuals and large corporations.

[*English*]

For individuals, the surtax will extend from July 1, 1985 to December 31, 1986. It will be levied at an annual rate of 5 per cent of basic federal tax in excess of $6,000 and a further 5 per cent of basic federal tax in excess of $15,000. This surtax should not increase tax liabilities for individuals with gross incomes less than about $40,000. For large corporations, the surtax will extend from July 1, 1985 to June 30, 1986 and will be levied at a rate of 5 per cent of federal tax payable.

—A two-year tax will be imposed on the capital of large banks and trust companies, effective in 1986. The purpose of this measure is to ensure that they bear an appropriate part of the tax load at a time when deficit reduction is a high priority.

—Effective today contributions to a registered home ownership savings plan will no longer qualify for preferential tax treatment. Plans will cease to be tax-exempt at the end of 1985, but individuals will be able to withdraw the accumulated funds for any purpose with no tax liability. There is currently more than $2 billion in such plans. I am confident that, with the measures I have announced to provide incentives to growth and job creation, a substantial portion of these funds will find their way into entrepreneurial and job-creating investments, as well as providing a boost to housing and consumption.

BALANCE AND IMPACTS

The over-all impact of the tax increases must be assessed in the context of the budget as a whole. Net tax increases will amount to $200 million this year and $1.8 billion next year. Coupled with the expenditure reductions I reported earlier, the total direct impact of our actions since November will be to reduce the estimated deficit by $4.4 billion this year, to a level of $33.8 billion. For next year, the total direct impact of our actions in November and today will be to reduce the estimated deficit by $8.3 billion, to a level of $32.7 billion. The rate of increase in the accumulated debt of the Government of Canada will drop from 23.2 per cent last year to 14.6 per cent next year.

It is more misleading than helpful to present a precise view of the deficit five years from now. Small changes in economic growth or interest rates can have large impacts on the deficit, even in the short run. For example, a 1 per cent change in interest rates would have an impact of $1.1 billion on next year's deficit. Such effects compound over time. It would be foolhardy to fine-tune policy to precise estimates that we know are uncertain and will inevitably be proven wrong. What is important is the credibility of our medium-term strategy. Canadians need to have confidence that we will reduce deficits and control the ultimate level of the debt. The measures I announced in November and today will ensure that the annual deficit is more than $20 billion lower than it would otherwise have been by the end of the decade. About 80 per cent of that reduction will be on the expenditure side. Most importantly, these measures will cut $75 billion from the projected debt over that same period.

• (1750)

Given reasonable international economic conditions, these measures should ensure that the growth of the debt is brought back into line with the growth of the economy. This is a major improvement over the situation that confronted this government eight months ago. At that time we were faced with a debt that would continue to grow at a rate far greater than that of the economy long into the future. In a resolute fashion, we have taken the steps to reverse that dangerous trend and put our financial affairs on a responsible course.

On balance, I am confident that the measures I have proposed today will enhance economic growth and employment in the short run. Over the medium term they establish a sound foundation for sustained economic growth and job creation.

Pursuant to Standing Order 64(1), I table in both official languages copies of certain Notices of Ways and Means Motions relating to the Budget. I would ask that Orders of the Day be designated for the consideration of these Ways and Means Motions pursuant to the provisions of Standing Order 64(2).

CONCLUSION

If I have a preoccupation with any one economic target, it is with the good, satisfying and durable jobs that Canadians, and particularly young Canadians, want and need.

This budget is about jobs.

If I believed that higher deficits and a more rapidly rising debt would help create those jobs, I would gladly increase the deficit to achieve that goal. But it hasn't worked in the past and it is not going to work in the future.

[*Translation*]

The economic problems facing this country are not easy to solve. But solve them we must if we are to succeed in this competitive world.

Let us not delude ourselves. Achieving full economic renewal will take sustained effort and time.

[*English*]

This budget is realistic. It is fair. It tackles our problems as they exist and as this government faced them on taking office last September. When we set out the problems and our directions for solving them in November, we were not building illusions. We were honest with Canadians. We accepted our mandate for change and we made clear that implementing and adjusting to change would test the strength and the resolve of all of us.

We promised to act, but first we promised to consult fully and openly with Canadians in reaching the decisions that I have presented to you today.

We received good advice from Canadians on a great many issues and that advice is reflected in this budget.

We have acted to control and reduce deficits in a balanced and careful way that will not tip the economy off its current course of growth. But we have acted with firmness and determination because without control of our accumulating debt, our economy would be unable to produce the satisfying jobs we need.

[*Translation*]

We have carefully balanced the measures in this budget so that costs and benefits will be fairly shared. The budget brings forward a number of measures and proposals designed to improve social programs and increase tax fairness.

[*English*]

The actions in this budget reflect our faith in people, in the ingenuity and the drive of individual Canadians to seize opportunities and to invest in their own future. We have brought forward measures which encourage Canadians to invest, on their own initiative, in the building of new existing enterprises.

[*Translation*]

This budget is far-reaching in its impact. It is a clear break from the past.

[*English*]

We Canadians understand more and more the limits of what governments can do. It is now time to show what we can do—individually and together—when the opportunity is there.

That is why the Agenda for Economic Renewal in November focused on providing the conditions for productive economic growth rather than attempting to impose or to direct that growth. That is why budget places the emphasis on rewarding success rather than subsidizing effort.

People working together provide the enduring strength of this nation. This budget builds on that strength.

Some Hon. Members: Hear, hear!

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I noticed that the Minister of State for Finance (Mrs. McDougall) had the good sense not to come forward and shake the hand of the Minister of Finance (Mr. Wilson).

Some Hon. Members: Oh, oh!

Mr. Johnston: She is probably one of the few people in the House who actually knows what the Budget contains. Some of us who have had the opportunity of looking at it in a preliminary way would have to agree that this is one of the worst Budgets that has ever been presented in the House of Commons.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps Members of the House would give this Hon. Member the same courtesy that was given to the Minister of Finance.

Mr. Johnston: Mr. Speaker, I also want to tell my colleagues that I intend to be brief because this has virtually left me speechless, and I intend to resume tomorrow morning. You will recall, Mr. Speaker, that when Frank Miller was the Treasurer of Ontario, they found his Budget in the garbage before he delivered it. I can say that this Minister should have been so fortunate. The garbage bins must still wait a few days.

The Prime Minister (Mr. Mulroney) is here. I hope that he elects to participate in the budget debate. When he does, we expect him to rise in his place and apologize to the Canadian people for the breach of trust, the breach of the promises he made during the election campaign and the breach of commitments which he has given to Canada since assuming office.

Some Hon. Members: Hear, hear!

Mr. Johnston: How often have we heard from the Prime Minister and the Minister of Finance that there would be no general tax increase, but, putting the best complexion on it, this is one of the most massive, regressive tax increases that we have seen in this country. In addition, I remind the Prime Minister that on December 20 he stood in this House and, in reply to a question from the Hon. Member for Laval-des-Rapides (Mr. Garneau), he said, "There will be no reduction in the tax exemption for families". That is something that he foresaw, and here it is.

The minimum tax that we heard so much about during the election campaign, where is it? Instead, we have a discussion paper. The measure has been lobbed offside and it will be discussed, consulted and so on. We were told that it will come in 1986, but there is no model put forward upon which any proposal could be based.

● (1800)

[*Translation*]

So, Mr. Speaker, he simply has failed to live up to his promises. He has imposed taxes which are unacceptable to the Canadian people.

[*English*]

At least, after all these months, they have finally pinned their Tory colours to the mast. There are a few seductive ideas for the boys on Bay Street.

[*Translation*]

In addition, there is an avalanche of unfair and regressive taxes which will fuel inflation and increase unemployment. Well now, where are the jobs promised by our Prime Minister?

Mr. Chrétien: None!

[*English*]

Mr. Johnston: Over the last eight months, I have come to the conclusion that the Prime Minister is a disciple of that legendary circus master, Phineas T. Barnum, who said that there's a sucker born every minute. Judging by the applause we have heard from the Tory back-benchers tonight, he is right in so far as they are concerned. However, there are no suckers on this side of the House and there are no suckers among the Canadian public.

The Minister of Finance is following the counsel of that army field commander who decided that he had to destroy a town in order to save it. The Minister of Finance is telling us that he will destroy the economy in order to save it.

We have been treated to months and months of consultation and an economic summit meeting. We all want to know who was consulted who recommended this enormous tax on middle-class and lower-income Canadians. Who were they? Can the Minister prepare a list telling us with whom he consulted? Incidentally, I am going to get the Minister of Finance a calculator. Perhaps he could tell us who recommended, by my calculations, total tax increases, personal, sales and excise, of $1.17 billion for 1985-86. Next year they will be $4,300 million. I must admit that in making these calculations, I have taken out the capital gains reference.

[*Translation*]

And I would like to inform the House and especially the Prime Minister who knows my riding very well, that the people in Saint-Henri-Westmount are not much affected by the capital gains exemption. However, they are affected by other taxes which are a very real burden: the excise tax on alcoholic beverages and tobacco products, taxes on candy and confectionery goods, pet food, soft drinks, antiseptic creams, lotions, soap, bandages, wood stoves, and so forth.

[*English*]

We now know that Tories hate dogs and children. They are putting a sales tax on pet food and a tax on children's candies. This is a massive tax grab. Worst of all, as the Minister of Finance himself said a few weeks ago, it is very inflationary. There will be a temporary surtax on the middle class, a tax on fuel of two cents a litre, and no minimum tax on the salaries of the $500,000-per-year bank presidents of whom the Prime Minister so often reminds us.

In concluding these brief remarks, let me just say that this Budget tramples on the middle-class Canadian and hurts the poor with its progressive taxation on sales taxes. It has buried the unemployed.

[*Translation*]

Mr. Speaker, before concluding my remarks, here is another example: a married couple living on one salary and with two dependent children below the age of 18, with a family income of $20,000, pays $175 income tax. That is what it says in the paper I have here. If we add sales tax, the excise tax on alcohol and the tax on fuel, it adds up to $350 a year, at least, for this family. Mr. Speaker, this is incredible and it is appalling!

[*English*]

I will say more about this tomorrow, but I want you to know, Mr. Speaker, in case you are interested in attending tomorrow's debate, that the deficit reductions through savings are a fraud for the most part. There are no five-year projections. It is not possible to make projections; yet we are told that there will be $20 billion taken off the deficit annually in 1990-91. That is political arithmetic in the extreme.

There is a lot of wishful thinking in that Budget. I must say that we on this side of the House will fight tooth and nail for the benefit of those Canadians who see themselves literally savaged by its provisions.

If I may, I now move, seconded by my colleague, the Hon. Member for Saint-Maurice (Mr. Chrétien):

That the debate be now adjourned.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Pursuant to order made Monday, May 13, 1985, this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 2(1).

On motion of Mr. Johnston, the House adjourned at 6.07 p.m.

HOUSE OF COMMONS

Friday, May 24, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE BUDGET

IMPACT ON CANADIAN CONSUMER

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, yesterday afternoon, Canadians had their hour of truth.

The Minister of Finance (Mr. Wilson) brought down a budget for the rich and for the multinationals. The rich received a present of $125,000 cash in the form of a capital gains exemption, and if their accountants have any imagination, they will not pay a cent of surtax for 1985-86.

A few months ago, the Conservative Government proposed to do away with the off-oil subsidy for switching from oil to other forms of energy such as gas or electricity.

Government Members told us that these drastic cutbacks, which affected the average Canadian, were necessary to reduce the deficit. A few weeks later, they signed an agreement with the multinational oil companies, giving away $2 billion in the process.

Yesterday afternoon, the Minister of Finance confirmed what we said when the agreement was signed: that Canadians would pay for this. The 2 cents per litre increase in the price of gas, which will probably cost the Canadian consumer about 4 cents a litre, is a measure that is anti-Canadian and pro-multinationals.

The Conservatives showed their true colours yesterday afternoon, and this Government ought to be ashamed of the way it is selling Canadians out to the multinationals.

* * *

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

PROPOSED CUTS IN EQUALIZATION PAYMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, last night's Budget continued the previous Liberal Government's attack on transfer payments provided to the provinces. It is ironic that the House, which is presently debating legislation reinstating some of the money to our have-not provinces, including Quebec, Manitoba, Prince Edward Island, and Nova Scotia, lost as a result of Liberal Government cut-backs, now learns that the Conservatives intend to cut further transfer payments due under the existing formula by $2 billion.

That money is earmarked for post-secondary education and medicare in all provinces, and for equalization payments in our less rich areas. Equalization payments are guaranteed in our Constitution in recognition of the importance of maintaining a certain level of essential services to all Canadians regardless of where they live in Canada.

To attack these payments, in addition to funds for health care and post-secondary education, proves that the Government cares little for the plight of ordinary Canadians. The Government claims that it is a tough but fair Budget. It is tough to those who need assistance, and very fair, indeed generous, to those who need to be taxed more in order to pay their share of the legitimate costs of government.

* * *

THE BUDGET

SUPPORT FOR FISCAL RESPONSIBILITY

Mr. Gerald Comeau (South West Nova): Mr. Speaker, the Minister of Finance (Mr. Wilson) has not been the only one who has undertaken an extensive pre-budget consultation process. Like all government Members, I have been involved in an extensive program of consultation with many business, social, and other groups in my riding. I try to meet with as many of my constituents as possible at every opportunity. I can say that during the last few months I have met with a very large number of constituents, and I would like to share with the House the results of my comprehensive consultation process.

In my riding I found overwhelming support for fiscal responsibility and a realistic Budget or, as the Minister of Finance and the rest of my constituents have called it, a tough Budget. However, there was an equally strong feeling that the Budget must also be fair—fair and equitable. They told me that we, as a Government, could not and should not lose sight of those people who truly required our assistance. I think all will agree that we did not lose sight of them. We have asked all Canadians to share the responsibility for the deficit, and we have also asked those who can, to assist us in dealing with it. I am confident that it is the sense of equity and fairness which will ensure that this tough Budget receives the overwhelming support of all Canadians.

S.O. 21

[*Translation*]

THE BUDGET

IMPACT ON ECONOMY

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I rise to express my support and that of my constituents for the Budget presented yesterday by the Minister of Finance (Mr. Wilson).

The measures contained in the Budget are realistic, effective and particularly equitable. We have made the decisions required to guarantee economic recovery and job creation. They were difficult decisions, but we had to come to grips with the situation, and that is something the Liberal Party has refused to do for too long.

Our Government's first priority is job creation. We want Canadians to have lasting and satisfactory jobs, particularly young people who want and need them.

Mr. Speaker, the Budget measures will create employment by encouraging private initiative, managing public affairs more efficiently and controlling the national debt. We have just turned a page of history and we are now beginning a new and challenging era.

* * *

THE BUDGET

IMPACT ON THE ELDERLY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): At 4.30 p.m. yesterday, Mr. Speaker, the people of Canada heard about the full extent of the intentions of this Government and the Prime Minister. The whole country has been under dark clouds since 4.30 yesterday afternoon.

Mr. Speaker, the Government has struck a low blow to the 2.5 million elderly Canadians who will have to cope with a $100 income drop next year. What is more, the Government will also take $100 a year from needy senior citizens.

And as I suggested in a question to the Minister of Finance (Mr. Wilson), who sees eye to eye with financiers, his Budget does not affect the 6,000 people with higher incomes ranging from $50,000 to $99,000, so they will still not pay any income tax.

Mr. Speaker, the people of Canada know now what the Government and the Prime Minister have in mind, and I sincerely hope they will defeat this Government in four years from now.

[*English*]

AGRICULTURE

EFFECT OF BUDGET ON FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the only farmers to receive relief in yesterday's Budget were those who have given up and are quitting. Otherwise, agriculture, an industry in crisis, was singled out for particularly severe impact. Consultation with farmers failed. Fifty million dollars per year in grants and contributions are being removed. The cost recovery program of $33 million is still in place, and is being added to by a cost recovery program for the Grain Commission. Cuts in transportation subsidies are being increased. There is no mortgage relief, no agri-bonds, no Section 31 relief for part-time farmers. Research is a low priority. Crop insurance assistance is being cut back. There is an increase of two cents per litre in energy cost which is not rebatable. There is a general increase of 1 per cent in excise tax on all farm inputs.

Rural Canada, which sent many Members to form the Conservative majority, has been betrayed again. Farmers out there planting today know that they are being squeezed once more by the Government.

* * *

● (1110)

RESEARCH AND DEVELOPMENT

BENEFITS ACCRUING FROM BUDGET

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, while I am sure that Members would claim that their ridings are ideal spots for the establishment of research and development companies, I can say without any hesitation that I believe the riding of Sarnia-Lambton to be ideally suited to take advantage of the Budget's generous R and D provisions.

The Budget's refund of 100 per cent of the tax credit on the first $2 million of qualifying R and D will undoubtedly bring about the establishment of many new R and D firms and the increased R and D commitment of many other firms throughout Canada and, in particular, in my riding, which already has a significant R and D base.

This important provision will serve a twofold purpose. First, it will result in the creation of a number of small R and D businesses and, second, it will bring about an increased Canadian participation in the international high technology field. This relatively simple provision will create jobs, utilize Canada's abundant brainpower, and expand Canada's role in the high-tech field.

EMPLOYMENT

EFFECT OF BUDGET

Mr. Alan Redway (York East): Mr. Speaker, the main concern of Canadians is jobs, and yesterday the Minister of Finance (Mr. Wilson) stated that the Budget's priority goal is jobs for Canadians.

In order to stimulate the investment needed to create those jobs, the Budget proposes a lifetime capital gains tax exemption of half a million dollars for every Canadian, measures to encourage greater investment in small business by pension funds, and a 100 per cent annual tax credit refund for qualifying research and development on the first $2 million of expenditures.

These measures, together with the Western Energy Accord, are aimed at promoting economic growth and creating jobs in the three areas of the economy most likely to result in the greatest and fastest response, small business, research and development, and the petroleum industry. The capital gains exemption, for example, should give small business a boost to expand. There are over 700,000 small businesses in Canada. If each of them can create just two jobs, our unemployment problem will be entirely solved.

Since the Government took office on September 4, over 200,000 new jobs have been created. There are still 1.4 million people looking for work. We must and we can do better. That is the Budget's primary objective, to create permanent jobs and get our country moving again.

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it is that time again, the time we have all been waiting for. I am pleased to present the Patronage Award of the Week, the PAW award. I know that many of the little piglets are looking forward to this. To those who are still waiting for the bacon, I say don't make a ham of yourself and just check every three hours with the Prime Minister's Office to see if you have been called to the trough. For bringing outstanding qualifications needed to fill their new appointments, the nominees for this week's award are:

Mr. Nunziata: William Hawkins.

Mr. Boudria: William Hawkins, a Conservative fund raiser appointed to the Textile and Clothing Board, who still has no idea why he was appointed.

Mr. Nunziata: Gayle Christie.

Mr. Boudria: Gayle Christie, the Duchess of York, appointed to the Board of Air Canada, who said she knew how to drive a car.

Mr. Nunziata: Marie Marchand.

Mr. Boudria: Marie Marchand of North Bay, who said that she was qualified because her grandfather was a well-known railroader in the Maritimes. Could I have the envelope, please. The patronage award this week is given to Marie Marchand.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

GOVERNMENT FUNDING INITIATIVE

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, it has become a tradition over the past two weeks in this House to follow the charge of the rodent brigade with a Survivor of the Week Award, but a major government initiative came out yesterday, and we thought perhaps they might be a little more responsible and a little more serious today. We do not have a survivor award today, and I do have a few words about our major initiative yesterday.

Today is the day for all Canadians to be proud of the Government.

Some Hon. Members: Hear, hear!

Mr. Schellenberg: Eight months ago the country voted overwhelmingly for change, for new direction, for better management, for fiscal responsibility and, above all, Canadians voted for jobs. Since September 201,000 jobs have been created, 89,000 in April alone.

Ms. Copps: Where are they?

Mr. Schellenberg: Sheila, did anybody ever tell you that you are beautiful when you are angry?

Some Hon. Members: Hear, hear!

Mr. Schellenberg: The Government recently allocated $900 million for private sector and community-based job creation programs, another $900 million to this innovative approach to job creation.

Do you know, Mr. Speaker, what is going to happen in Question Period, as if you don't know? First, the same group who defeated the realistic Crosbie Budget in 1979 will get up and try to do the same thing again. They are not going to do it. Those negative nellies are not going to do it. The Right Hon. Leader of the Opposition (Mr. Turner), from Howe Street, or Bay Street, wherever he is from, will give us some of the same destructive criticism that his finance critic gave us yesterday. That is irresponsible, Mr. Speaker. Canadian citizens demand more.

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

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

IMPACT OF TAX MEASURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. Yesterday's Budget was quite simply an attack on the elderly, the poor, and the middle class. Derived from the Minister's own *Budget Papers*, I would like to state some facts that he viciously hid from Canadians yesterday. By 1990 a family with an income of $15,000 per year will pay 36 per cent more in taxes. By 1990 a family with an income of $30,000 will pay 11 per cent more in taxes. But a family with an income of $100,000 per year will only pay 4 per cent more in taxes by 1990. On top of that, wealthy Canadians with money to invest will receive a lifetime cash bonus of $125,000. In light of those facts, I would ask the Minister if that is his idea of a fair Budget.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think Canadians understand that with the way the Leader of the Opposition has played with figures this time, and the way he played with figures last time, no one is going to believe the figures that he puts out.

I think one of the things that has characterized the response of a broad range of people to this Budget is that it has been fair.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Everyone has been asked to share a little bit of the burden in order to get the budget deficit and the accumulating debt problem under control. I think that asking each Canadian to pay a little bit is supported.

The Hon. Member spoke of the elderly. I think that many of the elderly are very worried today about the burden that is being left for their grandchildren. If we do not get on top of that problem there will be a very, very serious situation that will have to be dealt with by future generations.

INVESTMENT TAX EXEMPTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the figures I recited come from page 74 of the Minister's own *Budget Papers*. Next year the average Canadian family will be nailed with a tax increase of somewhere between $350 and $500 per year. A wealthy Canadian with money to invest will receive a cash bonanza over a lifetime of $125,000. The Minister explained yesterday in his budget speech that that was to stimulate Canadian business. Why did he not limit the application of that exemption to investment in small Canadian-owned business, or to Canadian companies listed on the Canadian Stock Exchange? Why did he allow this exemption to apply to investment in Florida real estate, or European art? My question really boils down to why did the Minister pay as much attention to Miami Beach as he did to Thunder Bay.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, over the years a lot of money has gone to Miami Beach because people did not have the confidence to invest their money in Canada.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): This Budget and other actions that we have taken are creating an atmosphere and environment in Canada that will draw those billions of dollars that have left Canada in the last five years back to Canada to create jobs here, not in Miami Beach.

• (1120)

I would like to make one more point if I may, Mr. Speaker. The Hon. Member is a lawyer. He knows that if we put those rules into the tax system it would result in a tremendously complex tax system. He also knows that people would be able to find ways around it. So, we are not going to put a picket fence on it; we are going to give them the environment so they can put their money into Canada to create jobs.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Translation*]

IMPLEMENTATION OF DIRECT TAX INCREASE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to protest against the less obvious aspects of the income tax increases announced by the Minister yesterday afternoon.

As a result of de-indexing, the taxable income of Canadians will rise 3 per cent annually. Family allowance cheques will drop 3 per cent, year after year. Old Age Security pensions will go down 3 per cent. In 1989, Canadians receiving Old Age Security benefits will lose $30 a month, with the Government taking advantage of this massive tax increase, notwithstanding inflation.

My question is as follows: Did the Minister take this step because he knew that Canadian men and women would be flatly opposed to a direct tax increase as sizeable as these stealthily introduced increases will be?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the position which we have taken is not a sneaky position as the Hon. Member has said. We have been up front. We have stated very clearly exactly what we are going to do.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): There will be full protection against inflation for those in need—people who are receiving the Guaranteed Income Supplement. There will be modified protection for those who are above that, who have more money. We have said that there will be a very potent form of insurance for those people, that if inflation rises higher than 3 per cent they will receive some protection. But I underline the fact that the OAS will not be reduced. It will be increased over the years if inflation is greater than 3 per cent.

REQUEST THAT DEPARTMENTAL PROJECTIONS BE TABLED

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Finance. When it comes to imposing new taxes, cutting programs, or giving benefits to the rich, his Budget was clear, detailed, and immediate; as it was with the granting of $125,000 capital gains tax cut to those who are selling their yachts, diamonds, and paintings, or when he cut $78 million from high skilled job training this year. But when it comes to job creation his Budget is vague, obscure, and hypothetical. He is asking Canadians to pay for the Western Energy Accord now with high taxes, and he is offering them pie in the sky in the future with respect to job creation.

Will the Minister immediately table in the House the projections of his Department with respect to the job losses which will result from the Budget? Will he be as clear-cut with the Canadian people on job losses as he is with taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Budget is about jobs. It will create jobs.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): It is also a clear break from the past. The Hon. Member is looking for that little security blanket that tells him that something will happen because the computer says it will happen. Let me remind him that the 50,000 to 100,000 jobs which his Leader said would be lost as a result of the November 8 statement, turned into a very large number of jobs being created. I believe about 143,000 jobs have been created since then, and 200,000 jobs have been created since this Government took office. This demonstrates to me that the Canadian people are responding to the positive and different approach we are taking, and that will continue, reinforced by this Budget.

• (1125)

Some Hon. Members: Hear, hear!

[*Translation*]

JOB CREATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a supplementary.

When the Minister removes $1.2 billion from the Canadian economy with his new taxes and program cutbacks for 1985-86, according to a macro-economic analysis, the result will be a loss of between 125,000 and 150,000 jobs, and this does not include, for instance, Public Service cutbacks and the cutbacks in Cape Breton. By what strange logic does the Minister figure that his Budget will increase employment? By how much? And in what occupations? In what regions of this country? Just for once, is the Minister going to be honest with Canadians?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the people said after the November statement, and people are saying today, that we have been honest with the Canadian people. It's all out front. It's all there for them to see.

The Hon. Member is asking for numbers. His Party said in November that there would be 50,000 to 100,000 jobs lost. It was wrong then, and it is going to be wrong again today. Let me remind the Hon. Member that, without the benefit of a computer model, 89,000 jobs were created in the month of April. That is the largest single increase in jobs in five years. That will happen again.

Some Hon. Members: Hear, hear!

[*Translation*]

MINIMUM TAX FOR THE RICH—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. During the election campaign, the Prime Minister promised to introduce a minimum income tax for the rich. In November, in this very House, the Prime Minister again promised us the same tax for the rich. In the Budget, however, the Government has found several new ways of increasing the average family's income tax by $500. My question to the Prime Minister is as follows: Why was the Government unable to find a single way to introduce a minimum income tax for the rich in this Budget?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would have thought the Leader of the New Democratic Party would be congratulating us for introducing, for the first time, a special tax on banks and trust companies—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —and a special tax on the richest people in our society. In consultation with the provinces, a minimum income tax program has already been announced for the 1986 fiscal year. I think this is already a tremendous step towards achieving equity across the country, and I think that is what comes across in the Budget speech.

[*English*]

Mr. Broadbent: Mr. Speaker, the Prime Minister knows that what the Government took away with one hand from the banks, it gave back with the other hand. But we will get to that in the debate later on.

Oral Questions

SITUATION OF BANK PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question to the Prime Minister deals with his alleged concern about fairness in the tax system and his often cited reference to his friend, the $500,000 a year bank president, about whom he used to talk. Will the Prime Minister candidly admit to the House that the Government, which has imposed a $500 tax increase on the average family in this Budget, will this year permit his $500,000 a year friend, the bank president, to get away without paying a cent in taxes? Will he admit that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this Budget has introduced a number of measures which are clearly fair to a broad range of Canadians.

Mr. Broadbent: Oh?

Mr. Wilson (Etobicoke Centre): That individual is going to be paying a major surtax. I am somewhat reluctant to state the amount of the surtax for someone who is earning $500,000, because it is a very large amount of money. But for the persons making $200,000, I believe the amount is $4,700 more—

• (1130)

Mr. Deans: If they pay tax.

Mr. Wilson (Etobicoke Centre): —that they will be paying in taxes. The Hon. Member asked why we have not been precise about a minimum tax this year. That is because both Saskatchewan and Quebec have introduced two different types of minimum tax and we want to make sure there will be a broad range of harmony across the tax system in Canada, with the same minimum tax and the greatest amount of harmonization between the tax systems of the various provinces.

Mr. Broadbent: All I will say to that is that the Government did not care one hoot about harmony across the country when it imposed taxes on ordinary working families right across the board.

SURTAX INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Prime Minister has decided to opt out of any defence of his failure to bring in a minimum on the rich, I will go back to the Minister of Finance.

Will the Minister admit to the House that the surtax which he has talked about introducing will not be paid at all by someone who has no tax payable; that all the incentives he has built into his Budget will encourage more people to become part of that very inclusive category of rich people who do not have to pay any tax, and they will not have to pay his surtax at all? Is this the Tory concept of fairness, $500 in taxes for the average family, and the rich go scot-free again?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind the Hon. Member that taxation must be introduced in a fair way.

Some Hon. Members: Oh, oh!

Mr. Broadbent: You don't need to tell me that.

Mr. Wilson (Etobicoke Centre): This Budget addresses the question of new taxes in a fair way. We did not do it the way the previous Government did in 1981 when there were 35 retroactive changes in taxes. That has not been done this time because we want to ensure that people who are paying additional taxes will be paying them in a fair way.

* * *

ENERGY

ANNOUNCED CLOSURE OF CAPE BRETON HEAVY WATER PLANTS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. I am glad he used the term "honesty" because he ought to know that his colleague, the Minister of Energy, Mines and Resources, on two specific occasions—

Mr. Tobin: And the Prime Minister.

Mr. Dingwall: —and the Prime Minister indicated their commitment to the heavy water plants. I want to quote the following words used by the Minister of Energy, Mines and Resources:

> My plans to close the two heavy water plants will not proceed before alternate employment can be found for displaced workers.

Will the Minister of Finance explain to this House why he and his officials, and the Prime Minister, have deceived the people of Nova Scotia? Why are they implementing a Scheffer-ville solution to the chronic regional disparities in the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think we have been honest and direct with the people of Cape Breton. They know, and the Hon. Member knows, that to spend $200,000 per job just to keep two heavy water plants operating, when there is no market for their product, is a deception on the people of Cape Breton, and we have addressed that problem.

What we have put in their place, consistent with what the Hon. Minister of Energy, Mines and Resources has said, is the most generous tax package ever made available to any region of the country, an investment tax credit which affects the broadest range of economic activity possible. The result will be that for almost any new investment in Cape Breton there will be no corporate tax paid for the next 10 years.

Mr. Dingwall: So much for the Minister's honesty.

GOVERNMENT'S POSITION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, we are talking about a commitment that the Minister of Energy, Mines and Resources made to have jobs for the displaced workers, and there are no jobs. Why don't you stand in your place and come clean with the people of Canada and admit that you deceived them in the election, you deceived them on November 8, and you deceived them now? Will the Minister explain why it is fair to give the multinational oil companies $1.3 billion in tax advantages when he cannot find enough money for additional job creation funds? Explain the fairness there?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, so there is no deception here, why doesn't the Hon. Member come clean and tell us all that he is running for the leadership of the Liberal Party of Nova Scotia?

Some Hon. Members: Hear, hear!

Mr. Guilbault (Saint-Jacques): Wrong again.

Some Hon. Members: Wrong again.

Mr. Epp (Provencher): You mean they don't want him?

Mr. Wilson (Etobicoke Centre): The little twitch in the corner of the Hon. Member's lips betrays the announcement he made the other night.

Mr. Speaker, let me be quite clear. The Minister of Regional Industrial Expansion is in Cape Breton today setting out clearly—

Mr. Broadbent: He will be lucky to get out alive.

Mr. Wilson (Etobicoke Centre): —what the Government's plans are regarding the people who are losing their jobs resulting from the closure of the heavy water plants. He will also be announcing the arrangements that will be made for those people, how we will be able to help them in finding new employment, and how we are going to establish an advisory committee to come up with—

Mr. Speaker: Order. With great respect.

Mr. Wilson (Etobicoke Centre): —to replace those jobs.

Mr. Speaker: This answer is too long. Under the circumstances, a very short supplementary.

MINISTER'S POSITION

Mr. David Dingwall (Cape Breton-East Richmond): For the record, Mr. Speaker, on Tuesday evening I informed my constituents that I will not be a candidate for the leadership of the Nova Scotia Liberal Party.

Some Hon. Members: Hear, hear!

Mr. Dingwall: After this Budget the opportunity is here. Why is the Minister of Finance playing cheap partisan politics with the lives of these people? When will he come clean with the people of Canada and admit that his Budget is for the rich and is definitely against Atlantic Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Nova Scotia has been saved.

Some Hon. Members: Hear, hear!

Mr. Boudria: Not by you.

Mr. Dingwall: So much for integrity.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we are very sensitive to the position of the people of Cape Breton. That is why the Minister of Regional Industrial Expansion is there now. He is not walking away from the problem. He has gone there to meet with the people and lay out, in very clear terms, the various ways we are going to address the problems they are facing and at the same time do more for the economy of Cape Breton than has been the case with those heavy water plants which everyone in Nova Scotia, including Cape Breton, knew had to be closed. We are meeting a problem here, but we are meeting it in a way that will make for a healthier economy and a more permanent degree of job creation in Cape Breton.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT LEVELS—GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is also directed to the Minister of Finance. He indicated yesterday that his Budget would be a very fair one. He will also be aware that there are 500,000 young people unemployed during this International Year of Youth. There are also 600,000 women in Canada who are jobless today. Yet the Budget failed to set aside any amount of money for direction job creation. By his own admission in this Budget, unemployment will remain at 10 per cent or more for the rest of the decade. Why has the Minister decided to allow these very high levels of unemployment to continue? Is this his idea of fairness?

Miss MacDonald: You have got to be kidding.

Hon. Michael Wilson (Minister of Finance): There is only scattered applause for that question, and for a very good reason. Back in November his Leader and the Hon. Member for Essex-Windsor said we were going to destroy 50,000 to 100,000 jobs. In April some 89,000 jobs were created, the majority of which were for women.

• (1140)

We are not doing this in the way that the NDP would like us to, and that the Liberals did during their term in office. We have said that this is a clear break from the past. We are going to encourage and motivate the private sector, particularly the

small business people, to get out and build the country and create those jobs for women and younger people. In that way we will solve the unemployment problem.

Some Hon. Members: Hear, hear!

BUDGET IMPACT STUDIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in spite of what the Minister of Finance has just said, by his own admission unemployment levels will remain in excess of 10 per cent for the rest of the decade. I got that from the Budget.

The Minister's officials in the Department of Finance indicated that studies have been done to evaluate the impact of the Budget on the various regions of Canada and on the various sectors of the economy in terms of job creation. If the Minister of Finance has the confidence which he says he has in this Budget, will he table those impact studies to give us all a chance to see the impact on the regions of Canada and the various sectors of our economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member put the same question to me in November. The result in job impact that we have seen since that time is far in excess of what the computer model said at that time that it would be. Therefore, the Hon. Member should not go around with a little black cloud over his head as he has time and again in the past. He should have confidence in the people of Canada. He should have confidence in the future and watch the jobs being created.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

GENERAL TAX INCREASE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. The Government promised a tough but fair Budget. It seems that middle and low-income families have been singled out for most of the tough treatment and little of the fair treatment. For the nearly 60 per cent of Canadian families earning less than $25,000 a year, this Budget is brutal.

On March 1 the Minister said that he was not in favour of general tax increases lest they "dampen the economy". Will the Minister tell the House what caused the 180 degree turn before March 1 and May 22?

Hon. Michael Wilson (Minister of Finance): There is no 180 degree turn, Mr. Speaker. I said at that time that my preference was not for a general tax increase in the sense of having an increase in the rates. I have said that the impact that we want from this Budget must be seen to be fair. The decisions that we have put in place today will result in 80 per cent of deficit cutting coming from expenditure reductions, and only 20 per cent coming from tax increases. Those tax increases are spread over a broad range of things and people in the country, and have been regarded as fair. Everyone is sharing in it. Everyone is shouldering some of the burden. I think the result will be a much more optimistic outlook, particularly as it relates to—

Mr. Speaker: Order, please. This is becoming a speech. The Hon. Member for Trinity on a supplementary question.

EFFECT ON UNEMPLOYMENT

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Budget is bad news for middle and low-income Canadians, but for the 1.4 million unemployed it is a disaster. We need growth to make any real reduction in unemployment. The *Budget Papers* anticipate GNP growth of only 2.4 per cent in 1986, half the rate when the Liberal Government was in power in 1984. The *Budget Papers* say that in 1985 consumption spurred economic growth. This Budget strips spending power from the average—

Mr. Speaker: Order, please. A question please.

Miss Nicholson (Trinity): Will the Minister admit that his Budget measures not only dampen the economy but may choke off recovery, and that as a result even the slight reduction of unemployment which he projects for 1986 will not be attainable?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member wants to use numbers, let me ask her to comment on this. Two hundred and one thousand jobs—

Mr. Gauthier: No, you are answering the question.

Mr. Wilson (Etobicoke Centre): I am answering the question. Two hundred and one thousand jobs were created since September 1. In the previous year, over the same period when the Liberals were in power, 72,000 jobs were created.

Mr. Axworthy: Two hundred and fifty-five thousand. Quit lying, Wilson.

Mr. Wilson (Etobicoke Centre): The Hon. Member has asked a specific question, Mr. Speaker. She wants to know what we are doing through this Budget for the 1.4 million Canadians without jobs. What we are doing is telling 700,000 small businesses that they will have a tremendous impact on unemployment if they create one or two jobs each. If they do that, many of those people will be able to—

Mr. Speaker: Order, please. This is supposed to be Question Period.

EFFECT ON FAMILIES

Ms. Margaret Mitchell (Vancouver East): My question is also directed to the Minister of Finance, Mr. Speaker. Yesterday the Minister gave a $500,000 capital gains gift to the rich and $2 billion to the oil companies, while he reduced indexation of family allowances and old age pensions. He cut child

benefits for families and provided no jobs for the unemployed. How can he say that this is being fair to Canadian families?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member has forgotten that there are many small business people who will receive the benefits of that capital gains exemption. Many farmers will receive the benefits of that capital gains exemption. Many people will receive jobs as a result of the encouragement to small business which has been given by that capital gains exemption.

The Hon. Member should allow her mind to expand a little bit to try to understand the new directions that we are staking out in this Budget. It is a break from the past, and it will result in better job creation in the future.

Ms. Mitchell: Mr. Speaker, I wish the Minister would allow his mind to expand to consider the many poor people in the country who are getting no benefits at all.

IMPACT OF TAX INCREASES

Ms. Margaret Mitchell (Vancouver East): How can the Minister say that he is being fair to families with the greatest need in the country, most of which are headed by women, when with one hand he gives them a measly $70 increase in the Child Tax Credit, and with the other zaps them with something like $500 a year in increased taxes and additional costs? Poor families have to pay these costs in the same amounts as rich families. There are increased costs for shampoo and drinks for kids, pet food, gas, and even heating the home.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is forgetting that in the past 15 years the Government has gone from a surplus position to a $36 billion deficit position. No new jobs were created during that period.

Some Hon. Members: Oh, oh!

Mr. Axworthy: That is a bunch of nonsense. Come on, Wilson.

Mr. Wilson (Etobicoke Centre): If deficits were going to solve that job problem, it would be long since solved. We are asking Canadians to share in a broad range of things on a very reasonable and fair basis. I would like to stress once again that 80 per cent of the actions taken to reduce the deficit are through reduced spending, and only 20 per cent are through increased taxation.

SOCIAL SECURITY

FAMILY BENEFIT PROGRAMS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance. I would like to remind him of some more broken commitments, promises, and sacred trusts. Many times during the last election campaign, and in the months since, we heard the Government say that any savings that result from adjustments to the social spending program would never be used to reduce the size of the federal deficit, but would in fact be used to target those groups in our society which need help the most.

If that is true, Mr. Speaker, would the Minister of Finance explain why, in today's dollar terms, there will be $350 million less annually in the child benefits packages in 1990 than there is today? If he has done that, I want a commitment from him to replace that $350 million loss to enable poor Canadians to live comfortably, as well as the people who are getting tax breaks from capital gains.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thought the Hon. Member was going to stand up and congratulate me for the tremendous introduction of broad reform in the pension area. That is something with which he has been very much associated, and which is very far reaching. We said we would not make changes in the social programs and the family benefit programs, that they would not be redirected into the social envelope. That has been done.

• (1150)

Mr. Broadbent: It has not been done.

An Hon. Member: Again you lie.

IMPACT OF BUDGET

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, just for the record, there has been a $350 million disappearing act with this, and I can explain it afterward.

Some Hon. Members: Oh, oh!

Mr. Murta: To whom?

Mr. Frith: The Government said that it wanted to target more funds to people in our society who need help more. If that is true, Mr. Speaker, will the Finance Minister explain to me and to Canadians how it is that in terms of 1985 dollars every family earning $12,000 a year and more will lose money from the child benefits package?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member has failed to notice that we have responded to something he raised in this House in November, the fact that people who were earning $10,000 or $15,000, from their family benefits were receiving less than those who were earning $20,000 and $30,000. We have raised that amount—

Mr. Tobin: If the Minister would tell the truth, we would listen.

Ms. Copps: They all receive less.

Mr. Wilson (Etobicoke Centre): If I can finish for the loudmouths on the other side, Mr. Speaker—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We have increased that amount so that everybody who is earning—I think the break even point is about $25,000—$25,000 or less, will be earning more in their family benefits after these changes are phased in.

An Hon. Member: No.

* * *

ENERGY

WESTERN ACCORD—GASOLINE PRICES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Finance.

Mr. Clark (Yellowhead): Read us half a letter.

Mr. Waddell: I would like to challenge him on his notion of fairness with respect to the energy aspects of the Budget. The Minister is aware that in the Western Energy Accord the Government gave about $2 billion to the oil companies, much of it in windfalls for old oil that was even in the ground already.

Some Hon. Members: Oh, oh!

Mr. Waddell: Why did the Minister say to us in the House and to the Canadian consumers, through the Minister of Energy, Mines and Resources, that the consumers would not suffer as a result of all that money being given to the oil companies? Why does the Minister think it fair that the Canadian motorist should be hosed in this Budget to pay for all that money in tax breaks that went to the oil industry?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are learning new things every day. I thought oil always came out of the ground. Is the Hon. Member telling me something different? Does it come from the sky?

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): To the NDP it is like money; it is supposed to grow on trees.

Mr. Wilson (Etobicoke Centre): What I think the Hon. Member continues to fail to understand is that the increased cash flow that will be generated by the oil companies will be reinvested in the economy—

Mr. Deans: How do you know?

Mr. Wilson (Etobicoke Centre): —will be creating jobs right across the country, including Vancouver-Kingsway—

Mr. Hnatyshyn: The record speaks for itself.

Mr. Wilson (Etobicoke Centre): It will be creating those jobs and making this country a healthier place. We have identified the oil industry as being the real engine of growth.

Mr. Deans: You have to pay to keep the engine running.

Mr. Wilson (Etobicoke Centre): That is why we say it is fair in the broad context of this Budget to encourage things like the oil and gas industry which will be creating the jobs that all Members opposite say we should be creating.

Mr. Waddell: Mr. Speaker, perhaps the Minister reads Shakespeare. He may remember one of those witches in Macbeth who said: "So fair and foul a day I have not seen".

Some Hon. Members: Oh, oh!

USE OF GASOLINE TAX

Mr. Ian Waddell (Vancouver-Kingsway): Let me ask a supplementary question of the Minister of Finance. This is a foul Budget. He is giving away $9 billion to the oil companies over the next five years. He still has to get more money from the Canadian motorists to pay for it. Is it his notion of fairness that the Canadian motorist, the fisherman, and the farmer, will have to pay all that money that went to the oil companies, which is just a hope and a prayer of creating jobs compared to the money being taken out of the pockets of ordinary Canadians at the gas pumps?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member calls it a hope and a prayer. We have confidence in the small business community—

Mr. Broadbent: He is talking about the oil companies.

Mr. Wilson (Etobicoke Centre): In the oil and gas community to create those jobs. I want to refer the Hon. Member to the fact that since the Energy Accord was announced $3.6 nillion worth of new projects has been announced. That is how the jobs will be created, and that is why this Budget will be fair, and will be seen to be fair right across the country.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

CAPITAL GAINS TAX EXEMPTION—APPLICATION TO FARMS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of Finance. While I applaud the lifetime capital gains exemption included in the Budget, why did the Minister stop at $500,000? Why did the Minister not act on the recommendation of the all-Party

finance committee to abolish it altogether? Since the Minister did not, can he at least assure this House and the agricultural community that the intergenerational tax free transfer of farm lands will be available to help preserve the family farm?

Mr. Broadbent: The Minister is a flaming socialist, according to that Member.

Mr. de Cotret: It is a better question than from the Opposition.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond directly to the Hon. Member. We looked at whether it was possible to have an unlimited exemption for farm properties—

Mr. Broadbent: That is next year.

Mr. Wilson (Etobicoke Centre): —as had been requested by a number of Members representing the farm community. We felt that was not possible under the current financial circumstances of the Government of Canada.

Mr. Deans: Later.

Mr. Wilson (Etobicoke Centre): However, we did put in a limit which I think was consistent with what the finance committee had recommended. We have also maintained the intergenerational roll-over so that farmers will be able to pass on their farms to the next generation without any payment of capital gains.

* * *

[*Translation*]

THE BUDGET

OLD AGE SECURITY—INDEXATION OF BASIC PENSION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a question for the Minister of Finance.

In his Budget yesterday the Minister decided to cut $2.5 million off the pension income of elderly Canadians through a reduction in pension income indexation. In addition, the Minister struck a low blow to the poorest senior citizens of Canada, those who receive the guaranteed income supplement. Is the Minister aware—

Some Hon. Members: That is not true.

Mr. Malépart: Is the Minister aware of the fact that the income of a person alone who gets the old age security pension amounts to $605.20 a month? This income is made up of the $368 monthly income supplement which will still be indexed—

Some Hon. Members: Ah, ah!

Mr. Malépart: —and the $276 basic pension, that is the total old age security pension—

Some Hon. Members: Order!

Mr. Malépart: Here is my question, Mr. Speaker. Can the Minister explain why he did not maintain full basic pension indexation for the 1.3 million senior citizens who receive the guaranteed income supplement?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the preamble and the question itself are misleading and create a false impression in the House.

I would like to assure all Canadians who are receiving the GIS that it will continue to be indexed to the consumer price index. The people who are receiving old age security will receive indexation protection over an inflation rate of 3 per cent.

Ms. Copps: In other words, it will go down by 3 per cent.

[*Translation*]

Mr. Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) for a short supplementary question.

CUTS TO PENSION INCOME OF THE ELDERLY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary question, Mr. Speaker.

Can the Minister of Finance explain what social justice criteria prompted him to launch an immediate attack against the elderly by reducing their pension income, while at the same time he could not find any justification—

Some Hon. Members: That is completely false.

Mr. Malépart: —for going after the 6,000 Canadians who earn $50,000 or more and do not pay any income tax?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I must apologize. I was listening to the translation, and it sounds to me from the translation that the premise of the Hon. Member's question is false.

Some Hon. Members: No.

Mr. Wilson (Etobicoke Centre): I will be happy to discuss the matter with him afterward. What I said in my first response is that people who are receiving the guaranteed income supplement will receive full indexation on the GIS.

An Hon. Member: What about the base?

Mr. Wilson (Etobicoke Centre): On the OAS they will continue to receive indexation protection, inflation protection, over 3 per cent. I believe Canadians who are looking at the results of what has happened over the past 10 to 15 years, Canadians who are very sensitive to the ravages of inflation, are very sensitive to the impact of the deficit on inflation, are prepared to make a small sacrifice in the interest —

Mr. Speaker: Order, please.

● (1200)

PENSIONS

GOVERNMENT POSITION

Mr. Neil Young (Beaches): Mr. Speaker, yesterday we saw a Budget which gave $500,000 to the rich, another $2 billion to the oil companies, and a 3 per cent cut in old age pensions. Earlier in Question Period the Minister of Finance said that the Government was being honest with Canadians. Was he also being honest with Canadians when he promised during the election campaign to index the OAS fully? Was he honest with Canadians when he promised a standing committee of the House that pensions would not be touched in any Budget? Was that a sacred trust that the Prime Minister promised? I think he was being totally dishonest with the Canadian people.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the thrust of this Budget is to encourage small business people to create jobs. There will be many new jobs created by the encouragement of those small business people. Perhaps the Hon. Member has forgotten that there are many small business people who aren't rich Canadians but who are looking to build something for themselves, something for their children, and to leave something of real positive benefit to the country. That is the kind of Canadian we are trying to encourage.

Mr. Speaker: Under the circumstances, on a very short supplementary question, the Hon. Member for Beaches.

ELECTION STATEMENT

Mr. Neil Young (Beaches): Mr. Speaker, when the statement was made during the election campaign that a PC Government would once more index the OAS to the actual cost of living on a quarterly basis, was the Minister of Finance being honest with Canadians then?

Some Hon. Members: No.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I explained very clearly in the Budget yesterday that it was important for us, for all Canadians, to come to grips with the very serious deficit and accumulating debt problem facing us. The debt of the country has been growing three times faster than the economy of the country.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Hon. Members say "Oh"; they do not care about that. I will tell them that there are many elderly people who are very worried about that and about the fact that government previously had done nothing to attack that problem.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I believe the response I have heard to date from elderly Canadians—

Mr. Broadbent: What have you heard from pensioners?

Mr. Wilson (Etobicoke Centre): Pensioners are saying to me: "If you don't deal with that deficit—"

Some Hon. Members: Oh, come on!

Mr. Wilson (Etobicoke Centre): "—you are going to leave either an enormous problem for our children, or you are going to inflate this country away so that our pensions, the pensions we have today, will just be lost in a pool of red ink."

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, May 23, 1985, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

TELEVISION COVERAGE OF BUDGET SPEECH

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on what I hope will be a very brief point of order to ask you to look into a matter which I noted yesterday during the delivery of the Budget by the Minister of Finance (Mr. Wilson). I had occasion yesterday to watch the proceedings on the monitor in the opposition lobby. The monitor, as I watched it, showed coverage of the House of Commons which, in my opinion—and I think with the benefit of your having viewed it perhaps it may well be Your Honour's opinion—was quite different from the coverage normally provided of the proceedings of the House.

As you know, Mr. Speaker, during the proceedings of the House it has been the practice agreed upon by the House that the coverage would focus narrowly on the person who was making the address and not on any other individual, nor would it show any other but a very tight picture of that person on his or her feet.

Yesterday the coverage showed extensive participation by Conservative Members on the government side of the House on a number of occasions, in particular during those occasions when the Minister of Finance paused in order to allow his colleagues to applaud as they had been hyped up to do.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Deans: I want to ask you, Sir, if you would be kind enough, if you have not already done it, to view the coverage of yesterday's proceedings and to determine whether in fact there was a breach of the normally accepted practice which was approved in the past by all Parties; and, if that breach did occur, to find out under whose direction that breach took place; and to ensure in the future that if there is to be any

deviation from that coverage which has been accepted by Members of the House of Commons as suitable to our purposes, that that matter be discussed in advance, not only with the Speaker, but with representatives of each of the Parties, in order to ensure that there is agreement on the change.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to make a brief comment on the point of order raised by the NDP House Leader. When television was brought into this Chamber, it was on the basis that it would be an electronic *Hansard*, an electronic record of the debate. Any departure from that concept is something which I think should not take place without careful consideration and the agreement of all Parties. I would urge you, Sir, to look into this matter and respond, in your wisdom, on the basis of the principle which was established when the broadcasting of the House of Commons began some years ago.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I just want to comment briefly on the point of order raised by the Hon. Member for Hamilton Mountain (Mr. Deans). When Your Honour enters into an examination of the coverage of that particular debate, which has been brought about by the fact that the Hon. House Leader of the New Democratic Party and all his caucus were apparently watching it on the monitor in the course of delivery, I ask you to consider looking back at the precedents established on prior budget debates. I have been around here a couple of years and I remember the kind of coverage they were given. Granted, I have not seen what coverage was given of it yesterday, but I can tell you, Mr. Speaker, that there were wide-angle shots on the occasion of every major budget delivery and there has been panning of the House. This technique is not unusual on the basis of precedents.

I simply say that I understand the rules are there, and I am not asking for any exception with respect to any particular circumstance because we happen to be in Government.

Mr. Fulton: The question, Ray, is: Who told them to do it?

Mr. Hnatyshyn: Mr. Speaker, that is unworthy of the Hon. Member. He knows that the Speaker is in charge of the television system, and to accuse the Speaker of directing them to use the coverage is unworthy of him, even in the circumstances we have today.

Mr. Speaker: As Hon. Members know, I will look into the matter. Of course I will consult all the precedents, all the practices and all the rules. Perhaps it would be helpful if we just left the matter for me to look into, as I was requested to do in the beginning.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

EFFECT OF FISCAL POLICY ON UNEMPLOYMENT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have the honour to present a petition from 250 citizens of Kitchener who are protesting the damage done to the unemployed by the Government's fiscal policy. They are also pointing to the special unemployment problems of middle-aged and older workers. I expect that it will be the first of many such petitions now that the Budget has been brought in.

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition signed by many residents of Windsor, Ontario, protesting the change in the unemployment insurance program whereby severance pay would be used in calculating unemployment insurance benefits.

* * *

● (1210)

BORROWING AUTHORITY ACT, 1985-86 (NO. 2)

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-51, an Act to provide borrowing authority.

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 273 and 298.

[*Text*]

ASSISTANCE FOR BATTERED WOMEN

Question No. 273—**Mrs. Killens:**

1. Since May, 1982, were changes made to the RCMP training programs regarding battered or molested women and, if so, what were they?

2. (a) Between September, 1980 and May, 1982 (b) from May, 1982 to date, did the Government allocate any moneys to the financing of initial capital projects regarding new emergency and permanent transition homes for battered

women, under the Canada Assistance Plan or any federal-provincial cost sharing agreement and, if so, in each case (i) in what amount (ii) how many emergency or permanent transition houses were established and how many women and children were thus accommodated?

3. Since May, 1982, for each project to which funds were allocated, were the federal funds mentioned in part 2(b) allotted to personal and day care costs or to building costs only?

4. Concerning the funds mentioned in parts 2(a) and 2(b) respectively, for what period were the funds allocated to each project?

5. Since May, 1982 (a) how many housing units subsidized by CMHC did the Corporation order set aside for emergency or permanent transition houses for battered women and their children (b) what percentage of all housing units presently subsidized by CMHC do these units represent (c) where are they located (d) what percentage of CMHC-subsidized housing units built since 1982 do these units represent (e) how many women and children presently occupy these units and what percentage of the total number of persons presently living in CMHC-subsidized accommodation do these women and children represent?

6. What amount was repaid to companies who were relieved from repaying unemployment insurance premiums by this decision?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Health and Welfare, the Solicitor General of Canada and Canada Mortgage and Housing Corporation as follows:

1. Yes. (i) Induction training: Human Relations Training. Victimology—Police position in conflict situations. Duration: Previously three hours, now five hours. Legal aspects of domestic intervention. Duration: Previously two hours, now four hours. Applied police intervention. Duration: Previously seven hours, now 15 hours. Globe theatre live scenarios. Ethical Conduct. Ethics and professionalism. Duration: Previously two hours, now six hours.

(ii) In-service training. Investigator's Course (10 days). Family violence, child abuse, elderly, spousal assaults. Duration: Previously one half day, now two days. Victims and witnesses of crime. Duration: Previously one half day, now one day.

(iii) Canadian Police College Courses. Crisis and conflict intervention (10 days). A new session has been inserted on victimology. Duration: one half day. Another new session was added on social agency linking. Duration: one half day.

2. (a) and (b) (i) (ii) There are no programs in the Department of National Health and Welfare, including the Canada Assistance Plan, designed for the financing of initial capital projects regarding new emergency and permanent transition homes for battered women.

The Canada Assistance Plan (CAP) enables federal sharing in the costs to provinces and municipalities of providing a wide range of assistance benefits to needy victims of family violence. These benefits include social assistance allowances, subsidized legal services, assistance with the cost of non-insured medical expenses, maintenance of the family in a transitional home or other sheltered environment. The families may also benefit from services such as day care for children, home support, crisis intervention and counselling, employment support and information/referral services.

As mentioned, one of the forms of assistance to needy victims of family violence is the maintenance of the family in a sheltered environment. These sheltered environments may be hostels, supportive living environments, group homes or transition homes. In 1983-84 cost sharing was effected on behalf of needy women and their children in 63 transition and crisis centres in the country. It is not possible to estimate the number of victims of family violence who have received assistance under CAP. These programs are administered by the provinces and statistics are not available.

For more detailed information, see replies to questions Nos. 35 and 36 answered April 2, 1985.

3. Costs related to the maintenance of victims of family violence in transition homes are rolled up in a per diem fee which is agreed upon by the home and the province or municipality supporting it and then cost shared on behalf of needy residents through the Canada Assistance Plan. Per diem fees reflect operating costs of the homes such as rent, utilities, food, salaries of staff engaged in the administration of the home and the provision of services such as child care, as well as travel and training costs of staff.

4. Cost sharing under CAP is not time limited. Federal support of transition homes begins from the date of the first provincial/municipal contribution to the homes on behalf of needy residents and continues for as long as the provinces and municipalities continue to pay on behalf of needy residents.

5. (a) 471 hostel beds have been provided in transition houses for battered women since January 1, 1982, under the Non-Profit Housing Program, with subsidy assistance under Section 56.1 of the National Housing Act.

(b) These beds represent 0.14 per cent of the total estimated 328,442* units receiving subsidy assistance as of December 31, 1984.

(c) See table below.

(d) The 471 hostel beds represent 0.63 per cent of the total of approximately 75,200 units committed since January 1, 1982 under all social housing programs.

(e) No statistics are available to the total number of occupants in housing subsidized under the Non-Profit Housing Program. The potential is for 471 women and children to be housed, when the recently approved projects are completed.

*A breakdown of these units includes:	
Public housing (incl. rent supplement)	235,570 units
Rural and native housing	13,872 units
Non-profit and co-operatives	79,000 units

6. Through the National Welfare Grants program, the Department of National Health and Welfare provided a project contribution to the Yukon Women's Transition Home Society in order to test the feasibility of a multi-purpose service to northern and rural women. The project explored workable ways of offering outreach and residential services for victims of family violence as well as women in transition from treatment and correctional centres and women in need of a wide range of community services. Funding for the project began in 1979. In 1982-83 and 1983-84, National Welfare Grants provided a total of $64,732.

In addition, the Canada Assistance Plan shares on an ongoing basis in costs to the provinces of conducting welfare research and of planning new or innovative methods of delivering welfare programs. Since such costs are usually included in the general provincial costs of administering welfare programs, it is not possible to isolate them.

Location	Hostel Beds
St. John's, Nfld.	14
Halifax, N.S.	44
Montréal, Que.	94
Hamilton, Ont.	12
Kingston, Ont.	28
Kitchener, Ont.	22
London, Ont.	15
Oshawa, Ont.	16
Ottawa, Ont.	8
St. Catharines, Ont.	13
Sudbury, Ont.	24
Toronto, Ont.	39
Windsor, Ont.	15
Saskatoon, Sask.	30
Edmonton, Alta.	4
Lethbridge, Alta.	12
Red Deer, Alta.	31
Kelowna, B.C.	8
Prince George, B.C.	18
Vancouver, B.C.	24
Total	471

GRANTS TO MUSEUMS

Question No. 298—**Mr. Lapierre:**

1. Has a government department contributed an $800,000 grant to the museum of Sept Isles and, if so (a) which one (b) under which program (c) what criteria was used to assess the grant?

2. How many other grants, and in what amounts, were allocated to museums under the same program?

3. What is the government's policy on museum funding?

Hon. Marcel Masse (Minister of Communications):

1. Yes. (a) The Department of Communications. (b) The Special Program of Cultural Initiatives. (c) The objective of the capital assistance component of the Special Program of Cultural Initiatives is to provide increased public access to the professional Canadian performing and visual arts and to Canadian heritage collections. Applications under this component must be submitted by non-profit, incorporated cultural organizations, municipal or regional governments and

(a) must have a direct and immediate bearing on the provision or the improvement of facilities for both the public and the artists involved;

(b) must demonstrate a provincial or territorial commitment to cost-sharing of the project.

Consultations between the federal departments and agencies and the provincial governments are undertaken as required.

2. During the fiscal years 1983-84 and 1984-85, the following contributions to museums were approved under the capital assistance component of the Special Program:

Fondation Marc Aurèle Fortin	$ 98,000
Musée universel de la chasse et de la nature	50,000
Musée d'art de Joliette	125,000
Nunatta Sunaqutangit Museum	100,000
Lake of the Woods Museum	150,000
Société du Musée du Séminaire de Québec	300,000

3. The capital assistance component of the Special Program of Cultural Initiatives was designed to ensure that a network of cultural facilities is developed across Canada which will provide greater access to the professional performing and visual arts, museums and heritage collections, for Canadians in every region of the country. Financial assistance can be made available to Canadian non-profit incorporated organizations or municipal or regional governments.

The Museum Assistance Programs of the National Museums of Canada's National Programs provide financial and technical assistance to qualifying museums, art galleries, exhibition centres and related associations and other non-profit institutions and organizations, to help further the objectives of the National Museum Policy. These objectives are to increase physical and intellectual access to our natural, cultural and technological heritage as represented in collections across Canada, and to ensure that these collections are preserved for the benefit of present and future generations.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, May 23, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, as we end the hockey season and enter the baseball season, I would like to remind the House, particularly the Minister of Finance (Mr. Wilson), of his famous namesake who played for the Giants and the Chicago Cubs, Hack Wilson. On reading the history of the National League, I see that Hack probably received more razzing than any other player in the circuit, particularly when he struck out, which was often. The Minister of Finance struck out yesterday. We say to him very sincerely that we are disappointed that he did.

We Liberals have a view of budgets which I would like to deal with briefly. We believe that budgets are to serve people. They are to provide Canadian people with working opportunities, an equitable and a fair tax system and, to draw upon the words of the great Sir Wilfrid Laurier, we as Liberals must strive to raise ever higher the standard of life and of living of Canadians. That is what budgets are designed to do, or should be designed to do. Laurier was not speaking of just some Canadians. He was speaking of all Canadians in all regions of this great country, in all sectors—agriculture, fisheries, forestry, mines, plant workers et cetera.

[*Translation*]

Mr. Speaker, we in the Liberal Party believe the Budget should serve all Canadians and not just one group of Canadians.

[*English*]

We see the strength and the growth of the economy as imperative, not for the economy's sake, but for the people's sake. The economy is there to serve the people of Canada. I suggest to you, Mr. Speaker, and to other Members of this House that this Budget handed down by our Minister of Finance establishes a clear line of demarcation between Conservative ideology on the one hand and Liberal principles on the other.

Some Hon. Members: Hear, hear!

Mr. Johnston: Liberals have believed, continue and always will believe that the private sector is the engine of growth in this country. The Tories say they do too. What is the difference? Liberals define the private sector as comprising all Canadians: children, youth, consumers, the unemployed, working men and women, the elderly, the retired, business and labour. For Liberals, all Canadians constitute the private sector. The Tories define the private sector as comprising only the business community and those who can afford to invest. We as Liberals say that the kind of growth that this country requires, the jobs that we require need the participation of all Canadians, not just the business community and those who can afford to invest. All must participate in this growth and all must benefit from it.

That is not the case with this Budget. Here we have a first class example of the celebrated trickle-down theory. John Kenneth Galbraith, as you know, refers to this approach as horse and sparrow economics. You feed the horse enough and you hope and pray that something will be left over for the sparrows. Even worse, in this Budget there is such a heavy tax burden on Canadian consumers that demand will be dampened, unemployment will increase and, moreover, inflation will increase. The Minister of Finance knows that. In fact, he said that. Of course, the deficit is likely to increase as well.

Liberals believe in managing the public debt, controlling spending, but using the engine of growth with the co-operation of all consumers and investors, first, to control and then, of course, to reduce the deficit, a deficit I might say, notwithstanding all the declarations of those opposite, which was not brought about by profligate spending by the previous Government. There has been some profligate spending, I might add, since the Tories have taken office. It was a deficit incurred, as Canadians know and appreciate, to cushion Canada and Canadians against the ravages of the worst recession since the 1930s.

Let me translate those thoughts on growth, from the Liberal point of view, into numbers. The last Liberal Budget, as the documents deposited by the Minister of Finance clearly show, indicate a real growth rate last year as a result of the Liberal Budget of 4.7 per cent. That is for 1984. The Minister of Finance tells us that this year the Tories anticipate a growth rate of 3.1 per cent. He tells us more, that next year he anticipates a growth rate of 2.4 per cent. That is in 1986. Similarly, under the last Liberal Budget, personal income increased in 1984 by 7 per cent. The Tories expect this to decline in the current year to 6.8 per cent and next year to see it decline further to 5.9 per cent. Canadians will soon remind themselves once again that Tory times are tough times.

Some Hon. Members: Hear, hear!

Mr. Johnston: I predict that they will be kicking themselves for having forgotten that lesson in September of 1984. The Minister tells us about the climate of confidence that he wishes to create. Through you, Mr. Speaker, I ask the Minister of Finance, how can Canada have confidence when this Government has systematically broken promise after promise? Confidence will only be built upon credibility. This Government has lost its credibility. Those promises will be reviewed by speakers of this Party during the budget debate as we deal with the various sectors which are affected adversely by the proposals of the Minister of Finance.

One of the most recent commitments of the Minister of Finance was made as recently as on March 1 when he appeared on the program *Question Period*. In response to questions from Mr. Terrence Wills of the Montreal *Gazette*, he said:

> I don't want to increase taxes, Terry. I think we have a good deal of scope on the expenditure side to deal with the deficit problem. A tax increase, certainly a general tax increase, puts a dampening effect on the economy and I don't want to see us do that.

An Hon. Member: Who said that?

Mr. Johnston: The Minister of Finance said that. Not only was that a breach of a commitment that we witnessed yesterday and not only does it affect the credibility of the Minister, the Prime Minister (Mr. Mulroney) and the Government, but it carries very serious consequences in terms of job loss, not job creation in this country, and that is strike one against the Minister.

• (1220)

Recently, Pierre Lortie, the President of the Montreal Stock Exchange, with whom I am sure the Minister consulted at some length, made some comments with respect to raising taxes in a speech he gave early this month in Toronto. At that time, he said:

The problem with raising taxes lies with their indirect effects which are powerful. Raising taxes cools the economy in two ways. The first familiar effect is that taxes dampen demand. With 11 per cent unemployment, a 4 per cent inflation rate and a growth rate well below that of the U.S. economy, the Canadian economy surely does not need a cold shower.

He went on to say:

Thus, a strategy to reduce the deficit which would embody tax increases could be really hurtful to the Canadian economy.

It is pretty clear that any consultations the Minister may have had with Mr. Lortie were not heeded.

[*Translation*]

—I personally would have gone further than Mr. Lortie. These tax increases will not only harm the economy, Mr. Speaker, but also and especially those Canadians who cannot protect themselves.

[*English*]

How many jobs will be lost? The Minister of Finance knows but he will not tell us. He will say, of course, as I have heard him say repeatedly on the radio, on television and here in the House, that it is the confidence factor which will not only replace those jobs which might be lost through some economic model study but will also create new jobs. I say to the Minister of Finance that there can be no confidence when there are these flagrant breaches of promises which have been made by the Minister and the Government. The Minister said that he did not want a general increase in taxes. We have witnessed a massive increase in taxes.

I know my colleagues have always believed in the integrity of the Minister of Finance. We can only come to the conclusion that once again he has lost a battle in Cabinet, once again he has been derailed. He did not want massive tax increases. He declared that his aim was not to have tax increases. Look at the increases that have been imposed upon us.

I invite you, Mr. Speaker, to look at page 19 of *The Fiscal Plan* which tells us about new tax measures with major impacts on budgetary revenue. These numbers have been carefully caressed by netting some with others which should not be there. I am quite happy to explain my analysis of these numbers, but the bottom line of it is that in 1985-86, individual Canadians will be subjected to tax increases of $1,170 million, not the paltry $250 million which is shown at the bottom of that table, and in 1986-87, they will be subjected to tax increases of $4,360 million. I would be quite happy and anxious to debate my analysis of those numbers with the Minister of Finance.

I would point out that, among other things, I have eliminated in my calculations the so-called capital gains reduction from those revenues. Let me point out that we are talking about general tax increases. In 1982, the last year for which I have numbers, 63 per cent of all capital gains came from 4 per cent of Canadian taxpayers. I submit to the Minister of Finance that it is hardly fair game to net the lost revenue on the capital gains tax exemption against the tax increases which are going to be borne by ordinary Canadians from coast to coast. That, Mr. Speaker, is strike two. The Minister lost his battle in Cabinet. He had to submit to increased taxes, something which he knew was not the way to go in terms of deficit reduction.

The Minister promised us a fair Budget. Let us examine that proposition very briefly. How do these tax increases affect individual Canadians?

[*Translation*]

You know, people are going to remember the Progressive Conservative Government for its decision to promote capital gains to tax kids' candy, soap and pet food. This is of course a caricature, but the fact is that the combination of taxes introduced yesterday will crush the middle class and the poor, and I would like to give you a few examples.

For a married couple and I shall quote figures from the papers tabled in the House yesterday by the Minister for a married couple with only one income and two dependent children below the age of 18, and earning $20,000, taxes will go up $175, and that does not include sales tax, excise tax on tobacco or the tax on fuel. Altogether, it will mean an increase of at least $200 and probably more. Some people have estimated that the additional burden will amount to between $500 and $1,000 per family.

[*English*]

Of course, the Government and the Minister will argue and have already argued that the rich are also hit hard by this Budget. That is because of the temporary surtax which has been imposed upon them. Let us look at the circumstances of that same couple with one source of income and two dependent children. We see that carrying the tax provisions forward for the year 1990, the time frame within which the Minister of Finance spoke, the tax burden of that family at the $20,000 level will be increased by 17 per cent, using any reasonable assumptions such as those which were set forth in the table of the Minister himself. If, on the other hand, we look at a family at the $200,000 level, a family which could certainly be classified as being rich, we find that the increase will in fact be 2 per cent in the year 1990.

Many people seem to have lost sight of the fact that the surtax is an 18-month tax. It is only a blip, but the other provisions go on forever and penalize the low-income groups. In fact, if one uses that same 1982 capital gains tax distribution to which I referred a moment ago, we find that the taxpayer at the $200,000 level will pay $2,352 less in taxes in 1990. The 2 per cent figure I mentioned is there without reference to the capital gains tax break.

What about old age security? Simple calculations show that by the year 1990, the average old age security payment will be reduced by $30 per month or $369 per year. As I entered the House, I heard the Minister answering a question by saying that GIS had been indexed. However, GIS recipients, as we know, receive old age security and GIS. If the old age security costs them $30 per month, that effectively means that people who receive GIS will lose $30 per month. When the Liberal Government introduced its six and five program to cap indexation, that was taken into account. Accordingly, a double

indexation on GIS was provided for. The Minister has failed to do that. Elderly people at the poverty line will lose $30 per month in real dollars in the year 1990.

What about child benefits? We have calculated that once one reaches over $12,000 of income, everyone loses, and by 1990, something between $300 million and $380 million will have been taken out of the child benefit system. I say to you, Mr. Speaker, that this Budget is not only unfair, it is grossly unfair. That is strike number three for the Minister of Finance.

● (1230)

[*Translation*]

Mr. Speaker, I was talking about people who have been adversely affected by this veritable avalanche of taxes. However, we must not forget the poorest regions of this country which have now been abandoned by the Progressive Conservatives, and especially the Atlantic Provinces and the Gaspé, for instance. In the course of this debate, you will be hearing a number of our Members who will elaborate on these questions. It is not only unfair to individuals but also unfair to the regions, and especially to the individuals living in those regions.

[*English*]

There is something else, Mr. Speaker, which I would like to bring to your attention, and I hope that you will take the opportunity to review the budget documents in detail. I reviewed them as best as I could in the time since yesterday, but I have much more to digest. It is apparent that the Budget is replete with what I call political arithmetic. What kind of climate of confidence can we expect to achieve in Canada if the Government is not forthcoming, does not give us the facts and does not tell us what will be the impacts of the various measures which have been introduced? It is one thing to tell us what the impact might be, but it is quite another to prepare the documents in such a manner that the presentation is confused and difficult to understand.

For example, there is the magic savings which the Conservative Government will accomplish by its New Management Initiatives. In 1985-86 alone, the magic savings will amount to $1.2 billion. The Conservatives call part of that plan "Improved Cash Management". Most of the better cash management will mean stripping and raping the Crown corporations of cash in the form of dividends. That is better cash management! A total of $366 million of the $1.2 billion will be saved in 1985-86. Canada Mortgage and Housing Corporation will provide $26 million, Teleglobe Canada will provide $108 million; Petro-Canada will provide $50 million; Atomic Energy of Canada will provide $50 million, and Ports Canada will provide $83 million. I will not take the time of the House to read all of the corporations which will be involved in that savings plan as the documents are available for all to see. That is better cash management! Declaring dividends from Crown corporations has now become better cash management.

There is a point which I find most troubling and I hope at some point the Minister will furnish us with adequate explanations. After the brilliant exercise of saving $1.2 billion for better management practices, we find that the expenditures for 1985-86, as presented in the budget papers, will be $105 billion. When I turned to the Estimates which were tabled in the House several months ago, I found that expenditures in 1985-86 were to be $105 billion. How on earth can we explain what is going on? How can the Government maintain any credibility when it presents us with that kind of data?

In addition, there are no five-year projections in the Budget. I remember when his colleague, the Minister of Justice (Mr. Crosbie), came into the House in 1979 and proudly proclaimed that he would introduce five-year projections. Of course, the reason he did so was that it was one of the most firm recommendations of the Lambert Commission on Financial Management and Accountability. He was the first Minister of Finance who had the opportunity to introduce those recommendations, and he did. He explained, at every occasion, the importance of having five-year projections. He explained the importance of allowing the public and others to scrutinize where the Government was intending to go. The Liberal Government which succeeded the Conservative Government of 1979 maintained that tradition through all the Budgets which were presented in the House. However, it has been abandoned by the Minister of Finance because he does not want to be forthcoming with Canadians. He does not want to tell the Canadian public where he is going to go.

[*Translation*]

What does he tell us? He tells us that between now and 1990, if I am not mistaken, he will reduce the deficit by $20 billion. But he does not want to give us forecasts, he does not want to show us how we will get there, he simply draws the conclusion.

[*English*]

It absolutely amazes me that the Minister of Finance can expect Canadians and the private sector, as it is defined by him, to accept that there will be a climate of confidence when he is not forthcoming with the numbers and when he has broken election promises. He has broken promises which were made as recently as on March 1, when he told us that there would not be a general tax increase.

He has asked Canadians to tighten their belts. He said that people should be pleased to spend a dollar a day for the sake of getting the finances of the country under control. A dollar a day! Yet the Prime Minister recently increased his own office expenditures by some $2 million, which represents approximately $10,000 a day in terms of the expenditures which he intends to make over and above what is already there. The Government tells us that Canadians are expected to pull in their belts and spend a dollar a day. Even the poor families in Saint-Henri are expected to do that—

[*Translation*]

—my constituency of Saint-Henri. Well, I would like to bring the Minister with me one of these days so he might explain to my constituents of Saint-Henri why they should pay taxes on candies and gasoline. But at the same time Ministers back here in Ottawa can increase their budgets, have well-paid staff and senior officials, not to mention the Prime Minister's Office. I really think he would have a hard time convincing the people of Saint-Henri in Montreal, which happens to be one of the regions hardest hit by this Budget.

[*English*]

Of course, we have seen the Government indulge in other exercises with taxpayers' money, while individual Canadians are having trouble making ends meet and living virtually from hand to mouth. But the Government treats itself to lavish spending and engages in bailing out corporations. I could cite the number of corporations which have been bailed out. They include Petromont, Domtar, the Canadian Commercial Bank, and Pioner Trust. At least those bail-outs were motivated by concerns of employment and investor confidence.

I hope the Minister of Finance takes these comments seriously because the example must be set here. This Government, of which he is a member, is the most lavish spender and the greatest squanderer of taxpayers' dollars on government lifestyle of all other Governments in the history of this country. It has the largest ministry with the largest staff. It has travelling committees to keep the back-benchers happy. Millions and millions of dollars are being squandered by the Government and by the Prime Minister with the circuses and showbiz to which we have been treated. As far as Quebec City is concerned, we have only seen the bill from CBC for $500,000. There was the Premiers' Conference and the Economic Summit. There has been no concern whatsoever for taxpayers' dollars. Yet the Minister of Finance had the gall to go on national television last night and say that Canadians would be pleased. He said that individual families who earn $20,000 or $30,000 a year would be pleased to pay an extra dollar a day in order to get the finances of the Government under control.

● (1240)

Where is the minimum tax when it comes to fairness? It is another lob hit by the Minister of Finance. He is a tennis player and he hits another lob on this one. That minimum tax would have gone a long way toward suggesting to ordinary men and women of this country that the Government means business, but there is no minimum tax. Instead, there is a study, further consultation, a series of options, and we are told the tax will be introduced miraculously in 1986. But no model for that tax has been decided upon. I am sure, Mr. Speaker, you would join with me, if you could, and say that you will believe that tax when you see it.

In terms of expenditure, I must say that when we started to read about the expenditures of this Government on themselves, I really thought the sky was the limit. Now we learn, particularly when we watch the Minister of Communications (Mr. Masse), that not even the sky is the limit. In fact, all the skies of the world are open to the travelling Ministers of this Government.

[*Translation*]

It is unbelievable. When he was in Quebec City he was described as the "national air draft"—quite properly so. To him, that is just a few cents. He spent $57,000 to fly to Greece or wherever, and now the Minister of Finance is telling us that each Canadian family with an income of $20,000 to $30,000 ought to be proud to contribute $1 a day to control the finances of the federal Government. Unbelievable, Mr. Speaker, unbelievable!

[*English*]

We will be hearing much, Mr. Speaker, from Hon. Members on this side of the House with respect to the Budget and, believe me, there is much to be said. I want simply to conclude by telling the Minister of Finance, who unfortunately has left the House—and I should say in fairness to him that he told me he would have to leave the House at 12.40 p.m.—that there is one major difference between the Minister's namesake, Hack Wilson, and himself, that is that at least Hack Wilson hit a lot of home runs.

Mr. Turner (Vancouver Quadra): This guy struck out.

[*Translation*]

Mr. Johnston: That being said, I move the following amendment, seconded by Mr. Turner (Vancouver Quadra):

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor: This House condemns the Government for its betrayal of the trust of the Canadian people by producing a budget that destroys jobs, that offers neither help nor hope to the working poor and the unemployed, that brutalizes the middle class, that imposes massive and unfair tax increases on middle and lower-income Canadians and that is devastating to the economically disadvantaged regions of the country.

[*English*]

Mr. Speaker: The House has heard the terms of the amendment moved by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

Mr. Deans: Mr. Speaker, I rise on a point of order. I have had discussions on this matter with the Government House Leader and the House Leader for the Official Opposition. I would like to seek unanimous consent of the House to allow my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), who will be speaking next on behalf of our Party in this debate, the courtesy of having the normal time available to a third Party speaker extended to a time not exceeding that taken by the critic for the Official Opposition and, at the very least, not exceeding 40 minutes.

Mr. Speaker: I am sure there is unanimous consent.

Some Hon. Members: Agreed.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, first, I would like to thank my colleagues in the House for the courtesy extended to me of an opportunity to speak perhaps a

little bit beyond the 20-minute time limit, but certainly within the time limits followed by the previous speaker.

We have now waited as anxious parliamentarians for the last eight months, along with the people of Canada, for this budget presentation. It is the longest period of time in recent history that a Government has waited before it introduced a major Budget. The Prime Minister (Mr. Mulroney) and the Minister of Finance prided themselves on having gone about the country and talked with groups in all regions, having spoken with organized groups such as the Canadian Chamber of Commerce, and having listened to groups of individuals who were assembled at various conferences. But what has become very clear, Mr. Speaker, is that the Minister of Finance and the Prime Minister seemed to have listened to a very select group when it came time to write out and introduce the Budget which we heard last night. I believe that when the dust settles over this whole matter, the columnists have had a chance to evaluate the situation and the true nature of the Budget is presented, what will become clear is that the boy from Baie Comeau has backed his Bay Street buddies all the way to the bank. Very clearly there was a bias in this particular Budget which went against the interests of ordinary Canadians and was very much in favour of a select group of Canadian society. That was perhaps reflected in the advice of the policy adviser brought in by the Minister of Finance for the Budget, the Vice-President of the Bank of Nova Scotia, who advised him on the approaches which the Minister ought to use and, indeed, this was a banker's Budget in many respects.

The Prime Minister and the Minister of Finance said that this was a tough Budget but a fair one. I suspect that the more appropriate wording would be that this was a very fair Budget for a very few number of Canadians and a very tough Budget for very many Canadians. What the privileged few in Canada received in this Budget was, of course, no introduction of the minimum tax which the Prime Minister promised Canadians would be introduced in this Budget. Those thousands of Canadians, whom we will call wealthy Canadians—the upper-income earners whose incomes are often in excess of $500,-000—will again this year pay no income tax whatsoever as a result of the multitude of loopholes available to them in their financial arrangements.

There is another group of Canadians. We recognize that about 4 per cent of the Canadian population buy and sell stocks in the stock market, and a few more, perhaps, are interested in the matter of capital gains. The Government, through this Budget, has now introduced a capital gains holiday for those folks on the first $500,000 of income. That handful of Canadians who obtain their income from investments have now received a real bonus in this Budget and a lot of champagne will be consumed on the Bay Streets and in downtown Montreal, Calgary and Vancouver, as the senior executive levels celebrate just what this corporate giveaway means to them personally.

We think of the laid-off workers of the White Farm plant, the people who work at the heavy water plant in Cape Breton, the laid-off miners in the Highmont Mine in British Columbia and the people who work at the Burns plant in Kitchener, and we wonder how excited they are today about the fact that they can escape capital gains tax on the first $500,000 of income earned through their investments.

Mr. Broadbent: They are lucky if they earn that in their lifetime.

Mr. Riis: As my hon. leader indicates, they are lucky to earn that during their entire lifetime.

• (1250)

So let us recognize that for the privileged few this Budget is excellent news. There will be lots of champagne being drunk over the next few days as people celebrate this Budget.

On the other hand, for most Canadians, the average Canadian, what did the Budget have? Some extremely tough measures. When you examine the implications of the November 8 Economic Statement and add those to the provisions in this Budget, you find that the average family in Canada will be paying about $1,000 more in taxes. That means that $1,000 a family will be taken out of every single community across this country. In the Corner Brooks, the Moose Jaws, the Chicoutimis and the Sudburys, thousands of communities across this country, $1,000 a family will be taken away and plunked down here in Ottawa for the federal Government. The Minister of Finance indicated there would be a fairness in this Budget. Is it fairness to ask every senior citizen in Canada receiving OAS to pay an extra $100 a year starting next year? This will add up to $255 million coming from the senior citizens of Canada to make up for the money the Government is going to lose in its capital gains giveaway. The seniors of this country are going to be paying for that capital gains holiday. The average Canadian family is going to be paying an extra $1,000 to make up for the give aways to the large oil companies.

To be very frank, Mr. Speaker, what this Budget means is that almost every single item in the average corner store in our communities will have a federal tax added to it. Kids' candy bars and pop, all the confectioneries in that store, shampoos and soap, the things families use every day, will all be taxed. Pet food will be taxed in an effort to raise money because somebody has to pay for these capital gains giveaways. I remember very distinctly that when the Western Accord was signed a few weeks ago the Minister of Energy, Mines and Resources (Miss Carney) said that they made this deal to help the western provinces particularly, but that the taxpayers of Canada are not going to pay for it. There will be no increase in gasoline taxes as a result, she said. What happened in western Canada was that the Minister of Energy, Mines and Resources sat down for dinner with the provincial Premiers and the heads of the oil companies, and we as Canadian citizens are going to be asked to cough up hundreds of millions of dollars to pay the tab.

Mr. Blaikie: Expensive dinner.

Mr. Riis: Very expensive dinner, when you consider the 9 cents a gallon tax. What does that mean for people who travel

about the second largest country in the world? What does that mean for every product transported across this vast country? What does it mean for people who have to travel long distances to work, up into the forest, out into the mines, or commute long distances in metropolitan areas? This 9 cents a gallon tax will be felt right across this country, and at a time when we were hoping to see some disposable income invested at the local level to assist small business. But we are pulling hundreds of millions of dollars out of those communities and bringing them back here to Ottawa, and that will not help small business.

I think the most surprising thing in this Budget is that it totally ignored a group of Canadians. It failed to recognize the 1.475 million Canadians who are jobless today, including 500,000 young people. This is the International Year of Youth, a year when we should be paying special attention to young people. Surely in a country which is at all sensitive the Government should recognize that young people have a special role to play. At this time of year, on budget day, they are coming out of the colleges, universities, technical and vocational schools, and high schools, looking for summer employment or their first job, and what do they find in the Budget? I do not think the word "youth" was even mentioned in the Budget. The Minister spoke for an hour and a half and did not even mention the word; it is not part of his vocabulary. I do not think it is part of the Government's vocabulary. The words which are in the Government's vocabulary, of course, are words like "deficits"—

Mr. Nickerson: Jobs.

Mr. Riis: —and "tough"—

Mr. Nickerson: Jobs.

Mr. Riis: —and "sacrifices"—

Mr. Nickerson: Jobs.

Mr. Riis: —and "capital gains", "corporate confidence", but the word "youth" is not mentioned. Was there any reference at all to the 600,000 women who are jobless? There was virtually not a word in the Budget which would assist those 1.475 million people presently out of work, not a word to give them any hope or encouragement, to indicate that things are going to change in the weeks and months ahead.

The Government has said that we need to have faith because the small business sector will have a whole set of reasons to expand its operations and create jobs. Whether it is in Corner Brook, Glace Bay, Bathurst, Lac-Saint-Jean, Timmins, Moose Jaw, High River, Prince George or Kelowna, small businesses will be going out and expanding in the weeks and months ahead. But let us look at the Minister's constituency. Let us look at a business in Etobicoke. Let us look at that small corner store again. All of a sudden, as a result of this Budget, that store finds that all of the families who use the store are going to have $1,000 removed from their pockets. They will not have a thousand dollars next year to buy goods from that store. In addition, everything in that store has increased in price as a result of additional federal taxes. Is that corner store going to want to run out and expand its operation?

Mr. Rodriguez: Not likely.

Mr. Riis: This same scenario can be imagined across this country. When you take money out of every community in this country and reduce the purchasing power of Canadians, when you do not give any hope to those 1.5 million unemployed, including all those young people looking for work, are people going to go out and purchase goods and services? Are they going to go out and buy that new refrigerator, stove, car or set of clothes? No, they are not. The Government says it expects businesses to go out and expand their operations and hire new employees, but I think we are asking too much of the business community under these conditions. There has been no effort to create more demand for their products. There has been no effort to provide a reason for those businesses to go out and expand. Therefore, I really do not believe that the hope or expectation the Minister expressed today so many times will in fact be realized.

I am reminded of Peter Pan when I hear the Minister of Finance say time after time, "If we really believe, if we really believe, then we can fly. If we really believe businesses are going to create those jobs and they will run out and expand their operations, then they will". Well, surely we can have something better than a Tinker Bell approach to encouraging the business community of Canada to expand and create the necessary jobs.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, it is interesting to look at some aspects of the Budget which were not mentioned. Sometimes it is more appropriate to look at the Budget and take note of what he failed to mention at all. One of the key sectors of our economy is tourism. Right across the country, whether it is in the provinces or the Territories, a lot of Canadians feel this is one area where there is a considerable amount of growth potential. But is there anything in the Budget to assist the tourist sector? Yes, there is something that will affect the tourist sector; the increase in gasoline prices will make it that much more expensive for American travellers to travel around Canada in their Winnebagos and so on, or Canadians for that matter. Also, we are going to increase liquor prices, and that will have a rather profound negative effect on the hospitality industry.

I notice it is one o'clock, Mr. Speaker, and perhaps I could continue a little later today.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Charest): When the House rose at one o'clock the Hon. Member for Kamloops-Shuswap (Mr. Riis) had the floor. The Hon. Member for Kamloops-Shuswap.

Mr. Riis: Mr. Speaker, the Budget includes nearly six and a half pounds of paper. Yet there is nothing in this entire package for the unemployed in the country. There is not a single thing in the package for young people in Canada. We find it totally unacceptable that, with 70 per cent of our young people ouf of work today, there was not a single reference to them in the budget speech.

It is interesting to consider what is in the Budget. After looking at it very carefully it becomes perfectly clear that the Government believes that the most important resource in the country is the capital resource. The other day my friend, the Hon. Member for Mission-Port Moody (Mr. St. Germain), suggested that the most important resource is not the capital resource, but trees. We in this Party believe very strongly that the most important resources in the country are our human resources, our young people.

Some Hon. Members: Hear, hear!

Mr. Riis: There is nothing in this six and a half pounds of budget material that is going to assist farmers in Canada. There is, however, something that will assist them to get out of the farming business. The capital gains exemptions will help them to get out of farming, but aside from that we find only agricultural cuts. The only assistance for the forest sector is that the federal tax on boom chains can now be deducted. The fisheries sector finds further cuts, the imposition of user fees, but no assistance. There is no assistance for the mining sector. Mr. Speaker, there is nothing in this Budget which will provide assistance to the hard-pressed resources sectors of the country.

I have already mentioned tourism. This was a wonderful gift for British Columbia. Mr. Bennett must be really happy as they are developing Expo '86 and attracting new tourists. Now the Government slaps on a gasoline tax and an additional liquor tax to make it more expensive for visitors to come into the country. That is not the way in which to encourage tourism. Yet that is the way in which the federal Government has assisted the province which is developing Expo '86.

Was there tax reform in the Budget? Was there an effort to impose that minimum tax on the rich as promised by the Prime Minister? There is no minimum tax in this Budget. The Government says it may study it and put it in the Budget next year. However, it did not stop to study the impact of imposing a tax of $1,000 on families. There was no hesitation in putting that in.

There was nothing done about the billions of dollars in corporate tax concessions used for mergers and takeovers that do not result in new jobs or product lines. There was no corporate tax expenditure included with the Budget to enable us to see the pros and cons of the various expenditure programs. There was no five year projection of the corporate taxes and what they mean for Canada as there is in American Budgets. There was nothing in this Budget with regard to corporate or personal tax reform.

I am pleased to see that the Minister of Finance is now with us and listening to our speeches. He said that this is a new era and new approach. He said it is a chance to make over our country and refashion Canada. He said it is a new way of doing things.

Some Hon. Members: Hear, hear!

Mr. Riis: He went on to say things like, "We mean to cut our costs and become more productive", and, "The private sector must be the main creator of jobs".

Some Hon. Members: Hear, hear!

Mr. Riis: He said, "We look to the creative, innovative small business sector". He said, "This is a fiscally responsible Budget". He said that securing growth and jobs depends on our success in four basic areas; reducing and controlling inflation, increasing investment, reducing the Government's deficit, and improving our competitiveness.

Oh, I am sorry, Mr. Speaker, this was Marc Lalonde's Budget. I am sorry, I got the Budgets mixed up.

Some Hon. Members: Hear, hear!

Mr. Murphy: And the Tories clapped.

Mr. Riis: I want to thank my Conservative colleagues for their approval of those suggestions, but I was meaning to read from this Budget.

Is there a change or a new direction, Mr. Speaker? The Liberals increased taxes and gave more concessions to the corporations and we know what happened to the country. Nothing has changed from the Lalonde or MacEachen Budget. Nothing has changed. Only the actors have changed and the colour of the suits. The whole effort of the Government was to attack the deficit. This was the bogey-man that had to be slain. This was the dragon. Michael was out there with his sword hacking away at the deficit dragon. What was it that created the deficit, Mr. Speaker? It was the result of the Liberal monetary policy and mismanagement for years and years that resulted in a recession. The fact that it was costing us $1 billion a month in UIC alone was adding to the deficit. Something else has added to the deficit, the billions and billions of dollars in corporate loopholes for which we are getting very little, if anyting, in return. Those are billions of dollars and that is what created the deficit. The cast we were not collecting corporate tax, business tax, personal tax and sales tax because of the recession was another reason.

• (1410)

The New Democrats did their consulting as well. We did not talk with Bay Street and to stockbrokers. We spoke with main street and ordinary Canadians. We came up with something called "Canada Unlimited". We have 70 recommendations in this book on how to reduce the high levels of unemployment. That is what Canada Unlimited sets out to accomplish.

Time and time again what our proposals do is to set targets for inflation, to get inflation down. We set targets for research and development levels and we set targets for foreign aid. Why not set targets for unemployment to get unemployment down? Why not set that as a goal and implement strategies to accomplish it? Why not reform the tax system to provide more moneys for the communities of Canada to assist small businesses as opposed to having a tax policy that takes out a thousand dollars a household from every community in Canada and focuses it right back here in Ottawa? Why not give that money to the communities to develop proper job-creation and economic development schemes?

We propose a minimum tax in Canada Unlimited and a return to the pre-1982 tax rate days. The Minister of Finance (Mr. Wilson) will remember the time when that legislation was introduced and we heard it said, "This is for all the upper income earners of the country. We are going to reduce the amount of tax that you have to pay". If we introduced that old tax rate and a minimum tax, we would raise $1.2 billion. If we did that, we could avoid de-indexing of the tax exemptions, the old age security, and the family allowance.

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

Mr. Towers: The Hon. Member knows better than that.

The Acting Speaker (Mr. Charest): Order, please. Before the Hon. Member for Kamloops-Shuswap (Mr. Riis) continues I must advise him, and I am sure he knows, that it is not permitted to make demonstrations of the kind he is making.

Mr. Deans: Don't be ridiculous. Of course it is.

Mr. Riis: If we followed our proposal for tax reform in Canada Unlimited, we could eliminate the federal tax reduction and avoid the elimination of the Registered Home Ownership Savings plan and we could avoid increases in taxes on children's candy, pop, pet food, and all of the confectionery found in our small corner stores. We could avoid taxes on almost everything we could find in the corner stores. We could avoid additional taxes on tobacco and liquor and we would still have $200 million left.

If we had introduced those two provisions only out of the 70 recommendations in Canada Unlimited we would save all of that unnecessary tax increase and still have $200 million which could be used on direct job creation.

Some Hon. Members: Hear, hear!

Mr. Riis: This was a Budget that asked Canadians to make a special sacrifice. It asked only certain Canadians to make a special sacrifice. Ordinary Canadians were asked to make an especially major sacrifice in the way of increased taxes and increased costs of transportation, which will be reflected in the cost of virtually every good transported across Canada. This Budget is especially punitive on the resource sectors of mining, fisheries, agriculture, tourism, and forestry.

Some people benefited, however. They are the ones who are in the upper income brackets. They are very happy as a result of this Budget because they can still use the loopholes of the tax system and pay not a single red cent of income tax. If that were not good enough, those people who obtain their income through investments and consequently take advantage of the capital gains provisions will get another holiday. They will not have to pay any tax at all on their capital gains until a half a million dollars has been accumulated. If we talk about the beneficiaries in this Budget, we are talking about a handful of Canadian citizens. The very wealthy in Canada will get much wealthier.

Mr. Towers: What about the farmers?

Mr. Riis: The Hon. Member says, "What about the farmers?" We have six and a half pounds of budget papers. There is nothing for the farmers in this bundle other than to encourage them to get out of farming.

Some Hon. Members: Hear, hear!

Mr. Riis: Is there anything in the budget papers to help young people get into farming and into food production? Is there any assistance for those farmers who are hard pressed financially in terms of a heavy debt equity ratio? Are there any agri-bonds in these papers to assist those hard-pressed farmers? No, there is nothing. Is there any clarification of Section 31 of the Income Tax Act? No, there is nothing.

Mr. Gurbin: What about the small business bond?

Mr. Riis: There is a small business bond. But show me a farmer who has been able to get a small business bond. Show me a single farmer who has been able to get one. That is the only bloody provision Mr. Speaker, to assist a farmer, but he cannot get one.

When you ask what is in the Budget for farmers, I say there is nothing, Sir. I can repeat those same comments for the fishermen, the miners, the loggers, the millworkers, and for the ordinary Canadians.

As a result, I am pleased to move on behalf of my Party, seconded by the Hon. Member for Churchill (Mr. Murphy):

> That the amendment be amended by changing the period at the end of the last sentence to a comma, and by adding immediately thereafter the following words:
>
> "And this House further condemns the Government for actions which will effectively reduce pensions for senior citizens, for gasoline tax increases to pay for the Western Accord, for its failure to take immediate and determined action to reduce the ranks of the unemployed, and for the absence of a minimum tax on wealthy Canadians who pay no income tax."

The Acting Speaker (Mr. Charest): Having read the subamendment, I find it in order.

● (1420)

Mr. St. Germain: Mr. Speaker, I have a straightforward and sincere question for the Hon. Member for Kamloops-Shuswap (Mr. Riis). In that we are both federal politicians and we both come from British Columbia, I would like the Hon. Member's comment on a question relating to forestry. We have arrived at an agreement with the Province of British Columbia, an agreement which was never reached before,

regarding $300 million in reforestation and silviculture. It is part of the over-all commitment on the part of the Government to work in the forestry area. Does the Hon. Member not agree that this is a significant starting point in forestry, or is he completely against the program? He said that we have not done anything for forestry. In view of the fact that we made such a commitment and started such a productive program for forestry, does he concur with it, or is he totally against anything for forestry which we brought forward?

Mr. Riis: Mr. Speaker, I realize that normally the first speakers for each Party do not have an opportunity to respond to questions. I am pleased that the Speaker changed the rules for today to make this possible, and I welcome the questions of the Hon. Member.

He referred to the fact that I said that in the 6.5 pounds of budget material there was nothing for forestry—and I stand by that—with the exception of the removal of the federal tax on boom chains. There is nothing in the 6.5 pounds of budget material for the forestry industry.

The Hon. Member for Mission-Port Moody (Mr. St. Germain) talked about the $300 million federal-provincial agreement to assist the forest sector. I remind him of the words of Les Reed, who used to be Deputy Minister of Forestry in Ottawa and is presently occupying the senior chair of forestry at the University of British Columbia, Department of Forestry. He made the observation that this $300 million was to be spent over five years and that to do the job necessary we needed $300 million this year and every year thereafter.

We should recognize that out of every dollar collected by the federal Government from the forest industry, it returns only five cents, a measly nickel. Yes, I suppose on the logn journey to the moon, one step is a step in the right direction.

Mr. Friesen: Mr. Speaker, a couple of years ago the New Democratic Party had a task force to encourage involvement in the small business sector. I think that was laudable. Last night, Mr. John Bulloch, who represents that sector which the NDP wants to see flourish, said that the Budget would create a minimum of 400,000 jobs and maybe more. Yet the Hon. Member for Kamloops-Shuswap (Mr. Riis) seems to imply that there is no job creation in the Budget. At the end of his speech he spoke about direct job creation. Would he define how he uses the term "direct job creation"? Does he agree with Mr. John Bulloch that the Budget could create a minimum of 400,000 jobs or more?

Mr. Riis: Mr. Speaker, if I recall from the budget documents—and I believe it was in *The fiscal Plan*—the term outlines the projected levels of unemployment in Canada. By his own admission, the figures of the Minister of Finance indicate that they will be in excess of 10 per cent for the rest of this decade. Beyond that it is anyone's guess. In dealing with unemployment, the Budget indicates that we will not deal with unemployment and that we will be doing other things because the Government's projection is that it will stay about the same. I also remember what the two previous Ministers of Finance projected unemployment to be, and of course the figure was much higher. When one starts to project into the future and depends totally on the whims of the market-place, it is made very difficult. By the Minister's own admission unemployment will not be improved.

When I heard John Bulloch the other day, I suspected that John was drinking a lot of his own bath water. I do not think John has visited many parts of Canada. I know the Prime Minister has not visited British Columbia since assuming office. If the Prime Minister had visited British Columbia, the Hon. Member's constituency and mine, he would know that we cannot stand idly by now and wish that jobs will be created and that small business will expand. That may apply to some parts of central Canada, but in the eartern, northern and western parts of the country we cannot ask the small business sector to expand and at the same time reach out and take $1,000 away from every family and $100 away from every senior citizen in every community, to be paid back to Ottawa, through the de-indexing process. In that event small businesses will not have a market for their goods and services.

The point we have been trying to make is that we do not have to bribe small businesses to expand through tax concessions. They will expand on their own if there is a market for their goods and services. However, in parts of Canada today the market is not there. To take millions and millions of dollars out of the communities of Canada and to ask small business to expand on their own without any market is asking small business to do too much. It is very unfair to expect them to respond to that challenge.

Mr. Friesen: Mr. Speaker, when the Hon. Member began answering the questions of the Hon. Member for Mission-Port Moody (Mr. St. Germain), he said that he welcomed the opportunity to answer questions. Now would he answer mine?

Some Hon. Members: He did.

Mr. Duguay: Mr. Speaker, for years and years I have heard Canadians talk about dealing with unemployment and I have watched with some patience the strategies that were put forward. Each time they related to stimulating the consumer, a concept which I now recognize as one aimed at creating jobs. Some of the jobs created by spending more money were the kinds where very bright young people were hired to travel around the City of Winnipeg to erect signs advertising that the project was sponsored by this Minister or that Minister. I am proud to have listened to the Budget yesterday and to have learned that the Government will no longer accept the concept that the way to create jobs is to spend money and that that stimulates the consumer.

Canadians are able to create jobs. They told us repeatedly that they wanted to stand on their own two feet. They can do so, and the Budget gives them that opportunity. I wish the Opposition would show as much confidence in Canadians as I think Canadians are prepared to show in themselves.

Mr. Riis: Mr. Speaker, I appreciate any chance to respond to the Hon. Member's question or observation. I come from

British Columbia which has had a Conservative Government in power for some time. It had a similar approach to creating jobs in that province in terms of raising taxes and cutting back on a whole variety of government areas. I remember the advice of Michael Walker, the chief economist of the Fraser Institute. When asked in British Columbia what advice as a very wise economist he would have for young people looking for work in that province, he used a take-off on the old adage that one should go west, young man, to seek one's future, and said: "Go east, young man. Leave British Columbia and go to Manitoba because it has a different approach".

Manitoba happens to have the lowest level of unemployment in Canada. Manitoba has taken action to provide job opportunities. It has challenged the assumption that it makes sense to give young people and others UIC and welfare, to ask them to remain at home and watch television, to tell them not to provide a useful service for their communities. Manitoba had a different approach. It took the amount of money it would have spent on social services, UIC and welfare, and provided young persons with meaningful jobs so that they could serve their communities, assist senior citizens, assist single parents, provide support for daycare, playgrounds and so on. Thousands and thousands of young people in that province were mobilized and have done just that.

I come from British Columbia where that did not take place. I come from British Columbia where the Conservative Government there used a similar approach to the one in the 6.5 pounds of paper delivered last night. I know what it did for British Columbia, and I only hope and pray that the same thing will not be duplicated across the country.

• (1430)

Mr. Duguay: Mr. Speaker, I will promise not to try and be an expert on British Columbia if the Hon. Member opposite will try not to be an expert on my province. I can state clearly that when you talk about Manitoba having the lowest level of unemployment, it is actually the second lowest. It has been the same for some time through both a Progressive Conservative and a New Democratic Party Government in Manitoba. It reflects on the people of my province, and not on the Government. If the Hon. Member is going to suggest that British Columbians were told to go east and go to Manitoba—

The Acting Speaker (Mr. Charest): I'm sorry, but the period for questions and comments is now over. Resuming debate.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this morning the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) talked about important principles. He spoke about principles that have not worked. That is why this Government has asked Canadians to follow a new road. We have made a conscious effort to break away from the tired, cynical and unsuccessful attempts of the former Government to create jobs and build a future for this country. Instead, we have forged a fresh approach in job creation, in economic prosperity and in social responsibility.

The Hon. Member went on to say that Budgets are to serve people. He is absolutely right. Whay did their Budgets never serve the people? Our Budget will. It will build on the vitality and dynamism of individual Canadians and of our businesses and our industry. It is a Budget that rewards initiative. It is a Budget that reafffirms our Government's basic belief in the ability of Canadians to create the growth that in turn creates the jobs we all want and need. It is a Budget that provides Canadians with the opportunity to show their stuff, to take action and to participate in a new direction for Canada.

This has been called, in a cynical way, a Budget of faith. It is a Budget of faith because I have faith in my neighbours and in your neighbours, because I know that they will help us build the jobs that we have committed for Canada.

Some Hon. Members: Hear, hear!

Mrs. McDougall: During the election, we told Canadians that we knew there was an absolute need for change to responsible fiscal management of the Government's affairs. Canadians agreed with us. We have proven that time and time again in the last eight months. We have consistently demonstrated that our policies are a break from the past. We have taken actions to reduce government overhead, streamline the programs that restrain growth, rationalize programs and eliminate waste. We talked with Canadians across the country and listened to them. Because of that, we were able to formulate our proposals with the concerns of Canadians in mind and with their ideas guiding us. We were able to benefit from views in all regions and from all sectors. In short, we were able to take advantage of perspectives from every segment of Canadian life.

I want to reiterate what the Minister of Finance (Mr. Wilson) told this House. This Budget is about jobs. It is about providing Canadians with lasting employment, with programs that are sensitive and flexible. Our actions as a Government two months after having taken office have helped create over 200,000 jobs. Despite all the doomsayers over there who said we would lose 50,000 or 100,000 jobs, we now have 200,000 jobs in this country that we did not have before.

Hon. Members know that this is a significant achievement. We know that we can do better. That is why the measures in this Budget address unemployment and the creation of employment. The Canadian people have discovered what seems to be so difficult for the opposition Parties to understand. Canadians have discovered to their pain that government spending does not create jobs, that government spending creates deficits. We have chosen not a single instrument of direct job creation. We do not believe that is responsible. By taking measures to create jobs through the capital gains tax exemption, through the training initiatives of my colleague, the Minister of Employment and Immigration (Miss MacDonald), of restoring fiscal order to our balance sheets, we can create a climate of job creation of which Canadians can take advantage.

I know that debate has been occurring, especially in the pre-Budget press, over the relationship between unemployment

and the deficit, that the old pump primers still want to spend our way to full employment. The Prime Minister (Mr. Mulroney) put it more succinctly than I have ever heard it when he said several days ago "If increased deficits lowered the unemployment rate, we would have full employment this very day". The sad truth in human terms, in terms of dashed hopes of millions of Canadians, is that unemployment still remains unacceptable, despite a staggering deficit.

Clearly the Budget emphasizes fiscal responsibility, but it is not fiscal responsibility for its own sake. Such a philosophy has no place in the plans of our Government. No proposal was made, no program was changed or even considered for the sole purpose of deficit reduction. The issues at stake are too complex, too interwoven to be determined by any one narrow philosophy. The budget measures have been carefully selected and balanced to further the broad goal of economic renewal.

We are a young country, but we are carrying around a burden. That, quite frankly, is weighing us down beyond our years. It is a millstone around our neck. It is preventing the development that our economy needs. It ties the hands that create jobs and it trips the feet that are leading to the future.

There is concern for people in our deficit control action and in our efforts to restore responsibility. We have demonstrated this concern by facing the real problems that stand in the way of the better future we all desire. There is no room for wishful thinking in our policies. The Hon. Member for Kamloops-Shuswap (Mr. Riis) said that this is a Budget of wishful thinking. We do not wish things for small business, we give them the tools to make it happen. By bringing forward realistic effective policies, we are acting with respect for the wishes of Canadians now and with the aspirations of Canadians for today, tomorrow and the day after tomorrow.

[*Translation*]

The budget is pervaded by the new spirit that has developed across this country. It is the spirit that has led our Government in its relations with the provinces, with the various sectors of our economy and with our trading partners. It is the spirit of co-operation and consultation.

[*English*]

Canadians know that we can each contribute in one way or another to a better Canada. That means that we must all shoulder a part of the burden. The results will take longer if we do not, and will be more difficult to obtain. The spirit is also independent. There is an enthusiasm growing across this land. I have recently been in British Columbia, Alberta, Saskatchewan and Manitoba. Yes, the people of this country have faith in us because we have faith in them.

This Budget shows that our Government's recognition of Canadians is important. We know that Canadians know best and that Government cannot decide what is best. We are saying to Canadians, "Invest, it is your future, your children's future", and we are saying, "The Government will help you make Canada strong and prosperous". We are cutting out the red tape that strangles initiative. We are making Government simpler, easier, more effective for Canadians who need it and for those who are working with us in the goals we have set.

The budget proposals deal with a tough reality. The Hon. Member for Saint-Henri-Westmount talked about Tory times being tough times. If Tory times are tough times, it is because of the irresponsibility that has gone on for years and years before. We know we cannot give Canadians everything. We do not live in Never, Never Land. We have to act responsibly, to take control of ourselves, each of us in our own way.

● (1440)

[*Translation*]

I may remind the Hon. Member that we all agree that Canada must have the kind of government that will promote economic growth and stimulate development of the employment opportunities we need.

It is therefore a pleasure to be able to point to some of these programs and policies today.

[*English*]

At the Regina First Ministers' Conference, my colleague, the Minister of Employment and Immigration, announced a new program with an innovative approach to training and employment. This approach too is practical. It aims for career development, not just for short-term jobs. I want to emphasize that under this program, women for the first time will have access to all labour strategy programs, and one of those programs is specifically geared to women who are re-entering the workforce. Those who are most in the know, members of the local private sector, are deeply involved in this to ensure that the training meets the requirement of communities and the private sector. The Budget proposes an additional $900 million for those programs for 1986-87.

Changes proposed in the Budget assure Canadians that, for example, they will be able to enjoy the fruits of their labours. A lifetime capital gains exemption of up to half a million dollars provides significant recognition of the effort and initiative of individuals and frees up funds for investments in small and growing enterprises. This provision is not only for rich people. There is a cap on the capital gains tax exemption because it is for Canadians from all walks of life. The dry cleaner at the corner of my street at home has a modest, successful business and is ready to retire. He will be able to sell his business and keep the profits from the work he has done all his life without paying a capital gains tax.

[*Translation*]

The Budget proposals have also given full consideration to the innovative spirit of our labour organizations. A tax credit will be provided for individual investors in venture capital initiatives managed by labour organizations and which receive provincial tax assistance, such as the Solidarity Fund of the Quebec Federation of Labour.

[*English*]

We are all aware of the tremendous contribution played by our cultural sector in both creating jobs and preserving a vital

and rich heritage. I spoke with representatives of the Canadian Conference of the Arts this morning. They were enormously excited because, for the first time, a Finance Minister talked about the economic significance of the cultural sector and provided incentives for that sector which provides so much to our heritage and to making our country a civilized place to live. I am especially pleased by the establishment of a private sector committee in collaboration with my colleague, the Minister of Communications (Mr. Masse), to propose ways in which the private sector can be encouraged to increase its support for the arts.

Let us be realistic. In all sectors there is a limit to the public purse. Similarly, the proposals for pension fund investment and the RRSP changes reflect our faith in the ability of Canadians to make their own investment decisions. The pension plan proposals will encourage and strengthen private pension arrangements, will broaden the base and will give many Canadians a fair and more flexible opportunity to save for an adequate pension. Amendments to the Pension Benefits Standard Act will go forward to establish minimum standards for federally regulated pension plans. Once passed, these changes will improve the pension rights of all Canadians, and particularly those of women who make up the bulk of our part-time workforce. It will help workers who are thinking of early retirement, women in the workforce, spouses of pension plan members, and all employees. There will be improved survivor benefit regulations for women, standards for pension benefit splitting on marriage breakdown, and equality standards.

The Government believes that it must manage its own costs more effectively. The November statement initiated that process and further savings are planned in this Budget arising from additional measures to introduce more businesslike practices in the federal Government, including the sale of Crown corporations and additional cuts to government programs. In this important area, our approach has been careful, balanced and systematic. We tabled with the Budget, on behalf of the Deputy Prime Minister (Mr. Nielsen), the first report of the ministerial task force on program review. It sets out the decisions our Government has taken in this important area of government responsibility.

I am very proud to stand here today to participate in this debate with my hon. colleague, the Minister of Finance. I want to remind all Canadians of the words of that great Nova Scotian, Joseph Howe:

> You are the representatives of the people and I put it to you as you are greatly honoured, should you not greatly dare?

The Budget that was placed before us yesterday by my colleague and friend, the Minister of Finance, does just that. It challenges us and dares us to take a message of hope to the people of Canada. What better place to begin that challenge than here at the heart of Canadian democracy?

Hon. Members opposite, in their quiet and reflective moments, share the Government's concern about the situation which we inherited on September 4. The Hon. Member for Saint-Henri-Westmount knows that this is true. He spoke eloquently today and I listened with interest as he spoke because I recall his words last year when he said:

> Anyone who tells you, you don't have to face up to those hard choices (in spending cuts) would be better off as a tour guide in Disneyland. Any major new government programs can only come at the expense of existing ones. We must not mortgage our children's future by going deeper and deeper into debt.

The Hon. Member was right. The Government has taken that responsibility seriously. It has taken its responsibility seriously not only to care for those who need our help in today's world but enable our children and those who follow us to hope, to plan, and yes, to dare. I recall what the Leader of the Opposition (Mr. Turner) said to a high school student last year. He said, "Your generation is going to be strangled if Ottawa continues to go into debt at the current pace". He too was correct.

We sense the frustration in Canada but we are a Party of optimists. We believe in the future and we believe in tomorrow. We believe we can embrace tomorrow only if we act with responsibility today. We are the trustees of tomorrow and we are determined not to let tomorrow's greatness escape our beneficiaries.

I look to my friends opposite, and they are my friends because I have established a great deal of respect for them, and I ask them, where is their logic, their sense of responsibility? The NDP's own policy advisers have told them that they have been left with an economic analysis of little value and an economic program that is a hodgepodge of contradictions and dead-end solutions. With all due respect I say to Hon. Members, wake up and smell the coffee. Even their colleagues are uncertain about their formula.

I remember how heartened I was to hear the Hon. Member for Essex-Windsor (Mr. Langdon) earlier this spring state on national television as he looked straight into the camera, "We can't simply accept that we have large deficits continuing . . . it does not make sense". Hear, hear, I thought. Finally there has been a conversion of this Party like the one on the road to Damascus. However, after hearing once again the same tired clichés emanating from the Hon. Member for Kamloops-Shuswap, I can see that that was a conversion for the cameras only.

Thus I wish to conclude by asking Hon. Members to take into account Mr. Howe's question in addressing this Budget: should we not greatly dare?

[*Translation*]

And why should we not?

[*English*]

Mr. Benjamin: Mr. Speaker, does the Minister believe that having corporation taxes go down by half a billion dollars and individual taxes going up by $1 billion next year is fair? As well, does she consider it fair that those who were legally able to avoid paying any income tax last year will not pay a minimum tax this year and that the surcharge has no effect on them whatsoever? Does she believe those two things to be fair?

● (1450)

Mrs. McDougall: Mr. Speaker, in the Budget we indicated that we recognize that corporation taxes need a thorough review. We have published a paper on how choices can be made to reform corporation taxes. In addition, we have placed a tax on financial institutions. Also, we have eliminated some of the loopholes to which the Hon. Member referred, such as using hotels under certain circumstances. Some other loopholes have been removed, such as the scientific research tax credit. We have moved to ensure that the system will become fair. We will continue to do that. It is a continuing program. It is not something which will stop today, it will go on. We will be looking at the whole taxation system through corporation taxes. We know that there are still changes to be made and we will be making them. Some were made in November and some are being made now.

What the Hon. Member is forgetting is that the people of Canada who will benefit from some of the things which we have done will not be the rich and wealthy Canadians. Those who will benefit will be small-businessmen and farmers. Has he forgotten about the farmers? They are the ones who will benefit the most from some of the things which we have done. It will be easier for them to pass on their farms to the next generation.

It is a fair Budget. Fair means that Canadians can look us in the eye, as they have been doing today. We have been flooded with telephone calls and letters from the people of Canada who are saying that they agree with the Budget and that they know we are on the right track.

Mr. Foster: Mr. Speaker, I would like to direct a couple of questions to the Minister of State for Finance (Mrs. McDougall). In January, the Department of Finance published a paper entitled *Tax Issues in Agriculture*. That paper indicated that farmers earn twice as much as the average Canadian and that they only pay a quarter of the taxes which ordinary Canadians pay. It also indicated that farmers were approximately eight times better off than the average Canadian. The response to that paper from the agricultural community was swift and predictable. It absolutely slaughtered the Minister of Finance (Mr. Wilson) on his view of the world and on his view of the Canadian farming scene. It is little wonder!

On October 30, 1984, the Farm Credit Corporation published a paper which indicated that 17 per cent of Canadian farmers were in serious financial difficulty. That paper was referred to the Standing Committee on Finance, Trade and Economic Affairs. A few weeks later, the committee released a report which completely rejected the position of the Minister of Finance. If anything, the farm debt crisis in Canada has deepened. A report from an agriculture committee in Bruce County indicated that it was not 17 per cent, but that 30 per cent of the farmers were in serious financial difficulty in countries such as Bruce and Grey.

The report of the standing committee, which had a majority of Tory Members, recommended an emergency program of agri-bonds which would address the serious financial difficulties which some 39,000 farmers face in Canada. That recommendation provided for long-term, low interest agri-bonds at 8 per cent for a five-year period, up to a maximum of $300,000.

The Minister spoke about what the Budget would do for farmers. Certainly, it does not address the serious financial difficulties of the 39,000 farmers who are facing foreclosure or bankruptcy this year. If there is any urgency in the agricultural community, it is that urgency. The Budget, as far as I can see, does not address the situation. I am wondering why the Government did not adopt the recommendation of the standing committee which would have dealt with the serious financial difficulties which face 39,000 farmers. It would have provided long-term, low interest rate loans from the Farm Credit Corporation with a view to saving the farms of those producers who are the most productive. Those producers are the youngest and produce one-half of the produce in Canada. Why did the Budget not deal with that matter? Why did the Government not accept the report of the Standing Committee of Finance, Trade and Economic Affairs?

Mrs. McDougall: Mr. Speaker, the Conservative Party is well aware and very sensitive to the problems which face farmers in Canada, particularly those farmers who are struggling to hang on to their farms and those who have faced the most difficulty. We do have policies for those farmers. However, it is not part of the budgetary process; it is part of a review which is now before the Minister of Finance. He recognizes the sensitivity in the area and he knows, as we all do, that this segment is very important to Canada. Therefore, he will review the policies with respect to farmers.

Some farmers will benefit from proposals concerning the red meat stabilization plan. Other farmers will benefit from the expansion of the small business bond. Sixty per cent of small business bonds go to the agricultural community.

We know farmers are facing problems and we are reviewing those problems. We will be coming forward with policies for farmers. Some of the policies which help the farmers of Canada are in the Budget.

[*Translation*]

Mr. Desrosiers: Mr. Speaker, I would like to ask the Minister to tell all Canadians today who is responsible for the situation in which the Canadian Government now finds itself. I think it is important because for hours on end we are going to be listening to the great Liberal tenors blaming us for everything under the sun, searching for every kind of discrepancy, and posing as the self-appointed defenders of the poor, the underprivileged, the elderly. They ought to hang their heads in shame, and I would like the Minister to set the record straight today and tell all Canadians who are listening who in fact is responsible for the present situation in Canada.

Mr. Gauthier: The Conservatives, my friend! You have brought forth a Budget which falls far short of the mark.

[*English*]

Mrs. McDougall: Mr. Speaker, yes, we all know who is responsible for the situation in which elderly Canadians find themselves today. Pension reform was studied for 10 years and we were able to make good use of what was accomplished by the Hon. Member for Sudbury (Mr. Frith) when he was involved with pensions. We thank him for that. It is too had that after all that time the situation had to wait for us to take action.

Miss Aideen Nicholson (Trinity): Mr. Speaker, it is still less than 24 hours since the unveiling of the Conservative Budget. With the exception of Investment Canada, it is the first piece of legislation which came directly from this Government. It gives us a clear statement of its policy and its view of Canada.

We have already heard an overwhelming amount of critical comment on the budget proposals which strike directly at low and middle-income families. The reaction is real and it is justified. Ordinary taxpayers are the target of the Government's efforts to raise revenue. For many months we heard the Prime Minister (Mr. Mulroney) talk about a mythical bank president, or a mother who was receiving family benefits which she did not really need. But it seems that if the Government has aimed at the bank president in this budget, it has shot the teller.

● (1500)

Lower-income Canadians will be paying dearly. A two-parent family with two children and one income totalling $20,000 will be paying upwards of $350 extra in taxes, and that figure does not include the losses from de-indexation of family tax benefits and tax deductions.

Low and middle-income earners will be paying but what are they being offered by the Government? Will all these tax increases and discriminatory measures produce more jobs for our 1.4 million unemployed? The budget does not say so. In this budget, the Government is forcing the average Canadian to pay, and to accept in return a vague promise of better times to come. I say a "vague promise" because the budget has no agenda for economic growth and no projections for growth beyond next year.

I understand that the Department of Finance has prepared forecasts for five years and further but they were not used. In the budget document on Canada's Economic Prospects for 1985-1990, most tables stop at 1986. We are not told what the Government expects the eventual impact of its budget proposals to be. Impact statements have been asked for and have been refused. We are simply told to shoulder this extra tax burden and soldier on.

Canadians are overwhelmingly concerned about unemployment and the Government has not adequately addressed that concern in this budget. Without an agenda for economic growth, who can guarantee any improvement in the unemplo-ment situation? Again, in the Minister's own budget papers, he shows GNP for 1985 at 3.1 as compared to 4.7 in 1984. It shows GNP in 1986 at 2.4. In other words, the Minister's own figures are showing a loss of economic growth. The same table shows unemployment figures of 11.1 in 1984 and 10.3 in 1986.

There is a further statement which adds to our confusion. It says that in 1985, consumption is expected to be an important source of growth. Yet we have measures here which are going to reduce the purchasing power of Canadians. The Government shows a 10.3 per cent unemployment level in 1986, which is still unacceptably high. Are we to take it that the Government is satisfied with the 10 per cent unemployment rate? Is that what Canadians have to look forward to as a result of this anti-family, anti-consumer budget?

When I questioned the Minister of Finance (Mr. Wilson) earlier today on these matters, he said that numbers are not the be-all and end-all of budgets. It is interesting to note that he was somewhat reluctant to discuss the figures from his own Department. However, in a way, the Minister is correct. Budgets are less about numbers of more about people because it is the ordinary working, middle and low-income people who pay taxes, who buy things and who keep the economy going. But here we have a budget which is going to take billions of dollars of purchasing power out of the economy. At the same time we are asked to accept the promise that the unemployment rate will be reduced. Yet we know that even to stay where we are in terms of our present unacceptable 11 per cent rate of unemployment, we need economic growth of 3 per cent. The Government is projecting a loss of economic growth. It is also projecting a slight drop in unemployment. That does not make sense, Mr. Speaker.

Let us leave the numbers for a moment and consider expectations. What might Canadians have expected to see in this budget given the promises of the Government? First, let us consider fairness. The budget amounts to a series of tax breaks for big business and tax grabs from middle and low-income families. Is that to be considered a definition of fairness? The sales tax is not only increased but the number of items which are subject to sales tax is greatly enlarged and includes such necessities of life as soap and medical supplies. This is going to be particularly hard on families with young children and low incomes.

The Government promised a minimum tax on the wealthy. This is not delivered. We have another discussion paper. The temporary surtax is certainly not to be confused with the minimum tax on the wealthy because the temporary surtax applies only to people with taxable income. If, indeed, one has a clever accountant who can guarantee that one has no taxable income, then ovbiously the surtax does not apply. So the minimum tax on the wealthy is another promise which was not kept.

With respect to pensions for home makers, I might just mention that the Government's pension proposals, as far as they go and in so far as they are laudable, are a rehash of reforms introduced by the previous Liberal Government. But this Government did not follow through with the Liberal proposal to provide protection from inflation in private pension benefits, and the Government did not come through with any proposals on pensions for homemakers even though the Prime

Minister campaigned on a promise to institute home maker's pensions.

With respect to maintaining universal social programs, I must say we have come a very long way since universality was regarded as a sacred trust. Before Christmas there were threats that all social programs were up for review and might be rearranged. This Party led the criticism and, indeed, Canada's citizens protested loud and hard. So the Government backed off and watered down its consultation paper. This is the same Government which, when in opposition, howled in outrage when old age benefits were capped at 6 and 5 per cent, even though the resultant drop in inflation meant that the pensioners lost only $2.17 while the caps were in place. My colleague, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), and those others of us who were here, will certainly remember the howls of outrage because capping was occurring at six and five, but what we now see essentially is de-indexed pensions and family allowances.

This Budget is mean spirited and puts pensioners and families in the undignified position of being participants in a pension and family allowance lottery. If inflation is hovering at, say, 2.9 per cent, they will just have to hope that inflation nudges over 3 per cent so that their benefits will be indexed and they will have a better chance of making ends meet. What does that say about the attitude of the Government toward its retired labour force and those who are raising a future labour force?

• (1510)

While we are exploring attitudes, let us look at the $500,000 capital gains deduction. In introducing that change the Minister made it sound very reasonable. He spoke of the retiring farmer, and I think we would all sympathize with the idea that someone who is retiring, having worked hard on the farm or in a small business, might indeed get a break on capital gains and be able to plan to invest sensibly for retirement after a long life of hard and productive work. But we look again at the Budget papers and nothing limits the application of this exemption in any way. It could be applied to someone who has fine arts, jewellery bought in Switzerland, or a condominium in the Caribbean. There is no way that this is particularly aimed at the productive members of the Canadian economy. It can be used by someone who has no intention of contributing to the Canadian economy. This is really a slap in the face for the majority of Canadians who are doing what they can in these difficult times and who are now being asked to bear the brunt of the Government's tax increases.

Let us look at what is happening with energy. We find a tax levied which is being described as 2 cents a litre. In fact, if one adds in some other things resulting from the Western Accord, I think it is more likely to be 2.8 cents per litre. The Government's own figures in the Budget papers concerning the anticipated revenue from this gas hike just about matched the revenue it has lost by cancelling the PGRT. In other words, the multinationals get a gift and ordinary Canadians pay. I say "multinationals" advisedly, because those who benefited from the PGRT were the multinationals who had old oil; the smaller Canadian companies with more recent exploration did not benefit. So the Government has chosen to help the multinationals and ask the ordinary Canadian to pay.

As well, paying for energy involves much more than paying at the gas pump or paying more to heat one's house. There is an energy cost in practically everything we use. Energy costs are included all through the food chain in things such as transportation, processing, packaging, storage and marketing. Therefore, as a result of this quite substantial hike in gasoline prices, we can certainly expect food prices to go up.

There are other elements in this Budget which are also inflationary and that have not been faced squarely either. I fully expect that during the coming days, as we plough our way through this six pounds of paper, we will find many more things to comment on. But the single important point I want to make is that this Budget has failed to address questions of economic growth. Without growth we will not have new jobs. There is in fact a great risk that this Government, which is so concerned about the deficit, may have put so many regressive measures in place here that they will choke recovery and we will end up with a higher deficit.

I would just like to comment on a statement by the Minister of Finance after he came to power. In December of 1984, when the Department of Finance, which had predicted growth of 3.8 per cent, revised its figures and projected economic growth to 1990 would decline to an annual average of 3.2 per cent per year, the Minister of Finance said this is not an acceptable outlook for Canadians. That was a very clear statement. Yet here we have in the Budget papers a projection of 2.4 per cent for 1986, which is even worse, but apparently the Minister now finds that acceptable. Had he found it unacceptable, then surely his Budget would have included measures to raise that growth rate substantially within the same time-frame.

What we are talking about, Mr. Speaker, is the definition of our economic problems and the clarity of thought underlying how they are dealt with. This is where one has to be worried about a fixation on the deficit. Of course the deficit is important, but it is one factor and a symptom, not a cause. I get very worried when I find the whole emphasis on the deficit and apparently not much concern about the $50 billion worth of goods and services we are not producing but could be, and the need to get this economy more vibrant and active. That I think is the real issue; how to get more economic growth, more jobs. That is the best way to get the deficit down and I do not think that has been touched by this Budget.

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I would first like to say how pleased I am to be taking part in this historic debate. I would like to thank as well as congratulate the Minister of Finance (Mr. Wilson) on behalf of the people of my riding of Niagara Falls for setting a clear direction for the economic recovery of this country. The Budget will be welcomed by individuals from my riding, and I believe that it will also be welcomed by all Canadians.

Many people have written to me from my riding, as well as from across the country. Most of them have said the same thing; they want the Government of Canada to continue with those themes that we talked about as candidates in the 1984 election campaign. They want us to be true to our word and do everything we can to encourage job creation. They know, and I think most Members of this House will agree whether they admit it or not, that job creation will only be possible in Canada when the Government of Canada puts its own economic house in order and frees up the entrepreneurial spirit in Canadians to create more jobs. I believe this Budget makes that theme very, very clear.

As the Hon. Minister of Finance said last night, it is a Budget which rewards success rather than subsidizing effort. It is a Budget which builds on the sense of co-operation which this Government has created among all levels of government and the private sector; co-operation which is so necessary to our economy. This Budget, once and for all, puts an end to the fallacy that the federal Government alone can create all the jobs necessary to cure our country's unemployment. It is true that, given co-operation among all the players in Canadian society, Canada will once again be healthy economically.

I believe the Budget introduced last night by the Minister of Finance will do three things to set the course for Canada's economic recovery. First, and finally, after years of Government overspending and misspending, we will control and ultimately reduce the national debt. Second, we will improve the effectiveness and management of all areas of the federal Government. Third, we will encourage private initiatives by increasing the availability of capital and start rewarding success. This is the mandate that I believe we were given on September 4.

● (1520)

In my opinion the staggering growth of the national deficit has for many years hindered real growth in our econony. We have recognized that the first step in long-term regeneration is the control of the national deficit. The Budget of yesterday afternoon and the November statement are the first significant steps in that direction in 15 years. I was, therefore, pleased when the Minister of Finance announced that the deficit for this fiscal year will be $4.4 billion less than it would have been had no action been taken. The deficit for this fiscal year will be $33.8 billion as opposed to $38.2 billion.

This process will continue in the fiscal year 1986-87. According to predictions the deficit will be $8.3 billion less, down to $32.7 billion, as opposed to $40.2 billion. Most significantly, the direct impact of all these efforts since the Government has taken office is to reduce the deficit in 1990 by $20 billion. I am sure that all Canadians congratulate the Minister of Finance for producing a medium-term strategy that will ensure that the national deficit will be $75 billion less by 1990 than if no action had been taken.

Some Hon. Members: Hear, hear!

Mr. Nicholson: I believe that the necessity of reducing our national debt is recognized not only by those individuals who voted for the Progressive Conservative Party, but by the Members of the two Opposition Parties as well. All of us remember when early last spring the Leader of the Opposition (Mr. Turner) made just that point. He said that if he were elected Prime Minister of Canada he would reduce the structural debt in the country by 50 per cent over the course of seven years. He recognized what we are talking about in this Budget. As far back as 1982 the Leader of the New Democratic Party (Mr. Broadbent) as well made the same statement. He said that the national deficit was too high. To that extent I believe they agree that we are making the right moves.

The theme of deficit reduction has been a theme of the Progressive Conservative Party for some time. This subject came up very often during the recent federal election campaign. I made the point, and I know others agreed with me and made similar points, that the country would never again be healthy economically until the national deficit was reduced. If big deficits and uncontrolled spending could have solved the unemployment problem in Canada, every man, woman, and child in the country would have two jobs by now.

There will be those in the Opposition ranks who will disagree with our approach. They will say that efforts at reducing of the national deficit are unfair and unwise at this time. They will make essentially the same speeches they made last November after the presentation of the economic statement. The arguments I heard earlier this afternoon are the same ones I heard in Novemver. After the economic statement the NDP said that we will lose jobs. Other people said that interest rates and inflation will go up. In fact, since November we have seen the creation of 200,000 new jobs. Interest rates today are at their lowest level in a decade. Inflation has come down and investor confidence has risen. The record of predictions of those who will criticize the approach will be as good as it was last November. They were wrong in November and are wrong again in May.

As I mentioned earlier, in order for the Government to create new jobs in Canada it is necessary for the Government to put its own affairs in order. It must improve the effectiveness and management of Government, the Public Service, and its policy with respect to Crown corporations. I believe there is no clearer statement as to where the Government intends to go than that made last night on the subject of Crown corporations. This is consistent with what we said in the past election campaign. It is our belief that unless a Crown corporation fulfills a continuing public policy purpose it should be sold. Government must return to the private sector activities which properly belong there.

In November the Government announced its intentions to sell the assets of the Canada Development Investment Corporation, including its holdings in Canadair and de Havilland. It is estimated that the sale of these companies will reduce the cash requirement of the Government of Canada by approximately $675 million and the federal deficit by some $350 million in 1985-86.

In addition, Mr. Speaker, corporations that no longer serve public purposes are being wound up. Legislation has already been introduced in Parliament to wind up the Canada Sports Pool Corporation, Loto Canada, and others. As well, five other corporations which are inactive, including Uranium Canada Limited and Mingan Associates, are being wound up.

The days when Government can afford to subsidize the mistakes of the past are over and that is a good thing for all of Canada. The business of Government is not business, it is to give direction to business. The Government will no longer pretend to be an entrepreneur. Decisions in this area are difficult, but they must be made. This is very true in the case of Cape Breton Island.

Although I was born in Niagara Falls and am very proud to represent the people of Niagara Falls, I continue to have hundreds of relatives on Cape Breton Island. When I visited there recently I overhead a discussion about the heavy water plants on Cape Breton Island. One individual made the point that these companies are costing the people of Canada approximately $100 million a year to keep 600 people employed. They are producing a product for which there is no longer a market. He said that he did not believe anyone had the courage to do what must be done, to day that enough is enough. He was proven wrong yesterday. The Government has the courage to say that the mistakes of the past cannot continue.

I was pleased to hear that, in addition to making that tough decision, the Government will not abandon the people of Cape Breton. Workers at that plant will receive generous severance benefits and will be assisted in seeking new employment elsewhere. An enriched tax incentive for new investment is being introduced and all new investment in that part of the country will be free of corporate income tax for 10 years.

In addition to our policy of privatization of Crown corporations, the Budget sets out a number of additional internal measures that we are taking to increase the effectiveness with which taxpayers' money is spent. The Public Service pension plan will be put on a fully funded basis with no taxpayer subsidy. The guarantee of indexation of pensions of Members of Parliament and Senators will end January 1, 1986. An aggressive program is being put into place to improve the Government's management of its cash and to dispose of property that it no longer needs. Most significantly, the federal Public Service, which was expected to increase in size by 15,000 positions over the next six years, will in fact be decreased by 15,000 positions.

As a result of these measures and those taken in November the Government will save more than $2 billion this year. That figure will grow to over $3 billion by 1990. The Government will also encourage private initiative. The Government realizes that this country was built on the strength of the individual and the courage of the small business person. For too many years we have said that Government can do it all. This has been demonstrated many times to be wrong for our country. The Government should encourage investment and risk-taking and reward success.

In order to encourage more Canadians to invest in Canada's growth, the Government is proposing a lifetime capital gains exemption of $500,000 for individuals. This lifetime exemption will be phased in over five years beginning this year. The full $500,000 exemption will be available to farmers immediately in recognition of their special problems and their contributions to Canadian society. I take particular pleasure in that provision in the Budget. Many times the farmers in my area from Niagara-on-the-Lake and Virgil have made that exact point to me. They would like to acquire new farmland, pass their farms on or dispose of their lands as they saw fit without the burden of capital gains. I was particularly pleased to see that measure in the Budget.

• (1530)

I believe the initiative taken by the Government in this area of capital gains will encourage entrepreneurship and investment by individual Canadians in their country. The Government is saying, "We want Canadians to invest. We want Canadians to build and create jobs. We want Canadians to be successful". It has been estimated that almost 1 million Canadians make capital gains, a vast majority of whom earn less than $40,000. This capital gains incentive is a strong signal that the new Government wants people with good ideas and the will to persevere to enjoy the fruits of their success. The Government of Canada is confident that Canadians will accept that challenge.

Small and medium sized businesses will also benefit from our proposals to change regulations governing RRSPs and pension fund investments. These measures will allow greater investment by pension funds in new businesses and small businesses seeking to expand. The measure will enable people with RRSPs to invest the plans directly in smaller Canadian businesses.

Small businesses and farmers will benefit from the extension of the small business farm program until 1987, and small businesses will be exempted for one year from the 5 per cent corporate surtax in recognition of the importance of strengthening small business and facilitating job creation. New and growing research and development companies will be entitled to a direct refund of the full tax credit that they earn on their first $2 million of R and D each year. Action will be taken to make the system fairer and to improve tax administration. These actions will benefit all of us, but especially entrepreneurs and small business owners by reducing administrative headaches.

Last night we saw a Budget that balanced tax fairness, effective Government management and the encouragement of private initiative. In order to accomplish those goals we all know that tough medicine is required. Last night someone in my apartment building approached me and said, "I think it is a good Budget but I am sorry that drinkers and smokers have to be taxed." I am sorry about a lot of things, Mr. Speaker. I am sorry that for 18 years we had a Government that overspent and misspent taxpayers' money. I am sorry that we built airports to which no one wanted to fly and that we build planes

that nobody wanted to buy. I am sorry about all those things. This redoubles my commitment and the commitment of the Conservative Party to do something about the mistakes of the past and to make a clear statement that the Government alone cannot solve the problems of this country.

I believe the Budget contains a number of actions that will be taken to ensure greater fairness in the tax system. Specifically there will be a minimum income tax imposed on upper income Canadians in place in time for the 1986 taxation year. This I know is a concern to Canadians. I think most of us realize that we have to pay tax, but all of us want to have the assurance that everyone will pay his or her fair share. In addition there will be a temporary 18-month deficit reduction surtax on high-income Canadians and large corporations. Also there will be a tax on the capital of large banks and trust companies. There will be amendments which will prevent taxpayers from avoiding tax by splitting income through the use of loans to spouses and children. There will be the elimination of tax shelters involving property, such as yachts, recreational vehicles and hotels.

Equally important is how the Government collects taxes. The Budget also includes a number of measures to achieve fairer tax administration consistent with the Canadian Charter of Rights and Freedoms; the extension of the "Innocent until proven guilty" concept to cases involving sales and excise taxes under the Excise Tax Act; clear limits to Revenue Canada's powers of search and seizure, and limits on the Government's authority to make retroactive income tax regulations.

I am proud to be a part of a Party that includes people like the Minister of Finance who stands up for what he and this Party believes. We follow through with our election pledges. I think that is something Canadians have not been used to for a long time. I was amazed after being elected by the number of people who wrote to me saying, "I know you said that during the election. Will you do something different now you are elected?" This is what people saw before. That idea and that type of Government is finished in Canada, Mr. Speaker.

This Government is consistent. What I said in St. David's, in Willoughby Township or Queenston is what I say here in the House of Commons. Members of the Progressive Conservative Party are consistent in what they say. When we saw the Minister of Finance last night they saw the commitment, the honesty and the courage of that man. I believe that commitment, that honesty and that courage is what brought us here on September 4. I believe it is that honesty, courage and that commitment that will keep us here.

Mr. MacLellan: Mr. Speaker, the Hon. Member for Niagara Falls (Mr. Nicholson) is sorry about a lot of things. I am sorry that I had to listen to him. I take great exception to statements attributed to people, particularly because he is fortunate enough to have relatives in Cape Breton and was not fortunate enough to be born there himself. He is attributing some ludicrous comments to people whose names he has not given, whose identities are unknown, people who have said they did not think the Government had the guts to close the heavy water plants that are putting 700 people out of work, that this was breaking a Government commitment that the heavy water plants would not be closed until alternate employment was made available. What about the $100 million to $125 billion which the Government will now have in its treasury? What about the $2.1 million the Government saved cancelling the decentralization to Sydney, the $8 million the Government saved not going ahead with the downtown program in Sydney and the $64 million the Government saved in not going ahead with the coal wash plant. What about the $5.1 million the Government saved not going ahead with the wharf at North Sydney and the $8.3 million the Government saved not going ahead with the federal building in Sydney, plus millions of dollars for stages three and four of the coastguard college? All this was to announce a ridiculous advisory committee today, putting needed funding, $1.5 million in the fish plant in Glace Bay, $12 million in Donkin and funding for the strait areas. What dribble it is to say how this is such a wonderful thing the Government did and what a courageous decision for a community that already has 40 per cent unemployment.

I would like to ask the Hon. Member, who is using the privilege of the House not to be called to task on what he says, whether he really thinks this is a good thing, that what has happened is good for the people in Cape Breton.

Mr. Nicholson: Mr. Speaker, I have a pretty good idea of what people are sorry for. They are sorry that Members like the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) and the Liberal Party have been running this country for the past 20 years. That is what people are sorry about.

Let me say something about Cape Breton. It was time to say enough was enough. One hundred million dollars to create 600 or 700 jobs is too much. This Government had to take the step. It was a necessary and a courageous step. It was time to put Cape Breton on a more economic and sound footing. For the first time Cape Breton has the chance for industry to come to Cape Breton. I want it, the Hon. Member wants it, all of Canada wants it. Now is the time. This Budget is the first step toward creating employment in Cape Breton, the employment that Cape Breton deserves.

Mr. Foster: Mr. Speaker, I would like to ask a question of the Hon. Member for Niagara Falls (Mr. Nicholson) who I know is very concerned about the agricultural industry, the wine industry and the grape growers. Does he agree with the statement today by the wine growers group from Niagara who are opposed to the Budget? They find it unacceptable because it raises taxes on wines and spirits. Does the Hon. Member agree with the people he represents in the Niagara belt?

Another concern of many farm groups is a nine-cent-per-gallon increase imposed on gasoline and farm fuel through taxes. Does he agree with that?

Would the Hon. Member comment on another subject? Premier Miller, the Premier of Ontario, and the Treasurer, Bette Stephenson, have criticized the Budget. They are oppos-

ing it. They said that the Budget did not stimulate job creation and did not address the need for more housing in Ontario. I assume by implication that that includes housing in the Niagara Peninsula. Could the Hon. Member comment on the statements today of various groups in the area which he represents?

● (1540)

Mr. Nicholson: Mr. Speaker, the farmers of my area are very much like other Canadians. They want the Government to be sensitive to their needs. They know we have been responsive.

The Hon. Member failed to mention that just last fall—and none of the members of his Party raised this issue because they do not want to raise good news in the House of Commons—the Government picked up the full 100 per cent surplus of grape crop. We spent $12 million to help grape farmers in my area. They know of the efforts which are being made by individuals like myself, the Hon. Member for Welland (Mr. Pietz), the Hon. Member for St. Catharines (Mr. Reid) and other Members from the grape growing region of Canada. They know the consistent efforts which have been made to promote Canadian wines in Ottawa and across the country. They know those things.

As I said in my speech, one of the things farmers in my area came to see me about was the capital gains tax on their farm property. They wanted to be able to dispose of their property or to acquire new property. They do not want to have the burden of capital gains. When I go back to my riding of Niagara Falls, they will be very pleased because of the specific measures which help farmers of my area. As well they will benefit from all parts of the Budget.

Farmers are just like any other Canadians. When the federal Government puts its fiscal house in order, they benefit. When the Government is not spending all its money on interest, they benefit as well. I believe the farmers in my area and the farmers in the constituencies of other Members of the House of Commons will be very, very pleased with the results of the Budget.

Mr. Stackhouse: Mr. Speaker, I should like to take a moment to express my appreciation to the Hon. Member for Niagara Falls (Mr. Nicholson) for the excellent contribution to the budget debate, both in terms of the content of his speech and in terms of its delivery. He brought forward many points upon which we need to focus our attention as a House and as a people, particularly the wasteful spending on projects which have been continued for too long, such as the one in Cape Breton, costing taxpayers $100 million per year. My Liberal friend is understandably concerned about the abolition of that program. We could provide a substantial amount of money to the people of that area instead of into heavy water. We could pay 600 people $50,000 per year and still save Canadian taxpayers a substantial amount of money. We ought to be more concerned about helping people rather than continuing wasteful industries. I express appreciation to my colleague. I know he expressed the concern which I have heard many other Canadians put forward, and that he is speaking for them.

Mr. Rodriguez: Mr. Speaker, I have a question for the Hon. Member for Niagara Falls (Mr. Nicholson). He indicated how the Government had to be tough in the Budget. In his riding, just as in my riding, there are many citizens who are receiving the old age pension. Can he give any justification whatsoever for the Government in fact asking those who are living on the old age pension, which is below the poverty line, to absorb the first 3 per cent of the inflation rate? Why is it that his Government can be so tough on those citizens yet so easy on the very wealthy? Everything which is progressive has to be studied, the minimum tax has to be studied, but when the Government wants to zap senior folk, it is tough. Why does it not get tough with its friends for a change?

Mr. Nicholson: Mr. Speaker, this Budget is tough, but my friend forgot to mention that it is tough but fair. That is what this Budget is.

Some Hon. Members: Oh, oh!

Mr. Nicholson: I listened to the Hon. Member when he asked his question; they should let me reply. They do not want to listen to logic. We are taking nothing away from senior citizens. If the Hon. Member read the Budget more closely he would see that nothing is taken from the gross income supplement. It continues, fully indexed, and it will protect senior citizens. Also he forgot to mention the child tax credit. That benefits the neediest in society, but he forgot to mention it. It does help. It helps senior citizens. It helps people on low incomes with children. It helps the neediest. The Hon. Member also forgot to mention the surtax on corporations and higher income Canadians. That is with whom we are getting tough.

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

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. I want to bring to Your Honour's attention that if an Hon. Member rises on a point of order, he can only do so if he is in his seat, not from his buddy's seat.

Mr. Dick: Mr. Speaker knows that.

Mr. Friesen: Mr. Speaker, it is always a delight to learn procedure from the Hon. Member for Nickel Belt (Mr. Rodriguez). I rise on a point of order because the Hon. Member for Nickel Belt raised questions with the Hon. Member for Niagara Falls (Mr. Nicholson) about matters which were not included in his speech. The question period following an Hon. Member's speech is supposed to relate to the remarks of the Hon. Member. I could have intervened sooner, but I knew that my friend from Niagara Falls could very well look after himself. I just wanted to point out that the Hon. Member for Nickel Belt was completely out of order in his questions.

Mr. Rodriguez: On the same point of order—

The Acting Speaker (Mr. Charest): That will be the last one as the period for questions and comments is now over.

Mr. Rodriguez: Mr. Speaker, I rise on the same point of order; I only rise because the Hon. Member mentioned my riding. I raised a question with the Hon. Member for Niagara Falls because he in fact praised the Budget for being fair. When it is so obviously unfair, I had to point that out with a question and get his response.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, there has been an amazing circus criss-crossing the country over the last week or so trying to add some new buzz words to the political vocabulary of Canada—tough but fair, tough but fair. They hit the headlines, they hit the newscasts. They seem to have hit everything except the Minister of Finance (Mr. Wilson) because what he brought in was a tough luck Budget. It is a Budget which is hard on Canadians. It is a Budget which is hard on the people who make up my constituency and the constituencies of every Member of the House of Commons. It is a Budget which is anything but fair. It is a Budget which is unjust. It is a Budget which is typified by the fact that our finance critic, the Hon. Member for Kamloops-Shuswap (Mr. Riis), could read portions from the Lalonde Budget and have the Conservatives clapping, thinking it was their Budget which they were supporting. It is a Budget in the sorry, sad and failed tradition of the Liberal Government which went before this Government.

I had hoped—I must say against hope, but I am an eternal optimist—that the Government would have learned its lesson after November, that it would have learned that the Liberal Party approach of cut-backs and of a fatuous concern with the deficit is an approach that will lead us to disaster.

I stood in my place in the House of Commons after the November statement and I predicted—and I ask Hon. Members to check the words which I stated at that stage—that in fact the budget changes which were brought in then, because they had the effect of decreasing economic activity in the country, would increase the budget deficit. Everybody looked quite amazed and thought that that could not happen. However, when the Minister of Finance stood yesterday, he conceded that the budget deficit is now $36 billion, not $35 billion as he projected.

• (1550)

The reason is absolutely clear. It is that economic activity has been slowed. Investment has not had the kind of expansion and buoyancy that this Government expected to occur, by magic. Instead we have had a perpetuation of an unemployment rate that is shameful for any country to experience. We have an unemployment rate 4 percentage points above that the United States. The unemployment rate is not significantly decreasing. It is an unemployment rate that persists, and we have a deficit that is rising. That is precisely what we predicted would be the consequence of the November statement, which followed the wrongheaded policies of the previous regime. Rather than accepting the lessons that we so magnanimously offer, these misguided souls on the Treasury benches continue in their misguided ways. They do so with a particular sense of affrontery as far as this Budget is concerned.

There is a level of unemployment in this country which our action group on jobs, as it criss-crossed across this country, heard described in place after place, community after community, as a human tragedy, a tragedy that was destroying the hopes and expectations of our young people. It is a tragedy that is putting into the ashcan of our society the older workers.

I presented a petition this morning from people in Kitchener, people who represent older workers, those over 40 and older. They do not have the prospect, as things stand in this country, to find jobs for themselves. The tragedy is very much there.

Forlorn optimist that I am, I expected that somehow there would be within this Budget something to permit the poor back-benchers to defend it as they go back to their constituencies this weekend, so that they would be able to point and say "There is a community initiatives fund that we have set up to assist communities to get people back to work. There is a youth initiatives fund to permit young people to start up their own businesses. There is something that would assist agriculture". Perhaps there could be the kind of thing we suggested in our group report. $100 million to help soil conservation measures in agriculture or the $200 million that we suggested to support reforestation in this country. I did not expect that would be the thrust of the Budget.

I have listened to the rhetoric of the Prime Minister (Mr. Mulroney). Being the Prime Minister, I certainly thought we could believe him. He is a clever politician. I thought that within the Budget he would have inserted some gestures, some symbols of concern about the vast number of people out of work in this country. Granted, they might just be symbols; $200 million for a community initiatives fund instead of the $850 million that we recommended. I thought there might have been a limited amount for agriculture and a limited amount in terms of support for industrial renewal. I searched.

Yesterday I sat in on the lock-up. I figured it would be a difficult Budget to analyze. I thought within it there would be symbols or gestures and that it would be difficult for us as opposition people to make our way past some of the gestures to find the real substance of the Budget. In fact, this Government made it easy for us. It set before this House a Budget which, believe it or not, in a country with 10.9 per cent of the population out of work, does not have a single initiative to put people back to work directly. There is not a single initiative or a gesture to help, for example, get 20,000 people back into the workforce. There is not a single initiative to help people in agriculture.

I feel for the back-benchers who will face criticism from those in their constituencies who will be out of work over the next eight months, indeed the next 18 months. As a politician, I find it unbelievable that a Government would bring in a Budget that has in cold black print, which each of us will circulate as widely as possible throughout this country, a projection, and I refer to the Government's statistics in Table 5 of *Canada's Economic Prospects*, that 18 months from now, in December 1986, there will still be 10.3 per cent of the workforce in this country out of work.

In the course of a year and a half this Budget has set itself the heroic goal of cutting the rate of unemployment in this country by .6 per cent. Congratulations to those on the Treasury benches. I admire their political courage. They have guts indeed to stand before the country and say that this is a Budget about jobs when their own figures tell us that in 18 months the unemployment rate will have been reduced by .6 of a percentage point, and that with the most incredible of assumptions.

When you start as an economist instead of a politician to look at the assumptions that lie behind this Budget, you find they are assumptions behind which no independent economist with whom I am acquainted in this country would be prepared to stand. They are assumptions that suggest that growth rates inthe United States are going to continue to be quite positive for the next two years. We know from United States statistics that there is a significant downturn in economic activity occurring in the United States which makes those figures laughable, pie in the sky.

At the same time, if you look at the figures for investment next year in this country, which are plugged into this Budget, you see the bizarre prediction that there will be a real increase in investment in this country next year of 6.4 per cent in non-residential investment. Incredibly, it will be 10.7 per cent for residential investment. This is to happen at the same time as consumer expenditures in this country go up, according to the Government's own statistics, by 1.1 per cent.

• (1600)

I would hate to suggest that the Minister of Finance needs to return to first-year economics. I would hate to suggest that he needs a better understanding of the very basic laws of investment in any country. However, I would ask the Conservative back-benchers who come from the business community, if they were to face in cold, hard print the Government's prediction that there will be an increase of only 1 per cent in consumer spending, would they make vast new investments? Would they put their hard earned cash into risky business ventures in the hopes that they would be successful? I assume that Conservative back-benchers recognize, as Conservative front-benchers do not, that businesses need customers.

The Government would have us believe that people will rush out next year to put 10.7 per cent more investment into residential investment and 6.4 per cent more into non-residential investment, while at the same time consumers will only spend 1 per cent more. That is absolutely laughable. It is indefensible to anyone from the Conservative back-benches who has a degree in economics or at the very least has been in business for some years.

I plead with Conservative back-benchers to take the Minister of Finance aside and explain to him the facts of life. Tell him how the business world works, explain to him and the Minister of State for Finance (Mrs. McDougall) that across this country, small businesses want to know that they will have customers and that there will be a market for what they produce before they invest. I beg them to go to him. I would not ask them to do so publicly, as I do not want them to get into trouble.

An Hon. Member: What about heavy water?

Mr. Langdon: For the benefit of the Hon. Members who mentioned heavy water, I was on record back in November as saying that those plants should be shut down. The reality of that is an important part of this Budget, but it should have been done with measures to see to it that the Cape Breton economy gets an injection of direct government support to assist the steel industry and the coal industry. There is absolutely nothing to provide a counterweight to the price Cape Breton is required to carry.

We have before us a Budget which is totally, and bizarrely inaccurate. It is a Budget which is based on dreams. It suggests to me that the Minister of Finance must be about to bring forth a Bill to legalize marijuana. It seems to me that this Budget was brought forth in a haze of dreams. It is a Budget built on fraud, on myth and on a total misunderstanding of how the small business community works. We have a Budget which hammers the people of this country.

It is estimated that in Essex County average families will pay an extra $500 in tax this year as a result of this Budget, and will pay nine cents more per gallon of gas. When their kids go to get soft drinks at the store they will have to pay federal sales tax. When the wives buy makeup they will have to pay federal sales tax. Medicine and health products are being taxed. There has been a big jump in taxes on beer, cigarettes, liquor and wine. Sales taxes on all goods are going up. Via Rail is going to raise its fares at least 30 per cent in the Windsor to Quebec City corridor. There will be an income tax increase of at least $215 per family. This is coming from a Government that promised it would not bring in increases in income tax.

What we have before us is a Budget that, in economic terms, is a hopeless disaster, and in human terms in an unfair burden imposed upon the people of this country.

There has not been one single specific move to put a minimum tax into effect. There will be a decrease of $540 million in corporation taxes for next year while individual taxes will go up $1 billion or even more by 1991. We have a Budget that hurts the resource sector through cut-backs in agriculture and fisheries. It is a Budget that hurts the industrial sector through cut-backs to IRDP.

To conclude, it is a Budget that fails completely to meet the hopes and expectations about which we heard across the country as our action group spoke to hundreds and hundreds of groups of Canadians. The Government talks about consultation. We actually consulted instead of just playing the game. What we heard led to a budget proposal entitled *Canada Unlimited* which contains a real set of benefits for Canadians, not the kind of damage that this Budget invites.

Mrs. McDougall: Mr. Speaker, I am really very pleased that the Hon. Member reminded us once again that he is an

economics professor. I know who should go back to take the first-year course in economics.

We in this country have experienced some of the things recommended by the Hon. Member like the Youth Initiative Fund. These are little funds in little pots. What has this left us? It has left us with huge deficit and unemployment. While the Hon. Member was speaking of all the funny-money economics at which he seems to be so expert, the Hon. Member for Guelph (Mr. Winegard) was meeting with 40 senior citizens in the lobby of this very building. These senior citizens commended the Government for its Budget.

How can the Hon. Member reconcile what he said today with the statement he made while smiling into the television camera earlier this spring? At that time he said we can't simply accept continuing large deficits; that does not make sense. There are only two ways to reduce the debt of this nation; reduce expenditures and increase taxes. Does the Hon. Member have another suggestion?

Mr. Langdon: Mr. Speaker, I have in fact 70 suggestions which were put together in the proposal entitled *Canada Unlimited*. I would argue that it contains an approach which recognizes reality. The reality is that we now have a deficit of $36 billion, not because the previous Government set out to achieve that level of deficit, but because it bought exactly the same kind of crazy, mixed up logic of which this Government is speaking. The Government thinks that if it cuts back, raises taxes and relies on the corporate sector, it will put people back to work and bring down the deficit.

• (1610)

Earlier today we had the quite dramatic spectacle of Conservatives clapping vigorously for phrases which came out of the Liberal Budget of Marc Lalonde. The reason for that is absolutely clear. That Liberal Budget did exactly the same thing. It tried to cut the deficit and the result was an increase in the deficit.

I would like to make it very clear that Canada cannot afford over the next three to five years to keep building deficits. It is not fair to future generations if we spend 30 per cent of what we take from the taxpayers of the country to service the public debt. It is wrong and morally indefensible. If we want to do something about that burden, there is only one way to do it.

When I commented on the November statement, I predicted, because of the cut-backs and the tax increases, that the deficit would be higher than $35 billion. Was I right? I was absolutely right. The deficit is now $36 billion. I will make exactly the same prediction today. The Government thinks it will reduce the deficit by squeezing the economy. The result will be a higher deficit. The people in the Treasury benches will help to bankrupt the country. They will have to carry the responsibility in the years ahead. There is a single answer.

[*Translation*]

There is only one solution, and it must be one that will provide for a growing economy.

[*English*]

It is necessary to have an economy which will grow fast. This economy, as a result of the actions of the Government, will not grow, it will decrease. In 1985 there will be a growth rate of 3.1 per cent, and in 1986 the growth rate will be 2.4 per cent. The Government is driving the country into disaster, as the Liberal Party did before it. As a result, we will end up with a higher deficit. Members on the other side of the House will be to blame for that.

The answer is to bring into effect what the NDP presented six weeks ago. We need a significant change in the tax system which would require the corporate sector to pay its fair share, instead of decreasing corporate taxes which this Budget does. We need a change which would put a permanent fair tax burden on wealthy Canadians. It should be permanent, not a one-shot surtax. At the same time, we should be providing tax relief for ordinary Canadians. We should be providing tax benefits for working people. The working people should not have the tax loads which they will be required to pay as as result of this irresponsibility.

If we put the significant amount of money we would get as a result of those changes into community initiatives and provided help for young people, communities, the housing industry and municipalities, people could return to work. The unemployment rate would be cut by 2.5 per cent, not by the .6 per cent about which the Government seems ecstatic. I would warn government Members, when they go out into the country to defend a target or a prediction, that over the next 18 months the unemployment rate will only be reduced by .06 per cent. Those Members will come back to the House with red faces their tails between their legs. As a result, I hope a new Budget will be brought down within three months.

Mr. Pietz: Mr. Speaker, I would like to ask the Hon. Member for Essex-Windsor (Mr. Langdon) a question about his statement regarding transportation and gasoline costs in Windsor. Why has he said nothing about the incentives the Minister of Finance (Mr. Wilson) has continued to make available to encourage Canadians to convert to alternate fuels? He did not tell ordinary Canadians that, rather than increasing their transportation costs, they could decrease those costs as much as 45 per cent by converting to alternate fuels. He knows that in Ontario, for example, automobile owners are forgiven the provincial sales tax on their vehicles if those vehicles are converted and if the refund is applied for within 30 days.

The Minister of Finance has continued to provide $400 for conversion to propane, and $500 for conversion to natural gas. As a result, conversion costs can be recovered. The Hon. Member knows that alternate fuels such as propane can be purchased at approximately 25 per cent of service stations. Alternate fuels also cut down on pollution. As well, they are Canadian fuels. Alternate fuels help to put Canadians back to work. Why does he not recommend the 45 per cent savings to ordinary Canadians and recognize the Minister's consideration in this regard?

Mr. Langdon: Mr. Speaker, I am very pleased that question has been raised. In fact, there are so many targets in the Budget that I did not want to touch on all of them. A most destructive, senseless and ridiculous approach has been taken in the Budget. At a time when we are trying to save energy and, indeed, as the Members said, to encourage people to convert to alternate energy sources, the Budget has placed a federal sales tax on wood burning stoves, wind deflectors, heat pumps, solar heaters, panels for furnaces, insulation materials, wind generators, windmills, wind deflectors and other such goods. Serious and shameful damage is being done to the alternate energy sector, as well as the increases which will face people in the Member's constituency and mine as a result of the increases in transportation costs which will hit the rail corridor between Windsor and Quebec.

● (1620)

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, today is a great day because I have been given an opportunity to defend an excellent Budget, and it is also a day I have been waiting for ever since I became a Member of this House, because today I am making my maiden speech in this House.

The Budget brought down yesterday by the Minister of Finance (Mr. Wilson), the Member for Etobicoke Centre, is of paramount importance. It constitutes a turning point, a totally new economic direction that the Government of Canada is obliged to take, without delay. We have turned the page. The economic situation in Canada had become critical and reducing the deficit was both necessary and urgent. This was due to the following, and I would like to quote what the Minister said in his speech, and I quote:

> High deficits constrain our ability to promote growth and create jobs. High unemployment in turn contributes to even higher deficits.

Canada was caught in a situation from which it could be freed only by taking a totally different approach. This Budget addresses the vicious circle of unemployment and debt, which was spiralling upwards at a terrifying rate.

This Budget's philosophy is to urge Canadians to take the initiative and to become the instrument of our country's economic renewal. It was important to allow the private sector substantial room for manoeuvring, because the State cannot act as an absolute power and constantly tell its citizens what they must do. Canadians want jobs and they want permanent jobs. However, it is not up to the Government alone to create jobs. All Canadian men and women must help make it happen: small businesses, medium-sized businesses, big corporations and the Government. In this context, the new measures being proposed are very definite incentives. That is why, Mr. Speaker, as the Member for the riding of Louis-Hébert, it is with great pride that I rise in the House today to speak to the concerns of my constituents who, I am sure, will understand the sound reasoning behind these budgetary measures.

I would like to describe, very briefly, my riding which is located on the shores of the St. Lawrence and includes four towns, Sainte-Foy being the largest with a population of 70,000. My riding also includes Sillery, Cap-Rouge and L'Ancienne-Lorette, which are not as big and together have a population of 100,000. Sainte-Foy airport at L'Ancienne-Lorette is also in my riding, which also has a railway station and a bus terminal. I would say that as far as transportation is concerned, my riding is well provided for. Tertiary services are also adequate, and Sainte-Foy has built sports facilities where some of our gold medal winners have trained.

I know my riding and I know its major issues. As a former municipal councillor in Sainte-Foy, I became acquainted with all the townships. I know the mayors of all four towns in my riding, with their councillors, and also the leaders of organizations and their members. This is a great advantage in serving my constituents to the best of my ability. The residents of Louis-Hébert have a great deal of courage and are able to rise above adversity, and they are also very creative people. For months and even years they have been working on a new economic venture that will benefit the entire Quebec City region. It is incredible to see how well all these organizations, all these people with varying interests are able to work together towards a common goal, and I am thinking, for instance, of the hi-tech industrial park, where high-precision optical and laser instruments will be manufactured.

Mr. Speaker, the riding of Louis-Hébert also has a number of educational institutions including Laval University the oldest francophone university in North-America and also the Sainte-Foy CEGEP, the Collège Notre-Dame-de-Foy and St. Lawrence College.

Mr. Speaker, you will understand that I am all the more concerned for young people since this year is International Youth Year, which is only fair.

Being a teacher, I can assure you that I am very sensitive to the requests and recommendations made to me by young people. That is why, Mr. Speaker, you will readily understand that I am very pleased about the action taken by the Government to create jobs. As you know, unemployment is a terrible ill facing all young people who enter the labour market and must often resign themselves to live on welfare, because all their efforts and goodwill are often of no avail. All the cases submitted to my constituency office are vivid proof of this fact.

The proposals contained in this Budget, which aim mostly at creating new jobs, can only help these young people to finally join the labour market, and most important, to find permanent employment. In addition, as announced by the Minister of Employment and Immigration (Miss MacDonald) at the First Ministers' Conference in Regina, there is now a Conservative approach to training and employment designed to promote professional training rather than short-term jobs. With such an approach, an increased participation by the private sector and local businesses is essential. That is why, in view of the

importance of such an initiative, $900 million have been set aside for these programs this year and an additional amount of $900 million will be allocated in 1986-87. One can only rejoice at such an initiative, which will have a direct impact on these young people looking for a job. I can only approve such a Budget, Mr. Speaker.

In the same connection, the field of research is close to my heart because, obviously, young people will have to live with technological change. High technology is future-oriented and will create a tremendous number of jobs.

Mr. Speaker, the residents of Louis-Hébert are lucky in this regard. Indeed, we have at Laval University, which is very active in the area of research, especially in medicine, optics and laser technology, and elsewhere in the constituency two highly sophisticated scientific complexes, namely, the National Scientific Research Institute, which specializes in water and geological research and also has a second role, that of teaching students at the second and third cycle levels. Moreover, there is the Quebec industrial research centre, which cooperates with industry to develop products as much as possible according to the major directions of the technological approach taken by the Quebec Government.

It was therefore essential that such an important field continue to get federal support, and by refunding 100 per cent of the tax credit earned by small businesses on their first $2 million of qualifying expenditures on research and development each year, the government is making it much easier for new industries which have problems attracting investment capital to expand. Since high technology is a leading sector which will develop even more and become increasingly important in industry, the risk taken by potential investors is most interesting because it is a guarantee of future profitability.

By abolishing the flow-out of the scientific research tax credit to foreign investors, the Canadian Government urges more Canadian investors to take advantage of this measure, and most important, I want to emphasize that it gives them a choice. Everyone is free to invest if and as he chooses.

● (1630)

As I have just pointed out, it must be acknowledged that potential investors are bound to be attracted to this sector because it will continue to expand, thus practically cutting risks down to nothing. It is a safe investment.

Mr. Speaker, this measure will enable the riding of Louis-Hébert to take its rightful place in the technological revolution, ensuring the development of the riding and the creation of jobs related to that sector. Allow me to quote the words of the Right Hon. the Prime Minister when he visited my constituency in 1982:

> This region and this riding have everything to become a research and development nerve centre. You have industries, the university, skilled labour, research centres, a social infrastructure and so on. All you need now is the willingness of the federal Government to set targets that reflect the requirements of the situation and the talent of our people, and to cooperate with Quebec to turn that into reality.

And today, Mr. Speaker, I am delighted to see that the federal Government is willing and anxious to contribute more generously to technological development. I am convinced that the implementation of those measures will enable us to fulfill our aspirations. The Canadian people want to succeed and the residents of my riding share the same ambition. I know them very well, so I have no doubt about that. The harmony which our Government has restored since September 4 between Ottawa and the provinces, particularly the Government of Quebec, augurs well. This dialogue can only benefit all citizens in the constituency of Louis-Hébert, Quebec, and even Canada as a whole.

I can assure the various interest groups of my region that they have my full support in their quest for those objectives. I must emphasize that, through a tax credit, the federal Government will encourage individuals to invest in Quebec's Fonds de solidarité, or in any other similar fund which benefits from provincial tax assistance. Quebec's Fonds de solidarité is a very worthy initiative that came to light after representations were made by the Quebec Federation of Labour to provincial Employment Minister Robert Dean. It is an outstanding example of labour participation in investment projects whose first priority is to help small and medium-sized businesses. It is administered by a 13-member board of directors whose mandate is to invest the funds and make sure that the investments are designed to reach the objectives, namely maintain existing jobs and create new ones.

The tax credit now available in Quebec is one of the best. For instance, someone who would buy 100 shares of $10 today—an investment of $1,000—would in fact have to pay only $187 after eligible tax deductions. In addition to the tax credit already given by the Province of Quebec, the new federal Government tax credit will be a further incentive to make such investments, and the short and long term impact on the economy can only be very positive.

Now, as a woman and a mother, I am very sensitive to the standard of living of women in our society. I am very pleased with the proposals concerning family benefits, which point to this Government's constant concern for the less-privileged in our society.

Many of my constituents were quite apprehensive of a decrease in family allowances. I am proud to reassure them, because these have not been affected. On the contrary, the Government has announced a restructuring of family benefits along the lines of a tax credit. Those changes resulted from suggestions made by a large number of Canadians. Starting in 1986, the Minister of Finance announced that the child tax credit paid to low-income families will be significantly increased to $524 per child as early as 1988, a $140 increase. Moreover, the income level at which the credit begins to phase out will be lowered. Starting in 1987, tax exemption for

children will be reduced over a three-year period so that the exemption for children under age 18 will be equal to the level of family allowances. I am very pleased with those measures. They show this Government's concerns for families, the basic structure of our society and the starting point for economic growth. Again this is why I am so pleased with those measures.

Finally, Mr. Speaker, I am proud to say that the constituency of Louis-Hébert, the constituency I love so much because of its lively people who are decidedly determined to pull through, is a model of co-operation, and this budget will allow them to fully exercise their initiative and enterpreneurship. These budget measures which are directly aimed at helping small and medium-sized businesses will finally help put people of every age group back to work. They do not privilege any specific group. In that sense, this is a budget that is just and fair for each and every Canadian man and woman. Work is vitally important in our society. By means of this budget, the Canadian Government will enable a very large number of Canadians to recover the dignity they lost with their jobs. Work gives the individual back his or her dignity. This is why it was so essential to deal now with this problem. This Conservative Government, on the other hand, has created 200,000 jobs since September 4, 1984, something which the previous Government could not do in 12 years.

Statistics show also that last month we experienced our largest employment increase in five years, and this is most encouraging. These figures, Mr. Speaker, show how much emphasis my colleagues and myself are laying on the difficult problem of unemployment, and we are willing to do everything that is needed to correct the situation and make sure that economic recovery is effective and producing results as fast as possible. We had to be reasonable and not slash too deeply into the deficit because this would have hurt the less privileged provinces, something which we could not accept. Our sense of justice and fairness would not have it. As any good manager, the Government is aware that it must pay its debt back or at least reduce it, because the astronomical amounts of money needed to pay interests on that debt clearly hinder our economic recovery. Therefore, Mr. Speaker, we had no choice, it was an unavoidable obligation.

People of Louis-Hébert, Quebecers, Canadians, have faith in us! This new direction was necessary and urgent on the short and the medium term. I am convinced it will have a very positive impact and will help economic recovery by promoting growth in the private sector. Canadians at last will be able to return to work and regain their dignity, a sine qua non condition for the full development of all individuals. We support small- and medium-size businesses, Mr. Speaker, because we know that their owners who are very good administrators and who feel that a penny saved is worth more that a penny earned will not squander their money. They have repeatedly told us: "Reduce the deficit and pay your debts. We know, because we are involved in trade and commerce, that if we behaved the way the government has so far, we would have been bankrupt long ago. We do not act irrationally, we tighten our belts and we keep a close watch on our spending." I know that there are employees who accepted salary reductions to keep their jobs when interest rates were so high. They have managed to survive. I know also that there are board chairmen who withdrew their children from private schools, sold their summer cottages, renounced their regular games of golf, lived sparingly and survived those difficult times. Today, we are calling on the Canadian public as a whole to help our country which has run into a financial dead-end and must find a way out. We must revive our economy, create jobs, rationalize government spending, administer with increased efficiency. There will be no increase in the operation and investment budgets of the departments . . . I just need a couple of seconds more to conclude, Mr. Speaker. Operation and investment budgets of the departments will no longer be increased to reflect inflation. Each and every one of us must do his or her share, so that our children may live and hope for the dignity which results from the satisfaction of a job well done, raise a family and live as our parents used to before the degrading and decadent Liberal era.

The Acting Speaker (Mr. Charest): Questions, comments. The Chair recognizes the Hon. Member for Capilano (Mrs. Collins).

• (1640)

[*English*]

Mrs. Collins: Mr. Speaker, I would like to congratulate the Hon. Member on her Maiden Speech. It was wonderful and the first of many in the House. I share her tremendous enthusiasm for this Budget. I have been receiving very positive response from my riding of Capilano in British Columbia about the initiatives which the Government is taking.

I think there is an aspect of the Budget that we have not yet discussed to a great degree. One of the major emphasis is, of course, on the development of small business. It is now possible for pension funds and RRSPs to be put into small business. Women are really the engine behind the creation of so many new small businesses. I therefore feel that this Budget is a tremendous boon to the women of the country who have entrepreneurial spirit and want to get involved but have not had the necessary financing. Would the Hon. Member agree that the initiatives we are taking in the Budget will be a great boon to the women of the country in getting their small businesses going and growing and creating the jobs which we all want?

[*Translation*]

Mrs. Duplessis: Mr. Speaker, I thank my colleague for her kind words and also for her question. The essence of my entire speech was to say that in my opinion the incentives made available to small and medium businesses, especially as far as research and development are concerned, will in the long-term really create jobs. Let me explain that. If small businesses are

allowed to invest in research and development and at the end of the year, to recover that money through a tax credit, I think that an increasing number of small industries will explore new avenues and thus create jobs in the long term.

The Acting Speaker (Mr. Charest): Questions and comments. Debate. The Hon. Member Mount Royal (Mrs. Finestone).

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, a federal Budget is supposed to do a great many things. First and foremost it is supposed to be about ordinary, everyday people. It should assure them that their Government is listening to them, cares for them, and is committed to ensuring equal opportunity for careers, education, recreation and retirement. A Budget should be about people and their lives, but this Budget is about none of those things. It gives none of those assurances. It is cold and insensitive. It is a statement which fails to understand the urgent needs of Canadian women, of youth, and of the elderly. It has taken this cynical, unfeeling Budget to flush the Conservative Government out on where it stands on issues that really matter to the general population, to *Monsieur, Madame, tout le monde*. The sound of cold hard cash rings through this Budget ripping holes in our social safety net, but the voices of ordinary Canadian men and women have not been heard.

Canadians had great expectations and hopes for this Budget. The Government consulted and consulted, but reality indicates that this much-touted consultation process has been an utter flop. We waited for more than eight months to see which lobby would win the day. It is not very difficult to discern. The big business boys, the multinationals, the oil companies and the defence industry are the winners. The Government listened to them. I can only hope that the women, the youth, and the labour leaders invited to be consulted at the national economic conference were at least given a cup of coffee and a doughnut, because that is about all they got out of this Budget.

Harry Truman once said, "When you can't convince them, confuse them". The Tories have tried that often enough. Now the Minister of Finance (Mr. Wilson) has gone one better. When you can't confuse, consult.

A federal Budget is also supposed to answer questions and remove uncertainty. This one has done exactly the reverse. Canadians now have more questions than ever before about the Government's secret agenda for social programs and social policy. There are questions about what is going to happen with the maternity benefits program and the unemployment insurance scheme. There is more uncertainty than ever before about how the Government intends to replace the cuts in job creation and training programs. These cuts severely hurt the efforts of youth to find meaningful, lasting work. The lack of detail on the Government's proposed $900 million labour strategy is absolutely shocking and frustrating. You had better check your Budget because I believe that $900 million is not new money. It is renewed from last year.

I listened to the Budget speech yesterday with great care and a good deal of hope. I listened on behalf of women in the workplace, women working in the home, women struggling to make ends meet for their families, women retired on fixed incomes, and women living below the poverty line. I listened on behalf of young people who were promised so much in the last election but have seen so little. I was listening and hoping. However, today I share the bitter disappointment of these women and young people in the reality of this barren Budget.

Before touching on areas on areas of specific concern to women and youth I would like to say a few words about the tone and underlying message of this Budget. Through this tone we see clearly how the Government has ignored the forces of ordinary men and women. In the fourth paragraph on the first page the Minister said:

> My Budget calls for Canadians, not government, to choose what is best for Canada. And it challenges Canadians by rewarding success, not subsidizing effort.

I thought that sheer effort and pride in one's work used to be the motto for this society. Apparently now only successful financial effort is of worth. I think the ordinary folk of society will not be very pleased with that.

Further down I see a description of how the discussion process took place. Page 17 contains that marvellous part of the Budget about de-indexing. It reads:

> The purpose of indexation has been to protect Canadians from the effects of rising prices. But it has become increasingly clear that Canadians must also find a way to protect themselves against rising deficits and the soaring national debt.

● (1650)

I would like to have that told to single-parent families, to single mothers, the elderly and the poor. How are they going to protect themselves against this rising deficit and the soaring national debt? I am sure they got a tremendous sense of satisfaction from that remark. When you tell people that it is about time they started to pull their own weight to protect themselves, I think it is a bit unfair. This is what I mean when I say that the Budget is cold, insensitive and that it lacks a human face and a human heart.

I could go on. There are so many matters of affront in the tone and the text of the Budget that I am almost ashamed that this is our Government speaking out. Let us look at what the Government says about particular benefits to women, something I will deal with later. As a woman reading what the Government appears to think about me, I wonder about this Government's supposed interest in the other sex.

I want to turn to several points in the Government's Budget that are deeply disturbing to me and I believe to millions of Canadian women and young people.

Canadians expected training for women and youth to be a top priority in this Budget. How often did we hear the Prime Minister (Mr. Mulroney) chant "jobs, jobs, jobs"? What did the Minister of Finance say? From where did he get his guidance? He said absolutely nothing about youth. The guidance he got was from the Nielsen Task Force. It was to address all those concerns particularly relating to youth and

women, areas of major unemployment. The Task Force was to look at and determine the kinds of programs women and youth should have. I would suggest that Members on the other side of this House take a look at the list of people used in all this wonderful consultative process and notice the absence of the distaff side. There was an absence of women and young people on the committees used by the Deputy Prime Minister (Mr. Nielsen). This makes me very sad for the future of training. What about the cutting that will take place?

We have had Budget cuts in general and critical skills training of $78 million. Young people will have to wait until the fall to hear of any replacement programs. High-tech job training is precisely what young men and women need. Upgrading of skills is essential for women and for youth to secure better-paying jobs. Nearly 500,000 young people are out of work. Yet this Government chooses to cut funds for highly skilled job training. Are we to return to the days when we trained young women to be hairdressers?

Moreover, Mr. Speaker, the Budget's job creation efforts rely totally on the private sector, the same folks who brought us the situation in which women are blocked from promotion, still earn less than men for work of equal value, and still discriminate against women. This is a hope and a prayer job creation strategy and it is doomed to condemn women to job ghettos.

The Government has also created undue uncertainty over the status of the unemployment insurance scheme. Of particular concern to women is the future of maternity benefits. Maternity benefits are a right not a social benefit or a privilege. They are an important bridge for women who wish to continue to work after childbirth. Since 70 per cent of the recipients do return to the job market, I think they have indicated their attachment to the program. It is obvious this program is an integral part of their economic independence. We will be monitoring the Government's plans in this area very carefully. Canada already ranks near the very bottom among industrialized nations when it comes to ensuring paid parental leave. Now is not the time to chip away at this further.

Speaking of chipping away, let it not go by unnoticed that the great majority of federal civil service jobs cut by this Budget will be or are held by women. More than 40 per cent of federal employees are women, many in the lower paid positions which will be most vulnerable to cuts.

Let me speak about pensions. Pensions are a fundamental building block for women as they seek economic independence and autonomy. The Government's Budget has done very little to improve pension opportunities for women. Contrary to election promises, there are no provisions for homemakers in the proposals. The Government's plan to improve vesting rights in employer-sponsored pension plans is as far as it goes. It will in the end benefit few women. Only one third of Canadian women in the labour force are enrolled in private pension plans, because most women work for small companies that have no such employer-sponsored plan, or they are part-time workers with no access to pensions. Do not forget that 70 per cent of all part-time workers in Canada are women, and not necessarily by choice.

The Minister of Finance has also backed away from any Canada Pension Plan improvements. He has bowed to business pressure and backed away from any federal leadership role in mandating a minimum degree of inflation protection for private pension plans, a key part of any reform package. A comfortable pension at age 65 can be eroded by inflation by age 75 without some form of protection. Inflation protection is not a frill but an essential component.

Canadians can add the improvement of pension reform to the growing list of empty campaign promises of this Government.

Let me come to housing now, Mr. Speaker. And what about child care and child benefits? What about federal transfers to the provinces? What about the entire area of youth?

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

[*English*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. The interest from the Government is so great for this Budget, I do not know whether the Government's Members are hiding or what, but I would like to remind the House that according to Standing Order 5(3) there is no quorum. I will not call for it.

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis knows that this is not a point of order.

[*English*]

Mr. Gurbin: Mr. Speaker, I rise on the same point of order. I think, with all respect that the Opposition Parties, both of them, if they would look at their numbers, have as much a duty to attend the Chamber as we do.

Mr. Gauthier: Proportionately we have more than you. It is your Budget, your quorum.

Mrs. Finestone: Mr. Speaker, there is a silent crisis ongoing in our country that this Government does not seem to be aware of. I am speaking of housing, aging buildings, low vacancy rates in almost every major city and hald a million Canadians unable to afford decent housing. The victims in this crisis are too often women, single mothers and elderly women on low incomes. Yet, this Government has cut the Budget for CMHC and this has far-reaching impact.

[*Translation*]

One Canadian woman out of ten is battered. Last year, the Canadian Mortgage and Housing Corporation gave funds to start only 11 shelters with a total of 129 beds. There are presently in Canada only 190 shelters and three projects for the next stage, Mr. Speaker, you are well aware of the Badgley and Fraser reports which were tabled and which emphasize the need for these shelters. More than 500,000 Canadian women

are victims of family violence. The Mulroney budget concluded that $26 million from the CMHC suited their needs perfectly.

[*English*]

Let me speak about federal transfers to the provinces, Mr. Speaker. There is another important part of the Budget that will have far-reaching impacts for women and youth in Canada. I am referring to the Government's intention to deindex federal transfers to the provinces and further to reduce such transfers by $2 billion by the end of the decade. So much for the Prime Minister's co-operative federalism.

The real danger is that this federal action will put increasing pressure on the provinces to take a hard look at how they are going to finance such programs as transition homes for battered women, welfare payments, medicare and university tuition. These are the kinds of hidden and sneaky cuts that this Budget is really all about. They are the kinds of cuts which show the true priorities of the Tories.

I could deal with child care and child benefits. I could tell you that I feel terrible that there was nothing about daycare in the Budget. Last and most important is our youth. This cutting of job training and the abandonment of direct job-creation efforts have bitterly disappointed the youth of Canada. The Canadian Federation of Students called me—

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

Mr. Prud'homme: Mr. Speaker, if there is unanimous consent, the Hon. Member for Mount Royal (Mrs. Finestone) could continue.

The Acting Speaker (Mr. Charest): Is there unanimous consent?

Some Hon. Members: No.

[*Translation*]

The Acting Speaker (Mr. Charest): It being five o'clock, the House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, May 27, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Friday, May 24, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government, and on the amendment of Mr. Johnston (Saint-Henri-Westmount), p. 5043, and on the amendment to the amendment of Mr. Riis (Kamloops-Shuswap), p. 5047.

Mr. Speaker: Is the House ready for the question? The Hon. Member for Ottawa Centre?

Mr. Cassidy: Mr. Speaker, I am ready for my speech, not for questions.

Mr. Speaker: I was informed it was time to resume debate, but the Hon. Member is not in the House. Debate. The Hon. Member for Ottawa Centre (Mr. Cassidy).

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, there are one or two things to welcome in this Budget. As you know from the other day, I had proposed that the Government look favourably on the plight of home brewers who have been forced to act illegally for many years. This has been addressed in the Budget, but it is unfortunate that it is one of the very few things that was addressed in the Budget that affects ordinary Canadians. I want to speak about the impact of this Budget on ordinary Canadians, the impact of the Budget on people in the Province of Quebec, and about the way that the Budget is going to affect people in my riding of Ottawa Centre and people living in the National Capital Region.

Perhaps I can put on the record what the impact of the Budget will be on a family earning $30,000 or $40,000 a year, a middle-income family which has been trying to get by and finding it very difficult with the present cost of food, housing and the other essentials that it needs in order to survive. At the time of the November statement, the new Government effectively increased the tax burden on that average family by about some $500 per annum by incorporating the sales tax increase which it had previously resisted in opposition when it had been proposed by the Liberal Government, and by bringing in other tax measures which had that effect.

It has done it again. The increase in the taxes on the average family in the new Budget will be of the order of $500 per family; $100 through the elimination of the federal tax reduction, $115 in loss to the average family through the modification of indexing; $22.50 through the cut in family allowance payments; some $75 of increase if that family smokes and drinks the occasional bottle of beer or wine; the sales tax increase will cost the family $150; and the gas tax, as a very conservative estimate, will cost $1 a week on a tank of gas, or another $50 a year. That adds up to $512.50 for the average family.

The promise of the Budget was that it would be tough but fair. It certainly is tough on that family who now has to pay $1,000 a year more in taxes than it had to pay just a year ago, thanks to the new Conservative Government. The toughness is reflected in the fact that by 1990, the Government expects that personal income taxes will rise by $4.1 billion and that sales and excise taxes will rise by another $2.6 billion. The fairness will be fair only to a very limited proportion of the tax-paying public.

Corporation taxes are expected to fall by $2.2 billion by 1990 according to budget figures. In other words, it is more taxes on individuals and less taxes on corporations. That unfairness is particularly evident if you look at what the Government has done with the $500,000 exemption for the capital gains tax. That will cost $300 million in 1985. It will result in $600 million in lost revenue in 1986. The Government does not estimate what it will cost in subsequent years, but since the limit on capital gains that will be tax free goes up year by year, one has to assume that we will be talking about $1 billion or more per annum, which is being given not to every Joe and Jane across the country, but is being given to that small proportion of the tax-paying public who have the disposable income and can benefit on substantial amounts of capital gains.

If the Government had said that it wanted to encourage small business and encourage people to launch themselves into equity investment by making a certain small proportion of capital gains tax free, I would not have been happy about it, but I could have at least seen the point. However, huge profits on Miami condominiums, the New York art market and the London Stock Exchange will all be eligible for this treatment. It does not make a lot of sense, particularly when you look at who is paying.

Who is paying? One of the major groups that is paying is old age pensioners. They will give up the equivalent of $225

million in pension next year due to the de-indexing of the Old Age Security. That money is not being applied, as the Minister of Finance (Mr. Wilson) said over the weekend, to reduce the deficit. It is being applied to give a great, big fiscal carrot to the top 5 or 10 per cent of taxpayers who will get this capital gains tax elimination beginning next year. That is not fair in any kind of taxation system that I can understand.

● (1110)

During the election campaign, Progressive Conservative Members promised a minimum tax at the urging of NDP Members. Now they have deferred that minimum tax. At the same time, they have opened up the most glaring loophole yet for upper-income earners in the form of the $500,000 exemption.

Back in the 1960s when the Carter report came out, the concept which I thought was reasonable was that a buck is a buck is a buck. Certainly when one spends a dollar earned through capital gains, it has the same spending power as a dollar earned through an employment salary or income. However, that is not reflected in the Budget. After the Liberals eroded the tax base in the corporate sector, the Progressive Conservatives now intend to erode the tax base in the personal tax sector by taking tax burdens away from people who are upper-income earners.

[*Translation*]

Mr. Speaker, I would like to talk about the situation in the Province of Quebec, in connection with the Budget brought down by the Minister of Finance (Mr. Wilson). This spring and during the winter, the New Democratic Party's Task Force on Unemployment travelled through Quebec. We went to Quebec City, Montreal, Chicoutimi and the Outaouais to meet people, union members and workers, community groups and municipalities, to talk about the priorities they were seeking in the Budget.

The situation in Quebec is not very good. The unemployment rate is still over 12 per cent, Mr. Speaker. There has been a slight drop since April 1984, but nevertheless, we still have a situation where one out of eight workers is unemployed. Among young people, the unemployment rate in many parts of Quebec is over 20 per cent. In Chicoutimi, for instance, it is as high as 26 per cent. Time and time again, Quebecers told us they were looking for positive action to boost the economy in their province, and they told us about some very important community projects they were ready to start with the support of their government, meaning not just the Government of Quebec but also the Government of Canada. Now I am well aware that Mr. Duhaime, the Quebec Minister of Finance, "welcomed" Mr. Wilson's Budget. These are two birds of a feather, Mr. Speaker. We have in Quebec a government that we could now call a Conservative PQ government, because they have the same views on budget priorities. However, Mr. Speaker, these priorities do not provide anything for the average Quebecer.

In Chicoutimi people are wondering what the Budget is going to do for them at a time when the forestry industry is not doing enough reforestation and the region's main industrial base, the aluminum industry, cannot provide new jobs. It is a desperate situation, but at the same time, we see people who are looking for projects and for the necessary funding and resources to help the economy in their own region get back into gear.

Mr. Speaker, what is the Budget doing for farmers in Quebec? The answer is: nothing! What is the Government doing for disadvantaged regions? The answer is: nothing! What has the Government done for farmers and the agricultural industry? There again, the answer is: nothing! I remember how during the election campaign, the Conservatives, or rather the Hon. Member for Joliette (Mr. La Salle), wrote a symbolic cheque for pork producers, by giving them access to the Federal Stabilization Fund. Unfortunately, this promise was not kept. During the election campaign, the Conservatives promised an enormous sum of money to finance farm mortgages at reasonable rates: another promise that was not kept.

Mr. Speaker, it seems to me this new Government is not listening, because it was very obvious on September 4 that Quebecers voted for a change of government at the federal level. They were fed to the teeth with the Liberals. They wanted to get rid of the Liberal Government and bring about real change that would benefit everyone in Quebec, and not just the businessmen on St. James Street: the Paul DesMarais, the Westmount bankers and the rich in Quebec generally. But what are this Government's priorities regarding Quebec? Of course, the deficit is their priority. I welcome their gesture to the solidarity fund, and I say it is a step in the right direction. But aside from that, they have done nothing that is going to have any effect on Quebec's disadvantaged regions.

Quebec is not just St. James. It is not just the Montreal area. Quebec is the Gaspé, Chicoutimi, Lac-Saint-Jean, the Abitibi area and the Eastern Townships, Mr. Speaker. Quebec is the Saint-Maurice area and Trois-Rivières, and all these regions are suffering from a lack of jobs. Their basic industries are threatened, and nothing is being done by the Federal Government to help these industries and to help save the province's economic base.

● (1115)

Under the former PQ Government, I mean the Government that was in power before 1985, real efforts had been made to promote consultation between Quebec's various regions and its major industries. There were economic summits in each region, attended by employers, industries, municipalities, community groups, unions and workers. Everyone was involved in looking for ways to rebuild and boost their industries and regions. And in each case, Mr. Speaker, it was clear that federal assistance was needed, because the Federal Govern-

ment was just as involved in Quebec's economy as the Quebec Government.

Now, in order to implement the consultation policy proposed at these economic summits, it will just not do to maintain a policy of ignoring, of patently ignoring Quebec's needs. The Federal Government's participation is necessary to help specific industries and specific regions to get back on track. That is what is lacking in this Budget, Mr. Speaker. One wonders, for instance, how the capital gains exemption is going to help Quebec's shipyards, where the present situation is that 60 per cent of shipyard workers are out of work. The problem is that Davie Shipyards in Lauzon has just laid off half of its workforce, with the remaining half to be laid off this fall. The Government, however, continues to ignore the promise it made last August to give $75 million to the shipbuilding industry. In fact, it has had to withdraw the shipyard subsidy program, effective the end of June 1985.

That is the Government's policy on one of Quebec's major industries. As far as forestry is concerned, Mr. Speaker, no promises were made. And the same applies to the manufacturing industry in Quebec. Even in the Montreal area, the citizens' committee noted that the future of Pétromont was not dealt with in the Budget; that today, with the reduction of subsidies to VIA Rail, the future of VIA Rail's maintenance centre is again in doubt; that privatization of Crown corporations as suggested in the budget is specially threatening to Montrealers, because many corporations are located in Montreal. The committee also noted that there was no reference to strategic proposals for Montreal's future as a transport and communication centre or international banking centre.

Mr. Speaker, we must have participation. We do not, however, need consultations between Mr. Duhaime and Mr. Wilson on measures that will compromise the future of the Province of Quebec. We must work together to provide a better economic base for Quebec, and that is what the New Democratic Party proposed through its employment task force. We must work together with all groups in the Province of Quebec, not just those that supported the Progressive Conservative Government's election campaign.

[*English*]

I would like to comment briefly on a number of areas in the Budget which have troubled me. However, there are one or two areas in the Budget which might have some promise.

In the area of pensions, the Government is promising two-year vesting, better provisions for women, and increasing portability. Those are good measures, except for the fact that they will not come into effect until after 1987 and, therefore, there will be no workable benefit until 1989 and no pension entitlement earned prior to 1987 will count. That is inadequate, Mr. Speaker, and makes this forward-looking promise effectively worthless as far as most Canadians are concerned.

• (1120)

In the area of research and development, the Government makes bold promises, but the Minister of Finance ignored in his speech the fact that just last week the Minister of State for Science and Technology (Mr. Siddon) effectively repudiated the Government's campaign promise to double Canada's percentage of research and development spending to 2.5 per cent by 1990.

While the measures in the Budget may be welcome to small companies, they will come nowhere near to undoing the damage that has been done by the Government's destruction of federal public research and development efforts, its undermining of the National Research Council, and the fact that the Government has not been prepared to bring forward a plan to see how we increase the 1.3 per cent of spending on research and development to the proposed 2.5 per cent.

I would like to talk briefly about a situation right here in Ottawa in my home riding. Ottawa is a bit of a microcosm of the country in how it is affected by the Budget. We are fortunate that our unemployment rate is down around 8.5 per cent. That is better than that in the country as a whole. But with the cut in 15,000 government jobs over the course of the next six years, there will be no job opportunities for the young people coming out of high school, community colleges and universities here in Ottawa. I repeat, there will be no job opportunities because of the loss of about 15,000 potential jobs which would have been created in Ottawa over the course of the next six years. That is almost equal to the total number of young men and women coming out of grade 12 in schools in Ottawa over the course of the next five or six years. There will be an awful lot of job opportunities which will dry up.

There may be some increased employment in the high-tech sector. I hope that that is in fact the case. Nonetheless, we have a lot of running to do in Ottawa just to catch up with the situation which was created by the government's cut-backs. In addition to that, one has to be aware of the fact that there is a very real danger that good jobs in Government will be replaced by part-time help, minimum wage and contracted out jobs because of the Government's policy of putting jobs into the private sector. There is a real prospect that essential services to Canadians will be no longer available by the cut-back of 15,000 jobs. I bring to the attention of the Government the fact that already in the Canada Employment and Immigration service, there have been cut-backs at a time when overtime has been used as a matter of course week after week and month after month by CEIC employees who are trying to provide services to unemployed Canadians. Even now they cannot keep up with the demands which are being made upon them.

As far as the young people in Ottawa are concerned, Mr. Speaker, the unemployment rate is running around 14 per cent or 15 per cent, and I note that the student employment centres at Carleton Unversity and other universities will be closed. The Government is effectively making life extremely difficult for those young people who really deserve more from Government. They deserve more from us in Parliament than they are getting in this particular Budget.

I would also like to speak on behalf of the superannuated federal government employees and plead with the Government not to assume that it can simply, with the stroke of a pen, take away the indexing for which these pensioners have been paying in their pension contributions these past many years. The Budget of the Finance Minister seems to take it as assumed that it is OK to take away that indexing. I want to tell the Minister of Finance that there are a lot of superannuated federal public servants who are extremely concerned. People have called me in the last couple of days almost crying over the telephone because they don't know how they can survive if the indexing which enables them to cope with the cost of living is in fact not going to be maintained. The Budget ignores the fact that negotiations with the Public Service Alliance and other unions have not so far been successful. The Public Service employees have earned that indexing. If something else is put in its place, those employees have to be guaranteed that they are still being fairly dealt with. That is not being done right now, Mr. Speaker, and that worries me very much. I will continue, as one representative of the people of the Ottawa area, to make sure that they are not unfairly dealt with in this Budget.

I would like to ask the Government to assure the House that there will be no lay-offs of Public Service employees as a consequence of this Budget, because that would be a particularly cruel, unpleasant and undesirable result of the Budget.

• (1125)

I would like to conclude by saying that we in the New Democratic Party saw the prospect for a positive Budget rather than just eight months of rumbling before a mouse emerged from the Government. We foresaw a Budget which would be fair to ordinary Canadians rather than only to people who have the prospect of earning $.5 million in capital gains tax free. We thought that we could set unemployment reduction targets as they did in the Province of Manitoba to reduce unemployment by 2 per cent or 2.5 per cent this year. That would have been fair to ordinary Canadians.

We saw the prospect for investing in our future in areas such as the upgrading of resources, community development, technological development, housing, and municipal investments. We saw the prospect of bringing ordinary Canadians on board in terms of research and development by ensuring that they would be partners in technological change rather than victims of new technology. We saw the prospect of reforming the tax system to sweep away that $15 billion or $20 billion of tax concessions to corporations which contribute so much to the deficit and are creating such a difficult situation for Canadians.

Rather than that, Mr. Speaker, those concessions are essentially untouched and the surtax which has been put on upper income Canadians and corporations is for one year only, whereas the benefits to upper income Canadians and large corporations will go on in perpetuity. Mr. Speaker, this Budget is reminiscent of the Budgets of Ronald Reagan in the United States. It is not quite as vicious or brutal on the surface, but the philosophy is the same. We have seen in the United States, in British Columbia, and in Great Britain that the approach of putting money in the pockets of the rich in hopes that it trickles down to the poor is not an effective policy for creating jobs for Canadians. That is why we have grave reservations about this Budget.

Mr. Lewis: Mr. Speaker, I would like to correct the impression of the Hon. Member that Ottawa is a microcosm of the country. He should realize that in the rest of Canada Ottawa is viewed as 20 square miles surrounded by reality.

Some Hon. Members: Oh, oh!

Mr. Lewis: The Hon. Member knows that the Progressive Conservatives have led the way in demanding a minimum tax on the rich. We promised that minimum tax during the election and we brought it in in the Budget.

Mr. Keeper: Your nose is getting longer.

Mr. Lewis: I am going to give the Hon. Member a chance. Let him just wait a moment.

We announced a minimum tax in the Budget effective January 1, 1986. We brought forward a discussion paper laying out three methods. As a chartered accountant I am tempted to ask the Hon. Member which method he prefers, but that would be unfair because at this point I, as a chartered accountant, am not exactly sure which method will do what we want it to do in terms of taxing the rich. That is not my question. We have provided for consultation with the people. We have provided for examination by a parliamentary committee. We have said that it will start on January 1. I suggest to the Hon. Member that that process is fair to the taxpayer and also to the tax collector. In my opinion, it would create undue chaos to introduce that type of tax in the middle of a fiscal year. I think the Hon. Member would agree that that type of tax must be instituted at the start of a taxation year.

Why are we not getting support from the NDP after we brought in this minimum tax? This lack of minimum tax has been nothing but a Liberal ploy to benefit their friends in big business. We brought it in. Why can we not get some support from the NDP for the process and the principle both of which are important? Will we have the support of the NDP when we go to committee in order to get the best result rather than the usual moaning and groaning?

Mr. Cassidy: Mr. Speaker, if the Government had brought in a minimum tax in this Budget, one which was tough and effective, he would have had the support of the NDP.

Some Hon. Members: Oh, oh!

Mr. Cassidy: By deferring in order to have consultation, the Government is going to give every advantage possible to the former colleagues of the Minister of Finance in Dominion Securities and to the financial interests in Vancouver, Toronto, and Montreal to find ways of cutting down the minimum tax

to the point where it will be a piece of cosmetic window-dressing and nothing else.

Why did the Government not defer the de-indexing of old age pensions for a year until it has had a chance to consult with old age pensioners to discover whether they would be in favour of that? Why did the Government not defer the increase in the sales tax until it has had a chance to consult with ordinary Canadians to discover whether they were prepared to pay and thought it was a fair tax, particularly when the revenue is required mostly to pay for the concession of capital gains? The Government wasted no time putting the capital gains tax exemption into effect for the 1985 tax year in order to give something to the rich. However, in attempting to tax people who are very rich, the Government gave them every opportunity to resist it by a process of added consultation.

• (1130)

If the Government introduces a tough and effective minimum tax and makes it retroactive to 1985, it will have our support. However, I do not believe that is its intention.

I would also point out that the New Democrats have been talking about a fair tax system year after year. When the Hon. Member was in opposition, did he talk about a minimum tax? It was only when his leader was challenged by our leader in the television debate during the election campaign that the Conservatives finally committed themselves to some form of minimum tax.

[*Translation*]

Mr. Blais: Mr. Speaker, I listened to the remarks of the Hon. Member for Ottawa Centre—where I reside three and a half days a week—and when I heard him talk about a microcosm I thought he ought to get out of it now and then, as suggested earlier by my colleague.

When New Democratic Party Members claim that they crisscrossed the country to consult Canadians—

An Hon. Member: They never came around my place.

Mr. Blais: Nor did they ever come anywhere near my place either because, had they done so and travelled throughout Quebec they would have found out that, barely a few weeks ago, the Minister of State (Forestry) (Mr. Merrithew) signed a $300 million agreement with the Province of Quebec. Three Ministers were there—two from Quebec, one from Ottawa—along with 15-odd Members representing various Quebec regions to witness this agreement to spur the forest industry which the previous Government ignored for years. Here they are now saying that we have not done anything for forestry. You could at least check your notes and those of your colleagues who were involved in the consultation process, if indeed they were.

The Hon. Member talked about shipyards, and I wondered whether we both read the same newspapers. Everybody knows that an agreement was signed recently to put Lauzon's Davie shipyards back in business at a time when the shipbuilding industry is in the doldrums not only in Quebec and the rest of Canada, but throughout the world as well. Of course, Marine Industries on the shore of the Richelieu River are in a predicament as a result of the on-going strike, and all parties involved are trying to arrive at a settlement which will serve the interests of the unions and those of the Quebec Government which happens to be an active partner. The federal Government has nothing to do with that. We have contracts and we are living up to our commitments with the shipbuilding industry as a whole.

Mr. Speaker, I wish the Hon. Member for Ottawa Centre (Mr. Cassidy) would tell us just what he thinks of those special measures taken even before the Budget was brought down. Consultations had been going on for years, but to no avail because the federal Government did not do anything. Well, in six months, we did consult, we sat down with the Minister and hammered out an agreement. Why should you say that the forest industry was left out in the Budget?

Mr. Cassidy: Mr. Speaker, first I note that my friend still talks as though Ottawa is not representative of the rest of the country, as if it were privileged territory. I can assure him that a lot of people who live here in Ottawa know something about substandard housing, are affected by unemployment, earn incomes below the national average and have to cope with the same problems as those experienced by his constituents.

I do not particularly fancy the remarks of his colleague the Parliamentary Secretary who has just suggested the new Government should ignore Ottawa because the city has been so generously treated in the past. Mr. Speaker, I too have constituents who must live with their problems. If we were to look at the situation of the shipbuilding industry, among others, I can tell my colleague that 60 per cent of the shipyards workers are idle. But in spite of that and the Prime Minister's promises in an August 26 speech before the Toronto Empire Club, as I recall, the Government has scrapped its $75 million assistance program for shipbuilders. The Lauzon shipyards were not spared despite the fact that, after the Government announcement, they laid off half their work force and will dismiss the other half this fall because there are no contracts. How can the Government remain so indifferent to the plight of that industry? I simply cannot understand.

Now, Mr. Speaker, concerning agriculture, the Government—

Mr. Blais: I asked you a question about forestry.

Mr. Cassidy: The Hon. Member does not say anything about the cheque of the Hon. Member for Joliette (Mr. La Salle), for example, or about the Government's unkept promise to set up a $100 million agricultural mortgage financing program.

With respect to forestry, I was in touch with people in the Chicoutimi-Lac-Saint-Jean region and I know they do not expect their problems to be solved simply because the Government has just made a few announcements.

[*English*]

Mr. Deputy Speaker: Resuming debate.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this opportunity to participate in the budget debate allows me to put on the record the views of my constituents as well as the considerations from a social policy point of view that make this Budget worthy of support. I am pleased to have this opportunity.

No Member of the House—certainly no Member of the Government—takes any pleasure in the fact that there are those who say that the Budget is tough. However, we do take a measure of pride in the fact that we have attempted to be fair in the manner in which the Budget addresses Canada's economic crisis. My colleague, the Minister of Finance (Mr. Wilson), has done an admirable job of seeking out a national consensus for the direction of the Budget by taking often divergent views and opinions and bringing about a fair and balanced Budget.

I said that Canada faced an economic crisis. I believe very strongly that such has been the case and that we will be on such a crisis footing for some time. This is a crisis not only in the economy but, as a result, in all aspects of our social and national life.

Let me illustrate by reminding the House that during the last years of aggravated conflict between Ottawa and the provinces, many of us argued that the failure of the federal Government to show national economic leadership increased the strain on Confederation. The weak state of the economy led to many of the inter-regional and federal-provincial conflicts that we witnessed during those years.

In the same way, failure to recognize an economic crisis as a crisis can only put in jeopardy the social security system and the social infrastructure that, as parliamentarians and Canadians, we cherish so much.

This Government recognized the gravity of the economic situation and we have acted. More to the point, the Government recognized what would be the inevitable consequences of our economic problems and we have acted now.

If Members of the House are honest with themselves, they will know that tough choices had to be made. We know, having been in the Opposition, how very easy it is to sit in the Opposition and decry hard choices, claiming that the pain was somehow avoidable. I can understand that posture, and in fact I hear some Members today using that very same argument.

However, being the Government is another story. To do nothing about the situation that was described to the House by the Minister of Finance last Thursday would be irresponsible and would have earned the scorn of the Canadian public. First and foremost, that situation to which I refer is the mounting public debt, flowing from a national deficit that has skyrocketed in the last two decades. Without action, the deficit this year would have been over $38 billion and next year over $40 billion. The debt is not a myth. Nor is the debt a fictitious monster or, for that matter, as some in the Opposition might want us to believe, is it a benign giant. The debt is a burden. It is a burden which is real, a burden which is heavy, and a burden which will affect decisions made both in the House and by Canadians as individuals. The debt will not go away by wishing it to do so. Without determination to arrest the debt, sooner or later it would lead to the paralysis of the Government of Canada. Being the Minister responsible for the Department which consumes roughly a quarter of the federal budget, I see first-hand on a day by day basis the costs of our social infrastructure, and I am inclined to believe that the paralysis would come sooner rather than later.

• (1140)

Let me put it into an even clearer perspective, from the point of view of the Department. At the present time the cost of the debt to Canadians is approximately $22 billion on an annual basis. The total cost of health care to the provinces and the federal Government is approximately $22 billion. Thus today we are spending as much to service the debt as Canadians across the country spend for health care. Anyone with a bit of understanding, regardless of his or her partisanship, will have to come to the quick conclusion that that loss of money, money which does not buy a new service, brings into jeopardy the very services we want to maintain. Or, to put it another way, the $22 billion of debt is roughly equal to federal government, federal taxpayer, expenditures for the federal share of health care costs and pensions combined. We as Canadians spend about the same amount on the debt today as we do on the federal share of health care and pensions.

If we could reduce the cost of that debt by 25 per cent, we as the federal Government, as federal taxpayers, would have 50 per cent more money for health care, or we would have 50 per cent more money than we are spending now on pensions, or a combination thereof, obviously. When people talk to me about the Budget not having a social policy component, I say they are wrong. The fact is that to retain social policy we have to create wealth and, if we do not have wealth or if we do not create wealth, we cannot have a sustained social policy. If Hon. Members opposite do not believe that, all they have to do is to take a look at some of their neighbours in the international community to make that point.

Being a Member from the Province of Manitoba, a province which is dependent to some degree on transfer payments, I realize that it is also important from that perspective to understand that debt costs are losses to those provinces and citizens as well.

I should like to make another argument. There are those who say that we should raise the deficit and create employment. I ask them a simple question. We now have a very high deficit. I have shown the cost of the debt. If that is the case, and if that system works, why do we still have 1.4 million Canadians unemployed? Surely, as Hon. Members return to

their ridings, as I did this weekend—and I had a number of meetings with senior citizens, business people, farmers—

Mr. Boudria: What did they think?

Mr. Epp (Provencher): I will tell the Hon. Member, because he loves to speak from the seat of his pants. What they were saying—and they were understanding it—was that we could not sustain those kinds of debt charges and still maintain the services they wanted to see maintained. Another point they made was that they were pleased as farmers and as small business people that pools of capital which they had earned would stay in their hands as a result of the capital gains changes. What will they do with that capital? They will invest it in their farms and on Main Street, Canada.

What I am saying to Hon. Members opposite, to everyone, is that when they look at job creation and at social policy, they should start relying on their neighbours and their vision of their communities. They should start relying on the ability of their friends and neighbours to invest in their communities so that they can create infrastructure and jobs for their children. They should start relying on their friends, not always think that Government will do better for communities than their friends and neighbours can do.

For too long, I believe, economic policy and social policy have been treated in isolation. I believe the Canadian public knows more than we in the House give them credit for knowing. Action was needed to restore fiscal integrity to our national affairs. Canadians are not prepared to see a greater and greater percentage of our finances devoted to carrying interest charges on the national debt when our social services and hospitals are choked for funds, yet that is exactly what was threatened. The public will not tolerate the continued reality of waste and efficiency in public expenditure at the expense of flexibility to meet new social needs or to seize new economic opportunities. In the vital challenge of creating new jobs, Canadians increasingly want priority placed on effective and permanent solutions, not short-term band-aids. These national objectives—security of our social programs, flexibility to meet new needs, and lasting solutions to the unemployment crisis—are addressed by the Budget.

The Budget involves certain adjustments—adjustments to promote private sector job creation, adjustments to reform employer-sponsored pension plans to assist Canadians in their retirement income planning, and adjustments to a new competitive economic environment in which the realities of markets make it easier to help workers adapt to new employment than to subsidize a failed industry. If we had not made those hard choices now, we would have had to make even harder choices down the road. In the face of that reality it would have been irresponsible—and I suggest to the House heartless—to put off the inevitable.

It would be inaccurate in the extreme to portray this Budget, as those in the Opposition have tried to do, as a bad news Budget. About 185,000 disabled persons, for example, will benefit from a new definition of disability for the purposes of the Income Tax Act. Many Canadians suffering from disabling conditions, who are presently neither blind nor confined to a bed or to a wheelchair, do not have access to this deduction from taxable income. The new definition to be administered by experts in the Department will improve the situation for these Canadians. In this action the Government has responded to the Special Parliamentary Committee on the Disabled and the Handicapped by promoting the role of independent living.

Other speakers in this debate may well refer to the assistance to artists contained in the Budget. Tax changes affecting artists recognize their unique professional circumstances and seek to make it easier to donate works of art to public charities and to write off the costs of their inventories.

The voluntary community which forms part of the experience of every Member of the House will benefit from two changes to the treatment of their tax affairs. It will now be easier to donate gifts of intangible capital property to charities, and the Budget clarified the right of charitable organizations to engage in non-partisan political activity.

Members also know that while preserving the principle of universality, as we said we would do, the structure of the child benefits system has been made more progressive. The new structure provides a better basis for changes that any future Parliament may wish to make in response to the evolving needs and circumstances.

• (1150)

More than with any of these advances in social policy contained in the Budget, I am pleased by the reforms to the pension system announced by my colleague, the Minister of Finance. I take this opportunity to stress again that the Government is not closing the doors on pension reform with these announced changes to the Pension Benefits Standards Act. Rather, reforms to the Canada Pension Plan, including the proposal of a home-makers' pension, remain the firm commitment of the Government. The Minister of Finance has already had some discussions with the provinces in this area. We will each be pursuing this discussion with our provincial colleagues in the months to come.

In the meantime, these improvements to minimum pension standards for private pension plans under federal jurisdiction should be given recognition for what they are, that is, major improvements in the rules for vesting, portability and survival benefits. We expect these improvements to be of major benefit to Canadian women who in the past have not been able to participate in full numbers in these plans.

Access to pension plans for part-time workers will be provided. Generally more workers will have the opportunity to join private pension plans, and their participation in the management of their pension funds will be recognized as a right. Equal pensions for men and women retiring under identical circumstances will also be provided. Greater flexibility for workers taking early retirement will now be possible. Vesting and portability changes, as well as improvements to survivor benefits, are among the changes that will be especially satisfactory to Canadian women. The equality of women is further

recognized by the provision of splitting up pension benefits between spouses in the event of marriage breakdown.

These elements of pension reform are important not only because they improve equity and solidify the rights of workers now in pension plans, but also because they provide greater access among the workforce, especially women, to private pension plans. A great deal is left to be done in the reform of the Canada Pension Plan, but this Government believes that more Canadians will be able to contemplate a secure and rewarding retirement if they have planned previously in their working life for their retirement. These pensions reforms are a step in the direction of providing many more Canadians with the means to enjoy a secure old age with dignity.

We are acutely aware of the circumstances of older Canadians who are dependent to a greater degree on the public pension system. The decision not to modify indexation for the Guaranteed Income Supplement and veterans assistance was taken with this greater dependence in mind. I want to assure Canadians that the Government will be looking very carefully at the circumstances of these Canadians. We will monitor the adequacy of these payments and, as resources permit, they will be enriched.

This Budget asks Canadians to be realistic about the future. Everyone is asked to contribute to the restoration of sanity to our national finances. Tax increases have been contemplated as a last resort, and only because they were demanded in the circumstances in which the Government found itself. The Government has attempted, and I believe has been successful, to spread the burden of recovery as widely as possible. Business, especially the small business sector, is asked to play its part in the creation of thousands of new jobs. The stimulus given to our small businesses will enable them to grow and expand. I have no doubt that small business owners across the country, both in the commercial and in the agricultural field, will be equal to the challenge.

Governments are asked to play their part in the management of their affairs, to ensure efficiency and show leadership by example. Not least, Governments must work together, especially in the design and implementation of the new labour market strategy. The resources devoted to these training and employment programs will go farther than any previous program because of federal-provincial harmonization, local initiative and the use of the private sector as the driving force.

The Budget draws on the lessons of our history to chart a new course for the future. Canada was built on the vision and initiative of men and women who work not just for themselves, but for their children and for their communities. It would be nothing less than tragic to accept the situation of spiralling deficits that condemned our children to paying a debt they did not incur and ate away at the social infrastructure that is at the very heart of our community commitment.

Canadians elected a Government last September to show realism and compassion, blended together. No blend can be perfect. The value of this Budget is that it comes to grips with the reality of the situation and does so in a way that is fair. That is the best, the only guarantee of social security.

I say to Hon. Members that this Budget is a direct reflection of what Canadians asked us to do on September 4. I have been listening to Canadians over the last number of days since the Budget. They believe this is a response that is fair. I have been in the House for a few years. I know the immediate response to other Budgets. Other than the naysayers across the way, who already had their lines written before the Budget was even read, having already made up their mind, what is important is that Canadians wanted this direction. Canadians believe in the country. Canadians believe in their ability to invest. Canadians believe in the future. They know that future for them and for their children is best guaranteed when they have a Government that is respectful of the taxpayers' dollar and gives those Canadians the tax room and the ability to invest and develop that future. As that takes place, all of us will benefit.

Mr. Nunziata: Mr. Speaker, in his comments the Minister stated that the Budget represents advances in social policy. He referred to senior citizens and said that this will enable senior citizens to proceed through old age with dignity. He went on to say that the Budget is a direct response to what Canadians asked them to do on September 4.

Did the Minister tell Canadians, specifically senior citizens, during the election campaign that he intended to cut their pensions? Did he or his Party tell them during that election campaign that no longer would senior citizens of this country be protected against inflation? I say that the Conservative Party did not tell the Canadian people that.

I would further like to ask the Minister whom he consulted. Which senior citizens did he consult with before deciding to de-index or partially de-index the Old Age Security? Did he speak to Harold Ballard or the blue rinse set on Bay Street? He certainly did not speak to the senior citizens in York South-Weston.

Does the Minister agree with the Minister of Finance (Mr. Wilson), who is quoted in *The Toronto Star* yesterday as saying that the senior citizens of this country are prepared to sacrifice in order to reduce the deficit, or does he agree with me and the Liberal Party when we say that the senior citizens of this country have sacrificed long enough and hard enough over the years? They have sacrificed for the benefit of Canadians. They have worked long and hard. They have fought in world wars and have struggled to make Canada a better place in which to live.

Why is the Minister and his Government showing complete disregard for senior citizens and plunging a great many of them into poverty because of their insensitivity by de-indexing the Old Age Security? Does that indicate caring on behalf of the Government, or does it indicate an insensitivity toward the senior citizens of this country and a disrespect for everything they have worked for and fought for?

In conclusion, where is social justice? Where is fairness when you attack the very heart of this nation? You pierce the very heart of a nation when you attack the senior citizens.

Mr. Epp (Provencher): Mr. Speaker, I will try to address those questions, not necessarily in sequence because a number of them were repeated.

• (1200)

First, senior citizens have sacrificed. That is why the Hon. Member and I enjoy the standard of living that we now enjoy. However, no one understands debt better than senior citizens.

Mr. Nunziata: Because they have their own.

Mr. Epp (Provencher): I listened to you. Perhaps you could give me the same courtesy.

Senior citizens understand better than anyone else that debt has to be repaid. They also understand that if debt becomes too large, the very cost of that debt reduces the flexibility and ability to have programs which are wanted. It reduces the ability to expand businesses or farms. It reduces the ability to own homes and educate children. The list is endless. Senior citizens understand that.

By the way, the Hon. Member should be careful when he begins to draw the kind of picture he is trying to draw. I can take him back to 1976 if he wants to talk about the record of the Liberal Government. I will leave it at that. I can talk to him about the six and five program which was implemented when inflation was running at 13 per cent. Governments of the past had to look at those circumstances.

I hope the Hon. Member understands what I am saying to senior citizens. It is that—

Mr. Boudria: Sacred trust.

Mr. Epp (Provencher): Yes, the sacred trust of universality has been maintained. Liberals knocked on doors campaign after campaign as did the NDP, saying, "Don't vote for the Conservative Party because it will remove pensions".

Mr. Boudria: And we were right.

Mr. Epp (Provencher): We have not done away with the pensions. Universality has been maintained. Full indexing has been maintained on the GIS. Full indexing has been maintained on the veterans' pension. Partial indexing has been maintained on the OAS.

Again, I do not think the Hon. Member was listening. If he had listened to my comments or to the Minister of Finance (Mr. Wilson) who said that we would monitor the situation closely—

Mr. Boudria: So we are monitoring.

Mr. Epp (Provencher): That is right. Do not waste all your breath because you might have to walk over your backside again. Be very careful about what you say.

I am saying this about senior citizens because I have talked to them. Of course senior citizens would like to see an economy in which pensions could be expanded. However, they also know that the best way to have those pensions expanded is to get the deficit under control and to create wealth. Hon. Members opposite have the idea that wealth has no relationship to the ability to provide social programs.

Yes, consultation took place. Yes, senior citizens understand that. Senior citizens do not want the debt to become so large and the cost of servicing the debt so great that their children and grandchildren will be forced to pay such a large portion of their incomes that they will not have the potential to buy their own homes and give educational opportunities to their children. All senior citizens understand that in order to have that kind of security, we must get our economic house in order.

The people who should stand condemned are Hon. Members opposite. Hon. Members opposite stand condemned because in 1968, the accumulated national debt was $17 billion. Today the national debt, after the Liberal legacy, is $180 billion. That is why the cost is so high today.

Mr. Cassidy: Mr. Speaker, among other things, I would point out to the Hon. Minister that one of the side effects of the Budget has been to disadvantage in a small way people who are blind. They will now have to pay sales taxes on dog food for their guide dogs. That is the level to which this Government is sinking. I would say to the Minister that I hope we will see that changed.

The main point I would like to make is that the $225 million that will be taken from senior citizens next year will not go to the reduction of the deficit. Not a nickel of that money will go to reduce the deficit because the Government is taking $225 million from seniors through indexing but is giving $300 million to the upper 10 per cent of taxpayers through the capital gains tax exemptions. In 1986, it will take $450 million from seniors, a group that is poor, and give $600 million through capital gains tax exemptions to a group that is extremely well off. That will go on year after year.

The speech made by the Minister was a disappointing one from a Minister of National Health and Welfare and from a man who has been known in the past to be compassionate and caring about ordinary Canadians. How is it fair to take so much from senior citizens on a pretence which is fraudulent in order to give money to the people who are receiving the benefit of the capital gains tax exemption? How can the Minister justify that inequity?

Mr. Epp (Provencher): Mr. Speaker, first I would like to say to the Hon. Member that the approach he is taking is a traditional NDP approach. Members of the NDP try to create a class struggle as if there were a class war. The Hon. Member is only talking about the upper 10 per cent of income earners. If he were to look at the situation of the average blue-collar worker in the United States, he would find that because of the tax incentives there, a very high percentage of blue-collar workers have invested in industry and are stockholders. They have invested because they have got some advantage from the very economic base of investment, risk taking and return on risk taking. That is one of the problems here in Canada. The present tax structure allows only those in the corporate sector to have those advantages. Because of the new capital gains tax

system, ordinary people who work for a wage can invest in stocks. The Hon. Member should not be so imprisoned by his own position. He should open his eyes a little bit.

Mr. Cassidy: You are taking from the poor to give to the rich.

Mr. Epp (Provencher): Just listen. I listened to you. Members of the NDP always argue that they are the ultimate Canadian nationalists. What better way to have investment by Canadians in the Canadian economy than by having average workers who work on salary invest and take some of those advantages?

Mr. Cassidy: Half a million dollars?

Mr. Epp (Provencher): Just a moment. Did you not listen in Queen's Park? Are you trying to bring the same attitude here?

The third point I would like to make is that if the Hon. Member were to look at the social policy envelope and the expenditures, for instance, on the spousal allowance for widows and widowers, something which I hope his Party will begin to support, he would see that the cost of that program is greater than the figures he gave as being those which are being withheld by the partial de-indexing. If he were to take a look at his figures very carefully, he would see that the arguments he makes do not hold water.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am quite pleased to participate in this debate.

Some Hon. Members: Oh, oh!

Mr. Boudria: I see that Conservative Members have already started to heckle me. I wish that they would listen to the advice given by the Minister who said to listen when other Members are speaking.

After listening to the "Minister of social injustice", I can understand why it is that Disraeli once said that a Conservative Government is an organized hypocrisy. It is now fairly easy to understand why he would have said that.

The Government said that its Budget would be tough but fair. What is so fair about consulting with the rich for a year and taxing the poor immediately? Perhaps the Minister of National Health and Welfare (Mr. Epp) could answer that question later if he is given the opportunity. I would ask him what is fair about that kind of system.

If you think for one moment, Mr. Speaker, that I am being partisan—

Some Hon. Members: No!

Mr. Boudria: I knew some Conservative Members would never think that.

Mr. Blenkarn: You're not even sensible, let alone partisan.

Mr. Boudria: Let us listen to what the press has to say about this Budget. Here are a few headlines: "Mike's gambling your money . . .", "Middle-class bears budget brunt", "Tory budget is enormous gamble". Other headlines read: "Those little treats—candy, pop, booze and cigarettes—they'll all cost more", "Family with $30,000 income faces $400 increase in taxes", "Tories ignore election promise to put housewives in pension plan". The headlines continue: "Give and take", "Home-ownership plans cut as tax shelters", "Budget zaps Canadians for $1B extra income tax in 1986", "15,000 PS jobs to be cut over 5 years", "Half-billion in cuts hits all regions, every department", and "Many rich people untouched by budget".

• (1210)

Mr. Blenkarn: Great.

Mr. Boudria: Is that great? I am sure the Member opposite thinks that is great because it is Tory policy not to touch the rich but to attack the poor.

There are more headlines. They read: "Rich helped at expense of average Canadians . . ."; "'Jobs, jobs, jobs' cry becomes 'tax, tax, tax' "; "Despite jobs promise, Wilson cuts $78M from training programs"; "Transfer payment reductions will cost provinces $2 billion". Those are newspaper headlines concerning the horrible Budget which was presented by the Government of Canada.

In questioning the people of my constituency, which I do very frequently—

Mr. Clifford: What kind of questions?

Mr. Boudria: Well, I would like to tell the Hon. Member opposite that I won with the largest Liberal majority in Canada. If he is questioning what kind of communication I have with my constituents, perhaps he should remember that. If Tories do not respect anything else, at least they should respect democracy.

I asked my constituents the following question: "Do you feel that the Government should create employment for the youth and chronically unemployed even if it means increasing the deficit?" Of the 1,600 people who replied to the questionnaire, 69 per cent said yes. The Government's obsession with the deficit should take into consideration the wish of the people. If the program which the Government has is so great, why was it not promised during the election campaign? There were 338 Tory promises. We all had to listen to the orgy of promises during the election campaign. The Conservatives promised everything to everyone.

I heard the "Minister of social injustice", the Minister of National Health and Welfare, speak about the sacred trust of the Conservative Party. The sacred trust dealt with pensions, among other things. I would like to remind the House of a few Conservative campaign promises.

Concerning senior citizens, the Conservatives promised that they would reinstate complete indexation of old age pensions to the actual cost of living as of January 1, 1985. That was a so-called sacred trust. What happened to it? I want Tory Members to tell the people of Canada that they have decided that the promises of last August are no longer valid. Forget

about the hypocrisy. Let those Members stand and say that they have deliberately broken the promises and have misled the people of Canada, if that is the position of the Conservative Party. But Conservative Members will not say that. The Government does not have the intestinal fortitude to be forthright with the people of Canada.

The Member for Simcoe North (Mr. Lewis) a short while ago made certain remarks about workers in the national capital area. Those comments were extremely uncalled for. The people of that community, like any others, have the right to earn a decent living. I am sure the Hon. Member for Ottawa-Carleton (Mr. Turner) and the Hon. Member for Ottawa West (Mr. Daubney) will want to dissociate themselves from those remarks.

I would like to speak about job creation programs.

[*Translation*]

I am sure the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) who I notice is at her place in the House, would have liked the government to act, for instance, to expedite the construction of a bridge between Hawkesbury and Grenville. I am sure and I know for a fact that she would have appreciated capital investments of this kind which would have meant new job opportunities in both our ridings. I know also that the Hon. Member would have been grateful for a necessary replacement of the connecting structure between our two provinces. And I know that she is as disappointed as I am that this government has decided not to fund any direct job creating scheme, which is unfair.

[*English*]

I would like to speak briefly about agriculture. The Government has decided to cut $50 million from agriculture programs. The Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) and I have listened to discussions in committee dealing with the state of farm finances in Canada. He knows, as I do, that the farmers of Canada cannot afford to pay one cent more, let alone $50 million. If he believes the farmers can pay more, let him stand and say that the farmers are too rich and can afford a $50-million cut. However, I do not believe he feels that. He knows that the farmers of the country cannot afford the Budget which was brought down. Farmers cannot afford the fact that the promises which dealt with Section 31 of the Income Tax Act were not respected. Farmers cannot afford not to have the agri-bond program which the Conservative Party and the Liberal Party promised during the election campaign. Members of the Standing Committee on Finance, Trade and Economic Affairs listened to witnesses for weeks, and subsequently recommended in favour of that measure. Last Friday, one Conservative Member asked why those agricultural programs had not been adopted. However, the Minister of Finance (Mr. Wilson) had no reply.

This Budget resembles the Miller Budget of 1982. We all recall what that Budget did in the Province of Ontario. We all know that that Budget was largely responsible for the Conservative Party's electoral defeat in 1985. For the same reason, the Budget which was brought down last Thursday will be the beginning of the end of the Conservative Party at the federal level.

I would like to speak briefly about consultation. The Government told us that it consulted. I do not know one of my constituents who was consulted before gas prices increased two cents a litre. Neither do I know of a constituent who was consulted before the federal excise tax jumped 1 per cent. If Members across know of constituents who were consulted, they should name them. People at the lower end of the economic scale have to buy soap and other consumer goods. Those people will have to pay more than their fair share of that increase. It is unfair. There was no consultation. To claim otherwise is simply not true. With whom did the Tories consult? They consulted with the rich. There will not be a minimum tax for Canadians until a full consultation process is held. There will not be a different corporate taxation policy until consultation is held. Why is it that the Government does not consult with the people at the lower end of the economic scale before it viciously attacks their wallets? We are now finding out of what this Government is truly made. The promises of last September were simply empty rhetoric. It is becoming more and more obvious to all Canadians that it is a true saying that "Tory times are tough times for Canada".

• (1220)

I would like to talk briefly about the capital gains tax. All members of the Standing Committee on Agriculture were agreeable because we said unanimously that there should be no capital gains tax on farm land.

An Hon. Member: That's right.

Mr. Boudria: I am glad to see Hon. Members opposite agree. But why are we exempting from capital gains tax someone who sells his yacht, his Rembrandt or his condominium in Florida at the same time as we are cutting $50 million from the budget of agriculture? Are those members of the Committee on Agriculture agreeing that we should take money away from the farmers and give it to people who are selling their condos in Florida, Mr. Speaker? I don't hear any Hon. Member saying yes to that. Yet that is what the Minister of Finance is doing. That is the action he is perpetrating on the farmers in the constituency I represent, and in many other constituencies across this country.

Mr. Malone: Speak louder. No one can hear you.

Mr. Boudria: The Hon. Member for Crowfoot (Mr. Malone) seems to have a contribution to make to this debate. He can rise later and tell the farmers of his riding that this Budget is good for them. Let the Hon. Member stand and say that, if that is his view. But that Hon. Member will likely do as many others. He will sit and remain silent except for the odd heckle when we wake him up or he will read the prepared text which someone from the Department of Finance has written for him. I tell you, Mr. Speaker, if that is the limit of the contribution from members of the Conservative Party, we might as well forget about their speeches.

I see that the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) is here. No doubt he rushed to the House immediately when he heard what his colleague had to say about the public servants in the national capital area. I am sure it will not take too long before he goes over to his colleague and tells him what he really thinks, and I want the Hon. Member for Lanark-Renfrew-Carleton to know that we are 100 per cent behind him when he chastises the Hon. Member for Simcoe North for the remarks he made about the public servants in the national capital area.

Mr. Dick: We on our side allow free opinions.

Mr. Boudria: The Hon. Member for Lanark-Renfrew-Carleton tells us that free speech is allowed in his Party. I would like to ask him, Mr. Speaker, since when? Whenever we have heard a dissenting voice from that Party, there is usually a knife stuck in the back of whoever is speaking.

Some Hon. Members: Oh, oh!

Mr. Boudria: That is the legacy of the Conservative Party. Our young people, our farmers, the unemployed and the elderly suffered a very severe blow last Thursday when this Budget was inflicted upon them.

Mr. Crosbie: You are crying crocodile tears. Which half of Laurel and Hardy are you?

Mr. Boudria: The Hon. Member opposite who is heckling at this particular point, no doubt has senior citizens in his riding, as I have myself, who are not all that wealthy.

Mr. Crosbie: They love me.

Mr. Boudria: No doubt if those senior citizens did love him before, they don't think too highly of him after this Budget. I am happy that he is no longer the Minister of Finance, Mr. Speaker, because perhaps the Budget would have been worse, heaven forbid. We all remember what happened to the last Budget which was presented by the Hon. Member for St. John's West (Mr. Crosbie). Of course, it was a disaster, as was stated so correctly by the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Crosbie: We wouldn't need this Budget if the last one hadn't been tampered with. It's the greatest Budget of the 20th century.

Mr. Boudria: There are 39,000 young farmers, Mr. Speaker, who are deeply in debt and who were looking forward to assistance from this Government. I can tell you, Mr. Speaker, that the small business people, the farmers and other people of my riding were anxiously awaiting this Budget. They were expecting that we would see programs for direct job creation such as, for instance, the NEED Program which was brought in by the previous Liberal administration. That was a program which was very useful in expanding facilities and for job-creation both in the public and in the private sector. If this Government, because of its narrow way of viewing things, had chosen to place only those kinds of programs in the private sector, so be it. At least they could have done something to assist the people of Canada. But what this Government has decided is that it is not interventionist. It will wash its hands of everything, sit back, perhaps say a little prayer, and hope that everything will solve itself. Again, Mr. Speaker, I remind you of the promises made by this Government. This Government should have promised last summer only one thing, "Vote for us and we'll do absolutely nothing". They could have kept that promise. But that is not what it did. It made 338 promises—

Mr. Malone: Hear, hear!

Mr. Boudria: —but it did not promise that if the people voted for it it would do nothing. The Hon. Member cheers while his Government and his Minister of Finance is doing just that, nothing, instead of helping out the unemployed and the socially disadvantaged people of this country.

Mr. McDermid: Oh, oh!

Mr. Boudria: I hear the Hon. Member for Brampton-Georgetown (Mr. McDermid). I cannot blame him for being nervous now that his riding at the provincial level has been lost to the Liberals, as will likely happen federally in the next federal election, Mr. Speaker.

Mr. Nunziata: No doubt about it.

Mr. Boudria: I do not blame the Hon. Member for Brampton-Georgetown for being nervous because if I was a member of the Conservative Party trying to defend this Budget I would probably be as nervous as he is. Of course, I do not have to worry about that because happiness is never having to say you are a Tory, and I will likely never have to say that.

Mr. McDermid: We don't want you to have to say that either. We wouldn't accept you.

Mr. Boudria: This Budget is all about give and take. The people of Canada give, and these Tories take.

Mr. Blenkarn: Mr. Speaker, I was just wondering what happened to the Hon. Member. He was on the Committee on Finance dealing with tax issues and agriculture. He will recall that the recommendation of that committee was the complete abolition of capital gains tax for everybody.

Mr. Boudria: That's not true.

Mr. Blenkarn: The second recommendation was an allowance of $400,000 to farmers against capital gains. But the committee report, to which the Hon. Member was a party, in the preparation of which he heard evidence and which he approved and voted for, recommended the complete abolition of capital gains tax. But today in the House he says what a terrible thing that is. He has a limited memory. He really does not understand what he is saying. He has been given new lines. Talk about a conversion! One day it is good for the farmers. Another day it is bad for the farmers. One day it is good for

business, and another day it is bad for business. It all depends on what the Liberal Party wants to say at the time.

Perhaps the Hon. Member can explain to us how he manages to change his tune so frequently.

Mr. Boudria: Mr. Speaker, I would love to respond to the Hon. Member's question. I can say that I understand the Hon. Member's convoluted sense of logic. It is undoubtedly caused by the embarrassment he feels in trying to justify his objection to this Budget. I do not blame the Hon. Member for acting like that, but he will recover, perhaps after the next electoral defeat of his Party.

The Hon. Member knows better, Mr. Speaker, he being the chairman of that committee. He will recall that what the committee asked for was that capital gains tax be abolished on farm land.

Mr. Blenkarn: On everything.

Mr. Boudria: On farm land. The Hon. Member will know that that is the case.

Mr. Blenkarn: You read the report that you voted for.

Mr. Boudria: No one in his right mind, Mr. Speaker, would want a condominium in Florida to be sold without paying capital gains tax at the same time as we are taxing the poor—

Mr. Nunziata: And the senior citizens.

Mr. Boudria: —to pay for the extravagance of this Conservative Government. The Hon. Member opposite should know better than that, but he must have forgotten about the report and about the fact that he himself chaired the committee at the time this was discussed. What we asked for was that there should be no capital gains tax at all on the sale of farm land which was to remain in agriculture, and that if the Minister of Finance could not possibly deliver on that, the second best alternative would be to remove the capital gains tax on the first accumulation of $400,000—I remember that because I added the word "accumulation" myself—on the sale of farm land which was to remain in agriculture. I know, because we had considerable discussion about how one would determine how land would be retained for agricultural purposes as opposed to some other use. We decided at that point in committee that the Government could find a way to achieve that. But I distinctly remember it was a case of farm land being used for agricultural purposes.

• (1230)

Mr. Blenkarn: Your memory is weak.

Mr. Boudria: At the same time the farmers of this country have their budgetary allocation reduced by $50 million so that this Government can give tax breaks to the rich. That is not what the people of my riding want and that is not what the farmers of my riding want, and neither do the farmers anywhere else in Canada. They are looking for meaningful assistance and they are looking for the Government to fulfil its campaign promises. If the Government could not live with those promises, it was its duty not to make them in the first place.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Argenteuil-Papineau (Mrs. Bourgault).

Mrs. Bourgault: Mr. Speaker, I am happy to reply briefly to my friend from Glengarry-Prescott-Russell (Mr. Boudria) because, as you will be aware, our constituencies are joined by a bridge.

Mr. Speaker, the Hon. Member seems to forget that last September 4, the Canadian people elected a Progressive Conservative Government and were therefore expecting a Progressive Conservative Budget. I also want to remind him of an important concept in the Parliamentary process. As a former British Prime Minister said, I do not understand why it is that, in a democratic parliamentary institution, Opposition Members always say no to the Government and Government Members say yes all the time, even though their conscience would sometimes allow them to say no.

Today, Mr. Speaker, what I want to tell my hon. friend is that I took part in a radio show in Hawkesbury last Saturday and that I received phone calls from his own constituents, farmers and small businessmen, who thought our Budget was great. Strange enough, Mr. Speaker, we represent neighbouring constituencies, but my hon. friend says one thing and the people who call me say the opposite. My hon. friend, you should go on a radio show in Hawkesbury. What you are saying today might not be the same as what you would hear.

I would like to ask him something. He said, for instance, that the Budget did not mention the Hawkesbury-Grenville bridge. As this bridge, which is administered and maintained by the Federal Government, joins two provinces, we should perhaps find out what Quebec and Ontario want to do. The Hon. Member says that there has already been some talk of consultation and cooperation, which is the way to help our constituents. In any case, I think that what the Hon. Member for Glengarry-Prescott-Russell wants to do is to put together a householder this thick to say that they are against the Government only for the sake of opposing. I warn him to watch his words because our ridings are adjacent and I assure you that what I hear is quite different. You should read the editorial of Jean-Louis Roy in this morning's *Le Devoir*, which is self-explanatory. You should read it. It is interesting and would answer your questions. In any case, I simply wanted to say that we do not hear the same version of the facts, even though there is only a bridge between us. Go on the radio in Hawkesbury and you will hear another side of the story.

Mr. Boudria: Thank you, Mr. Speaker. I am quite aware of the fact that Mr. Roy writes editorials for *Le Devoir*. I can confirm the fact, it is true indeed. Still I would like to tell my

colleague the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) that it may be true that the Conservative Government had every right to present a conservative Budget, but what really matters is that the Government was committed to follow up on its promises to the electorate. If the Hon. Member opposite feels that her Government should now forget all about those promises, I would have expected her to rise and tell the House that the Conservative Government no longer has to honour its commitments, if that is what she thinks. But she did not say that. What I hear, Mr. Speaker, is that the Government has every intention of keeping its promises—but it simply does not do so. That is why I said earlier that the Government, not the Hon. Member, is hypocritical. I know she is very honest with her constituents and that she will hurry back to her riding to speak the truth to the people of Argenteuil-Papineau and tell them that the Budget is a disaster. I am sure she will do that next weekend.

Now, Mr. Speaker, if the Glengarry-Prescott-Russell Conservative association president phoned her on the air last Saturday, all the more power to her. I want her to know that the Conservative association president is free to phone whomever he likes. But if the Hon. Member were to take a public opinion poll. I wish she would call upon the Prescott-Russell union of social welfare recipients and try to convince them that it is a good Budget. Mr. Speaker, she would do well to put on a football helmet before praising the Budget in front of those social welfare recipients because it has not been such a big hit, particularly with older people in my riding.

Mr. Speaker, I am sure the Hon. Member for Argenteuil-Papineau knows her files and her riding, but she ought to realize that the only person in my riding who could have called her to rave about the Budget is the president of the Conservative association. If she wants his number, Mr. Speaker, I can give it to her so she might call him back and again sing the praises of the Budget. I see nothing wrong with that and the Conservatives are quite free to talk to one another over the air.

[*English*]

Mr. Cassidy: Mr. Speaker, I realize time is limited and I certainly have respect for the new Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), but he has charged the new Government with organized hypocrisy. While I have no problems with that charge, I would like to ask him this. If it is true, as it certainly is, that the old Government took money out of pensioners' pockets through its six and five program, and if that Government had programs to put money into the pockets of the rich through RRSPs, RHOSPs and MURBs, along with other tax concessions, how was the old Government any less hypocritical than the new Government?

Mr. Boudria: Mr. Speaker, I am glad that the former leader of the Ontario NDP and the new Hon. Member for Ottawa Centre (Mr. Cassidy) asked me this question about how our Party established social programs. I am glad to have the opportunity to tell him that all the social programs we have, or most of them, were established by Liberal Governments of the past.

Mr. Nunziata: And we are proud of them.

Mr. Boudria: I know that he would want to take this occasion to congratulate the Liberals, and I accept that message of congratulation.

Ms. Mitchell: But we pushed you into them.

Mr. Boudria: As to the RHOSPs, I did not know that the NDP was against that program. Perhaps that is a new policy for it, but as far as I as a Liberal am concerned, a program which encourages young families to put money aside in order to put a large payment down on a new house is a very good program, one that our Party is very proud of. If the NDP is now against that kind of program to assist young people, so be it, but I maintain that RHOSPs were a very good program for the young people of Canada and that this Government has made a terrible mistake in cancelling RHOSPs.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate this opportunity to address a few remarks to the subject of the Budget. This past weekend I convened two public meetings, one in Orillia at nine o'clock in the morning and one in Midland at two o'clock in the afternoon. There was good attendance and a great deal of interest in the Budget we brought down. I am pleased to tell the House that there has been general acceptance of the Budget and that the people of Simcoe North realize that over the past few years the Liberals had spent us into oblivion. They realized that there was a desperate situation which had to be addressed by all walks of life. The people of Simcoe North were pleased to be part of the solution to the problem rather than having to watch the problem occur as they did in the past.

• (1240)

There is no question that this Budget is a break with the past. If higher deficits could have created jobs, there would have been many jobs created in the country. However, we have seen higher deficits and a climbing unemployment rate under the Liberal Government. This is a break with the past. It is an opportunity for Canadians to address the deficit and to create a climate which will encourage the creation of jobs. As a result of this Budget, the estimated deficit for 1985-86 will be reduced by $4.4 billion. That is actually the third step that we took to bring our fiscal house into order.

Step one was taken last November when we brought in the expenditure reduction program. We said that the Government could cut back on what it was spending. We said that we intended to examine our expenditures in order to give Canadian taxpayers the best value for their dollar. That was universally accepted by Canadians. As a result, the investment community, our trading partners, and the international monetary community all applauded our efforts as a Government to bring our fiscal house into order.

Step two was taken last February when we introduced Estimates for our spending and borrowing, which were exactly as we said we would spend in November. Having been a Member of the House for the past six years I can assure you, Mr. Speaker, that the Liberals used to bring in one set of figures which escalated by the time you saw them again. Our figures were the same in February as they were in November.

It is apparent to every Canadian that we will not reduce the deficit in one fell swoop. We need a planned program which can be defended step by step. That is what we are doing. We have terminated programs and projects. Over the course of the next few years we intend to reduce the number of public servants through attrition. It is important to focus on the word "attrition". We intend to examine the number of people employed by the Government and the projects in which they are employed. As people retire or resign, we will replace them with fewer people. We intend to give the Canadian people a more effective and efficient Government.

We are examining Crown corporations. We are asking whether each Crown corporation fulfils the mandate which it was given when it was created. We are asking whether there is a reason, for public policy purposes, to keep that Crown corporation and whether it is operating as efficiently as it should. That is the method through which we are attacking the deficit. We have a targeted reduction which we intend to meet over a series of years to keep faith with the Canadian people and reduce the deficit.

Another issue which is addressed as part of the Budget is job creation. Job creation was a major platform of the Government. We promised "jobs, jobs, jobs". We promised to do it by creating a climate in which jobs could be created. We did not promise that bureaucrats would create jobs. That is not a function of the bureaucracy. Bureaucracy has a definite function in External Affairs and Supply and Services, but the creation of jobs is not a function of the bureaucracy. That should be done by private enterprise. The job of the Government is to encourage businesses to invest, research, innovate, and take a chance.

The small business people who came to see me on Saturday said that they like the capital gains tax exemption. It is not that they will make a lot of money from it. Every business person in Canada who has a chance to make a dollar, knowing that he will pay only 25 cents on it, will go out and make that dollar. They are doing it now. However, through the capital gains tax exemption we want to create the perception that they can make that money and produce the jobs.

I suggest in sincerity that members of the Opposition may be missing the point. It is not the rich people who are looking forward to the capital gains tax exemption. The small business people and their employees, the backbone of the country, are the ones who are looking forward to this tax exemption because they perceive themselves to be participating in that $500,000. The rich people will pay the 25 per cent tax. This tax exemption gives every Canadian employed by small business the chance to take a chance and have a return on his or her investment.

Prior to the Budget we did other things to stimulate job creation in the country. We reduced federal Government expenditures, as I indicated before. We introduced Investment Canada to encourage foreign investment. It is sad to see the Liberals and New Democrats fight a Bill which would create jobs in every riding in Canada.

We have had consultation in many areas. The Minister of State for Tourism (Mr. McMillan) was in my riding consulting on the tourism business. That is the first time a Minister of Tourism did anything other than go down to Cleveland to get his picture taken on a streetcar. That is what the last joker from the Liberal Party did. We know where he is now. The Government is serious about consulting and about the tourism business in Canada.

We have changed the approach and attitude of the Department of National Revenue. That will defeat the underground economy which says it does not have to pay taxes. We are changing the attitude of the Ministry of National Revenue, which was created, fostered, and promoted by the Liberals. It cracked down on decent people. The former Minister defended that attitude, and he is gone too. Those are the steps we took before the presentation of the Budget to promote fairness and equity and to create jobs.

The consultation on the Unemployment Insurance Act is part of "creating a climate". Through consultation we will tell the business community, labour, and the bureaucracy that the Unemployment Insurance Act is not working exactly in the way we want it to. There are improvements which can be made and we will test them through consultation. That, coupled with the fact that we promised not to increase pensions, is going to help create the climate in the business community that will create jobs.

We said that we would be tough but fair. We are introducing a minimum income tax on high income Canadians. Under a series of Liberal Governments the rich people were allowed to get away without paying tax. As of our January 1 implementation date we will ensure that fairness is returned to the income tax system. I would have thought that the "holier than thou" New Democrats might have joined us in this exercise. Instead, they do not know how to handle the fact that we brought in this minimum tax.

• (1250)

Mr. Parry: You haven't brought it in.

Mr. Lewis: I take it as meaning that Pierre Berton has got to the NDP and it is afraid to lose Pierre Berton's support.

Mr. Parry: That is nonsense, boring nonsense.

Mr. Lewis: What will you do when Pierre Berton, the ultimate socialist, says that he will no longer support the NDP if it supports that minimum tax on the rich? The NDP has abandoned its support of a minimum tax because Pierre said not to do it. When you are going to stop playing the tune that Pierre Berton dictates to the rest of you socialists?

I wanted to illustrate something for the socialists but the paper is in my briefcase—

Mr. Parry: We are not interested in your briefcase. Let us hear your views.

Mr. Lewis: A minimum tax cannot be implemented immediately.

Mr. Parry: That is all we have heard, briefcase talk.

Mr. Lewis: When you find out how to open one, I will show you what to put in it.

Some Hon. Members: Hear, hear!

Mr. Parry: When you can open your mind, I will show you what to put in it.

Mr. Lewis: You can interject any time.

Last Thursday, they sat in their seats, thunderstruck by the fairness of this Budget. When the Minister of Finance (Mr. Wilson) came to the point in his speech at which he introduced a minimum tax on banks, they were thunderstruck and there was silence once again. This suggests that once again the banks have got to the New Democrats. When will they stop supporting the banks and join us in taxing the banks and trust companies? We are shocked by the way the New Democrats have abandoned their principles.

This Budget takes action for which Canadians have been asking for years. We said that there should be changes to the Pension Benefits Standard Act. The people with whom I talked at a meeting last Saturday agreed with what we are trying to do because there are people in Canada who would gladly invest but do not know exactly how to do it. They said that through expanding the vehicle of the RRSP, Canadian workers and salaried employees will be given an oportunity to invest through the RRSP mechanism. They are in favour of that. I cannot understand why the NDP is against giving workers and salaried people an opportunity to invest in this country. What could be wrong with that? Why do they take that indefensible position? Why do they not trust ordinary Canadians who want to invest in this country? It is hard to understand that lack of trust from the NDP. Other measures in this Budget include eliminating the tax shelters that existed under the former Liberal Government.

We have attempted to return fairness and equity to a system which we all support and believe can bring this country to greatness. Under the Liberals, the tax system became a haven for the rich. The system was abused as a result of the New Democrats, who do not understand the system, propping up the Liberals.

We have attempted to explain that we are in a serious situation and that we are asking all parts of the country to participate in the solution. I think the argument on fairness is valid. I do not back away from that argument for a moment. The Opposition is right to call fairness into question because the purpose of this exercise is to question the entire package.

However, when the opposition Parties talk to Canadians about the Budget I caution them to remember that any budget is a package and must be considered as a packaged proposition. I caution the Opposition seriously to consider the Budget on that basis.

I talked to a number of Canadians over the weekend. A number of Canadians also talked to my executive and campaign committee, which met for two and a half hours on Sunday morning. It is the view of those people that we have brought down a Budget with which Canadians will agree.

With respect to the budgetary process, I believe it should be addressed by all Parties in a non-partisan way. I have challenged the chartered accountant profession in my riding to review carefully the Canadian budgetary process. I believe we should review it on a non-partisan basis because for too long Governments have brought in Budgets in Canada in every month of the year. That creates problems for the business community, the professions which advise the business community and the people who work in Canada, whether they are the employers or the employees.

There is much merit to reviewing the Canadian budgetary process and asking what would suit the country. We could reach a consensus on what process would suit everyone in order to adopt a sensible process that would benefit Canadians and Parliament. Personally, I would like to see all the budget provisions passed by a certain date. I held the same view when I was in opposition. Whether or not one agrees with the provisions, the community wants certainty. While there is ample provision to argue the philosophy of a Budget as we are doing today, I believe all parliamentarians support the view that certainty in the budgetary process is important to every one of us. It is important to the people whom we represent. I ask Members of the House to consult with the professionals who advise businesses, business people and employees, in order to come up with a means to make the budgetary process work better.

I appreciate the unexpected opportunity to enter into this debate. I was simply going to question my colleagues opposite, but I appreciate this opportunity to speak.

Mr. Nunziata: Mr. Speaker, the Hon. Member is drenched in hypocrisy.

Mr. Lewis: If I am drenched, you are drowned.

Mr. Nunziata: He speaks of a specific date on which to hand down the Budget. However, he knows, as every Member of the House knows, that his Government delayed the Budget because of the election in Ontario. Members of his Party withheld the Budget because they were concerned about the negative impact it would have on the electorate in Ontario. I suggest to the Hon. Member and all Conservatives opposite that Canadians and the people of Ontario knew better and repudiated Frank Miller and the Conservative Party in Ontario, and they intend to repudiate the Conservative Government in Ottawa, given the next opportunity at the polls.

Hon. Members speak of fairness, equity and justice. Where is the justice, equity and fairness in this Budget when senior citizens are attacked? They are no longer fully cushioned from the ravages of inflation. Where is the equity when poor senior citizens from across the country are losing a significant portion of their pension? Where is the equity when poor senior citizens are made to suffer, on the one hand, while oil barons in Alberta, the rich multi-nationals, are given a windfall profit? Where is the equity when senior citizens suffer, on the one hand, while, on the other, rich people are given a windfall profit, a hand-out bonanza of $125,000 as a result of changes to the capital gains provision?

Will the Hon. Member honestly tell us where are the fairness, justice and equity? I am sure he will agree that there is no fairness in the Budget. It is a Budget for the rich and by the rich and it attacks the poor, especially the senior citizens in the country.

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis) will have an opportunity to answer the question this afternoon.

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

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

WOMEN

THE BUDGET—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to emphasize today this Progressive Conservative Government Budget's complete disregard of the needs of Canadian women.

First of all, in the area of employment. This Government's decision to eliminate 15,000 Public Service positions will affect 5 per cent of women employed in the Public Service. The Government has implemented no special job creating scheme. Instead of fulfilling its promise to help women benefit from the technological revolution, the Government has decided to cut $78 million from training programs this year.

The Budget says nothing about part-time workers of whom 72 per cent are women. It penalizes low and medium income families through regressive sales taxes on consumer goods.

The desindexation of social programs will especially hurt people at the lower end of the economic scale who are mostly women.

Mr. Speaker, I could go on and on like this, but I feel I have conveyed the essential of my message. The Government is altogether indifferent to women's needs, as evidenced once again by the Budget it tabled last Thursday.

* * *

[*English*]

STATUS OF WOMEN

EFFECT OF BUDGET'S PROVISIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the fear expressed by Canadian women that the Conservative Government would sacrifice its election commitment to equality for the sake of a deficit first strategy has come true. The Budget of the Minister of Finance (Mr. Wilson) continues past Liberal traditions of broken promises, cuts, and taxes at the expense of Canadian women and their children. Deindexing of the old age security pension will harm the most vulnerable members of Canadian society, elderly women. Over 60 per cent of them now live in poverty, and the Budget does nothing to provide relief.

For unemployed women there are no jobs. For the average women in the workforce the Budget does nothing, either. There are cuts to training programs. Lay-offs in the Public Service and privatization will hit women the hardest. There are no additional funds for the Canadian Human Rights Commission to enforce equal pay for work of equal value and employment equity.

Cuts in transfer payments to the provinces are of particular concern to women. Promised funding for child care has been ignored. Battered women will see no increase in protection from violence for themselves and their children. Canadian women who took the promise of consultation in good faith have been betrayed.

* * *

[*Translation*]

ECCLESIASTICAL AFFAIRS

ELEVATION TO COLLEGE OF CARDINALS OF MONSIGNOR LOUIS-ALBERT VACHON

Mr. Gilles Bernier (Beauce): Mr. Speaker, yesterday in Rome, Pope John Paul II honoured a famous "Beauceron", and I would like to announce here in Parliament the great honour that reflects on the great riding of Beauce following the elevation to the College of Cardinals of Monsignor Louis-Albert Vachon, Archbishop of Quebec City.

Cardinal Vachon was born in 1912 in Saint-Frédéric de Beauce. After a life dedicated to others in his capacity as priest and as Rector of Laval University for many years, he was made Archbishop of Quebec City and Primate of the Catholic Church in Canada, and today, a cardinal.

Throughout his life he has been an example to us, reflecting the basic values that are part of our heritage in Beauce. Truly great men do not tolerate mediocrity, and many Beaucerons have, like him, aimed for excellence and achieved it.

He reached his goals through hard work and sheer tenacity. He is an honoured member of his community, and today, the entire Christian and Catholic community of Canada, Quebec and Beauce is honoured to have him in their midst.

His appointment to the highest post in the Catholic Church gives us cause for rejoicing as a community. Again, I am indeed honoured to be able to pay tribute to this famous Beauceron, His Eminence Cardinal Louis-Albert Vachon.

* * *

[*English*]

INCOME TAX

INTRODUCTION OF MINIMUM TAX

Mr. Alan Redway (York East): Mr. Speaker, during the past federal election campaign the Progressive Conservative Party pledged to improve the fairness of our tax system by introducing a minimum personal income tax. That tax will take effect on January 1, 1986. The date was chosen to allow for consultation and to avoid, as much as possible, any adverse effects on farmers, people starting new businesses, and retired people living on fixed incomes from dividends. Adverse effects could very well result from such a major tax change midway through the taxation year.

Opposition Parties have expressed concern that the minimum tax did not take effect as of the budget date of May 23. This is most surprising, bearing in mind their well-known sense of fair play and equity. I am sure that upon quiet reflection opposition Parties will enthusiastically agree the Government has not only kept its word but has chosen the best, fairest, and fastest way of implementing the minimum tax.

* * *

[*Translation*]

SOCIAL SECURITY

THE BUDGET—IMPACT ON ELDERLY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, Prime Minister Mulroney made a solemn commitment during the election campaign—he was not going to tamper with social programs, especially old age security pensions. As the Progressive Conservative Leader himself put it at the time, it was a sacred trust.

Well, Prime Minister Mulroney has failed to live up to that solemn commitment and, among people most penalized by the Mulroney-Wilson Budget, we must include the senior citizens of Canada who between now and 1990-91 stand to lose $4.5 billion as a result of the 3 per cent old age security desindexation.

Since 2.5 million elderly Canadian men and women receive pensions, it means that each senior citizen will lose $1,800 between now and 1990-91. The Mulroney-Wilson Budget amounts to a direct attack against the purchasing power of elderly Canadians, for they will have to do with $54 less a month in 1990-91. Is it fair to expect men and women aged 65 or more to carry such a burden while multinational oil companies will be getting $2.5 billion in 1990-91 alone?

The Mulroney-Wilson Budget is unfair to millions of taxpayers and even more so to older people, most of whom have nothing else but their old age security cheques to make ends meet. Old age security pensions will be reduced by $54 a month in 1990-91, and that is unfair to the elderly to whom Prime Minister Mulroney promised during the election campaign that social programs, and especially old age pensions, would not be tampered with.

* * *

[*English*]

FINANCE

BUDGET'S EFFECT ON FAMILIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, rumour has it that the Minister of Finance (Mr. Wilson) has ordered the minting of a new Canadian coin to symbolize the sacrifices he has required each Canadian family to make through tax increases in order to pay for the multibillion dollar giveaway to the corporate sector and to upper-income earners. The new coin is valued at $3, to symbolize the daily increase in family taxes flowing from the November statement of the Minister of Finance and last week's Budget.

In November the Minister of Finance announced a 1 per cent sales tax increase, an unemployment insurance increase, a gasoline tax increase of eight cents per gallon, and elimination of the standard $100 deduction, a deindexation of threshold for child tax credit, a deindexing of exemptions for dependent children, and a reduced federal tax reduction, totalling approximately $500 per family per year.

In the May 23 Budget we saw another sales tax broadening, a 1 per cent increase in sales tax, alcohol and tobacco excise tax increages, a gasoline tax increase, a deindexing of personal tax exemptions, an elimination of federal tax reduction, an elimination of RHOSPs, a deindexing of OAS and a deindexing of family allowance, totalling approximately $500 per family per year.

These amount to an approximate $1,000 per year tax increase for the average family in Canada. This means that the Budget and the November statement will call upon the average family to support the federal Government and its giveaways to the corporate sector and to upper-income earners by approximately $3 per day.

[*Translation*]

THE BUDGET

PROPOSED MEASURES

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, on September 4, Canadians across the country voted massively in favour of a change of Government. During the last election campaign, the Progressive Conservative Party and I in my own riding repeated time and time again that what this country needed was a team of administrators and good managers to stop the appalling waste of public funds.

Mr. Speaker, the first Wilson Budget is a clear departure from the budgets brought down by our predecessors, in that it resolutely comes to grips with the problem of our national debt. Our Government has realized that accumulating deficits is no way to solve the problem of unemployment in this country. It is the kind of theory that has brought us economic disaster.

Some day, a government would have to act responsibly, and that is what this Government has done. This first Budget, Mr. Speaker, is realistic, effective and fair. For the first time even, the Budget provides for a minimum income tax for the wealthiest in our society, and also a tax on financial institutions.

Mr. Speaker, many residents and organizations in my riding told me they were very concerned about the possibility that the principle of universality for social programs might be abandoned. Mr. Speaker, all these people now have the assurance that this is not so, since the Budget has not altered the principle of universality of social programs and is maintaining unemployment insurance benefits at their present level.

Mr. Speaker, this first Budget does ask Canadians to make some sacrifices, but—

Mr. Speaker: I must inform the Hon. Member that his time has expired.

* * *

• (1410)

[*English*]

THE BUDGET

SUPPORT FOR PROVISIONS

Mr. Gordon Taylor (Bow River): Mr. Speaker, weep for the people of Ontario. The palsy-walsy puppy love of the NDP for the Liberals blossomed into a common law arrangement, with the Liberals caving in to socialist demands even though three-quarters of the people of the province are free enterprisers. The Liberals and socialists have made love before—yes, in the federal House when they joined hands to take property rights out of the Charter after the PCs had put property rights in. So weep and beware, Ontario.

Nationally, Canadians are happy. Last Thursday our Minister of Finance (Mr. Wilson) threw out the hodge-podge borrowing policies initiated by "Emperor" Trudeau and still followed by the Liberals and the NDP, who believe you can borrow the country out of debt. The ancient regime has given up the ghost, and we can look forward to bright tomorrows under the strong leadership of our Prime Minister (Mr. Mulroney). This Budget is one of hope and confidence. It puts its faith in Canadians, not manipulative and conning backroom socialists. It is designed to cut the deficit and put people to work, not to buy Liberal seats with public money.

Our Minister of Finance has put people first, not the money lenders, as was done by the Liberals. New investment will provide work, for Canadians have faith in our Budget and in our Leader. In spite of all the doom and gloom of the Liberals and the NDP, the PC Party will build a new Canada, a prosperous Canada, and a greater Canada. So, hurrah for the emperor slayer, our Minister of Finance.

Some Hon. Members: Hear, hear!

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THE BUDGET

CONDEMNATION OF PROVISIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I believe that those poor government back-benchers should be getting a punishment commission for having to go out and sell the Budget. True Tory colours have come out with a blue-blooded Budget for the rich in Canada. Cut-backs in family allowances and old age pensions fly in the face of Mulroney's own promises to Canadians. Mulroney's idea of fair tax reform is a half million dollar capital gains tax write-off for the rich, and a tax on pet food, chocolate bars, and soap. Where are the jobs, jobs, jobs promised by the Mulroney Government last year during the election? Harsh cuts to federal programs and Departments will result in a combined loss of 125,000 jobs for all Canadians. Closures, lay-offs, sell-offs, and sell-outs are the hallmark of the Budget. No new job creation measures have been introduced.

The Budget is a direct kick in the teeth to the unemployed and the poor. Why didn't the Prime Minister (Mr. Mulroney) address the needs of the unemployed? Why did he not assist potential home owners? One and a half million people are in need of adequate housing, and 1,400,000 people are out of work. Mulroney has not given Canadians anything to look forward to with his Budget. It is a slap in the face to middle-income Canadians, and we are going to fight it with every tooth and nail that we have.

Some Hon. Members: Hear, hear!

S.O. 21

[*Translation*]

THE ADMINISTRATION

THE BUDGET—OBJECTIVES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, our Government was elected on a platform for change, and on that basis we have charted a course of action to create jobs, growth and increased Government responsibility.

Since November, over 200,000 real jobs were created, and this Budget is to be an effective tool for creating jobs for Canadians. It will reduce the deficit inherited from the previous Liberal Government by the end of the decade, without compromising economic renewal, and it contains proposals for more effective management of government operations.

The Budget proposals encourage private initiative and private sector growth. These measures represent a fundamental break with the past. For instance, this Government is proposing a life-time capital gains exemption of $500,000 for each Canadian, a measure aimed at encouraging Canadians to invest in small and large businesses, which will help stimulate the economy and counter the effects of the underground economy.

The Budget promotes job creation in strategic sectors by encouraging private initiative, improving effectiveness in management of government operations and the Public Service, reducing the deficit and controlling our national debt.

Mr. Speaker, this Budget was brought down following the most extensive round of pre-budget consultations ever held. We listened to representatives from all groups and all regions across Canada.

* * *

PATENTS

THE BUDGET—PROPOSED ELIMINATION OF CANADIAN PATENT OFFICE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the proposed elimination of the Canadian Patent Office announced in the Conservative Government Budget does not make any sense.

It would seem that, as a result of the Government's decision to eliminate 15,000 public sector jobs, 233 Patent Office positions will disappear, including 120 held by highly specialized patent examiners who have made the Canadian Patent Office second to none in the world.

Mr. Speaker, this decision is one more failure in this country's commitment to research and development. The Patent Office is responsible for millions of dollars of Canadian research projects to avoid duplication. As well, Mr. Speaker, the Patent Office plays a leading role in the promotion of new technology by putting our patent examiners in direct contact with international technology.

Mr. Speaker, the Government has done very little if anything at all to promote research and development, and it has failed to keep its promise to double the percentage of our Gross National Product earmarked for research. We must support the expansion of an institution like the Patent Office instead of closing it.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

CREATION OF EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Finance. With all the rhetoric surrounding his budget speech last Thursday, there was a lot of talk about job creation. However, when we examined his budget speech and budget documents in detail, we found that there were no specific plans for job creation, no policies for job creation, no specifics whatsoever. When it comes to the imposition of new taxes, they are immediate and specific, but with respect to job creation it is very hypothetical, very pie in the sky.

Can the Minister give us the information on which he makes the statement that the Budget will produce those jobs which are necessary to get the economy moving? Can he produce for us the working papers that he must have prepared, the impact studies? Can he give those to the House today so that we will know on what he makes the claim that the Budget will give us the jobs that we require?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I said in the budget speech that this is a break from the past. It is a new approach to economic management. If we could count on deficits to produce the lower unemployment rate that the Hon. Member is calling for, we would have had that many times over in the last 10 years. That has not worked before, it will not work now.

What we are doing is encouraging the small business community in particular to go out, invest in Canada, invest in something for themselves, create something for themselves and their families that they did not have before, and in that way create jobs. I am not going to stand here in front of the Hon. Member and say that I can tell him precisely what those jobs are going to be, but I remind him that last November his Leader said we would lose 50,000 to 100,000 jobs, and since then 149,000 have been created.

Some Hon. Members: Hear, hear!

PROJECTED ECONOMIC GROWTH

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, it is unbelievable in this age of computers, econometrics, and sophisticated statistics, that the Minister and his Department have not made a serious analysis of the impact on employment of his budget measures. It seems he is leaving it all to faith, hope, and charity, with respect to the business sector and the Tory Party. In his Budget of escalating taxes and cut-backs, and these are his own figures, by 1990 he will take out of the economy approximately $11 billion.

Next year he predicts a growth rate of 2.4 per cent, down from 4.7 per cent in 1984. How does he expect to create the necessary jobs with that kind of growth when he has no policy for direct job creation, and no policy to stimulate the economy and bring about that growth?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind the Hon. Member that the direct job creation, the make-work programs, the dead-end programs, have not worked. They have not produced the jobs that are necessary. They have not produced the hope. They have not produced the—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Let us talk a little bit about these econometric models. The econometric models can produce a number, a response to direct impacts. What the econometric models do not measure is the impact on the small businessman of this Budget when he sees the hope and the encouragement that is being given to him. That cannot be measured. I can assure the Hon. Member that the small businessman has been performing since September 4, because 201,000 jobs have been created. In the comparable period before, it was around 72,000 jobs.

• (1420)

[*Translation*]

CONSEQUENCES FOR WOMEN

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in his Budget, the Minister made only two references to women and employment, and then only very vaguely and indirectly. In the United States, as a result of the same kind of policies in recent years, the situation has been very hard on mothers and their children. Recently, we received a report indicating that in the United States today, 22.2 per cent of children are below the poverty line, compared to 13 per cent in 1969. With the kind of laisser-faire policy he is proposing for the private sector, how can the Minister give Canadian women the assurance that the outlook for their employment, training and salaries will improve, and where are all those promises on these matters that were made to Canadian women during the election campaign?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member made passing reference to the United States. He forgot to mention that the unemployment rate in the United States is 7.5 per cent as against 10.9 per cent here. I think a good objective to have is to reduce the unemployment rate to that level.

Let me remind the Hon. Member that in April 89,000 jobs were created, the largest single monthly increase in five years. About 60 per cent of those jobs were for women, and I believe that that is the direction we should be taking.

* * *

PENSIONS

INDEXATION OF OLD AGE PENSIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is also for the Minister of Finance. By 1990, as a result of breaking its promise to maintain full indexing of old age pensions, the Government will be withdrawing $1.6 billion per year from senior citizens. How can the Minister justify this assault on the pocketbooks of senior citizens?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the budget speech, I indicated that we would be modifying indexation and that we would not be providing a full recompense for the degree of inflation because the first 3 per cent would not be compensated for. I have talked to a number of senior citizens and—

Mr. Broadbent: Where? At the Albany Club?

Mr. Wilson (Etobicoke Centre): I repeat, I spoke to a number of senior citizens over the weekend and many of them have said that we were right to do what we are doing because they are worried about their grandchildren. They are worried about the $6,000 debt that is put on the head of every new baby when it is born. They are worried about the debt that will grow to about $12,000 per head by the time those children are five years old if we do not do anything about this. That is why senior citizens are in support of this move.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

TRANSFER PAYMENTS TO PROVINCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, 58 per cent of those who receive old age pensions also receive the Guaranteed Income Supplement because they have no other income. The Minister is only partially indexing the GIS even though he claims otherwise in the budget figures.

There is a further cut in the Budget, and that is a $2 billion cut in transfer payments to the provinces in 1990, which will impact on services provided to senior citizens. How can the Government justify reducing payments to the provinces when

the need for services remains the same and the provinces will have to raise taxes? How can this be called a true effort to reduce the deficit?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to make two points in response to the Hon. Member's question. First, we are fully indexing the Guaranteed Income Supplement. The second point I would make is that the federal-provincial transfers will be increasing each year by a rate of around 5 per cent assuming certain levels of inflation rates that we are projecting today exist. The amount the provinces will receive will be the same as a per cent of total spending in 1990-91 as it is today. I believe that giving the provinces lots of warning of the impact of this change is far, far better than the two, three, or four-week notice given by the previous Government, thus putting the provinces off stride without giving them a chance to manage into the change in funding levels that they were to receive.

* * *

SMALL BUSINESS

EFFECT OF BUDGET

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Prime Minister was overheard last week urging Conservative Members to go out at the weekend to talk about the Budget. Members of the Opposition did so as well. I was in Kamloops main-streeting over the weekend and I spoke with some small businessmen.

Mr. Hnatyshyn: Did they recognize you?

Mr. Riis: Yes, they recognized me. I talked to a small business operator who indicated that, for the last three years, he has been struggling to make ends meet. He has not made a profit but is struggling just to break even. He asked me to ask the Prime Minister how he would be able to survive in the next year or two now that $1,000 per family has been taken out of the pockets of all of his customers.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised that the Leader of the NDP did not rise so we could see his new wedding suit that he will be wearing at Queen's Park next week.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I understand he is going to be giving away the bride.

Mr. Broadbent: Sour grapes.

Mr. Mulroney: The Hon. Member for Windsor West will be singing *I Love You Truly*.

Mr. Broadbent: Nothing like a rejected lover.

Mr. Mulroney: Ah, it is going to be sweet.

I am sure the small-businessman also told the Hon. Member about his delight with the tax changes that will give small-businessmen the chance to create jobs so that they can retain the benefits of some of the tremendous effort they put into building the Canadian economy. That is what this Budget is all about: job creation and hope for the entrepreneurs who build real jobs in Canada.

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INCOME TAX

CAPITAL GAINS TAX EXEMPTION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is also directed to the Prime Minister. A little later on the same weekend I was travelling in Clearwater, British Columbia, where I ran into the head of a young family, a logger making $25,000 per year and paying about $4,000 per year in income tax as his contribution to the country. He had heard that, because of the Budget, stockbrokers can now sell their condos in California without paying any income tax at all. He wanted me to ask the Prime Minister how this would be considered fair taxation.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is because the Budget also contained measures to end income splitting among family members, to end tax shelters for yachts, hotels, and other properties, to put a surtax on higher-income individuals and large corporations, and to put a two-year tax on the capital of banks and trust companies. That is the first time that has taken place, and that indicates the Government is committed to fairness in the tax system. The Hon. Member should be applauding this rather than denigrating the attempt to bring fairness and equity to the tax system of Canada.

* * *

TOURISM

EFFECT OF GASOLINE PRICES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, later on that same weekend—

An Hon. Member: What did they say in Salmon Arm?

Mr. Riis: —I went to Salmon Arm.

Some Hon. Members: Oh, oh!

Mr. Riis: I am very serious about this. I talked with an individual who has owned a resort on the shore of the Shuswap Lake for a number of years. Again , he is not making any money but is simply struggling to survive. He asked me to ask the Prime Minister, if I had the opportunity, the following question: he is looking forward to the fall and the year 1986, Expo year, because he believes there will be more and more tourists visiting the area. He feels that this will help him get

out of a break-even situation and enable him to make a few dollars of profit. He wants to know how a nine-cent increase per gallon of gasoline in this Budget, coupled with a seven-cent increase per gallon of gasoline in the November statement, would help the travelling public and his business this fall and into 1986.

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend should have indicated to the gentleman from Salmon Arm that the information was misleading. There is no such increase of taxation in the Budget; on the contrary.

I ran into somebody from Kamloops the other day and he said to me: "If you see Nelson Riis, tell him to get back to Ottawa and do some work, rather than run around his riding".

Some Hon. Members: Hear, hear!

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[*Translation*]

THE BUDGET

TAXES IMPOSED ON AVERAGE CONSUMER

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Prime Minister was talking about fairness and equity, but my question is directed to the Minister of Finance and concerns the fair distribution of the tax burden among the country's taxpayers.

Mr. Speaker, if we analyze last Thursday's Budget more carefully, it becomes clear that Canadian taxpayers will be paying $37 billion more in income and other taxes by 1990-1991 and that of that $37 billion, only $1.4 billion will be paid by the big corporations, banks and trust companies, to which the Prime Minister referred earlier, and by the wealthiest among us.

My question is as follows: Could the Minister of Finance, who promised a Budget that would be fair to all taxpayers, inform the House what is so fair about taxing Canadian working men and women who belong to the middle class of our society, 26 times as much as the rich and the big corporations, including our banks?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think those same Canadians might have some questions about the figures which the Hon. Member is putting before the House today. I would ask him to look at the impact of the range of measures which we are taking. We will reduce the debt of Canada by $75 billion over and above what it would have been had there been no action taken. Of that reduction, 80 per cent is in expenditure cuts. That is why I have very major doubts about the figures which the Hon. Member put forward. Only 20 per cent will be based on revenue increases.

[*Translation*]

BUDGET'S JUSTICE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my figures were taken from a so-called secret document that has been circulating for a number of days and bears the title: Direct Impacts of Budget Measures by National Accounts Component.

My supplementary is also based on these data, most of which may be found in the Budget documents we have been given. Could the Minister, since we are talking about fairness in the Budget, inform the House why, if he was agreeable to removing the first 3 per cent of indexing on our tax tables, which will give the Treasury $11.5 billion more in revenue, he then turns around and, in the same Budget, gives away $8.5 billion to the oil multinationals between now and 1990-1991?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in response to a previous question, I think Canadians, particularly elderly Canadians, are very sensitive to the impact of the policies which have been followed in recent years which have led to a high degree of inflation—much higher than is the case in other countries—and the relationship between that inflation and the growing level of debt which we have had in Canada. A great deal of support has been expressed to me and to my other colleagues during the past weekend that finally a Government has come to power which will take action on the deficit to minimize the degree of inflation which has devastated their lives. Therefore, they are very thankful for the measures which we have taken and they are prepared to make that small sacrifice.

* * *

PENSIONS

EFFECT OF BUDGET ON SENIOR CITIZENS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Finance. The Minister has continually been telling the House that senior citizens support his measures to slash their incomes by 3 per cent a year. That will come as a great surprise to the Canadian Pensioners Concerned and to the United Senior Citizens of Ontario, which organizations over the weekend made their objections to the Minister's plans clearly known.

During the last election campaign when the Government was looking for votes it promised to improve Old Age Security benefits. However, in the Budget the Minister slashed the incomes of seniors over the next five years by $2 billion and at the same time increased the incomes of corporations by $2 billion. I want to ask the Minister of Finance: Is that fair?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member neglected to make one point. In the November statement we increased the spouse's allowance for many low income Canadians who are 60 to 64 years of age.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Yes, we are very sensitive to the position of senior citizens. But, as I indicated in responding to other questions, we are also sensitive to the concern which they have about the growing debt, the impact which that will have on inflation, and the impact which it will have on the residue which will be left for their grandchildren.

Some Hon. Members: Hear, hear!

CONCEPT OF UNIVERSALITY

Mr. Neil Young (Beaches): Mr. Speaker, I would like to direct my supplementary question to the Minister of Finance. Many Canadians view that move in the Budget as being an attack on universality, which the Prime Minister has repeatedly said is a sacred trust. I would ask the Minister of Finance: Is universality to be 97 per cent this year, 94 per cent next year, 91 per cent the following year, and so on? When will the Government do something about the universal application of old age pensions, particularly on behalf of the many senior women who are living in poverty?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to tell the Hon. Member that universality has been maintained. The same number of people who were eligible for the old age pension before the Budget are eligible for it after the Budget. Additionally thereto, 85,000 Canadians who are not getting the spouse's allowance will be eligible once that legislation is passed. I hope the Hon. Member would endorse that.

There is another point which I would like to make. The cost of the deficit—and obviously they want to have a greater cost—is greater today than the federal share of health spending and pensions. In order to maintain both, we must get the deficit under control.

Some Hon. Members: Hear, hear!

* * *

ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION REPORT

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General and it concerns the Hatfield-MacKay affair. The RCMP report, which was released last Friday, confirmed what we in the Liberal Party have said from the outset—Richard Hatfield was given special treatment because he is a Premier. Indeed it is a sad day for the criminal justice system in Canada, and the Solicitor General should hang his head in shame.

Will the Solicitor General finally admit that special treatment was given to Richard Hatfield? Will he admit that it was wrong to treat Richard Hatfield differently from any other Canadian in similar circumstances? Or should Canadians conclude that there is one law for the rich and powerful, and another for the poor?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I would like to tell my colleague from York South-Weston that the way in which I read the report indicated that the RCMP proceeded, as I said at the outset, with meticulous care to make certain that all proper procedures were followed with respect to the manner in which Premier Hatfield's case was handled.

REQUEST FOR PUBLIC INQUIRY

Mr. John Nunziata (York South-Weston): Mr. Speaker, perhaps the Solicitor General should reread the report as he certainly was mistaken in what he said. The very integrity of our criminal justice system has been challenged by the inequities and the improprieties of this particular case. More questions have been raised than answered in the report. Commissioner Simmonds confirmed that the report is incomplete and that it leaves a number of interesting questions unanswered. In view of the fact that the Solicitor General claims he is a man of fairness, a man of—

Mr. Speaker: Order, please. It was a very long preamble. Right to the question, please.

Mr. Nunziata: I would like to direct the question to the Prime Minister. Will he initiate a public judicial inquiry into the whole affair in order to restore confidence and respect to the Canadian criminal justice system? If not, what is he hiding? Of what is he afraid?

● (1440)

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, in response to that question put by my hon. colleague I think I should quote to him what the Commissioner of the RCMP has concluded, and I will quote very briefly:

> My own view is that such an inquiry would accomplish little other than provide public entertainment while every person who has anything to do with this matter, and all the peripheral issues connected with it, were examined under oath as to their exact conduct and knowledge by a battery of lawyers—

Under the circumstances, unless the Hon. Member has something better than that to offer I do not believe that the interests of justice would be served one iota by any judicial inquiry.

* * *

THE DISABLED AND THE HANDICAPPED

APPLICATION OF TAX RELIEF

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I was also in my riding on the weekend. Many of my constituents asked me to come back and express some sense of appreciation to the Minister of Finance and to the Government.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Question.

Mr. Hawkes: They are very pleased with the special provision for the disabled.

Some Hon. Members: Question.

Mr. Hawkes: And they would like me to ask in this Chamber if the Minister of National Health and Welfare could provide the House and the Canadian people with a slightly better view of the kinds of disabled people who will now be included under this provision. We understand there are 120,000 or more. What are the characteristics of these people? How will they be defined, and how will they apply for that special kind of relief?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the Hon. Member for that question.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): I also want to remind the House that he has been one Hon. Member who, while on both sides of the House, has been very diligent in following the needs of the disabled and trying to improve their position.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): At the present time, Mr. Speaker, about 60,000 Canadian families have qualified under the definition of "disabled" for the enriched tax exemption where they are taking their responsibilities as families for the disabled. That definition will be expanded to include, we calculate, approximately another 120,000 Canadians. This will include people, for instance, who are suffering from profound deafness, severe mental retardation, who have severe heart or respiratory conditions, and who are not confined either to a wheelchair or to a bed.

* * *

ENERGY

WESTERN ACCORD—BUDGET'S IMPACT ON CONSUMERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On March 29 she said in this House: "As I have repeatedly said, there is nothing in the Western Accord with the producing provinces that hurts consumers". She said again: "As I have said repeatedly, there is nothing in the Accord which would lead to increases in consumer prices". Now the Government has socked it to us in the form of higher energy prices in the Budget. Given that it has taken money out of the pockets of ordinary Canadians, what has the ordinary Canadian gained from the Budget, as opposed to what we all know the oil companies have gained, and that is windfalls and more tax breaks?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to take this opportunity to say how dismayed I am—

Some Hon. Members: Oh, oh!

Miss Carney: —that the Hon. Member for Vancouver-Kingsway does not understand the Western Accord. He cannot apparently read the Western Accord and doesn't understand it. There is nothing in the Western Accord which is increasing costs to consumers. There is no point in me trying to refute a question asked by the Hon. Member which contains no basis in truth.

Mr. Waddell: The Minister knows that the Western Accord is being paid for by the Budget which came down the other night. She cannot kid anybody otherwise.

CREATION OF JOBS

Mr. Ian Waddell (Vancouver-Kingsway): The Minister also said in the House that the only justification—her argument—for giving so much money to the oil companies was that they would create jobs, that they would reinvest the money and create jobs. In view of the fact that I have asked her Department under the Freedom of Information Act how many studies there are which show that jobs are being created or will be created—

Mr. Speaker: Order, please. That is again a very long preamble to a supplementary question. Is there a question, please?

Mr. Waddell: Does she have any studies in her Department which will show that 100,000 to 300,000 jobs are going to be created by taking money out of the pockets of ordinary Canadians and giving it to rather fat oil companies?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I don't understand why the Hon. Member for Vancouver-Kingsway wants us to continue, as the Liberals did, to pay oil companies $40 a barrel for crude at a time when it is selling at world prices for $29.75.

Some Hon. Members: Hear, hear!

Miss Carney: That is one of the reasons why, with the support of the New Democratic Party, we are left with the deficit position with which the Minister of Finance has dealt. On June 1 we are going to deregulation where Canadian crude prices go to world prices.

In terms of the jobs which are being created, I have already advised the Hon. Member that we already have about $15 billion worth of projects which have been announced since the Accord, or the economics of which have been approved since the Accord, and those are the kind of projects which will create the jobs which we want.

Oral Questions

MEMBERS OF PARLIAMENT

SEXUAL HARASSMENT COMPLAINT—MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. Last week it became public that the Hon. Member for Cumberland-Colchester was the subject of a complaint to the Canadian Human Rights Commission. My colleague, the Hon. Member for York South-Weston, called for greater confidentiality at the commission. But on Friday the Solicitor General took a totally different tack. He actually took sides in the case, saying he was doing it as a Minister and a friend of his former Cabinet colleague. He rejected the evidence even though he admitted not having seen it. Does the Prime Minister not feel that his Solicitor General showed poor judgment in taking sides in a case before a federal commission?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, as I am the Minister who answers for the Human Rights Commission let me say that many Hon. Members of Parliament have expressed some disquiet with respect to certain aspects of the policy of the Human Rights Commission relating to complaints which are unsubstantiated accusations at that particular stage in the process. The same kinds of views have been expressed before the House of Commons justice committee. We are considering possible amendments to the Human Rights Commission legislation at the present time, and this is one of the areas which will have to be considered.

I am sure that all Hon. Members of this House realize the perils with which people in public life are faced in this kind of situation. My colleague was expressing his concern in that area, and I believe it is a concern which we all have to consider.

SOLICITOR GENERAL'S STATEMENT

Hon. Bob Kaplan (York Centre): The Minister of Justice is throwing us a red herring. I am not talking about the procedures of the commission. That is fair game for legislators. What the Solicitor General did in this case was to challenge the evidence, and say he didn't believe the evidence against his former colleague even though he had not seen the evidence. I want to ask the Prime Minister again, because it is a question about the Cabinet not about the Human Rights Commission, does the Prime Minister continue to have confidence in a Solicitor General who would take sides and challenge the impartiality of the commission like this?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I construed the comments of the Solicitor General as comments of concern about the procedure which could affect any Hon. Member of this House, in much the same way as the Hon. Member for York South-Weston indicated his concern about the same kind of problem. Inasmuch as it is a quasi-judicial process I would not want to go beyond that except to say that I thought that the Hon. Member for York South-Weston and the Solicitor General were expressing a concern about injustices which could flow from the procedures themselves.

REQUEST THAT PRIME MINISTER TAKE ACTION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. Given what he has just said, will the Prime Minister instruct the Solicitor General that is is inappropriate, holding the position that he does, for him to make comment about the innocence or otherwise of any person who is either before the courts or who is being investigated by a tribunal, during the time the investigation is being conducted or while the matter is still before the courts?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I discussed with the Solicitor General the views expressed by the Hon. Member for York South-Weston and himself, and I construed in both cases those views to be an expression of frustration with a system which could cause any Hon. Member of the House of Commons to be dealt with unfairly. The Solicitor General assured me that his comments were meant in that regard and in the same vein as the expression of concern by the Hon. Member for York South-Weston.

• (1450)

COMMENT BY MINISTERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given the somewhat privileged position a Solicitor General holds, will the Prime Minister discuss, not only with him but with Cabinet in general, the inappropriateness of commenting on the innocence or otherwise of any individual who is either before the courts or who is being investigated by a tribunal, in advance of a decision having been made on the one hand whether or not to proceed and therefore finalize the charge or, on the other hand, until after the innocence or guilt has been proven by the court itself? Will he make that a general rule for Cabinet, notwithstanding the fact that we may well agree that the procedures in place are inappropriate?

Right Hon. Brian Mulroney (Prime Minister): The comment by my hon. friend is fundamentally appropriate and will be happy to discuss again not only with all members of the Government and caucus but indeed Members of the House of Commons, and ask them to bear in mind the injunction of which my hon. friend speaks so well.

* * *

INCOME TAX

INTRODUCTION OF MINIMUM TAX

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, my question is directed to the Minister of Finance. I visited my riding over the weekend, the great riding of Timmins-Chapleau, and found that the great majority of my constituents are

truly impressed by the block-buster Budget announced by the Minister here last week.

Some Hon. Members: Hear, hear!

Mr. Gervais: I would like to ask the Minister to explain to this House once more the implementation of a minimum tax on the rich. Specifically, why are we waiting until 1986 for it to take effect, and what are the three options outlined in the discussion paper?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I very much appreciate the comments of the Hon. Member and the support expressed by his constituents. Let me respond directly to the question of the alternative minimum tax. We could have brought in a tax immediately.

Some Hon. Members: Hear, hear!

Mr. Broadbent: You could have.

Mr. Wilson (Etobicoke Centre): But there are some problems in doing so. We were concerned that the implementation of this tax right away would have a retroactive impact in much the same way the 1981 Budget did, which resulted in 45 changes having to be made before the ink had even dried on that Budget.

There are two provinces which have taken a somewhat different approach to a minimum or flat tax. We want to use the opportunity over the next six or eight months to consult with the provinces—I met with the provincial Finance Ministers last night—and discuss with them the means of implementing a minimum tax so that it will be as effective and harmonious as possible for the 1986 taxation year.

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CANADA MORTGAGE AND HOUSING CORPORATION

LEVEL OF FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is funny how the slap at senior citizens is very timely but the minimum tax on the rich is not too timely.

In the absence of the Minister responsible for housing I would like to ask my question directly to the Prime Minister because I know the stake he has in the Budget. With 1.5 million Canadians without adequate housing, and one million homes in need of major repair, does the Prime Minister agree with the assessment by the Minister of Finance that $26 million of CMHC funds are "surplus to current requirements"?

Right Hon. Brian Mulroney (Prime Minister): I think the important thing to remember, Mr. Speaker, in any discussion of housing is that since this Government came to office, and this is what matters to the ordinary taxpayer, interest rates are down almost 3 per cent. That is what we are doing.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is the way you get home ownership in this country. We are following a course which, hopefully, will ensure that interest rates come down further so that housing becomes available to more and more Canadians. That is what it is all about.

FUNDING OF TRANSITION HOUSES FOR BATTERED WOMEN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Prime Minister is displaying his fundamental ignorance of the position of 1.5 million Canadians who can never aspire to home ownership.

There are more than half a million battered Canadian women, Mr. Speaker, and last year CMHC funded start-ups for only 11 transition houses. Is the Prime Minister telling the Canadian people that the transition needs of half a million Canadian women are "surplus to current requirements"?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the issue of transition houses was discussed between the provincial Ministers of Health and Social Services, especially social services, at the federal-provincial meeting. The provincial Ministers have taken a very direct role because they feel it is very much a provincial matter. But we have said that we want to co-operate in whatever way we can in order to develop that.

If you really get down to the argument of the Hon. Member, we are talking about transition-houses to which people in need of help and support go. It is not a matter of whether they are eligible, which has long been a problem in these transition houses, under CAP. If she really looks at the issue, she would not mix various issues together as she did in her question.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

TRANSFER PAYMENTS TO PROVINCES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance. The Minister indicated in his Budget last week that he is going to be reducing provincial transfer payments over the next five years compared to what they would be receiving under the present formula. Conservative MPs when they were in opposition, including the present Minister of National Health and Welfare, and the Minister responsible for the Wheat Board, attacked the 1982 formula because there was not enough money for medicare, post-secondary education, and other programs. Given that, how can the Government say it is now going to cut back from the existing formula?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I indicated in the budget speech was that the level of federal-provincial transfers will be increasing at a significant rate between now and 1990-91. The percentage of government program spending through transfer payments will be the same in 1990-91 as it is today.

I met with the provincial Ministers of Finance last night and I told them I wanted to work with them in determining the best way to manage this transition to a new level of funding so that their Ministers of Health and Education would have the greatest opportunity possible to adjust their programs, in order to avoid the disruption which occurred back in 1982 and the fundamental changes made at that time.

Mr. Murphy: Mr. Speaker, it is obvious that a $2 billion cut from what they would receive under the present formula is, in fact, a cut.

ELECTION CAMPAIGN STATEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary is directed to the Prime Minister. Does he believe that the Conservative Party was being honest during the last campaign when it indicated "we will return to the 1977 funding formula"? That formula provided more money for the provinces than they have at this time. He made that promise during the election campaign and the Minister of Finance has gone in the opposite direction. Is that honest?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I had a fairly full discussion with the provincial Ministers of Finance last evening. We discussed at some length the basis on which this change was made. I think they recognize the very difficult financial position of the federal Government. They acknowledge the fact that all government programs have been affected as a result of the Budget. As I said in my speech the other day, it was very difficult for me to exclude a major portion of government spending from the changes we made. But I will be meeting with those Ministers in September, and again in December, to discuss further the position they wish to take in this matter.

Mr. Speaker: The Hon. Member for Glengarry-Prescott-Russell; one question.

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PUBLIC SERVICE

WORK OF MR. JACK THREADER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on page 9 of the budgetary document entitled "New Management Initiatives" there appears the name of Dr. Peter Meyboom as the Public Service Advisor to the Nielsen Task Force. Is the Minister aware that one of the persons assisting Dr. Meyboom in providing technical assistance was Mr. Jack Threader of the office of Regulatory Reform of the Treasury Board, the same Jack Threader involved with Mystl Management? In other words, at the same time Mr. Threader was providing technical assistance on the budgetary document, he was offering, along with his associates, inside information on dealing with the Government?

• (1500)

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I would like to answer that in my capacity as Acting President of the Treasury Board. Over the weekend the Hon. Member contacted the Treasury Board. At that time he was told that this individual did not have direct access to the work of the task force. I am disappointed that, knowing that, the Hon. Member would have made an allegation similar to the one he made in the House today.

Mr. Boudria: No, Sir.

Mr. Beatty: I can also indicate that the report that is being conducted by the Treasury Board should be completed within about 24 hours. The results will be made public by the Government. Mr. Speaker, I call upon the Hon. Member, if he still has some vestige of honour, to respect the position of public servants and not to make false allegations in the House of Commons.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, May 24, 1985, meet the requirements of the Standing Orders as to form.

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PRIVILEGE

ANSWER GIVEN BY MR. BEATTY DURING QUESTION PERIOD

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

Mr. Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a question of privilege arising out of Question Period.

Mr. Boudria: Mr. Speaker, the Minister across has obviously accused me of lying to the House when all facts that were stated by me today were made in a conversation that I had with officials of his Department. It is he, Sir, who should apologize to the House for accusing other Members of giving false information when that which he gave was obviously grossly inaccurate.

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I did not accuse the Hon. Member of lying. However, I can say that he and his colleague have given information that was wrong. Unfortunately, they have been so consumed by their interest in promoting themselves by destroying the repu-

tation of others that they have given false information to the House of Commons, albeit inadvertently.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I take it the Hon. Minister is indicating that a question of fact that has been presented to the House by another Hon. Member is, in his view, not factual. That strikes me as a difference of opinion about facts and not as a question of—

Ms. Copps: He is imputing motives, quite clearly.

Mr. Speaker: I have listened very carefully and I have heard someone saying that one thing is true and someone else saying that it is not true. I then heard the Minister say that he has his own views as to why those things are being presented to the House. If Hon. Members would prefer that I reserve my judgment and read the "blues", I would be happy to do so.

Ms. Copps: Yes.

Mr. Prud'homme: On this question, yes, I would like you to do so, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise at this time with respect to House business. The House Leaders have had discussions with respect to the business for this week. On the basis of those discussions it was our intention to proceed with the Budget debate on a continuous basis. However, there is a necessity to pass through both Houses and to receive Royal Assent on a Bill relating to variable entry requirements under the Unemployment Insurance Act, which is to be introduced later today by my colleague, the Minister of Employment and Immigration (Miss MacDonald). We have therefore come to the agreement that we will interrupt the proceedings with respect to the budgetary debate and tomorrow will be a day for government business. The Bill which is to be introduced by my colleague will receive all three readings in the House. There will be one speaker on behalf of each Party.

It will be my intention then to call the Bill with respect to borrowing authority which was introduced on Friday by my colleague, the Minister of State for Finance (Mrs. McDougall). I am hoping that we can make progress to second reading of that Bill tomorrow. If we are successful in reaching second reading, it will be my intention to call Bill C-32 in relation to amendments to the Fisheries Act.

As it now appears, Mr. Speaker, the budget debate will continue on Wednesday, Thursday, Friday, and conclude on Monday on next week. I expect that we will have the usual vote on Thursday night. We will wait to see what happens on Monday night. It is now my intention to continue to the conclusion of the budget debate.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROTECTION OF LIVES OF THE UNBORN

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour of presenting a petition from 900 residents of Canada who are most concerned about the abuses of the present abortion laws in the Criminal Code. They petition this honourable House to introduce legislation to amend the Criminal Code in order to protect the lives of the unborn.

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UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Flora MacDonald (Minister of Employment and Immigration) moved for leave to introduce Bill C-52, an Act to amend the Unemployment Insurance Act, 1971.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 197 and 294.

[*Text*]

SPACE BASED NAVIGATIONAL SATELLITE SYSTEMS

Question No. 197—**Mr. Stackhouse:**

What is the government's current participation in developing space based navigational satellite systems?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of National Defence, Regional Industrial Expansion and Transport as follows:

Order Paper Questions

Canada through the Department of National Defence has been involved with the NAVSTAR Global Positioning System (GPS) since 1978. This is the NATO endorsed space based navigation system which is being developed and funded entirely by the U.S. military. Canada and nine other NATO nations provide personnel and funds for a NATO Project Office at Space Division in Los Angeles. To date, DND has expended $380,000 and provided two officers to the project office and total cost is not expected to exceed $980,000 when the present agreement terminates at the end of 1988.

When NAVSTAR GPS becmes fully operational in 1988 it will meet the majority of military navigation requirements. It also will be available to civil users. Offshore resource exploration, hydrographic and geophysical surveying, and maritime navigation are but a few areas where the system has great potential.

Canadian Marconi Company is currently being assisted via the Department of Regional Industrial Expansion's Defence Industry Productivity Program (DIPP) in the development of NAVSTAR/GPS receiver technology. The development program comprises three areas:

(1) the exploration and implementation of several areas of technology common to all types of receiver;

(2) the development of the market/product potential for low-cost, moderate performance receivers suitable for military and commercial transport aircrafts and ships;

(3) the development of the market/product potential of a highly accurate and versatile receiver suitable for geodetic, surveying and positioning applications.

This DIPP assisted development program started in 1981 and is anticipated to be completed in 1986. Expenditures to date are in the amount of $484,070. Total expenditures upon completion of contract will be approximately $3,075,000.

Transport Canada has through the issuance of a Canadian Airspace Systems Plan indicated that the present ground based navigational system will continue as the navigational guidance system for civil aviation aircraft flying in Canada until at least the year 2000.

Presently the International Civil Aviation Organization is addressing the issue of future navigation system including the option of a satellite based system in the early 2000s as part of a new committee FANS (Future Air Navigations Systems).

The Canadian Air Transportation Administration as a member of this committee heads the Canadian delegation.

Transport Canada is also involved in the following activities:

(i) participation in the U.S.-based consultative agency developing standards and techniques for the future NAVSTAR/Global Positioning System in the Differential Mode, which is of interest to special marine and offshore industry users,

(ii) evaluation, under contract, of differential NAVSTAR/GPS for Coast Guard missions such as buoy positioning and

(iii) technical supervision of DRIE-sponsored contract to Canadian Marconi Company for development of low cost civil air and marine NAVSTAR/GPS receiver.

TRIP TO EUROPE

Question No. 294—**Mr. Boudria:**

1. Did the Secretary of State for Canada take a recent trip to Europe?

2. Was a jet chartered to transport the Minister and/or his staff from Belgium to London (England) and, if so (a) for what reason was such an aircraft chartered instead of travelling by a regular carrier (b) what type of aircraft was involved (c) how many persons were on board and what were their names, citizenship and reason for being on the aircraft (d) what was the cost to the taxpayer for the charter?

Hon. Walter McLean (Secretary of State): 1. Yes.

2. No.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 5043); and the amendment to the amendment of Mr. Riis (p. 5047).

Mr. Speaker: When the House rose at one o'clock p.m. the Parliamentary Secretary to the President of the Treasury Board (Mr. Lewis) and completed his speech but had the floor for questions and answers. I recognize the Hon. Parliamentary Secretary on a response.

Mr. Lewis: Mr. Speaker, at the close of business at one o'clock I had been asked a question by the Hon. Member for York South-Weston (Mr. Nunziata). Not wanting to bring into question his whereabouts at this time, because I am sure he is doing what he does best, and that is seeking publicity, I would like to reply to him at that time.

The Hon. Member made the comment that I might be drenched in hypocrisy. As I ran along the Ottawa River I told myself that on that basis the Hon. Member for York South-Weston would require a frogman's suit to survive his daily hypocrisy.

Some Hon. Members: Hear, hear!

Mr. Lewis: I do want that on the record for the Hon. Member to read when he returns to the House from the glare of the cameras which he enjoys so much and does so poorly at.

There was a valid question among all the nonsense that the Hon. Member gave the House. The Member suggested that we were attacking the senior citizens by putting a limit of 3 per cent on de-indexing. I would like to point out to the House that the annual Guaranteed Income Supplement is indexed fully as are veterans pensions. Therefore, there is absolutely no question that through the Budget the Government has done its very best to protect the people who cannot afford complete de-indexation.

Mr. Parry: Mr. Speaker, during his address before lunch the Hon. Member stated that it was not the wealthy of the country who would be pleased with the $.5 million capital gains tax exemption which in Ontario is equivalent to $135,000 freedom from taxes over the course of a lifetime. He suggested that it is the blue collar workers of the country who are supporting this exemption. Personally, I have rarely heard such nonsense. Does he have any shred of evidence to suggest that the introduction of capital gains tax in 1971 led to a flight of blue collar investors from the market?

• (1510)

Furthermore, is he prepared to stand up and repeat the assertion that the wealthy would not support the capital gains tax exemption?

Mr. Lewis: Mr. Speaker, I do not remember making the assertion that the wealthy would not support the capital gains tax exemption. However, I would suggest to the Hon. Member that the farmers in my riding and his, tourist operators in my riding and his, the blue collar workers in my riding and his, and those people who make those small investments to make this country strong would support this exemption because that is what they told me on the weekend. I am surprised that the Hon. Member did not return to his riding to find out that very fact. He should have been out there asking them.

Mr. Dick: Mr. Speaker, I have a question for my colleague. There has been much discussion about the lack of job creation funds in this Budget. Has the Hon. Member found from his experience that people are sick and tired of having 20-week job creation programs whereby they fall back on unemployment insurance and have to scramble up again? Are young people especially not looking for permanent and full-time jobs that can be created by private industry?

Mr. Lewis: I thank my colleague for that very thought-provoking question. There is absolutely no question that in his riding, my riding and the riding of the Hon. Member for Kenora-Rainy River (Mr. Parry), people are fed up with throwing money at job creation. They realize that all the money that has been thrown away by the Liberals has gone for nought and that the Liberal Government has created 13 per cent unemployment.

As the Hon. Member aptly points out, we are trying to create a climate in which small a big business will invest, innovate, take risks and do those things that it does so well. It is another step toward creating a climate in which we will employ people in long-term, meaningful jobs.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Saint-Léonard-Anjou, for questions or comments.

Mr. Gagliano: This is question, Mr. Speaker. The Hon. Member has been talking a lot about small business.

[*English*]

I agree with the Hon. Member that small business is creating the real jobs. However, if he believes in small business, why does the Budget not allow small business to invest in small business through a retirement savings plan? Why not allow small businesses to invest in that plan? Why does the Government limit their possibilities if it believes that small business creates jobs?

Mr. Lewis: Mr. Speaker, that is a good question. I think it is valid to suggest that we have done something that previous Governments of the Party to which the Hon. Member belongs have failed to realize. Perhaps, as a result of the Hon. Member's contribution, there is a glimmer of hope in the Liberal Party that it is starting to understand small business. I compliment the Hon. Member for bringing that knowledge to the wilderness of that Party.

I like the Hon. Member's idea. Perhaps with his help we can bring forward some ideas for implementing a means by which such a provision would not be open to abuse.

I am reminded of some of the provisions of the Challenge '85 program which do not permit owners of limited companies to employ their children. That is something about which I have written to the Minister, saying that it should be broadened to allow such employment while being cognizant of the rules.

The Hon. Member makes a good point. It would be a question of how to ensure that the privilege is not abused.

Mr. Deputy Speaker: The period for questions and comments has expired. Resuming debate.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the 1985 Wilson Budget shows that the same economic myths and regressive Conservative goals which prevailed when I first came to the House in 1979 were present in the abortive Crosbie Budget certainly prevail in the Budget we are debating today. The mukluks have been exchanged for the Bay Street boots, but when one looks beyond the PR and the pizzaz, Tory policies are still policies of restraint, increased taxes and high unemployment. The policies are the same in Ottawa as they are in British Columbia. I note the similarity to the policies in the United Kingdom which I visited recently, and the results of those policies are devastating.

There is no question that the new Government, and especially the new Prime Minister (Mr. Mulroney), are more slick and perhaps more slippery than they were in the Joe Clark days.

Mr. Malone: Order.

Ms. Mitchell: The new Prime Minister is a master of hypocrisy—

Mr. Malone: A point of order.

Mr. Deputy Speaker: I assume the Hon. Member for Crowfoot (Mr. Malone) rises on a point of order to remind the Hon. Member for Vancouver East (Ms. Mitchell) that she should refer to Members by position and not personal names. I am sure it is a slip because the Hon. Member is aware of the rules.

Ms. Mitchell: Mr. Speaker, I delete the name of the former Prime Minister, but I am referring of course to the 1979 Conservative Government.

We know now that this particular Government, under the present leadership, may have a few more tricks up its sleeve and certainly has much more media awareness. I was about to say that I think the Prime Minister shows us that he is a master of manipulation and media hype and hypocrisy. For example, we know that his pretence to consult with people who were invited to the economic summit was actually just that.

[*Translation*]

Mr. Deputy Speaker: Order, please. The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: Mr. Speaker, if I understood correctly, the Hon. Member just said that a Member of this House indulged in hypocrisy. I would like, to know whether that is what she said, and if so, I believe the Hon. Member is out of order.

[*English*]

Mr. Deputy Speaker: Of course, the Hon. Member knows that it is not proper to refer to a specific Member in the House as being a "hypocrite". Possibly it has been allowed to be used in reference to a group of individuals, to a Party or to a Government, but I believe the Hon. Member knows that it cannot be used with regard to a specific Member.

Ms. Mitchell: Mr. Speaker, of course, I am referring to the characteristics of the Government. The participants at the Summit Conference, particularly the representatives of consumer groups, labour groups and women's organizations, unanimously wanted a "jobs first" priority. This was quite evident on television every day.

The Prime Minister pretended to listen very seriously, and I am sure those groups believed that their views would have some impact. However, the Budget reveals that it was his corporate friends to whom he was really listening. There are no funds for job creation provided in the Budget. The unemployed are completely ignored, as if they did not exist in this country. The Budget caters to the corporate sector with capital gain gifts, tax loopholes and a $2 billion bonanza for oil companies.

Middle income earners and the poor will bear the brunt of the increased sales tax, including taxes on health products and energy conservation products, as well as a nine-cent per gallon gas tax.

As the Hon. Member for Kamloops-Shuswap (Mr. Riis) pointed out in his statement today, if one adds the increased cost of taxes and the reduction on indexation in this Budget to the increases of some $500 that were implemented last fall, average families will pay $1,000 more this year. This is not only a burden upon families. It is also a burden upon small businesses, the very sector in which the Government professes to put all its faith for job creation. How can small businesses survive, expand and employ more people if consumer demand is down? With $1,000 less to spend, surely that will happen.

• (1520)

I challenge Tory Members in the House today to convince me and the women of Canada—and I hope they will do so in the question and comment period—that the Budget is not anti-women. Canadian women, who earn on average 60 per cent of men's wages, will pay $1,000 extra in taxes or reduced benefits. Increasing numbers of women are sole supporters of their children and are on very low incomes, if not already on welfare. There is no job creation targeted for women in the Budget. Indeed, training funds are being reduced. Women are faced with being displaced or phased out, either entirely or in part-time jobs, by technological change. This is the time when they need retraining opportunities, new job creation and alternative kinds of work. There are no funds allocated in the Budget to employment equity, the Government's own program which it introduced and in which it presumably believed. There is nothing to increase funds for the Human Rights Commission.

Cuts in public services, privatization which will go along with phasing out Crown corporations, and the contracting out of all these techniques, will have a proportionately greater impact on women because they are the last hired and the first fired and they are in the lowest paid clerical and service positions. They will be the ones who will not have jobs. They will be the ones who will be in part-time work. They are the ones about whom the Government does not care. It did not do anything about the prorated benefits for part-time workers. Of course, elderly women will continue in poverty because public pension reforms, which are so desperately needed, have been ignored.

As the Hon. Member for Vancouver East, I must say that we in British Columbia know from experience the devastating impact of a tough, deficit-reducing, Conservative restraint Budget. In British Columbia, experience shows that restraint has resulted in a chronic unemployment rate of 15 per cent. Skilled people have been unemployed for two or more years now. Also, it has resulted in chops in essential services such as educational, health and social services. Failures of small businesses have resulted rather than increases of new enterprises which the Government thinks will occur by some magic.

There is a lack of job creation and economic planning, particularly in the resource sectors, as is the case now. There are high costs as a result of increased violence, crime and social stress which go along with high unemployment and low incomes. The B.C. experience proves that Conservative economic policy, whether it is the Progressive Conservative Party federally or the Social Credit Party in British Columbia, simply does not work. Even Conservative business people, people who supported the Social Credit in British Columbia, are saying that the economy has been stultified, that we need change, and that this is not the way to go. The Fraser Institute is somewhat apologetic, and there is absolutely no evidence that the private sector, if left to do these things, will automatically create jobs when there is this kind of oppression in the economy. The federal Conservative Budget will add another layer of hardship on B.C. residents and on the residents of other provinces, particularly those in eastern Canada. There is no increase in job creation to help alleviate the high unemployment rate. Ordinary citizens will pay more in taxes.

No funds are budgeted for the ailing forestry and fishery industries, for housing or for municipal development. Even shipbuilding subsidies are being cut, which concerns me in my riding of Vancouver East. Revenues which should have been taxed from the wealthy are now lost because of the removal of the capital gains tax and other tax loopholes. The temporary minimum surtax is a laugh. We wanted a real, effective 20 per cent minimum tax. This is what the Prime Minister promised and has neglected to enforce.

Public services will also be cut back federally and Crown corporations will be privatized. In British Columbia we know that this will mean a lack of services, inadequate services, a loss of jobs and reduced social conditions with increased costs of health, educational and social services. A $2 billion cut in transfer payments, which one sees if one reads carefully the small print in the Budget, is a very, very serious concern. I hope very much that there will be a mass move to ensure that this does not happen. It will definitely worsen the situation in my province. The Budget is bad news for Canada generally and it is double bad news for British Columbia.

I would like to refer to the particular impact of this Budget on areas of social policy. What will the Conservatives do now in the area of health and social services to improve the general well-being of Canadians, especially the well-being of poor Canadians and of women? As I have said and will keep on saying, the lack of new funds for job creation is really difficult to believe. It condemns many thousands of Canadians to chronic unemployment, to the insecurity, stress and poverty of years ahead, not to mention the high cost of maintaining people on social programs and unemployment.

It is not only the lack of money which concerns us. Of course money is the basic cause, but it is the absolute dwindling of self-confidence which occurs when persons go day after day lookind for work, submitting résumés, feeling that they are losing their skills and their employability, feeling that they cannot remain competitive, and feeling worthless and angry. We know that when there is lots of anger, it leads to violence. In society today we have an increase in family violence and abuse of children, which I am sure is not unrelated to high unemployment. What is more, there is the lack of opportunity for a whole generation of young people.

All of us in the House say this day after day, but I hope we really feel it. It is not only the lack of jobs, it is the lack of opportunity for the future which is really so depressing. On top of that of course, there are the cuts which have occurred in education, training a work-related experiences. Again the federal Government is neglecting to increase shared funding in the Budget for these areas.

I think it is immoral of this Government to have turned its back on the unemployed, and it was hypocritical of the Minister of Finance (Mr. Wilson) who had the gall to say: "This Budget is about jobs".

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: Mr. Speaker, the Hon. Member just made the same mistake she made a while ago. She referred to a Member by name and accused him of hypocrisy.

[*English*]

Mr. Deputy Speaker: I am sure the Hon. Member for Vancouver East (Ms. Mitchell) did not mean to imply that the Minister himself was a hypocrite but rather was alluding to the Government as she did before.

Ms. Mitchell: Mr. Speakr, I quoted the Finance Minister as saying: "This Budget is about jobs". It is a direct quote of the Finance Minister. If that statement is not hypocrisy, I do not know what is.

Mr. Deputy Speaker: Am I to understand that the Hon. Member for Vancouver East is accusing a specific Member of being a hypocrite? If that is so, the Hon. Member would know, with her experience in the House, that that cannot be done.

Ms. Mitchell: Mr. Speaker, I think it is quite obvious that what I am saying is that this is a hypocritical Budget and that the policies of the Government are completely hypocritical, as is that statement. I would like to say also that he and his colleague—

• (1530)

[*Translation*]

Mrs. Mailly: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I am not satisfied with the answer of the Hon. Member. She can play with words, but the fact is that she indulged in a personal attack on the

Minister of Finance (Mr. Wilson). She used a word which is not acceptable in the House and I would ask her to make a proper apology.

[*English*]

Mr. Deputy Speaker: The Chair is satisfied with the explanation given by the Hon. Member for Vancouver East (Ms. Mitchell). The Hon. Member may continue.

Ms. Mitchell: Mr. Speaker, it seems that Members are touchy when there are direct quotes. The quote I read is that this Budget is about jobs. I will leave it to the Hon. Member to interpret that in her own conscience.

In his Budget, the Minister of Finance went on to say that they are going to cut 15,000 jobs in the public service. A lot more jobs will be cut because of privatization and doing away with Crown corporations. That is quite obvious.

A similar kind of misleading of the public in budget policies is evident in the statement by the Prime Minister and the Minister of National Health and Welfare (Mr. Epp) who said that their priority is to be Canadians with the greatest need. I challenge the Conservative Members to prove this. I assume those Canadians with the greatest need are the low-income Canadians. However, they are the hardest hit by this Budget. Not only are they being whacked with $1,000 in extra taxes, but their family benefits will be affected as well. There is a slight, token increase in the child tax credit for the lowest-income people, but that is about one-tenth of the actual extra cost they will be forced to pay with the extra taxes.

As my colleagues have said, and others will elaborate, the limit on the indexation of Old Age Security may not sound much to seniors right now, but if you look at the cumulative effect, it is a very serious and unfair policy. I am told by the social policy reform group that by 1987 this will mean a cumulative loss of about $1,577 for a single pensioner. By 1990, they will lose $537 in one year. That is what this reduction of indexation of old age pensions means.

The indexation on family allowance is also being limited. This is contrary to what the Minister of National Health and Welfare said twice in the House today. It is an erosion of universality. The Liberals tried this trick. They kept eroding family allowances and other social benefits by not indexing them fully. As a result, the real value of those benefits has gone down over the years. Therefore, it is a real erosion of univerality in both cases.

The child tax exemption for older children, those who are going on to post-secondary education, will also be restricted. For low-income families, those earning under $22,000, there is a slight increase in the child tax credit, but far less than we recommended in the Standing Committee on Health, Welfare and Social Affairs. We spent weeks talking to witnesses and doing other work among ourselves. Surely even the Conservative Members will admit that that was a wasted effort. They did not pay any attention to it. This year an extra $70 will be given in the child tax credit. However, this will be taken away because of the increase in the sales tax. Most witnesses who appeared before us in committee advocated removal of the regressive child tax exemption. Conservative Members seem to be in favour of this. I am sure my colleague, the Hon. Member for Sudbury (Mr. Frith) will agree that most of the witnesses were in favour of this. There was nothing in the report that advocated the kind of cut-back that comes out in this Budget.

According to the social policy reform group, the changes in this family benefit package that are evident in this Budget mean a loss of $400 million from the child benefit package. That $400 million is being taken away from Canada's children. Therefore, you cannot say the children are not victims of government cuts. By 1990, all families will be net losers under the child benefit package.

I want to concentrate my remaining time on what this Budget means or does not mean for Canadian women. Will it take them a step closer to equality in the workplace? Cutting 15,000 public service jobs will have a disproportionate impact on women, as will selling off Crown corporations and moves towards privatization. Women will largely be the victims. They will be left unprotected, with non-unionized part-time jobs with inadequate benefits. We only have to look at what Air Canada is doing in trying to promote unlimited part-time jobs to see that this is the way things will go in Canada. Our Government should not be encouraging that.

The Government has taken no steps to require prorated benefits for part-time workers, most of whom are women. There should have been amendments to the Canada Pension Plan as well as for private pensions. Although they are minimal, we certainly support the changes that are suggested, as far as they go, for public servants. The Government made no reference to employment equity programs. As I said earlier, the Canadian Human Rights Commission must have more money to enforce the employment equity provisions.

I could go on. I will conclude by saying that the cuts in transfer payments will not only be cuts to the provinces. They are basic cuts to new programs, including child care which desperately needs funding. The Prime Minister said the problem is urgent. As will, it means cuts to health care; really to a new kind of health care, community health care, which in the Throne Speech this Government said it was committed to. In its election promises, it even put a figure of $150 million on reforming the health system, with more emphasis on community health prevention.

I wish I had time to outline the budget proposals which the New Democratic Party developed after weeks of discussion and visits to over 24 centre across Canada. Unlike the Liberals, who offered no alternatives, and who have a despicable record, we developed a jobs first proposal. We have a jobs first proposal with many recommendations that are practical. We show how they can be paid for. We do not believe that the deficit is the first priority. People must be the first priority. It means that job strategy must be the first priority of this Government. It means federal leadership, public leadership. In the short-term, funds are required to create meaningful community jobs so that people can be fulfilled, use their skills and have a secure future. Then our country would truly be more productive.

Mrs. Mailly: Mr. Speaker, as a woman in this Government I feel personally offended by the remarks made by the Hon. Member for Vancouver East (Ms. Mitchell). We, the women in this Government, have worked very hard to represent our sisters across Canada. This Budget will be helpful to them. Her remarks were very offensive. It will be helpful because up until now women have had to live with temporary jobs created by emergency measures. Those jobs, if they were lucky, lasted about 20 weeks. They were then back on welfare. We want to stop this vicious circle. This is why this Budget has been shaped in this way. We want jobs to be created by the small business sector in our communities, the most vital job creation sector in our country.

In my riding of Gatineau, which is in the Outaouais, the small business sector is the most dynamic sector in that part of Quebec. Like the Hon. Member for Kamloops-Shuswap (Mr. Riis), this past weekend I was in my riding. I spoke to small business-people, many of whom are women who have managed to create small businesses in the area. They are very pleased with this Budget because at last they will be able to create permanent jobs. They were sick and tired of these temporary job-creation programs.

● (1540)

I would also like to remind the Hon. Member for Vancouver East of what the Minister of Finance (Mr. Wilson) said in Question Period today, that 89,000 jobs were created in April, 60 per cent of which were for women. That is a fact as well. I would also like to remind her that the training allowance in the Budget of $900 million for 1986-87, the same as it is in this year's Budget, will give better allowances for women who go on training. Up until now allowances were not sufficient for women because they have extra expenses that men who have women at home looking after the children do not have. That too will be an improvement of the women's lot.

I would also like to remind her that at the request of the labour sector, which she purports to represent, we will now allow a deduction for contribution to the—

[*Translation*]

—Solidarity Fund of Quebec.

[*English*]

That will go a long way toward restoring jobs for women who are being laid off in small industries and in the forestry sector in the Outaouais and Abitibi. That is a very positive thing for the women of Canada.

I would also like to remind the Hon. Member that there will be access for homemakers to the pension plan after discussions are terminated with the provinces. That is something that must happen before it can be put in the Budget. Quebec has signalled that it is interested in finding a formula so that women who stay at home because they want to bring up their families at home will be able to.

I hope that women will have the right to choose the way of life they want. They do not have to listen to the Hon. Member for Vancouver East, living only the way she thinks is the right way for women to live. That is the other thing that offends me. She talks about taking away the total deduction for couples when the woman stays at home. She is dictating to the women of Canada the lifestyle that they should lead, and I object to that. I think women will be equal the day they can decide how best they want to live without being punished for the choices they make.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: I regret to interrupt the Hon. Member for Gatineau (Mrs. Mailly).

[*English*]

Would the Hon. Member for Vancouver East (Ms. Mitchell) care to make a few comments?

Mrs. Mailly: Mr. Speaker, I—

Mr. Deputy Speaker: No, I have given the floor to the Hon. Member for Vancouver East.

Ms. Mitchell: Mr. Speaker, first I would like to say to the Hon. Member opposite that I would hope that she would be an advocate for women, and I think from some of the things she was saying that she possibly is an advocate for women. I would hope that she would not be offended by some of us believing very strongly in and working very hard at being advocates as well, as that is our job.

I wish I could ask the Hon. Member some of the questions she asked me. Of course we do not want 20-week jobs. No one has ever suggested that we want 20-week jobs. I have certainly never said that. I want long-term jobs but I do not think that the only way to get long-term jobs is through some magic worked by the private sector and small businesses while small businesses themselves are saying that they simply do not have the kind of consumer demand to do so. I do not really see what she is getting at.

I think it will be great if many more jobs are created by small business. We would all like that. We need millions of jobs in this country. However, that will not happen overnight, as the Minister has said and I am taking into account the first-hand experience we have had in British Columbia. As well, I just returned from Britain. The job situation over there is so dreadful that Conservative Members are splitting from the Margaret Thatcher position. I really do not have any great confidence that this approach will work.

We are all for jobs and we are all for small business. I hope, though, that as an advocate for women and as an advocate for small business, the Hon. Member will be doing something very dramatic to persuade the Government to make it possible for women in business to have more access to credit. It is disgusting that nothing has been done about that.

The Hon. Member raised the matter of the training allowances. Women's organizations and others have been fighting for years to have more adequate provisions for women. I congratulate the Government for putting this in place. It is

doing a better job in some areas than the Liberal Government did. However, there is not enough. What is the point of having some improvement in benefits if the women cannot get into those training programs? I have heard from women right across the country who indicate that they cannot get into non-traditional jobs. They are being phased out of traditional jobs in many instances and cannot get into training programs or pre-employment programs that will help give them equal access to non-traditional jobs, and that is a fact. If the Hon. Member could figure out some way to help that situation, more power to her.

Regarding the question of choice, I really did not understand what the Hon. Member was saying when she accused me of trying to restrict the choices of women. That is the last thing I would ever do. I believe in complete freedom of choice; not only in freedom of choice, but in the opportunities that allow women to have a choice. I believe women should have enough income that they can choose to remain at home or go into the workforce if that is their choice. I also believe, and I hope she does as well, in freedom of choice as far as reproductive rights are concerned. That is something on which the Government has taken no position. I very much fear that if it did take a position it would be a negative one.

Mr. Malone: Mr. Speaker, I would not expect to do as the Hon. Member for Vancouver East (Ms. Mitchell) asked us to do earlier, that is to persuade her of something. She knows as do I that we begin with fundamentally different philosophies and ideologies. Her view is that the Government ought to be doing for the people everything that she can imagine needs to be done. The fact of the matter is that in her request for more jobs, reasonable as it is, she fails to recognize that the approach that she is advocating is precisely the approach utilized by the Liberals for most of the last 15 or 16 years. That is an approach of extending the debt and presuming that the Government, through some make-work program, will put in place jobs that are real. That approach has proven to be a dismal failure.

The fact is that in the approach that has been taken since September, 1984, there has been to date 210,000 jobs created, 89,000 of them since April and 60 per cent of which were for women. That is in considerable contrast to what was put forth by Opposition Parties when they indicated that the November 28 statement would cost 50,000 jobs.

What we must recognize fundamentally is that there is a significant and basic philosophical difference in the approaches to creating jobs. Surely the Hon. Member should find no objection to putting in place a system that creates permanent jobs, a system that allows the thrill of the entrepreneurial mentality to go forward and be productive, a system that allows business to hire people who will remain permanently hired as opposed to having the Government create jobs by having people paint churches, fix fences and clean up roadsides.

When the Hon. Member indicates that the Minister is hypocritical because he had said that the Budget was about jobs, jobs, jobs and then cuts Crown corporations, which she then relates to hypocrisy, she is basically supporting the notion that the debt should continue. Where does she find within her reflection on this matter that it is productive for Canada to continue having one out of three tax dollars doing nothing more than paying for the interest on the accumulated debt? If the debt were gone, the Government could do 30 per cent more for all the social services of Canada. We could have 30 per cent more for hospitals, airports and virtually everything for which the Government spends money.

• (1550)

Mr. Deputy Speaker: Order, please. I will recognize the Hon. Member for Vancouver East (Ms. Mitchell) on a short answer.

Ms. Mitchell: Mr. Speaker, I am not quite sure what were his specific questions, but I will comment on his comments.

I disagree with the Member that what we are proposing is the same as the Liberals. I agree with the Member that the major focus on job creation, with some exceptions, was on short-term, make-work projects which recycled people on and off unemployment insurance benefits. While those projects were not entirely a waste of money, they were not productive as far as creating something new was concerned. Often, people felt abused by that system.

In our report, *Canada Unlimited*, we made 70 recommendations to create meaningful and productive work. The report also places a great emphasis on enterprises, not only on small business, which we agree certainly generates jobs, but also on co-operative endeavours. The report recommended more start-up funds, low interest loans and so on to help start workers' co-operatives. That is something to which I hope the Government would give more emphasis. One of the Liberal programs which was fairly good in that endeavour was LEAP. That was a three-year program which helped people to develop skills as well as to set up non-profit enterprises.

I cannot agree with the assumption in the question the Hon. Member asked me about the national debt. Of course, we do not want things to continue as they are. Our Party wants, as much as the Government, to bring down the national debt. But, it must be done in a sensible manner in order that people will not be hurt. It cannot be done in the way in which it was done in British Columbia. For heaven's sake, the Hon. Member should visit British Columbia to see what has been done to the people there. That system has abused people, created hardships and added to unemployment rolls, social assistance rolls and health costs. It has destroyed families. We should do it in a manner which will give some public leadership and encourage the private sector to do as much as possible.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I appreciate the opportunity to take part in this debate. I have enjoyed all the comments which have been made by colleagues to date.

At the present time the spending of the federal Government accounts for roughly 67 per cent of the total economic activity in New Brunswick, my province. Most of the expenditures are

in the form of payments to the provincial Government and to individuals. The level of dependency on federal expenditures in New Brunswick is shared proportionately by all Atlantic Provinces. That dependency is the result of federal policies which have been practised over the last 20 years, and it leaves the Province of New Brunswick and other Atlantic Provinces in a fragile and tragic position.

I would like to emphasize that the industrial policies which were practised by the former administration did much more to maintain incomes and employment in other parts of Canada than they did in New Brunswick and other Atlantic Provinces. Federal subsidies to de Havilland and Canadair alone have been greatly in excess of the sums paid for any industrial development program in the Atlantic Provinces since World War II. The rate of unemployment in New Brunswick is a stain on the conscience of the nation. The level of wages is two-thirds of the national average and the resource-based economy is extremely vulnerable to international and national cyclical downturns.

The basic characteristics of New Brunswick and the Atlantic econoy in the mid-1980s are: resource-based industries; a good record in job creation out-stripped by more people looking for work, resulting in higher unemployment than nationally; lower personal incomes, especially earned incomes; higher levels of federal transfer payments to individuals, with unemployment benefits assuming increasing importance; lower levels of private investment; higher levels of government spending and employment; higher levels of federal transfers to other Governments, and declining levels of trageted regional development spending, to a point where they are a small fraction of increased unemployment insurance transfers.

In summary, at the present time the economies of New Brunswick and other Atlantic Provinces are much too dependent on the flow of federal transfer payments. Strong new policies to expand the industrial base of New Brunswick and other Atlantic Provinces will bring great benefits to both the regional economy and the economy of Canada as a whole. To achieve that goal is the challenge that faces our Government. The severe economic problems that face our nation do not make it easy to meet that challenge.

For a moment, I would like to look at the expenditures in New Brunswick to see if they could not be re-allocated to generate more economic growth and help put in place a badly needed private sector economy.

DREE expenditures in 1971 dollars declined from $145 million in 1972 to $45 million in 1982. I suggest that other evidence of a reduced commitment toward the importance of regional development can be seen with the relative proportions of spending in other regional development programs over the past decade.

During the past decade, the federal Government spent $412 million in New Brunswick for projects associated with regional development. That is roughly equal to the $440 million paid to Canadair in two years. Those pay-outs are insignificant compared with the $1.4 billion which was written off at Canadair by the Canadian taxpayers.

Regional development expenditures have been reducing in Atlantic Canada as unemployment expenditures have been increasing. In 1972, DREE expenditures were 67 per cent of unemployment insurance payments. By 1982, the reduced DREE expenditures were 10 per cent of unemployment insurance payments.

The complexion of federal expenditures in New Brunswick and other Atlantic Provinces has been more like foreign aid and mere spending than economic assistance and investment. The balance is wrong. We must change the balance to foster more economic development.

Private sector stimulation will be necessary if our smaller private sector is to be the engine of economic growth. Enhanced and improved regional development programs that provide long-term job opportunities for Atlantic Canadians are essential if we wish to reduce dependence on the federal Treasury and increase the long-term economic viability of our region.

Federal policies to promote regional economic development should be concerned primarily with expanding the industrial base of the region. Economic problems of the region cannot permanently be solved by transfer payments or by a dependence on high expenditures by the federal Government.

If Atlantic Canada is going to compete, we must ensure that our incentives are adequate. Our private sector is underdeveloped and so are the capital markets. If Atlantic Canadian industries are going to be established, grow and prosper, we must create a climate that is attractive to industry. The federal Government's policy of reducing interest rates is a major step in that direction.

Proposals to develop freer trade are attractive to Atlantic Canadians whose products seek expanding United States markets. Programs to improve productivity are another major step in that direction.

I would like to mention some of the things which the Government has done recently to move in the direction of which I have been speaking.

Federal support for the establishment and expansion of Process Technology Ltd., in my constituency, is a major step in the diversification of the economy, with special emphasis on non-resource-based manufacturing. Process Technology embodies new technologies and is the flagship of the high technology industry in the Province of New Brunswick.

• (1600)

The province possesses a number of strengths which can be the basis for growth opportunities in the development of products and services embodying new technologies. These include the New Brunswick Research and Productivity Council which has attracted worldwide attention for its work in metallurgy; a well established engineering school at the University of New Brunswick, which offers the only Ph. D. in North America in computer assisted design and manufacturing; and excellent schools of computer science and world class expertise in telecommunications technology. The use of CAD/

CAM techniques, being assisted by the province's manufacturing technology centre, has the potential to greatly improve the competitive position of small companies. My Government has just given the New Brunswick Research and Productivity Council a $4.2 million grant for that purpose.

It is important to improve the over-all productivity and competitive position of New Brunswick's industries. The leading industry in New Brunswick which provides the largest number of jobs is the forest industry. The Minister of State for Forestry (Mr. Merrithew) has just announced a $35 million contribution to the forestry complex being located in Fredericton which will open a unique window on research for the entire forest industry in the region. This will greatly enhance the transfer of new technology to industry and expand the research and development component for this vital industry.

The availability of unskilled and semi-skilled labour provides a challenge for Government to provide needed facilities now in order to stimulate employment now. The announcement by the Minister of Public Works (Mr. La Salle) of the commence of construction this year of "J" Division Headquarters of the RCMP in Fredericton—a $20 million project—is a step in this direction.

The need to increase added value in New Brunswick products by increasing the level of processing the New Brunswick resources is another important strategy and a worthy strategic objective. The announcement by my Government of its $42 million participation in the development of the REPAP paper mill project on the Miramichi, which will produce a high grade of lightweight coated paper to be sold largely in the United States, is an example of putting your money where your mouth is. The retention of the military base on the Miramichi is another objective achieved by this Government.

Another major industry in New Brunswick, which at the moment is underdeveloped, is tourism. The Minister of State for Tourism (Mr. McMillan) in this Government has recently implemented a federal-provincial program involving $22 million federal dollars and $10 million provincial for this very purpose. The Minister of Supply and Services (Mr. Andre) has signed a joint agreement with his New Brunswick counterpart to improve and increase purchasing in that province. Jobs are the number one priority of this Government and the $60 million development of the Canadian Forces Base at Gagetown already announced by my Government will help provide them.

The new course of action for 1985-1986 commits Canada and New Brunswick to pursuing measures undertaken in existing subsidiary agreements and to undertake new joint measures in support of economic development in New Brunswick. Two of these, an ERDA subsidiary agreement for industrial development and a subsidiary agreement for industrial innovation and technology development, are expected to be signed in the near future. Premier Hatfield and Minister of Regional Industrial Expansion (Mr. Stevens) also agreed to assess where supplemental measures may be required for certain regions of New Brunswick. Current plans indicate that both Governments will expend an estimated $93 million in total in New Brunswick under existing agreements during 1985-1986.

It is crucially important to New Brunswick, which sells more to New England than it does to other eastern Canadian provinces, that Canada's trade policy emphasize the development and maintenance of positive trade relations with the United States with the aim of reducing obstacles to increased trade flows.

There are other challenges which face us. Because of its dispersed population and heavy dependence on exports, and to a lesser extent, central Canadians markets, the quality and costs of transportation services are crucial to New Brunswick's economic development. As just one example, an assessment for Transport Canada indicated that New Brunswick would be the most adversely affected of the four Atlantic Provinces by the removal of freight rate subsidies now provided under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act. Recent announcements concerning freight rate subsidies by the Minister of Transport (Mr. Mazankowski), who understands our problems, the reintroduction of the Atlantic Limited rail passenger train service and the continuation of the dayliner between Fredericton and Saint John, indicate that we have a Government which will listen and respond to our needs. It gives us the confidence that our problems will be addressed.

The upgrading of highways in the northern and eastern regions of the province to an all-weather standard has been a major federal priority. This work is now nearing completion and has succeeded in reducing the cost of moving resource exports to markets and improving the linkages between the northern regions and the urban centres of the south.

It may now be appropriate to consider how transportation measures can be used to improve the linkages between the complementary business functions distributed among the major urban centres; Saint John, manufacturing and port; Moncton, distribution and business services; and Fredericton, public administration, education and research. The upgrading, and in some cases, realignment of the highway link between the three centres represents one such approach.

There may also be opportunities now with the new federal airline deregulation policy to achieve improved air service between the major New Brunswick centres and between New Brunswick urban centres and other Maritime cities. As well, a third level air carrier service, for example, if established between New Brunswick centres, might make feasible improved service to the important New England market. Potentially, such improved air service could reduce the cost of doing business and greatly increase the attractiveness of a New Brunswick location for secondary manufacturing and services industry.

Another important issue in the transportation area relates to the ability of the port of Saint John to undertake the investment required for it to maintain its competitive position. The port is still heavily in debt from the expansion program undertaken in the 1970s and is not currently in a position to finance new investments. The existing debt load has prevented the port from obtaining local port commission status, as the new federal policy requires that a port demonstrate financial

self-sufficiency in order to be eligible. However, the port urgently requires new facilities such as a roll-on-roll-off service, to improve its competitive position. Such a facility would benefit New Brunswick exporters through reduction in handling costs and through an increase in the availability and quality of shipping services.

The resource based economies of the northern counties of New Brunswick have helped close the gap in employment income per capita with the provincial average which was made possible in part by federal-provincial programs.

Another factor behind the growth in the economies of the Madawaska, Gloucester and Kent Counties, has been the emergence of small manufacturing firms established by local entrepreneurs and selling primarily on regional and national markets. This underscores the importance of a small business incentive program. It also underlines the key thrust of this budget. The budget stimulates the small business sector, which is the engine of jobs, by creating more potential pools of capital, more generous research and development incentives and an attractive capital gains tax exemption. With a realistic and balanced medium-term strategy, the Minister now controls the deficit without threatening economic recovery, social programs or job-creation, while ensuring significant deficit reductions later.

The federal Government has been acting in a spirit of national conciliation and co-operation throughout its short term in office. It has attempted to put its house in order, to create a climate that is attractive to industry. It has also attempted to increase its ability to help regions of the country which suffer from disparities.

I reject the claim of Hon. Members of the Opposition who speak of sneaky and dishonest tax increases. Nothing could be sneakier than crippling the government's ability to deliver necessary services by strangling it in its own debt. We have had enough of grandiose announcements and constant shifts in direction which have created major problems with investor and consumer confidence over the past few years. This budget points out the direction rather than pretends we can do everything in one fell swoop. The corollary to that, the budget has planned the gradual phase-out of many loopholes in the taxation system and in programs. After all, these were legitimate deductions to which persons were properly entitled and they are entitled the reasonable notice of their discontinuance. That is what the Minister of Finance (Mr. Wilson) is giving.

Significantly, major issues involving social policy are not decided unilaterally or arbitrarily by the federal Government because they involve the provinces. Our Government is under no illusion that it is going to be easy to get us out of the mess the previous Government put us into. But this Budget does point in a new direction; it is a break with the past and a serious effort to maximize the delivery of quality service at the lowest possible cost.

• (1610)

Some of our opponents refer to the Budget as gutless. I reject that allegation. By putting its credibility on the line, by saying it trusts the private sector to make wise decisions, by making no attempt to hide its direction, the Government has indicated it will stand or fall by what it believes in. This is an example of political courage which is so rare that some of our opponents appear unable to recognize it for what it is.

Mr. George Henderson (Egmont): Mr. Speaker, to listen to the speech of my friend from New Brunswick, the Hon. Member for York-Sunbury (Mr. Howie), you would think that all is well in Atlantic Canada. But I do not think that is the case.

First I would like to address the issue which has been on the minds of Canadians since Thursday, and that issue is jobs. The Minister of Finance (Mr. Wilson) said this Budget was about jobs. Well, I say to you that this Budget is not at all about jobs in Atlantic Canada, and I do not think it is about jobs in Canada as a whole. Fewer dollars will be spent, as I read this Budget, on training and job creation. So how can the Government claim that the priority goal is jobs for Canadians? Where are all those jobs we were told about by the Prime Minister (Mr. Mulroney) and the Minister of Finance? As I say, I have not seen them in the Budget plans.

There is a plan, of course, to free up the entrepreneurial spirit, and we on this side, and I think all Members of the House, agree that there is an engine of growth there, but we have to consider those areas of the country where it is very difficult to get the entrepreneurial spirit in gear and where it will take some time to do so.

Therefore, what about the immediate job crisis we have on our hands? The Minister is taking quite a gamble by leaving everything up to the private sector, and hopefully it will work in the long term, over the next eight or ten years, but there are 1.5 million Canadians who are out of work today and that has to be addressed.

I do not see how those people who were left out of the Budget can be very excited about the investment incentives. In fact, I think they are sorely disappointed. The Budget leaves those Canadians out in the cold. The entrepreneurial spirit proposed in this Budget certainly will achieve some praise from some corners of this country and economy, and I hope it does. But I am telling you, Mr. Speaker, that praise is not going to be very great in Atlantic Canada, especially from those poor people on unemployment insurance whose benefits are running out and who will be unable to get jobs when that happens. These people have to look forward to going on the welfare roles. So this Budget is definitely not about jobs.

I can assure all Hon. Members that this Budget promises to aggravate the economic problems of my province, Prince Edward Island, and the rest of Atlantic Canada. The Budget clearly demonstrates the lack of understanding of Atlantic Canada which this Government suffers from. It is a region hampered by unemployment, where jobs are seasonal, and where the private sector is not the dominant force in the economy. This Budget baffles Atlantic Canada. They are asking me where the jobs will come from and it is obvious that

the Minister does not have the answer, so the Budget is bitter medicine for those people in that part of the country.

The riding I represent, Egmont, is much like other areas of Atlantic Canada. It relies heavily on transfer payments from the federal Government. Those payments are the largest single source of revenue for Prince Edward Island, and now the Minister of Finance has shown to Canadians that job creation is not a priority goal with this Government. The Minister delivered another blow to my province with this holdback of $2 billion in transfer payments over the next five years. Is that fair to the have-not provinces of this country? It means that essential medical services will be curtailed and in some cases eliminated, and dollars for post secondary education will shrink. Atlantic Canadians, especially those in Prince Edward Island, will have to dig pretty deep for this deficit-slashing Budget.

We have heard for the last three months the cliché that the Budget would be tough but fair, so let us look at the fairness of this Budget. First, the average family loses the federal tax reduction of $50. The child tax credit will be lowered. Family allowance cheques will shrink. On top of that, the average family gets hit with taxes on items like pet food, soft drinks, candy and band-aids, all of which are essential to the ordinary and poor Canadian.

Of course, the financial squeeze gets even tougher as we look at other areas where the Government is going to increase taxes, especially the gasoline tax. I happen to live in an area with three main industries: agriculture, the fishery and tourism. For Atlantic Canada as a whole you can add the forestry and mining sectors. These sectors are all heavy users of energy, and when you hit them with that kind of a tax it has to be extremely regressive. Therefore these excessive taxes will pinch the average wage earner, Canadians who scrape from one pay cheque to another. The Minister wants them to spend their savings and they will, but not on investments to stimulate the economy. No, they will cash in their savings to survive, to save their families from poverty. So it is not the families earning $50,000 and more who are going to be hurt. The families who can least afford it, the ones earning $20,000 or $25,000, or even up to $30,000, are going to pay for this Budget.

As I read through the Budget papers, another important concern for Prince Edward Island was totally lacking. There was no mention whatsoever of an energy agreement between the Province of Prince Edward Island and the Government of Canada. The Premier in his 1982 election campaign announced with great fanfare that we were going to have a 20 per cent reduction in energy rates. That was three years ago and what has happened since? There has been not only no reduction, but in fact a 30 per cent increase.

The Prime Minister, during the election campaign, promised to rectify that situation for Prince Edward Island. He recognized, as we all do, that energy rates were too high and he was going to quickly reduce them whenever he got the reins of power. Conservative members were in Halifax during the election campaign and they also said that they were going to find a solution to the energy situation in Prince Edward Island. The Minister of State for Tourism (Mr. McMillan), who is from Prince Edward Island, said that when they got power we would have a one-shot subsidy. But nothing has happened; in fact it has gone the other way. How long can Prince Edward Islanders continue to shell out to cover their astronomical power bills? It is taking everything they have to turn on the light switch and heat their homes. I can see where the Government is fattening its coffers by proposing a 10 per cent tax on things such as wood stoves, insulation, wind generators and solar panels, all equipment used for alternate energy sources. At the same time we are trying to get these people in the hard-hit regions off high cost non-renewable energy resources and onto renewable energy resources. All the incentive is directed toward western Canada, and particularly the Province of Alberta.

● (1620)

The Maritime provinces are the major producers of potatoes in Canada. Forty-five per cent of Canadian potatoes are harvested in Atlantic Canada. However, Maritime farmers are no longer able to boast about this prize crop because when the statement of the Minister of Finance was introduced in November they were hit with all kinds of fees. On top of that there will be a 2 cent a litre increase on fuel just at the time when farmers are harvesting their crops. That is another sector which is hopelessly going into the hole. The farmers of the country were looking for some relief from interest on loans. Instead another $50 million of farm subsidies was cut from the Budget for next year and every year thereafter, in addition to the cuts which were made in November. It is very difficult for farmers to put up with these uncertainties. They already have to put up with the uncertainties of prices, weather, and escalating energy costs.

Another important group of people living on Prince Edward Island is the senior citizens. Prince Edward Island has the highest per capita rate of senior citizens in Canada. Due to the de-indexing of Old Age Security payments their cheques will not stretch as far next year or in the following years. They will be cut by 3 per cent every year. Many seniors in the country are already living in poverty. Why did the Government take a swipe at the elderly, most of whom are women, who rely solely upon Old Age Security cheques to buy groceries and pay the rent? Three per cent means an awful lot to these people. Three per cent puts food on their tables. Senior citizens will have fewer dollars to spend on consumer goods. That, coupled with the absence of a significant job creation program, will swell the unemployment and welfare rolls. These people merely get by and do not have extra cash to spend. How will that help small businesses, which rely on consumer spending, to create jobs?

A family business which was incorporated 125 years ago went into receivership a week and one-half ago. Approximately 95 to 125 employees will be unemployed. That is the kind of business that we need in Atlantic Canada to create jobs. It is all tied to consumer spending. This Budget has not addressed that situation. In fact, it is going the opposite way. Being faced with even more cuts, it will be very difficult for any company

to take over R. T. Holman's and make it work. We desperately need to put Canadians back to work. This Budget is definitely not designed to do that.

Let us consider the fishery. During the election campaign we heard an awful lot about the fishery. We heard of all the things the Government was going to do for fishermen. It almost sounded like Orwell's book of fiction entitled 1984 in which he predicted what society would be like in 1984. The Tories also had a great book of fiction about the fishery. The number one author of that book was the present Prime Minister who had a riding in Atlantic Canada at that time. He was then showing some concern for Atlantic Canada. The Minister of Fisheries and Oceans (Mr. Fraser) was the co-author of that book.

After the Prime Minister got elected and formed the Government he forgot what Atlantic Canada was all about. The proof of this was in the November 8, 1984 economic statement. In this anti-Robin Hood, take from the poor and give to the rich Budget, the nasty sheriff of Nottingham Forest, the Minister of Finance, robbed one of Canada's poorest industries, the fishing industry, of some $40 million in November. On top of that he has robbed them of $25 million for next year.

Since the Government has taken office we have seen a hefty increase in the staff of the Prime Minister's office. There has been an increase in the staff of Minister's offices. There are 80,000 plus people employed in Ministers' offices. The only reason I can see for this is to find new and better ways to take money from the poor. That is exactly what they have been doing. They have been taking money away from fishermen and farmers. The "new and better" that was talked about during the election campaign was a new way for the poor and middle-class to become poorer and a better way for the rich to become richer.

I feel a bit sorry for the Minister of Fisheries and Oceans. Recently he came to the Committee on Fisheries and Forestry and asked all members of the committee to support him in his attempt to get far more money for small craft harbours. I have proposed on several occasions that we should have no less than $150 million for small craft harbours in Canada. I think every Member of Parliament agrees that there is not enough money in the Budget for small craft harbours. Even Members of Parliament from Ontario and Quebec have come before the committee asking for more money. Last week we had $54 million but on Thursday night we discovered that we have only $25 million left in the global budget of the Department of Fisheries and Oceans. This is crazy, Mr. Speaker. It is penny wise and dollar foolish. Our wharves are collapsing before the Government's eyes for need of maintenance. If the maintenance is not done this year it will cost five times as much next year. We have severe ice problems in Altantic Canada and there is a lot of destruction during the winter due to storms. If the necessary repairs are not made we could lose a total wharf. Instead of costing $100,000 to do the repairs now, it will cost the Government $1 million in the future.

This is an area in which the Government could look to create jobs. That would provide the infrastructure to expand the fishing and agricultural industries. Unless something is done to provide this infrastructure and keep it in place jobs will be lost. Fishermen can no longer afford to take part in the industry in which they have participated for many years.

I do not know where the Minister will make the cuts in the Budget. He tried in November. It was announced that Ste Anne de Bellevue would be closed and they had to retract that. It was announced that fisheries development programs would be cut in Quebec, Labrador, Manitoba and Saskatchewan. They had to backtrack on that and will have to backtrack on this too.

● (1630)

On behalf of the fishermen of this country whom I am trying to represent, I ask the Government to take a more sensible approach to the fishery so that it can become more efficient and create the jobs that are necessary. I hope the Minister of Finance and the President of the Treasury Board (Mr. de Cotret) will heed my words and consider that sector as one which will generate jobs.

The Budget will have a disastrous effect on tourism throughout the country, particularly in my province where it is the third main industry. The majority of tourists from the United States are blue collar workers. They too have budget restrictions, and higher transportation costs will prevent them from staying in Canada longer. That, coupled with the increased ferry rates that were implemented in November, the increased national parks fees as well as other increased costs make it a sad day for Atlantic Canada.

The President of the Atlantic Provinces Economic Council, Bob Stuart, said in a speech that the impact of the increased investment and expenditure cuts of 10 per cent will mean one per cent growth in central Canada and western Canada and it will mean a minus 6 per cent growth in Atlantic Canada where the private sector makes up just 20 percent of the economy and the public sector accounts for 80 per cent. This is compared to the West where it is 55 per cent in the private sector and 45 per cent for the public sector.

Mr. Lewis: Mr. Speaker, I listened with great interest to the Hon. Member. I heard him say specifically that farmers in Prince Edward Island are no longer able to boost about their potato crop. I should point out to the House that the Minister of State for Tourism who is the Hon. Member for Hillsborough (Mr. McMillan), the Member for Cardigan (Mr. Binns) and the Member for Malpeque (Mr. Gass) consistently boast about the potato crops on Prince Edward Island. The Member represents Prince Edward Island and I think it is shameful that he is not boasting about the potato crops there. I hope that his constituents will bring him up short for that.

The Hon. Member has been a member of the Liberal Party and the Liberal Government for several years. He knows that his Party refused to introduce legislation recognizing that the family farm is the pension fund of the farmer. Consistently the

Liberal Party taxed capital gains on the sale of the family farm. The Conservative Party has given the farmers of this country that exemption on capital gains. It is something the Liberal Party refused to do. Is the Hon. Member prepared to agree that this exemption which the Liberals refused to provide will have a long-term effect on the farmers of Canada?

Mr. Henderson: Mr. Speaker, obviously the Hon. Member did not understand what I said. Unfortunately, potato farmers on Prince Edward Island will no longer be able to boast about their potatoes as a result of these increased costs. There will no longer be any potato farmers if the Government proceeds with its increased cost measures. That is what I am saying and that is what his colleagues from Prince Edward Island should be saying.

It is not a question of the quality of our potatoes, it is how long we can continue to grow them at a loss. That is what the Government must consider.

With respect to capital gains, I agree with the positive measure in the Budget. I believe we all agree with that provision and it is a positive move for the farmers who are getting out of agriculture, but is is not positive for those trying to get into agriculture. While a capital gains exemption is an excellent program for farmers, the Government has not addressed the plight of young farmers and new farmers. That is the point I am trying to make to the Government.

Unless it addresses that situation there will be no potatoes in Prince Edward Island to boast about, or any agriculture to boast about. Even milk production is becoming less attractive as a result of high energy costs in Prince Edward Island. The profit margin is almost nothing compared to Ontario. I hope the Government will seriously look at what is happening in Atlantic Canada—particularly my Province of Prince Edward Island—and recognize the situation.

Mr. Hawkes: Mr. Speaker, in order for the Hon. Member to be fair about farm issues, he might recall the steps that were taken in November to reduce the input costs and the impact of a 3 per cent or 25 per cent reduction in interest rates on the input costs of farmers and the ability of consumers to pay for the products they produce.

At the beginning of his speech the Hon. Member talked about jobs. He concluded with a special plea for Prince Edward Island because 80 per cent of the economy was in the public sector and 20 per cent was in the private sector. He belongs to a political party that has essentially been in charge of this country for the last 20 years, during which time the proportion of public sector spending has grown in order to keep the community alive, while private sector employment and private sector spending has declined. I found his remarks rather confusing. Does he choose to make that proportion 85 per cent and 15 per cent, 90 per cent and 10 per cent for the future, or does he support our Government's goal of 50-50 in the economy, where everyone has a job because the private sector is strong and healthy? If he believes that, could he identify some measures in that Budget which will help realize that goal?

Mr. Henderson: Mr. Speaker, I was quoting a speech given by the President of the Atlantic Provinces Chamber of Commerce. He said that the Budget will decrease by minus 6 per cent the growth of Atlantic Canada. Those were his words, not mine.

Mr. Hawkes: Is he a Liberal?

Mr. Henderson: I do not know the gentleman. However, after the Budget I presume he would not be a Conservative, if he uses figures like that.

The Hon. Member asked about the ratio in the economy between the public and private sector. I would like to see it at 50-50, just as the Hon. Member would. However, we must be realistic. Cars are not manufactured in the Province of Prince Edward Island, they are manufactured close to the markets. The Hon. Member should know that. We do not have oil wells or spin-off industries from oil wells in the Province of Prince Edward Island. We must rely on three very important industries; agriculture, fisheries and tourism. The other sectors are related to consumer spending.

The disturbing aspect of the budget, as is reflected by the mentality of the Hon. Member, is that Members opposite do not understand what all of Canada is about. They do not understand the situation in Labrador. They do not understand the situation in Cape Breton or they would never have closed two heavy water plants without providing an alternative.

I do not understand downtown Calgary but I suggest it is much easier to create jobs in downtown Calgary, Edmonton, Toronto, Montreal or, indeed, in Ottawa. There are construction cranes everywhere, in Ottawa. I do not think there is one crane in my province of Prince Edward Island. There are some blue herons, but no cranes.

• (1640)

These are areas at which all of us have to take a look. In northern Ontario we will find the same situation. It is not unique to Prince Edward Island or to Cape Breton. There are outlying areas in the country which have to be taken into consideration. Unless the Government is prepared to address the situation, we will have unemployment like we have never seen before. What will happen to the deficit in that event? These people will have to survive. They will have to be paid welfare, UIC or something. All I am saying is that we will have to take a long, hard look at it.

Mr. Crofton: Mr. Speaker, the Hon. Member talked about the agricultural industry in Prince Edward Island, and he used some figures regarding fuel prices which I think were somewhat misleading. Perhaps in fairness he might want to correct what he said. He talked about the price going up in September by two cents per litre, but he neglected to mention that on June 1 it would go down .7 cents. Therefore the net additional cost to consumers in September will in fact be 1.3 cents per litre. He gave no credit whatsoever for the fact that the Government, since assuming office, has given a federal tax

remission to primary industries, which happens to include farmers as well.

Mr. Henderson: Mr. Speaker, I would like to comment on that question and to set the record straight. The tax remission which was given as a result of the November economic statement went into effect on January 1, 1985. It expires, and this is what we have to watch in these Budgets and economic statements—this is the trickery which I am glad to be able to expose today—on January 1, 1987. It is for two seasons. On top of that, they have already put on two cents per litre as well as the other increase last November. Where is the net benefit of that to farmers? There was no mention of that when the Conservative Party promised that if it was elected it would eliminate the excise tax on gasoline for two years. Conservative Members said that they would eliminate it. I have their list of promises. There is no sunset clause on it whatsoever. It was a good idea, a tremendous idea, but many farmers went to the polls to vote thinking that ever after there would be no tax on gasoline. What did the Government do? It will be the same this coming September as it was last August.

The Acting Speaker (Mr. Paproski): A short question by the Hon. Member for Crowfoot (Mr. Malone).

Mr. Malone: Mr. Speaker, I must say that I find the comments of the Hon. Member interesting. If one were to believe all that he was saying, one would expect that the netted gems on Prince Edward Island no longer see eye to eye. Bearing in mind that the Hon. Member indicated that the tax on gasoline was going somewhat higher, some 1.3 cents per litre in total, would he not concede, nevertheless, that it will be cheaper than when the Liberals were last in office?

Further, bearing in mind that one of the major costs to agriculture is the cost of capitalization, does the Hon. Member not recognize that interest rates are now 3 per cent cheaper then they were when he was on the government benches about a year ago? He said that we did nothing with the capital gains tax for new farmers to get started and that it would only help older, retiring farmers. Does he not recognize that the removal of $500,000 in capital gains tax will have a downward pressure on land prices and therefore make it more possible for younger farmers to become established?

Does the Hon. Member not huff and puff a bit too hard by not recognizing that part way through our term one of the major aspects at which we are looking is opening up the market to the United States? This could make his netted gems happy again and give farmers an opportunity for some sales. Surely he puffs too hard after being a Member on the Government side.

Finally, does the Hon. Member project a continuation of the Liberal policies of ever increasing the debt, ever increasing the burden, and believing that somehow that creates jobs and economic stability?

The Acting Speaker (Mr. Paproski): The Hon. Member for Egmont (Mr. Henderson) has 30 seconds to answer that question.

Mr. Henderson: Mr. Speaker, you do not give me much time within which to answer that question. It is interesting to hear government Members taking credit for the interest rates. Right after they were elected interest rates started to rise again, and they said that was the fault of the United States as the rates in the United States were going up.

An Hon. Member: They were fluctuating.

Mr. Henderson: They were fluctuating. During the election campaign it was all the fault of the Liberals, but when they were elected and they started to rise it was all the fault of the United States. However, when they started to come down again they started taking credit for it. If they go up again in the United States and then go up here, they will say the same thing.

It is interesting that the Hon. Member mentioned the United States market. This is at a time when our hog farmers are in extreme difficulty trying to sell pork in the United States, when our fishermen are having problems trying to sell salt cod, and when the Prime Minister said that he would buddy up with Reagan and settle all these problems. However, the Hon. Member knows full well that if the agricultural, fishing and tourism sectors are allowed to die, there will be a deficit situation the likes of which Canada has never witnessed before.

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

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I am honoured, as a government Member from western Canada, to join in this budget debate. My constituency of Swift Current-Maple Creek covers 18,000 square miles in the southwestern corner of Saskatchewan. The main business and occupation is agriculture, with some secondary oil and gas activity. What I say will be from that perspective.

The Budget is very important to my area of the Prairies, indeed to all western Canada, because it was this area, perhaps more than any other, which endured hardship and neglect over the past 20 years. Western Canada was particularly devastated by twin hammer blows 10 years apart. The 1971 Budget brought us capital gains and 1981 brought us the MacEachen Budget and the infamous National Energy Program. The emancipation of western Canada was launched at the historic meeting in the City of Prince Albert last July. There the Progressive Conservative Party confirmed that western Canada had to be brought back into Confederation. The Prince Albert Declaration indicated that a Progressive Conservative government would prove to western Canadians, by listening and taking action, that the federal Government was as much their Government as that of any other region; westerners would again see Ottawa as a friend, not as a foe.

Last September Canadians voted for change. They voted not just for a change in policies, they voted for a new approach to making public policy. Two months later, in November, we set out our agenda for economic renewal, an agenda which laid out our principles and new policy directions. We said at that

time that we would make the changes necessary to promote growth, create jobs and improve social programs. We said that we would act fairly, and we said that we would consult and listen before acting.

Since that time we have listened to the concerns and aspirations of Canadians in the most extensive consultative process in Canadian history. However, consultation has not been an excuse for inaction. Since September we have implemented many of the policies defined in Prince Albert. We said that we would implement a taxation system which recognized bottom line profits as the basis for assessing taxes in order to stimulate the investment needed to bring on new energy resources. In keeping with this, the Western Accord has been signed, thus concluding negotiations with the western provinces and the oil industry. The Western Accord signals a new era in federal-provincial relations and the end of the national energy policy. This new policy will mean opportunity for all Canadians through balanced development of our resources for all regions. Jobs in exploration and drilling will mean jobs in manufacturing plants. Development in the oil and gas resource areas will mean jobs and growth in Ontario and Quebec. The Western Accord brings to a close that bitter chapter of western history in which the federal Government unilaterally changed the rules of the game and caused untold misery for hundreds of thousands of Canadians.

In the areas of transportation and agriculture we have frozen existing freight rates from further increases for the next two crop years. The 31.5 tonne volume cap in the Western Grain Transportation Act is being removed. We have preserved a number of rural rail branch lines. We have implemented the $60 million federal-provincial drought assistance program. The Farm Credit Corporation has reduced interest rates by some 4 per cent for 5,600 farmers. It has announced a shared risk mortgage program. We have allowed voluntary dual labelling in imperial as well as in metric on farm products.

• (1650)

Last fall this Government reduced the price of fuel to primary producers by some 22 cents a gallon. We are in the process of legislating a national voluntary tripartite red meat stabilization program. We amended the Western Grain Stabilization Act to trigger a timely and substantial pay-out of $450 million to producers. The strong-arm and confrontational tactics of the Department of National Revenue have been abolished and taxpayers' rights have been enshrined in the declaration. All these actions prove this Government's commitment to the needs of western Canadians and to Canadian farmers.

On Thursday last, the Minister of Finance (Mr. Wilson) reaffirmed this commitment when he announced the immediate $500,000 capital gains exemption on the sale of farm property while at the same time preserving the tax free intergenerational rollover of land. Since the Liberal Government instituted capital gains in 1972, that unfair tax has hung like a poisonous cloud over the farm community. It hit hardest the farmer who found the fruits of his life's work locked up in the ground and, on retirement, subject to considerable income tax.

I am privileged to be a member of the Standing Committee on Finance of this House, a committee which in the month of March held extensive hearings on a number of agricultural issues and listened to briefs and presentations from all sectors of agriculture. From these hearings, it became obvious that the major concern was capital gains. The elimination of capital gains on farmland will enable a generation of older farmers to turn over their farm and receive a fair price which will permit them to retire with some dignity. At the same time, opportunities will open up to younger farmers to acquire this land at a more reasonable price. A further benefit will accrue to agriculture through obvious simplification in farm estate planning. In most instances, the lifetime capital gains exemption will do away with the widespread use of phoney custom work contracts and other back-door agreements which maintain roll over eligibility. Western agriculture today rejoices in the elimination of this odious and unfair impediment to individual freedom. The spirit and intent of the Prince Albert declaration manifests itself once again.

Thus far I have concentrated on our actions to help Canadian farmers, but farmers have wider interests. I know they share our concerns for the future of this country, for the unemployed and for our national financial problems, so I want to leave the subject of agriculture and talk generally about the comprehensive plan for economic review and renewal which the Minister of Finance unveiled on budget afternoon.

I, along with many other new Members, entered this federal level of public life because we feared for the future, the future of our families, our children and for their children, indeed for the very future of our way of life. We could see we were heading in the wrong direction. We were at the crossroads, the crisis stage, as the interest on the debt begins to feed on itself like a snowball rolling downhill. This Budget represents an historic moment in Canadian history. It is a watershed. It represents the turning point, the beginning of the ascension from the far depths of the fiscal imprudence of the past administration.

There is no magic to it. It faces the fundamental truth. You cannot spend indefinitely that which you do not have. There will be no more bribing Canadians with their own money, no more spend now and pay later. This Budget is realistic, fair, effective and honest. It is based on extensive consultation with Canadians.

This Budget is part of the agenda announced November last, an agenda for action to break the vicious circle of high unemployment and spiralling national debt. This Government seeks to break that cycle by taking decisive action on three fronts: first, by encouraging private initiative enterprise and productive investment by increasing the availability of capital and by rewarding success instead of merely subsidizing effort; second, by managing Government more effectively; and third, by gaining control of the national debt through a realistic medium-term strategy.

This Budget represents a fundamental break with the past, a significant change of direction as Canadians turn away from big Government toward the private sector, particularly small business, for growth and jobs. The personal lifetime capital gains exemption is designed to let all people of Canada—individual Canadians who have a personal stake in their affairs—to choose when and where to invest and how to create jobs. For too long politicians and bureaucrats, who have no investment, have been telling Canadians what to do. It has not worked, and it never will. There is no substitute for individual decision-making by Canadians who can best decide for themselves their own course of action. The jobs will follow. This is no great leap of faith; it is just plain common sense.

Government has become too big. It has become part of the problem instead of being part of the solution. That is why we have been combing Government for waste and inefficiency since September, and our efforts are starting to pay off. We will be lowering government overhead, rationalizing and improving government programs and selling off Crown corporations which do not serve an essential public policy purpose. The civil service will be reduced and public sector pensions put on a sounder footing. The search is still on to ensure that we provide maximum value for tax dollars.

This Government is first putting its own House in Order. It will be leaner, more efficient and cost effective, but savings from this better management will not be enough in itself to end the debt spiral. In order to deal with this problem we must increase growth, reduce spending and increase taxes, because failure to contain the debt now will force future Governments to drastic measures. We must reduce spending now to save programs later.

It is important that Canadians understand the magnitude of our deficit and debt problem and why it poses serious risks to our ability to achieve sustained economic growth and full employment. The public debt is simply the sum of all past deficits. It took 100 years to accumulate a debt of $18 billion and now, less than two decades later, the debt is approaching $200 billion, and is doubling every five years. Like any borrower, the Canadian Government pays interest on the debt and, like any borrower, the Government has been affected by high interest rates. Interest charges have been the fastest growing component of government expenditure. However, unlike most individual Canadians, the Government has been borrowing additional funds to pay the interest on past debts. That is why our debt is spiralling out of sight. If we do not show the resolve to deal with this problem now, the inevitable result will be the financial paralysis of the Government of Canada.

This Government has inherited a fiscal mess of such magnitude that urgent remedial action must be taken. Government spending has virtually doubled in the past four years. Expenditures today exceed revenues by 50 per cent. Government spends more on your behalf, 50 per cent more in fact than it gathers in taxes and other revenues. The deficit is growing three times faster than the economy. This year's deficit is approximately $35 billion. For every three dollars spent, two are collected and one is borrowed. Surely even the most profligate spendthrift would agree that this cannot long continue. We are mortgaging our tomorrow, our children's future to pay for today's excesses.

The annual deficit or shortfall amounts to about $1,400 per Canadian or approximately $5,600 for a family of four. Any family that continues to spend $5,600 more each year than it takes in will soon find itself in financial jeopardy. That family may be able to borrow for a while, but the interest charges will mount up and it will soon be faced with hard choices: to bring in more money, to spend less or declare bankruptcy, and the option of bankruptcy is not open to Government.

The net national debt is now closing in on $200 billion. It is not the debt itself that is the problem. It is the cost of the debt, the interest burden. This is not a little interest free loan from mom and dad. This is a cross that all Canadians have to bear. This year alone, $25 billion will be required to pay interest on the previously accumulated debt, the Liberal legacy. This is about $1,000 per person this year alone. One out of every $4 the Government spends goes to interest. One out of every three dollars of government revenue goes to service the debt. Projecting this kind of fiscal insanity into the future will indicate that all revenues may be required to service the debt in the 1990s.

What then? We might try to borrow money, but that just continues to build up future problems. At some point the bills come due. We could simply print more money, but to do that would guarantee an outbreak of inflation and rising interest rates that would damage confidence, investment and growth in the same way it did in the 1970s and early 1980s. This would be an abdication of responsibility. It is not an option.

The only other choice would be to find the money through drastic cuts in government services and major tax increases. Many government programs would be in jeopardy. Obviously this is also unacceptable. This situation is so compelling that I am sure all Members of this House will understand that the matter of reduced government spending, consequent debt reduction and lower interest rates are conditions precedent for greater employment and job opportunity for Canadians. I know that Members will unite and support these budget proposals which are necessary, and at the same time fair and reasonable. The people of Canada expect their representatives to put the fiscal house in order. They expect a responsible and prudent response. They want deficit reduction. They want to get this country moving again.

Some say that faster economic growth will solve our fiscal dilemma. As the Minister of Finance said, it will be an important part of the solution and the measures we have introduced will boost economic growth, but growth alone will not solve our problem. If we are to get off this treadmill, we must also slow down the debt spiral through lower deficits and lower interest rates, and that is what we have done in this Budget. We have taken that decisive first step to arrest and reverse the trend of increasing annual deficits. We have taken the tough decisions necessary to prevent future disaster. Though the measures are tough, they are also fair. Most

important, they are being implemented in a way that will not threaten our economic recovery. The Government has consciously chosen a plan of action which controls the deficit now while ensuring substantial reductions in the future. It is a plan that will help us create jobs now and ensure that we can create even more jobs later.

● (1700)

Many Hon. Members have heard or read that the Government is obsessed with the deficit. That is simply not true. Our obsession is with jobs; good, satisfying and lasting jobs for Canadians. If we believed higher deficits and a rapidly growing debt, the Liberal legacy, would help us create those jobs, we would gladly have increased the deficit. In the past four years, the deficit has tripled and unemployment has doubled. Obviously that approach does not work. It has not in the past and it never will.

Government job creation is band-aid stuff: twenty weeks of work and then back onto unemployment insurance. That is not good enough. Instead, the Government has brought in a realistic agenda for action that tackles our problems as they exist and as we found them on taking office last September. When we set out the problems and our directions for solving them in November, we were not building illusions. We were honest with Canadians. We accepted our mandate for change and made clear that implementing and adjusting to change would test the strength and resolve of all of us. We promised to act but first we promised to consult fully and openly with Canadians in reaching the decisions presented in the Budget.

We have acted to control and reduce deficits in a balanced and careful way that will not tip the economy off its current course of action. However, we acted with firmness and determination because, without control of our accumulating debt, the economy would be unable to produce the jobs we need.

This Budget is responsible, effective and fair. It is responsible because it faces up to the challenges, the same challenges that were irresponsibly ignored by the former Government. It is effective because it reduces the deficit by $4 billion this year and by $8 billion next year and reduces growth in the national debt. It is fair because the measures to reduce the deficit do not endanger the economic recovery. All Canadians are asked to contribute fairly and equitably, but those in greatest need receive adequate protection.

The Minister of Finance should be congratulated for carefully constructing a package that must be viewed in its entirety. We must go past the individual trees to look at the forest. The Budget asks individuals and corporations to pay their fair shares, and it also uses the tax system to promote economic growth and job creation. It contains expenditure reductions and program reviews and it also increases funding for job-creation and training programs and raises the child tax credit for lower-income Canadians.

This is a Budget for the 1980s. It builds on our strengths for a better Canada and a better tomorrow. It indicates to individual Canadians that for too long Government has made their decisions for them. Now is the time to revitalize, to rejuvenate and to transform ideas and energies into the kind of Canada we all want for ourselves and our children.

The Budget is realistic. It is fair and it will be effective. It will be effective because the action we have taken in this Budget reflects our faith in people, our faith in the ingenuity and drive of individual Canadians to seize opportunities and invest in their own futures.

Mr. Taylor: Mr. Speaker, first I would like to congratulate the Hon. Member for a very excellent speech which was splendidly delivered. I was interested in what he had to say about capital gains. The Leader of the NDP (Mr. Broadbent) and NDP Members who have spoken so far have claimed that capital gains are for the rich and some Liberal Members have taken the same attitude. That shows their ignorance of what has been going on with capital gains. The Hon. Member mentioned very carefully that capital gains formed the nest-egg of farmers and businessmen, and that is quite right. In fact, it is the only nest-egg they have. However, it goes beyond that.

One day I was standing on the street in Black Diamond when a businessman of about 35 or 40 years of age came up to me. He asked me, "When are you going to remove this capital gains tax?" I asked him why he was interested in that as he was not ready to retire. He said he was not ready to retire but he went on to say, "See that land there beside my service station? I own that. I would like to expand that business by hiring another seven people, but as long as the capital gains tax exists, which will rob me of my heritage, I will not do it. I will work my fingers to the bone for my wife and my children but I will not do it for any blankety-blank government".

I wonder how many businessmen have refused to expand their businesses because of capital gains taxes. This measure is not just for the rich, is is for everyone.

There is another point I would like to mention but I do not have the time as I know that these questions are to be short and concise. The Hon. Member indicated that he supported the capital gains measure because it was the nest-egg of farmers and businessmen, and that would be a good enough reason to do so even if there were no other reasons. However, is the Hon. Member aware of other reasons for the capital gains measure to be so important to this country? Is he aware of the terrible attitude of western members of the NDP who say that capital gains tax elimination is only for the rich? I wonder if the Hon. Member would like to say that to the farmers of Saskatchewan.

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I thank the Hon. Member for Bow River (Mr. Taylor) for his observations and comments and for his question. I personally got into this business mainly as a result of seeing what capital gains had done to the farmers and small-business people of western Canada. Without doubt, capital gains tax has hung like a sword over their heads since its inception. It has backed up a whole generation of older farmers and business-people who have been basically unable to dispose of their assets to the next generation because of the prospect of that unfair tax

hanging over their heads. This measure will stimulate activity all across Canada, and, more important, I think it gives the younger generation an opportunity to strive and to succeed.

I know, as do many of my confrères, of many young people who are bushy-tailed and eager to get out to work. They want to work long hours. They are quite prepared to work nights and weekends but they will not put out if they see that their hard earned efforts are taxed away. This measure gives the entrepreneur, the person who wants to take on the extra responsibility of building a business, that opportunity. People will be employed by these businesses and that is the side benefit. That as well is the main thrust of this Budget.

We should point out that the capital gains measure is something that is fair for all Canadians. I think it is something all Parties of the House should support. I really have not detected any particularly strenuous objections coming from Members of the Opposition Parties. I mentioned earlier that I had participated in the hearings of the Finance, Trade and Economic Affairs Committee. It is my understanding that the recommendation of that committee was to eliminate capital gains taxes completely. I am pleased to see that the Minister of Finance has been able to respond at least in part to that request by putting forward the cumulative lifetime exemption of $500,000.

Mr. Malone: Mr. Speaker, like the Hon. Member for Bow River (Mr. Taylor), I would like to add my congratulations to the Hon. Member for his very excellent speech and particularly for the manner in which he was able to set out the cornerposts of economics, and the fact that we do need to base the advantages of our nation on solid principles. Hes has outlined them in a way which I believe to be clear and understandable.

Bearing in mind the rational and reasoned way in which the Hon. Member set out his case, and knowing that Members of the two Opposition Parties have rather enjoyed an interesting time since the Budget was delivered by attacking point after point as if they existed in isolation, I would like to deal with a matter that relates to the cost of fuel. I would like to ask the Member, knowing that he views that in a broad perspective and that he has a true desire to do what is best for Canadians, what response he would give if someone were to ask him about the increase in the cost of fuels. Perhaps the House might have the benefit of his reasoned and measured judgment.

• (1710)

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I thank the Hon. Member for Crowfoot (Mr. Malone) for his question. It is a question I was asked in my constituency this past weekend. Certainly, it is a concern, particularly to the agriculture sector which is a large user of fuel.

It is my understanding, that effective June 1, as a result of the Western Accord, oil prices will be deregulated. At that time the Canadian Ownership Special Charge will be abolished. Members will recall that the COSC was imposed in 1981 as part of the original National Energy Program. Its purpose was to allow Petro-Canada to embark on expansion plans. Of course, one of the early purchases was the famous Petrofina purchase in which the previous administration saw fit to squander $1.6 billion of hard earned tax dollars to acquire a string of gas stations which already had their pumps in the ground. Those gas stations were already subject to Canadian taxation and regulation. That was the source of the COSC. That is the .7 cents a litre which will terminate on June 1. It is true that in order to put together the Western Accord package there will be an increase in the excise tax on motor fuels of some 2 cents a litre, effective September 3. I firmly believe, if analysts' predictions of lower oil prices in the months ahead are true, that we could be paying less for gasoline. The world is awash in oil. There is absolutely no question that the reduction in the world price will be passed on to the consumer in the normal course of events. That is speculation, but I believe there is every likelihood that there will be a reduction. If not, we are looking at an increase of two cents a litre on September 3, minus the .7 cents a litre which will terminate on June 1. Therefore, the net effect will be 1.3 cents a litre, which is approximately six cents a gallon.

Mr. Hovdebo: I will believe it when I see it.

Mr. Wilson (Swift Current-Maple Creek): Of course, the purveyors of gloom and doom in the NDP will sneer at that. We know they are professionals at complaining, whining and snivelling. They do it day after day.

Mr. de Jong: That is one of the effects of deregulation.

Mr. Wilson (Swift Current-Maple Creek): The Hon. Member for Regina East (Mr. de Jong), who so rudely interrupted, gets a glow whenever there is a possibility that a financial institution might be in some difficulty. He comes alive at the prospect that there might be some crack in the foundation of the private enterprise system.

Mr. Hovdebo: What question are you answering?

Mr. Wilson (Swift Current-Maple Creek): The Hon. Member is miserable enough as it is, I certainly would not want to carry it on.

Mr. Hawkes: Mr. Speaker, the Hon. Member will know that there was an economic statement in November, and that there was another clear-cut statement made in the Budget concerning the importance of creating jobs for Canadians through encouraging the private sector to produce more and to sell aggressively in order to produce the jobs which we need.

A previous speaker spoke about the farming community and the fact that there were no provisions in the Budget for farmers. The Hon. Member for Swift Current-Maple Creek (Mr. Wilson) represents a community which has a large number of farmers. Could he indicate to the House what parts of the Budget and what parts of the November economic statement are important to the farmers in his riding?

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I would ask the Hon. Member to review my speech, which listed

at least a dozen initiatives upon which the Government has already embarked—

Mr. Hovdebo: Not this Budget.

Mr. Wilson (Swift Current-Maple Creek): He will recall that the Hon. Member for Prince Albert (Mr. Hovdebo) asked what the Government has done since it came into office. In responding to the question of the Hon. Member for Calgary West (Mr. Hawkes), I can tell him that at least a dozen initiatives were put forward. A most important initiative was the reduction of 22 cents a gallon on the price of fuel to primary producers. The other initiative, which will be of enormous benefit to all Canadians, particularly those involved in the agricultural sector, is the lifetime $500,000 capital gains tax exemption. That is the single most important tax development to hit Canada in the last 15 years.

Some Hon. Members: Hear, hear!

Mr. Simon de Jong (Regina East): Mr. Speaker, in entering the debate on the Budget, I have cause to reflect once again on what the Canadian Conference of Catholic Bishops stated in their report which was released January 5, 1983. The report was entitled, "Ethical Reflections on the Economic Crisis". At that time, the Bishops gave a general description of the realities which faced Canadians. They said:

> Along with most people in Canada today, we realize that our economy is in serious trouble. In our own regions, we have seen the economic realities of plant shut-downs, massive layoffs of workers, wage restraint programs, and suspension of collective bargaining rights for public sector workers. At the same time, we have seen the social realities of abandoned one-industry towns, depleting unemployment insurance benefits, cut-backs in health and social services, and line-ups at local soup kitchens. And, we have also witnessed, first-hand, the results of a troubled economy: personal tragedies, emotional strain, loss of human dignity, family breakdown, and even suicide.

In reading that statement, and looking at the Budget which was brought down by the Conservative Party, I am concerned about the way in which the Budget addresses the realities which the Bishops laid out in their statement of 1983. I found a lot of what the Bishops spoke about in 1983, and the criticisms which they had of the Liberal Government and its economic policies, are very much applicable to the Budget which was delivered last Thursday.

For example, in the statement, the Bishops pointed out that the economic strategy of the Liberal Government was one which they described as:

> To stimulate economic growth, Governments are being called upon to provide a more favourable climate for private investments. Since capital tends to flow wherever the returns are greatest, reduced labour costs and lower taxes are required if countries are to remain competitive. As a result, most Governments are introducing austerity measures such as wage restraint programs, cut-backs in social services and other reductions in social spending in order to attract more private investment.

Again, what the Bishops pointed out in their 1983 statement is very much what this Government and previous Liberal Governments have done. They have reduced taxes in order to encourage private investment at the expense of social programs, in the hope that it would generate the economic activity which would benefit the majority of Canadians.

The Bishops' statement continued:

> As recent economic policy statements reveal, the primary objective is to restore profitability and competitiveness in certain Canadian industries and provide more favourable conditions for private investment in the country. They private sector is to be the "engine" for economic recovery.

It is that economic order about which the Bishops wrote. Their statement continued:

> —we firmly believe that present economic realities reveal a "moral disorder" in our society.

The Budget which was brought down by the Conservative Government is a moral disorder. It is a budget based on false premises, based on the notion of greed and encouraging the accumulation of private and corporate wealth in obscene proportions.

• (1720)

Let us have a look, Mr. Speaker, at past records to see whether this economic policy of encouraging the private sector in order to have economic renewal has actually worked. Let us look first at some of the corporate tax breaks which exist now.

For example, in 1983, Northern Telecom, had $3.3 billions in sales, showed $325 million in profit, yet managed to end the fiscal year paying no taxes. TransCanada PipeLines Limited has $4.7 billion in assets and its 1982 pre-tax earnings were $482 million, yet it paid just 7 per cent in taxes. Shell Canada Limited, with assets of $4.7 billion and pre-tax earnings of $302 million, paid no income tax in 1982.

This Government talks about fairness. Is it fair that Shell Canada and Imperial Oil pay no taxes when they make hundreds of millions of dollars? But the poor person who is earning $15,000 to $20,000 a year will have removed out of his pocket $1,000 because of this Tory Government. Is that fair? Is that equitable? I agree with the bishops when they say there is a moral disorder in this country and in this economy.

There is the other area of tax deferrals, Mr. Speaker. In 1982 it was estimated that we had some $29 billion owing, increasing by approximately $1 billion every year. So let us assume that in 1985 we have $32 billion or $33 billion in tax deferrals. These are taxes which corporations admit they owe, but they made an agreement with the Government that the taxes would be deferred until some time in the future. Will they ever be paid? No, Mr. Speaker. Anyone who is wise in the ways of the world knows that these taxes will never be paid. Is any interest charged on these taxes? No, Mr. Speaker, none whatsoever.

The Government, of course, has to pay interest on money it borrows. I heard the Hon. Member for Swift Current-Maple Creek (Mr. Wilson) explain that anyone who borrows money has to pay interest so, therefore, the Government has to pay interest on its deficits. Yet there is some $30 billion out there owed to the federal Government. Is any interest being paid on that money? No, Mr. Speaker. If the Government would only charge interest at 10 per cent on the $30 billion, it would collect $3 billion this year which would reduce the deficit to a much greater extent than did the Minister of Finance last Thursday evening. The Government could just collect 10 per

cent interest on the $30 billion which is owing to it. That is a very handy and neat way of reducing the deficit. Charging 10 per cent interest is just one little item. Most people who borrow money in my constituency, Mr. Speaker, would love to pay 10 per cent interest on their borrowings. Many small business people and many farmers would love to pay 10 per cent interest. That's fair, isn't it? Let's charge 10 per cent interest on these deferred taxes. We can really reduce the deficit with some $3 billion. But, no, Mr. Speaker, the Governemnt is not going to touch those corporations.

There is also the research and development tax credit, Mr. Speaker, which is something that our Liberal friends introduced. We were going to lose some $200 million on this. But apparently, we have lost some $2.8 billion on the R and D tax credits. Are we going to put a stop to this? No, Mr. Speaker. When the Tories came in they realized it was a little too much so they introduced a grandfather clause. When the Tories took power it was estimated we had lost some $1.5 billion in lost government revenues just on this one scam alone—and it is a scam. The Minister of Finance knows it's a scam. Every Hon. Member opposite knows it's a scam. There is no $2.8 billion in new research and development which has occurred in this country. So the Conservatives were going to shut that down. At that stage it was estimated we had lost some $1.5 billion. Some shut down, Mr. Speaker. We lost another $1.3 billion under the research and development tax credit scam after the Tories were in. And they say, "No problem. Let's feed those guys some more tax breaks and eventually some of it will trickle down and create some jobs. Prosperity is just around the corner".

But, Mr. Speaker, as the bishops pointed out in their statement, "Since capital tends to flow to wherever the returns are greater, reduced labour cost and lower taxes are required if countries are to remain competitive".

What we are doing is giving these corporations more tax incentives and tax breaks in order to compete with what is given by the Governments of the United States, England and in other places. So it continues, Mr. Speaker, and the result is that the wealthy and the multinationals, who have the power to move their capital around the globe, essentially hold this Government, and Governments around the world, up for ransom. That results in the wealthy and the multinationals not paying their fair share. All this budget has done is give further service to the corporate sector.

Let us continue to look at the Tory philosophy of helping the well to do. I have a copy of *The Globe and Mail* of July 7, 1984. The headline reads, "Unemployment Good Alberta Minister Says", and I quote:

> Unemployment is good for the economy because it controls wage levels and increases productivity. Alberta manpower Minister Ernest Isley says.
>
> "From an economic point of view, if you define full employment as everyone having a job, that's not a healthy thing"—

The Minister says full employment is not a healthy thing. I am waiting for some of the Tories to come out of the closet and repeat what the Alberta Minister of Manpower says, because I believe that a fair number of those Tories do not really believe in full employment. They believe in keeping working people down and reducing the cost of manufacturing so that we can compete with the wage levels of Hong Kong and Singapore. That is what those Hon. Members want. They do not believe in full employment because what full employment will do is allow working people to get better wages and they are not interested in that. All they are interested in is having the corporate sector, their wealthy friends, doing quite all right, thank you.

Then there are some 7,782 persons who paid no tax this year. These are people who earn more than $50,000 or $60,000 a year and pay absolutely no tax because of all of the different loopholes and schemes in which they can get involved. The Government says, "We are going to get these characters. We are introducing this surtax". But that is a joke, Mr. Speaker. The surtax is a tax on the tax that you pay. But the 7,782 people who earn more than $60,000 who didn't pay any tax, are not going to be paying a surtax. All the surtax will do is penalize those people who do not play the tax loophole game. It is going to force those people who have been paying their fair share of the tax, and who have not gotten involved in any of the tax avoidance schemes, to get involved in tax avoidance schemes. I would suggest, Mr. Speaker, that the surtax will produce less revenue than is now being collected because it will encourage people to attempt to avoid taxes through different tax schemes.

• (1730)

We come now to the other goody in the Budget, the capital gains goody. The Tories are quite smart. They have learned some lessons from the Liberals and definitely from the Republicans in the U.S. Essentially what they have done is taken one good item and used that as an excuse to bring in all sorts of questionable items. They allowed farmers to escape paying taxes on $500,000 of capital gains. This is a good move. It is something which has been in our—

Some Hon. Members: Hear, hear!

Mr. de Jong: Mr. Speaker, could you please ask the jackasses to stop braying.

Mr. Lewis: That is not a nice thing to say about the NDP.

Mr. de Jong: It is something which has been—

The Acting Speaker (Mr. Paproski): Order, please. There will be an opportunity to ask questions or make comments after the Hon. Member's speech.

Mr. de Jong: Mr. Speaker, that item has been in the NDP platform for most of the 1970s. However, the problem is that the Government at the same time is allowing tax-free capital gains for all sorts of wheelers and dealers and speculators. To achieve one good thing they have drafted legislation which is so broad I predict it will put to shame the Liberal research and development tax credit scheme so far as Government revenue loss is concerned.

There is a very good reason why a farmer who toils on his land has seen very little return on his labour, especially over the last decade. The reason is that the cost of production is about equal to the prive he gets for the goods he produces. The only profit he really produces is in the improvements to his farm. So when he sells his farm I think it is right and just that he not be taxed on the first $500,000 of his capital gain. But is this also true for people who buy condominiums and flip them a year later? Is it also true for people who speculate? I say it is not.

Mr. Malone: Why not?

Mr. de Jong: Because the farmer is engaged in some honest labour, whereas the bloody speculator flipping apartments or condominiums in Florida should be taxed on his capital gain.

So we see a Budget based essentially on a very simple notion of making the guys at the top happy and eventually the benefits will trickle down. It is called the trickle-down theory. Essentially it means feed the horse a lot of oats and eventually the sparrows will get some. That is the essential notion. Except that some Members opposite obviously continue to step in that under the mistaken belief that they are receiving a benefit.

Mr. Wilson (Swift Current-Maple Creek): Check the floor by your desk.

Mr. Lewis: We call it the NDP platform.

Mr. de Jong: I claim this Budget is essentially obscene. The Bishops, in their statement, pointed out:

> At the same time, working people, the unemployed, young people, and those on fixed incomes are increasingly called upon to make the most sacrifice for economic recovery.
>
> —even if companies recover and increase their profit margins, the additional revenues are likely to be reinvested in more labour-saving technology, exported to other countries, or spent on market speculation or luxury goods.

In this Budget we see that older retired people have been asked to carry the burden; they will be losing $1.6 billion in the next few years. They are the ones who are called-upon to sacrifice in order to reduce the deficit. Yet there is no call for Imperial Oil or TransCanada Pipelines or Northern Telecom to pay their share, or for the Government to call in the $30 billion in deferred taxes. No, those companies are not to participate in reducing the deficit, just the old folks, and that I call obscene. It is an obscene Budget and it is certainly not in keeping with the traditions and sentiments of the Canadian people.

Mr. Lewis: Mr. Speaker, I must confess that I listened to the Hon. Member's speech with a great deal of concern. We have expanded the capital gains tax exemption beyond farmers alone, but the previous Liberal Government, as everyone in this House knows, applied that capital gains tax to farmers without any understanding of the situation. No one in this House would doubt the effort made by people who earn their living from the soil, but I am shocked to hear to Hon. Member infer that the tourist operators, hardware store operators, contractors and real estate agents in my riding, all of them people who make legitimate capital gains by working at what they do best, just as hard as farmers work at what they do best, do not perform honest labour. I ask him to immediately stand in his place and refute the irresponsible charge that those people who work so hard in this country do not achieve what they do through honest labour.

Mr. de Jong: Mr. Speaker, it amazes me how hyped-up Government Members are. Obviously they have gone through a good mind training session. They remind me of a group of Amway salesmen. They have been hyped-up, given the line, and they are out there like little robots delivering their lines and points. Here in the House they are hyped-up to the point of impoliteness and discourtesy, I might add. They have to do this little number of show and tell for Canadians because they realize that this Budget is dishonest, and they have to shout loud and long in order to try and convince the Canadian people they have something worthwhile. But in fact it is the biggest con we have seen in a number of years.

The Hon. Member talks about the hard-working Canadian people that this Budget is supposed to help. I have no doubt that this capital gains provision will help some people who have needed and need help.

Some Hon. Members: Hear, hear!

Mr. de Jong: Fine. But I want the Hon. Member to stand up and state in this House that it will also help people who do not need to be helped and should not be helped. I challenge the Hon. Member to make that statement right now.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa-Carleton (Mr. Turner).

Mr. de Jong: I note the Hon. Member is not standing up.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Hon. Member referred to the Bishops, and I was just going to call a Bishop because I think he is bordering on cardiac arrest. He talked about the Budget being a moral disorder. On the contrary, I think it is a serious act of fiscal responsibility. I think the Hon. Member for Regina East (Mr. de Jong) will agree that the Budget is a break from the past. We know the old ways were not working. Pouring funds into the public trough was not creating jobs in the country. The ball is now in the court of all Canadians. It is up to Canadian businesses to invest and create real jobs rather than short-term, make-work projects.

● (1740)

Does the Member for Regina East think the Government should have printed more money which would create inflation? Does he think the Government should continue to pour money down the deficit drain, or does he think we should eliminate short-term, make-work projects in favour of long-term, real, lasting jobs, allowing the private sector to create more jobs in the country?

Mr. de Jong: That is a very interesting question, Mr. Speaker. As I answer it I wish to note that the former Member to whom I made the challenge chose not to respond to it.

Government studies show that the people who have received the most tax breaks have been the least productive in creating new jobs. I find it amazing that the Tories can say that the Budget is a major break from the past. That is not true. The Lalonde Budget and the MacEachen Budget before it were essentially based on the trickle down notion. The $30 billion in deferred taxes and the drop in the corporate tax rate which has occurred in the last number of years are just continuations of that policy. We must ask whether that policy has worked. It has not.

Will the tax breaks to corporations produce jobs? A Statistics Canada report found that incentives to business are not likely to create more jobs. In the last quarter of 1984 there was "little incentive for most companies to increase their spending on plant and equipment since most sectors are burdened with . . . excess capacity". For the manufacturing sector the capacity utilization rate was only 77 per cent. If you are only utilizing 77 per cent of your plant are you going to create more jobs and open more plants? Of course not. Therefore, why does the Hon. Member ask such a silly question? Is it economic sense that if you give someone who is only operating his plant at 77 per cent capacity more tax breaks he will use those tax breaks to build new plants and equipment? Of course he will not. The problem is that the public does not have the income to buy the goods and services which are produced.

I do not understand why the Tories do not understand simple straight economics. It is the lack of people being able to buy the goods and services that they need. We have people lining up at food banks because they do not have the income to go to a grocery store and buy a pound of hamburger. That is why we have a downturn in the economy. No matter how much money is given to the person who is only operating at 77 per cent capacity, he will not increase his capacity. He will only take the money and build condominiums in Florida or use it for a take-over. He will not create jobs.

Some Hon. Members: Hear, hear!

Mr. Lanthier: Mr. Speaker, I can understand the Minister of Finance (Mr. Wilson) when he asks when the Opposition is going to stop running around with a little black cloud over its head.

[*Translation*]

And I think that if this black cloud is as thick as their arguments are sound it will not cast much of a shadow. A moment ago, I heard the Hon. Member for Regina East (Mr. de Jong) say that 7,700 people would not pay any tax, so they would not pay any surtax either.

I would also like to hear the real figures. I draw the attention of the House to the fact that indeed 1.2 million people will pay the surtax in Canada. Well, no one can claim that 1.2 million is a negligible amount compared with the 7,700 people who will not pay any tax.

Another interesting figure has to do with the fact that 6,600 companies will also be paying the surtax. Again if we compare that with the 7,700 people mentioned earlier, I think it is a very sad performance.

[*English*]

The Acting Speaker (Mr. Paproski): I will give you 30 seconds to respond.

Mr. de Jong: Mr. Speaker, those are estimates which his Department has produced. I suggest that the surtax will be like a disincentive or penalty for those people who have been paying their tax. They will find themselves paying more tax on the taxes that they have been paying. They will look for tax loopholes and tax avoidance schemes in order to stop paying that tax. I suggest that the surtax may very well mean an over-all drop in revenues because it is a penalty for the people who have been doing the honest thing and paying their taxes.

[*Translation*]

The Acting Speaker (Mr. Paproski): The questions and comments are over.

[*English*]

It being 5.45 o'clock p.m., it is my duty, pursuant to Standing Order 64(6), to interrupt the proceedings and put forthwith any question necessary to dispose of the amendment to the amendent which is now before the House.

Mr. Wilson, seconded by Mr. Mulroney, has moved:

That this House approves in general the budgetary policy of the Government.

In amendment thereto, Mr. Johnston, seconded by Mr. Turner (Vancouver Quadra), has moved:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House condemns the Government for its betrayal of the trust of the Canadian people by producing a budget that destroys jobs, that offers neither help nor hope to the working poor and the unemployed, that brutalizes the middle class, that imposes massive and unfair tax increases on middle and lower income Canadians and that is devastating to the economically disadvantaged regions of the country."

In amendment to the amendment, Mr. Riis, seconded by Mr. Murphy, has moved:

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and this House further condemns the Government for actions which will effectively reduce pensions for senior citizens, for gasoline tax increases to pay for the Western Accord, for its failure to take immediate and determined action to reduce the ranks of the unemployed, and for the absence of a minimum tax on wealthy Canadians who pay no income tax."

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

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

(*Division No. 27*)

YEAS

Messrs.

Allmand
Althouse
Angus
Benjamin
Berger
Blaikie
Boudria
Broadbent
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett (Ms.)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Malépart
Manly
Marchi
McDonald
(Ms.)
(Broadview-Greenwood)
Mitchell (Ms.)
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Orlikow
Ouellet
Parry
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robichaud
Rodriguez
Rompkey
Rossi
Turner
(Vancouver Quadra)
Waddell
Young—55.

NAYS

Messrs.

Attewell
Beatty
Bernier
Bertrand (Mrs.)
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bourgault (Mrs.)
Boyer
Bradley
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Carney (Miss)
Champagne
(Champlain)
Chartrand
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clifford
Clinch
Coates
Cochrane
Comeau
Cook
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
Daubney
Della Noce
Desjardins
Dick
Domm
Dorin
Duguay
Duplessis
(Mrs.)
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Hamilton
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
(Mrs.)
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
Minaker
Mitges
Moore
Mulroney
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
O'Neil
Oostrom
Paproski
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St-Julien
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stewart
Suluk
Taylor
Toupin
Towers
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—174.

[*Translation*]

Mr. Speaker: I declare the amendment to the amendment lost.

It being 6.13 p.m., this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 2(1).

At 6.13 p.m. the House adjourned.

HOUSE OF COMMONS

Tuesday, May 28, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Flora MacDonald (Minister of Employment and Immigration) moved that Bill C-52, an Act to amend the Unemployment Insurance Act, 1971, be read the second time and referred to the Standing Committee on Labour, Employment and Immigration.

She said: Mr. Speaker, I rise on a point of order. I understand that there have been negotiations among the House Leaders on this particular Bill and I think, Sir, if you seek agreement, you will find that the House is in agreement to move this Bill to Committee of the Whole.

Mr. Speaker: Accordingly, Miss MacDonald, seconded by Mr. Merrithew, moves that Bill C-52, an Act to amend the Unemployment Insurance Act, 1971, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

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

Some Hon. Members: Agreed.

Mr. Speaker: Accordingly, the Bill will be referred to Committee of the Whole. The motion is now debatable.

Miss MacDonald: Mr. Speaker, at the outset of this debate on Bill C-52, I would like to express my real thanks to Hon. Members of the Opposition Parties for their agreement to expedite this Bill through all stages at one sitting of the House and to limit the time that we spend in debating this very important measure.

I am pleased to introduce debate on Bill C-52 which, as Hon. Members will know, contains two very important amendments to the Unemployment Insurance Act. These amendments if passed into law would do two things. The first amendment would freeze the UI premium rate for 1986 and the second would extend the variable entry requirement for a period of 19 months. I see that my friends opposite are nodding in agreement with that. I know that it has been of concern to them and I am pleased to be able to introduce these measures today.

I think we all agree that the unemployment insurance system plays a very, very vital role in our social security network. Its benefits replace lost income. Those benefits help maintain the stability of local economies of communities and indeed help develop jobs for people in those communities.

During each of the last three years, the years of the recession, the unemployment insurance program provided basic income protection for something like three million Canadians each year. The ability of individual Canadians to meet the basic requirements of food and shelter while looking for another job is maintained through the unemployment insurance network.

For some time, as I am sure Hon. Members will have noticed, there has been a great deal of discussion about the unemployment insurance fund. Many different aspects of this program have been criticized and others have been praised, but there has been discussion from one coast to the other about the unemployment insurance fund. Whether it is business or labour organizations, interest groups or whatever, they are asking if the program is fair, if it is efficient, if it impedes the development of new jobs or if it does enough to provide unemployed Canadians with new opportunities. These are some of the questions that have been raised.

As a Government, we clearly recognize that unemployment insurance is a cornerstone at the base of our social security system. It is supported primarily by premiums from individual businesses and their employees. This program as such belongs in the most direct sense of any program we have, to the Canadian people. The role of the Government is largely one of a trustee whose role is to manage this public fund on behalf of Canadians. Therefore, any basic re-examination of the fund demands consultation and discussion with the people who really own the fund. The Government recognizes that and it recognizes as well that many Canadians feel that the time has come for the Unemployment Insurance Fund to be re-examined. Canadians have spoken out about this and we agree with them.

I will shortly be announcing the names of members of the special committee who will study the fund and will hold public hearings. That committee will be made up of representatives from business and labour, leading Canadians who will meet and consult with other Canadians across the country. Our commitment is to provide an open forum for debate so that the many varieties of views on this subject can be expressed. This review, I would say, provides a unique opportunity for Canadians to develop a national consensus as to what they want their unemployment insurance fund to do.

• (1110)

I have said that it is the workers and the employers who pay for the unemployment insurance fund. In 1984, the UI Program cost $11.2 billion. To finance those expenditures, employers and employees contributed more than $7.5 billion directly into the fund. Bill C-52 proposes to amend the Act to freeze the premium rate at its present level until December 31, 1986. The present level is $2.35 for workers and $3.29 for employers. Those amounts are based on a particular formula. If the formula were allowed to remain in place, without amendment, it would require the Government to raise the premium rate later this year. Employees would probably have to pay as much as $2.60 for every $100 of every worker's insurable earnings. Employers would be required to pay more than that for each employee.

As the Minister of Finance (Mr. Wilson) said last Thursday, we will avoid imposing a heavy tax on lower income employees and labour-intensive businesses. Not only will the freezing of the UI premium rate help to give stability to employer-employee costs, it will also remove the burden from both employers and workers; the major shareholders in the unemployment insurance fund. That is one of the amendments which we are bringing forward, to freeze the present premium rate.

We are proposing another amendment, which is more urgent, to extend the variable entry requirement until December 31, 1986. If that amendment were not to pass, as of this Saturday, June 1, the variable entry requirement would expire. That would mean a great many people would be immediately and directly affected.

The VER first came into effect in December 1977. It allows UI claimants to qualify for benefits, based on the difficulty of finding and keeping work. It is based on the unemployment rate in each of the 48 economic regions across the country. The VER recognizes that it is more difficult to find and keep a job in certain parts of Canada than in others. The VER takes into account regional differences and responds to those differences with a formula.

In an economic region with a high level of unemployment, a claimant needs only 10 weeks of insurable work to qualify for unemployment insurance benefits. If the VER were allowed to expire this Saturday, all claimants, across the entire country, would require a minimum of 14 weeks to qualify for unemployment insurance benefits. That would have an immediate impact on approximately 175,000 Canadians. They would face a new kind of hardship. In areas of high unemployment, those individuals would find themselves without work, without pay and unable to qualify for unemployment insurance. Bill C-52 contains an extension to the variable entry requirement to allow the UI Program to continue to respond to regional differences for the next 19 months, until December 31, 1986.

Bill C-52 is bringing forward two amendments. First, the extension of the variable entry requirement, which will symbolize Parliament's recognition of the difficulties which many Canadians face in finding work, and second, the decision to freeze the premium rate, which will help Canadians to find new jobs by removing what could be a potential obstacle to growth. We do not want to create hardship, so we are asking the House to approve the amendments as quickly as possible. The amendments are set out in Bill C-52. I am asking the House to give prompt agreement to the extension of the variable entry requirement and to the freezing of the premium rate until December 31, 1986.

• (1115)

I want to say once again that I appreciate the support and co-operation which has been given to me in bringing this Bill before the House at short notice in order to meet the requirements which are placed on us by a schedule where the variable entry requirement would expire at the end of this week were we not to take these measures.

Mr. Rompkey: Mr. Speaker, I assume that we are in questions?

The Acting Speaker (Mr. Paproski): No. Under Section 35(2), there are no questions or comments.

Mr. Rompkey: If there is no time for questions, I would like to make a speech. Is it possible, Mr. Speaker?

The Acting Speaker (Mr. Paproski): It is possible if there is agreement with your colleague.

Mr. Rompkey: I would just like to make a few comments, Mr. Speaker, if I may.

The Acting Speaker (Mr. Paproski): Order, please. There has been agreement here to have one speaker per party. The official spokesman for Her Majesty's Loyal Opposition is the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin). I believe the agreement is one speaker from each Party.

[*Translation*]

Mr. Gauthier: I want to be quite clear about the procedure. Is the Chair going to ask Hon. Members for questions or comments after the Hon. Member's speech? Is there going to be a ten-minute question period?

[*English*]

The Acting Speaker (Mr. Paproski): No. I must say that under Section 35(2) in the Standing Orders, the first three speakers have 40 minutes. There are no questions or comments. If there is further agreement that we can go on into the 20 minutes, then there are questions or comments.

Mr. Gauthier: I take it, then, Mr. Speaker, we will proceed as agreed to Committee of the Whole and at that time Hon. Members can ask questions of the Minister.

The Acting Speaker (Mr. Paproski): That is right.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I can well understand the desire of the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) to leap

to his feet to both ask questions and make comments on the Minister's statement. While my Party and I applaud Bill C-52 being brought before the House today in order to ensure that the variable entrance requirement of the Unemployment Insurance Act is extended to December 31, 1986, there is much which has arisen out of the Budget which was brought down last Thursday, for instance, the projections for Atlantic Canada, which Hon. Members from Atlantic Canada, including the Hon. Member for Grand Falls-White Bay-Labrador, would like to ask questions about. It is enough to bring any Hon. Member to his feet with a great deal of passion in his desire to ask questions and to solicit some information.

I congratulate the Minister for bringing in Bill C-52, an Act to extend the variable entrance requirement for unemployment insurance benefits and to freeze the premiums which are paid for unemployment insurance, because in doing so, she is following a practice which was initiated in 1977 by a Liberal Government. In 1977, we established the variable entrance requirement because we recognized that the problem and curse of unemployment affects people in different ways and to different degrees. We recognized that while 14 weeks may be an acceptable level of insurable earnings in order to qualify for unemployment insurance benefits in an area of high economic activity and low unemployment, that same entrance requirement may not be a just requirement in Cape Breton Island, northern Quebec, British Columbia or, indeed, in my own Province of Newfoundland. Therefore, we brought in the variable entrance requirement and every year since 1977, up until this year, a Liberal Minister has stood in his or her place in this House and asked for a one-year extension of that variable entrance requirement.

• (1120)

I congratulate the Minister for standing in her place today on Bill C-52. However, when one recognizes the circumstances this time as opposed to the other occasions when Ministers have asked for an extension, one has to be a little bit more concerned, and for two reasons.

First, there are those of us who are convinced, particularly those from areas of high unemployment like Atlantic Canada, that this Budget is going to exacerbate an already difficult situation. The second reason is that this Minister has announced that a private sector task force, made up of two representatives each from business and labour and one independent chairman, will begin the task in the days and weeks ahead of reviewing the Unemployment Insurance Act. There are those of us who believe that the only reason for such a review, and there are some legitimate questions which can be asked, and the motivation of this Government in having a review is to save money.

The only way to save money is to ensure that less people qualify for unemployment insurance. The Minister pointed out that during the recession we experienced in the early part of the 1980s, up to three million Canadians availed themselves of this program annually. This Government wants to see a lesser number of people availing themselves of a program which belongs to them and which is there to be taken advantage of in times of difficult and prolonged economic downturn.

The Economic Council of the Atlantic Provinces is a good free enterprise, laissez-faire organization, including businessmen as well as labour, and it has responded to this Budget by applauding the Government for its stated objective of trying to unshackle business and encouraging more investment, but it condemns the Government for not recognizing in this Budget the regional reality of Atlantic Canada. There is no recognition of the very difficult economic straits that these people find themselves in. When a respected organization like APEC says something like that, we in Atlantic Canada can only presume that the unemployment picture is going to get worse.

This Government wants a task force report which will allow it to qualify fewer people for unemployment insurance. The net effect of that on my people in Newfoundland as well as the rest of Atlantic Canada, by the time this process if finished, including the Budget and possible Draconian changes to the Unemployment Insurance Act, is to conjure up only one kind of image to describe the sense of desolation and despair which will exist in Atlantic Canada; that is, the sense of despair experienced in Nagasaki the morning after the bomb was dropped. That is about how hopeful our people are going to feel.

This Government wants to change the Unemployment Insurance Act and have fewer people qualify. It wants to save money on the backs of the unemployed. This is the same Government which promised during the election campaign tens and tens of thousands of new jobs.

Mr. Dick: You got them.

Mr. Tobin: We got then, did we? Well, in Newfoundland last June, July and August, unemployment stood at 20 per cent, which is unacceptably high. It stands today at 23.6 per cent. In British Columbia, unemployment stood at 14.9 per cent last September and stands today at 14.8 per cent. They were promised tens and tens of thousands of new jobs. When this Government took office, unemployment in Manitoba stood at 8.8 per cent and stands today at 8.7 per cent. Is that the election promise to which the people of Manitoba responded?

• (1125)

Mr. Dick: What is the national average?

Mr. Tobin: The national average is 10.9 per cent. If you want to stand up and applaud that, my friend, I am afraid you are seriously out of touch. We in Atlantic Canada, particularly in Newfoundland, understood the mentality of the Government when the Prime Minister (Mr. Mulroney) stood in the House and applauded the fact that in the month of April unemployment dropped by three-tenths of one percentage point. That is at the time of year when even nature tries to respond with a burst of new energy. The Prime Minister said that three-tenths of one percentage point was a great reduction in unemployment. I presume the business community would

try to emulate mother nature and generate a bit more activity as well.

How would you describe a 2.3 per cent increase in unemployment in the Province of Newfoundland if a three-tenths of one percentage point drop nationally was considered a dramatic decrease in the number of unemployed? Webster's dictionary does not contain the words to describe the kind of dramatic increase described by the Prime Minister.

A Budget was tabled last Thursday. The Minister of Employment and Immigration (Miss MacDonald) is smiling, but I know that she probably fought the good battle in Cabinet and lost. She is now forced to sit with a smile pinned to her face, to suffer in silence the fact that right wing Thatcher faction of the Conservative Party has won the day. The Atlantic Provinces Economic Council said that the Budget of last Thursday fails to provide any recognition of the reality of those regions of the country where the policy of combating economic disparity and promoting regional development is appropriate.

This Budget applies a user-pay concept to those people who choose to live in rural and far-flung geographic areas of the country and expect to have the same services as Canadians in any other part of the country. If you live in Newfoundland and can only receive goods by the CN Marine ferry, you will have to pay for the ferry service. There is no Trans-Canada Highway for Newfoundland. There is no longer equality in providing goods and services for Newfoundland. Most of the goods and services are brought to the island Province of Prince Edward Island by sea. Those who choose to live in P.E.I. will pay the full cost of transportation for goods and services.

That kind of mentality is very frightening to those of us who live in Atlantic Canada. The economic plight of the people of British Columbia is closer to that of Atlantic Canada than to any other part of Canada because their economy has been going downhill for months. The people of those regions do not ask for the *status quo*. They do not ask for a welfare mentality or a built-in permanent subsidy.

• (1130)

They do ask, however, that until the current infrastructure of the economy is corrected by the provincial and the federal Governments, the federal Government not remove the umbilical cord of UIC, even though people do not want to keep or even acknowledge the UIC umbilical cord which recognizes the seasonal nature of employment and the resource industries in the Atlantic region.

I am pleased to support Bill C-52, as Liberals have supported this notion of recognition of the variable entrance requirements since 1977. We introduced this notion and we applaud the Minister for standing for the seventh or eighth time since 1977 and following the well established and proud traditions of Liberal Governments in recognizing that not all parts of this country are the same when it comes to the requirements for unemployment insurance. Perhaps that is why she is called a red Tory on occasion.

Last Thursday, the Government's saving grace for the people of Cape Breton Island was to close down two heavy water plants, with 600 jobs lost. If one adds the multiplier effect of two jobs for every industrial job lost, at least 1,800 jobs are lost in Cape Breton Island as a result of a stroke of the pen by the Minister. What was the Government's reaction? It sent the Minister of Regional and Industrial Expansion (Mr. Stevens) to Cape Breton Island, Glace Bay and Port Hawkesbury to announce a tax credit.

An Hon. Member: You don't want it?

Mr. Tobin: That is the arrogant attitude of the central mentality, "You don't want it?" What is the next word, "You can go to . . . ?" That is what you are saying to the people of Cape Breton and you may as well say it out loud since you have told them subtly that they can all go there in a basket.

The Government has neglected to tell the people of Canada that for the last five years there has been a 50 per cent tax credit on manufacturing and processing machinery on the Island of Cape Breton. The Government has simply extended that tax credit to include such things as tourism and services in some selected businesses. The Government has simply extended a program that has already been in place for five years—

Mr. Deans: It didn't work.

Mr. Tobin: That is right. As well intentioned as it was, it did not work. However, the Government is using smoke and mirrors to remove 1,800 jobs on the one hand while dressing up a five year old program on the other and telling the people of Cape Breton Island not to worry. It is that type of cruel and unthinking mentality of the administration that frightens me. I am disturbed that it would implement such a program so viciously and, second, that it would insult the intelligence of the people of Cape Breton Island by assuming that they would applaud an absolutely sarcastic approach to the very real human conditions in which they find themselves in that area.

We can do without that kind of politics. The Minister would do much better to come clean and tell the people of Cape Breton Island that there will not be a panacea, a tax haven and a stampede of investment that will create a proliferation of jobs for every man, woman and child. The truth would have been better than this insulting replacement for the loss of 1,800 jobs in that hard pressed area of Cape Breton.

The Minister wants to examine unemployment insurance in order to save money. She tells us that the program can be reconsidered because we now have an environment in which more jobs will be created by the private sector. I have been talking to the private sector people in my riding all weekend. They are good Conservative Party supporters. They understand that if up to $200 million is taken from Newfoundland's economy, there is less money to go into the till of those good Conservative Party supporters. Those good Conservative Party supporters, whom I respect, will be out of business. They know that good intentions do not put bread and butter on the table.

There is a shock wave in Atlantic Canada that is being felt by Liberals and New Democrats, and there is outrage being expressed by Conservatives who look at this Budget. What benefits does the Budget provide to Atlantic Canada? There is another $60 million cut from the federal Department of Fisheries and Oceans. That Department is already operating on a skeleton budget.

The fishery is the primary industry in Newfoundland and Nova Scotia. It is a major industry with forestry in New Brunswick and a major industry with tourism and agriculture in the Province of Prince Edward Island. Yet, $60 million is being slashed from that Department.

The Nielsen document has announced a further streamlining of CN Marine. How can one further streamline a service that is becoming more and more like a cattle-car every day? It cannot be done. Many people visit Atlantic Canada to enjoy the culture, heritage, scenery, the fresh air and saltwater.

Mr. Oostrom: Mr. Speaker, I rise on a point of order. Is the Hon. Member talking about the Budget or Bill C-52?

The Acting Speaker (Mr. Paproski): I do not believe that the Hon. Member for Willowdale (Mr. Oostrom) has a point of order.

Mr. Tobin: Mr. Speaker, I am talking about something that the Conservative Party knows nothing about. I am talking about working men and women of this country, the unemployed men and women of this country and a generation of youth who have seen what was hope turned into despair and despair turned into a prospect of spending their lives left out of the economy. That is what this Hon. Member is talking about.

There were further cut-backs to CN Marine. As well, $150 million is being cut from the IRDP. That program was designed to attract business to set up and create jobs in areas of high unemployment. Its purpose was to target dollars in areas of unacceptable high unemployment, where opportunities are few, in an attempt to spread wealth and opportunity throughout this country. However, $150 million is being cut from that program.

The Government will cut $75 million from Transport Canada. Mr. Nielsen has announced, presumably on behalf of Mr. Mazankowski—

The Acting Speaker (Mr. Paproski): Order. The Minister of National Defence (Mr. Nielsen) and the Minister of Transport (Mr. Mazankowski).

Mr. Tobin: The Deputy Prime Minister (Mr. Nielsen) has announced on behalf of the Minister of Transport (Mr. Mazankowski) that from now on airports in Canada will have a policy of being self-sufficient. Those that are not self-sufficient will be turned into municipal airports. That will look good in the North.

Mr. Murphy: Where is Otto Lang?

Mr. Tobin: In the Hon. Member's area, the Government will turn airports into municipal airports. It will tell the people in the North that they are second class citizens. It will tell people in Atlantic Canada that their airports will no longer have jet carrier status because of the small population base. These communities will be given the gift of a municipal airport. Some gift!

Some $78 million will be cut from job creation and training in the Minister's own Department for this fiscal year. She is presiding over that cut during what she knows is an extremely difficult time for people who are trying to return to the workforce in this country either through retraining or other job opportunities. The Minister tells us about the SEED program during Question Period every second day. That is being denied to the poorest municipalities in this country because they cannot make the cash contribution to take advantage of that program. The Minister will not recognize that reality and deal with it. I advise her now that she should.

• (1140)

Whether or not we like it, and we do not like it, the Atlantic region, the region from where I come, is still a slow growth region. We in Atlantic Canada were looking for a specific recognition of our region's problems. We did not find it. We were looking for stimulus, something that recognized that the level of unemployment in our region was unacceptably high. No one can say that 23.6 per cent of the people of Newfoundland being unemployed or 15 per cent or 16 per cent in the other Atlantic provinces is acceptable, any more than we can accept that in the great Province of British Columbia, a province with natural resources, unemployment today sits at nearly 15 per cent. That is not acceptable either, Mr. Speaker. You do not deal with that kind of problem by reducing the deficit, by taking money out of the regions, or by bringing in a policy that says the Government will save $2 billion in transfer payments to the provinces over the next five years. Saving that $2 billion will hit medical facilities and educational facilities in all provinces, every one.

That is going to be particularly devastating in provinces like British Columbia. Even the northern regions of Ontario will suffer, as well as Atlantic Canada. Provinces have to decide either to tax back that money from their citizens which the federal Government just took away with one hand, or increase user fees, increase premiums on health plans or increase tuition for universities. Those are the options. This Government has by sleight of hand managed to recover $2 billion from the taxpayers, not by taking it directly or by owning up to it, but by passing the burden on to the provinces which have to collect that $2 billion.

The Government will cut $2 billion in health care and education transfer payments to the provinces over the next five years. The provincial governments will have to try to make up the loss. The Government does not have the courage to identify itself as the author of a reduction in the quality of education and health care services in Canada. I tell the Minister that we will support this Bill and will see it through today, but the

notion of extending the variable entrance requirement to December 31, 1986 is a foolhardy one.

The Minister knows that the report of the task force on unemployment and the accompanying Government legislation that will flow from it will not be back in this House by December 31, 1986. The task is important. It is complex. It is difficult. I wish her task force the very best with its work. I can assure the Minister and the members of the task force that the variable entrance requirement, this concept of recognizing that Canada is made up of different regions, had better be front and centre. Whatever legislation flows out of the task force report, it had better be front and centre in whatever report is provided to the Minister by her advisers. If it is not, speaking for this Party, I can tell the Minister that new legislation will not receive easy passage in this place.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, first I want to thank the Minister of Employment and Immigration (Miss MacDonald) for having provided the New Democratic Party's critic on the unemployment insurance program with advance notice and discussion with respect to the introduction of Bill C-52.

My hon. friend, the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) took a great deal of credit for the variable entrance requirement. He said the Minister was right that in 1977 the variable entrance requirement was introduced in the great tradition of the Liberal Party, but the Liberal Party could not deal with unemployment in regions across this country. I would not think any Member in this House would stand up and take credit for that. After all the years of Liberal rule, the Liberals were never able to deal with eliminating the regional disparities which have aggravated unemployment in areas such as Atlantic Canada, Nickel Belt, and the northern prairie provinces.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: I do not think it is to the Hon. Member's credit to take credit for a variable entrance requirement. I would rather not see that in existence because it would mean that we are coming to grips with our unemployment problem.

Bill C-52 provides for two things. First, the variable entrance requirement is continued for 19 months. This variable entrance requirement reflects the unemployment rate in the 48 economic regions of our country. The higher the unemployment rate, the lower the number of qualified weeks for collecting unemployment insurance.

Why are we faced with this rush today to put this Bill through all stages? After all, if the Bill is not approved today and if it is protracted as of Saturday, the Minister is quite right that the variable entrance requirement comes to an end and 14 weeks becomes the norm for everyone starting June 4. We know June 1 is the deadline. I raised this matter in committee with the Minister four weeks ago, and I raised it in this House. I was buffaloed by answers and told to wait. This created a great deal of tension and stress. Many groups, trade unions and unemployed help centres, which deal with the unemployed on a day to day basis, have been contacting me, and I am sure they have been contacting the Minister's office.

Why was this matter not dealt with earlier? I suspect it was because the Minister was in a struggle in Cabinet. There were those Neanderthals in the Cabinet wanting to chop and slice the Unemployment Insurance Program. I have the suspicion that the Minister did a survey to convince the more recalcitrant members of the Cabinet that the damage contemplated by certain elements in the Cabinet with respect to the Unemployment Insurance Program would create great havoc. From the financial documents, the Budget of last week it is obvious the Government does not intend to deal with unemployment in a targetted way. Unemployment next year is projected to be 10.3 per cent and, since you cannot deal with bringing down unemployment, you ought not to tamper with those instruments in place to deal with the fall-out victims from the lack of any kind of economic strategy to create employment.

The Bill also provides for freezing premium rate levels. People may not be aware and new Members to this House may not be aware, of the history since the present Act came into effect in 1971 and incorporated many provisions such as maternity benefits and sick benefits. People may not be aware that at that time the Government would pick up the cost of unemployment over 3 per cent. The Unemployment Insurance Program of 1971 was designed so that the premiums from employers and employees would pick up the cost of the program with up to 3 per cent unemployment. We all know what happened. Unemployment started to rise beyond 3 per cent. The Government was picking up larger and larger amounts of the cost of carrying unemployment insurance.

• (1150)

That was during the Liberal administration. Then, there were amendments to the Act with respect to the 6 per cent figure. We know what happened thereafter—unemployment rose above the 6 per cent level. The Government then had to pick up larger and larger amounts, which resulted in a move to the sliding scale. That did not solve the problem either.

We then saw the final change which set the employer/employee premiums at a rate which would pick up the cost of the program. This did not include fisherpersons' unemployment insurance costs, nor did it include the extended benefits. The accumulated cost is now some $5 billion, with the employer and employee carrying the brunt of unemployment insurance costs in the country.

The Minister has spoken about consultation. She has spoken of this blue ribbon task force which has been established to study the Unemployment Insurance Program. The Minister says there will be consultation. Of course, Mr. Speaker, one has to judge people by their actions.

On November 8, two very important changes came about with respect to the Unemployment Insurance Program. These changes hit the unemployed the hardest. The first change dealt with the use of severance pay and holiday pay in the calculation of unemployment insurance. The other change dealt with

pension income being considered as earned income, which would be used in the calculation of unemployment insurance benefits.

That was literally a shot out of the blue on November 8. There was no advance warning whatsoever. There was no consultation. Consultation started after the fact. These provisions were to take effect December 31, 1984. We, in this Party, along with our friends and allies in the trade union movement, and together with various groups in the country who represent the unemployed, must take some credit for having forced this Government, and the Minister, to back up and change the effective date for the pension arrangement provision until January 1, 1986, and the effective date for the severance pay provision until April 1, 1985.

Mr. Nystrom: You had to push here.

Mr. Rodriguez: You always have to push Tories and pull Liberals.

This is the consultation the Government has practised with respect to two important aspects of the Unemployment Insurance Program. One took some $60 million away from the unemployed. The other took some $90 million away from the unemployment insurance scheme. There was not one iota of consultation with respect to these provisions. Indeed, when consultation was undertaken at the economic conference, we circulated a petition against the severance pay and pension provisions being used in the calculation of unemployment insurance. The vast majority of participants at the economic conference said the idea was wrong-headed and that it should not have been carried out. Yet, this Government, with its blinders on, has put its head down in its bull-headed way and has proceeded to carry out the legislation.

Members opposite can shake their heads and chuckle. The fact of the matter is that the application of severance pay to unemployment insurance is cruel and unfair. People through no fault of their own, have had their jobs eliminated; some companies have even had to close down. In this regard, we have the Iron Ore Company of Canada. We have the experiences with respect to Cyprus Anvil in Faro. There are umpteen examples. I have been forwarding information with respect to this matter to the Minister. Each one asks for relief from the provisions of April 1, 1985.

As I promised the Minister, we will allow this Bill to go ahead today. However, it seems to me that the Minister should keep clearly in mind that this task force which is being set up to study unemployment insurance matters should take its time to travel to different parts of the country and listen to people who cannot afford to come to Ottawa. These are people who do not have the financial backing which would allow them to present fancy briefs. It is important that this task force get out to the nether regions of the country in order to listen to what the people have to say. I do not mean to say that we approve of variable entrance requirements.

Yesterday, in Winnipeg, was inaugurated the Association of Single Industry Towns. It seems to me we deal with disadvantaged areas of the country and single industry towns only when they are in a state of crisis. This was the case with respect to Cape Breton. We do not seem to have developed any type of strategy to deal with the situations as they arise or, alternatively, prevent these towns from becoming single industry towns.

In that regard, I have suggested to the Minister that she look at the situation in the same way which our Party has undertaken to look at it. We have put forward suggestions with respect to the role her Department can play in alleviating many of the problems experienced before disaster strikes.

The Minister will be receiving shortly the report on northwestern Ontario, which deals with the Hemlo, Manitouwadge and Marathon mines. These are communities which are looking to the future. In order to prevent what took place in western Labrador and Faro, hopefully the Minister will work on her colleagues in the same assiduous fashion in which she worked on them to prevent the destruction of the Unemployment Insurance Program.

I give the Minister credit for that. When she phoned me with respect to this matter, the first question I asked her was, "How did you do it?" I hope the same resistance will be applied until we have put in place the type of full employment policies which we should have. I hope that the Unemployment Insurance Program will not be tampered with. We should not be creating hardships for anyone. There is enough stress for everyone to deal with in terms of unemployment.

Some Hon. Members: Hear, hear!

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Paproski in the Chair.

• (1200)

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-52, an Act to amend the Unemployment Insurance Act, 1971. Shall Clause 1 carry?

On Clause 1—

Mr. Rompkey: Mr. Chairman, I have no cause to delay the Bill, but I do want to ask some questions of the Minister. Of course I am pleased to see that the premium rate is being frozen and I am pleased to see that the variable entrance requirement is being extended to December 1986. However, I would like to ask the Minister why she is not extending it indefinitely.

Reviews worry me and words like "rationalization', and "cost-effectiveness" worry me becaue they have come to mean bad news for the Atlantic area. I would like to point out to the Minister something she already knows, and that is that we can review as much as we like, but there is no way that fishermen along the Northeast coast of Newfoundland or the coast of Labrador can fish for more than 10 weeks of the year. That is a fact of life. On the other hand, there are really no alternatives. That is frustrating and something with which various Governments have tried to deal, but it is a reality and a fact of life. We can review the situation as much as we like, but unless we reduce it to eight weeks like it was before, we really cannot do much about it now.

I am worried about a review that will look into variable entrance requirements if they are only extended to December 1986. There are people in some parts of the country who, through no fault of their own, cannot make any other kind of arrangement. Why does the Minister not simply indicate that we will extend the variable entrance requirement indefinitely?

I would like to remind the Minister that the other day, she announced that between $5 million and $6 million would go to people who are affected by the ice along the Labrador coast. I must compliment her for taking that measure. However, this measure has been taken for the last several years. It seems to have become a fixed experience. In light of that, I am wondering why we cannot make an immediate amendment to the Act so that it will do what has been suggested by a number of people, including myself, and that is to extend unemployment insurance for fishermen until such time as the season starts.

In terms of consultation on this matter, the Minister has already heard from the fishermen's union in Newfoundland. I do not know if she has heard from the Government of Newfoundland, but she has certainly heard from us, and I suspect that she has heard from other members of the fishing community as well. We have all indicated that we would like to see that particular measure taken because of the reasons I gave earlier. In some parts of the country, it is just not possible to fish for any longer than 10 weeks, and in some parts of the country it is impossible to begin fishing until a certain time of the year, yet there are some fishermen who had to go without benefits because of circumstances that occurred through no fault of their own.

Is the Minister prepared to bring this measure in now without consultation? The consultation has already been done. I have been looking at this matter since 1972 when I was Parliamentary Secretary to the Minister of Fisheries. At that time, we looked at ways and means of having alternate programs for fishermen. The matter has bedevilled every Government since that time, and perhaps even before that time.

There does not appear to be an alternative to the unemployment insurance scheme. We looked at a price-support scheme and we looked at an income-support scheme. This has bedevilled every Fisheries Minister that has looked at the matter. Unemployment insurance seems to be the only scheme that works. In view of that and in view of the fact that we are now embarking on another round of consultation, I would ask the Minister, in light of the suggestions that have already been made, if she is prepared to bring in an amendment now that would see unemployment insurance benefits to fishermen extended until such time as the fishing season begins.

Will the Minister see that Labrador is included in the present provision that she has made for extending the unemployment insurance benefits until the ice goes out? As she will know and as her officials will tell her, Labrador fishermen are excluded from the announcement she made last week.

If the Minister is determined to make this review and have this round of consultation, will she ensure that on the panel that she is putting together there is a representative from the Province of Newfoundland? Would she give an undertaking that that representative would be a spokesperson for the fishing community? Indeed, would she go so far as to appoint an active fisherman on that committee or indeed, possibly even a fisherwoman? There are a number of women who are engaged in the fishing industry in Newfoundland right at the catching level. They are in the boats with their husbands and the other men. There are such people who are involved in the business aspect and even in the labour aspect of the fishing industry in Newfoundland.

Will the Minister give an undertaking to a province that I suspect will be more affected by this measure than any other that on this committee there will be a representative from that province and that that representative will be someone who is actively engaged in the fishing industry at the primary level? If at all possible, and I can make some recommendations to the Minister, will she appoint to that committee a woman who is actively engaged in that process? Perhaps the Minister could respond to those four questions.

Miss MacDonald: Mr. Chairman, I would be pleased to respond to the questions put by the Hon. Member for Grand Falls-White Bay-Labrador and as well to thank other Members who have contributed to this debate. The Hon. Member for Grand Falls-White Bay-Labrador raised several questions. I will try to deal with them seriatim.

The first question the Hon. Member asked was why we did not extend the variable entry requirements indefinitely rather than for the 19 months that we are proposing. It has been the normal practice to extend this legislation for a one-year period. We have gone beyond that by extending it for a year and a half. This coincides with the period of time we think will be required for the committee conducting the review of the unemployment insurance fund to provide their recommendations to the Government and for the Government to bring those recommendations before Parliament. I anticipate that we will be able to deal with this issue among others by that time. We should be able to see what the requirements should be and whether they should be extended indefinitely or whether there should be more of a variation, as was suggested by the Hon. Member for Nickel Belt, who suggested that it be extended not on a continuing basis, but for the period of time that unemployment exists at a high level in certain regions of the country.

The end goal that we all have in mind is the possibility of doing away with this measure, not because it is not necessary in times of stress, but because employment in those areas will have developed to a point at which that measure is no longer necessary as a safeguard. These things will be taken into consideration during the review. If at the end of 19 months progress has not been sufficient, then obviously this measure can be considered once again and can be brought before the House for another extension, whether for a definite period of time or an indefinite period of time.

The second question raised by the Hon. Member was whether or not there can be an immediate amendment to extend to fishermen and fisherwomen payments until the fishing season can commence each year. He went back over the history of

this particular measure and indicated that it looks like it is becoming a normal practice. He said that ice conditions are generally such each year that an additional payment has to be made and, therefore, we should take that into consideration when looking at a regular extension of unemployment insurance benefits. Again, I think this is something the committee looking at the Unemployment Insurance Act can review, and it can offer its recommendations on this measure.

• (1210)

I would point out that although the practice of paying a supplementary benefit directly from government revenues and not from the unemployment insurance fund has been utilized from time to time, in the last 11 years it has only been used on three occasions. It was used in 1974, in 1984 and again this year. Of course, it depends on weather and ice conditions, which may not be the same every year. I can assure the Hon. Member that I am very cognizant of ice conditions on the East Coast of Canada, having lived with them for much of my life. I know how ice conditions can impact, not just on the fishing industry, but on many other industries. For the present time, we have brought in a supplementary payment for this year. Where we go from there could depend on the recommendations which are made by the unemployment insurance review committee.

The Hon. Member also asked if the fishing industry in Labrador could be included in the present provision, that is the payments for the supplementary benefits. As the Hon. Member knows, it is included as of June 1, which is the normal date for operations to commence in that part of the country. That is taken into account in the payments which will be made in 1985.

The final question concerned the make-up of the committee which will review the unemployment insurance fund and whether it could have a representative from the fishing community in Newfoundland. I listened to the Hon. Member's representation. The persons who will be taking on the responsibility for that review have not yet been decided upon. I recognize not just the fishing interests of Newfoundland, but, in particular, the position of Newfoundland and its people *vis-à-vis* the unemployment insurance fund and the impact which it has on the over-all economy. I hope that any committee will be very aware that Newfoundland has more of an interest in what is being done in this regard than any other province. I would hope that the members of the committee would not only be aware of the special requirements of the fishermen and women in Newfoundland, but also of the total impact which any changes would have on the Province of Newfoundland. I cannot give the Hon. Member the assurance that a particular individual will be named to the committee, but I am sure that members of the committee will seriously take into consideration the special needs of Newfoundland.

Mr. Rodriguez: Mr. Chairman, as the Bill proposes to freeze the premium rate levels for employers and employees, can the Minister tell the House if there is a cost overrun on that part of the Unemployment Insurance Program? From where will the extra money come? Will it be charged to the cumulative deficit in the unemployment insurance fund? I would suggest that it should come from the general revenues of the country. As it is freezing the contributions of employers and employees, I think the general pot should take the responsibility for the overrun. While the gentleman who is assisting the Minister is looking up that answer, maybe I could give a further explanation of my suggestion.

Miss MacDonald: Mr. Chairman, I am sorry. When the Hon. Member posed his question, I was handed a note about another matter and I did not get the gist of the first part of the question. However, I gather he wants to know whether or not the cumulative deficit will be absorbed into the Consolidated Revenue Fund. If I am not correct, perhaps he could repeat the question.

Mr. Rodriguez: Mr. Chairman, the contributions of the employer and the employee are supposed to carry the Unemployment Insurance Program, except for the extended benefit and the fisherpersons' unemployment insurance. At the moment, if the cost of the program goes up—with the exception of the extended benefit and the fisherpersons' unemployment insurance—the premiums are adjusted accordingly to take care of the cost. However, if we freeze the premiums which are paid by employers and employees and the cost goes up, what will pick up the extra costs? I am suggesting to the Minister that it might come of general revenues rather than adding it to the total deficit of the unemployment insurance fund.

Miss MacDonald: Mr. Chairman, I will take the Hon. Member's suggestion as a representation. However, the way that the deficit is now borne—that is, the deficit over and above what employers and employees pay—is that it is distributed equally. My projection, considering the revenues which now come from the payments, is that the deficit will begin to decrease and will continue to do so. That is based on the revenues which are presently coming in from both employers and employees.

Mr. Rodriguez: Mr. Chairman, if that is the case, why did we need to freeze the premiums of employers and employees? If the Minister's projections show that the money which is presently coming in takes care of the cost of running the program, why was it necessary to have a freeze clause in Bill C-52?

Miss MacDonald: Mr. Chairman, the reason it was frozen was that under the formula now in the Act, it would automatically have increased to $2.60 for every $100 of insurable earnings. That increase would have to be paid by the employees and, of course, a larger increase would have to be paid by the employer. Yes, that certainly would have begun to reduce the deficit, but it would have placed a much heavier burden on the individuals concerned, whether they be workers or employers. We view the projection from the present rate as being able to begin to reduce the deficit to which the Hon. Member has referred. However, automatically jacking up the

payments and trying to arrive at an elimination of the deficit sooner was not the way in which we felt we should proceed at this time.

Mr. Rompkey: Mr. Chairman, I wonder if the Minister could clarify one of the answers which she gave to me. Could she double-check to make certain that it relates to the extension of unemployment insurance benefits in Labrador? Last week she announced that a special amount of money had been previously made available for the same reason. However, I thought she said a minute ago that Labrador fishermen who were receiving unemployment insurance would receive those payments as of June 1. That was not my understanding in talking with her officials.

• (1220)

I wonder if the Minister would like to clarify that for the record so that we know exactly when fisherpersons in Labrador would be eligible for these unemployment insurance benefits? As the Minister can appreciate, the seasons open at different times in different places. There is not one date when the season opens. The Department of Fisheries has set various opening dates. The reality is that although people on the Island of Newfoundland qualify for these benefits, the people in Labrador do not, possibly because their season might open at a different time. Both Newfoundland and Labrador suffer from the same phenomenon of ice problems around the coast. Would the Minister make doubly sure of exactly when the fishermen in Labrador qualify for those benefits this year?

Miss MacDonald: Mr. Chairman, I would say to the Hon. Member that my understanding with regard to opening dates is that exactly the same practice will be followed as was used last year. Officials at Treasury Board informed the Department that this would go into effect as it did last year, and last year the beginning date for payments for people in Labrador was June 1.

Mr. Murphy: Mr. Chairman, I have a comment and then some questions for the Minister. My comment basically concerns the fact that the procedure we are going through at this time really does not represent a good parliamentary practice. I remember when the Liberal Government used to rush in with legislation at the last minute. The Conservatives, when they were in opposition, and the New Democratic Party, would agree to quick passage of the legislation because a deadline was coming up, and we were quite rightfully criticized by various groups who were concerned with the legislation.

It is of concern to me that just a week before the existing legislation comes to an end, we are extending that legislation without going through the proper parliamentary procedures. I happen to be a member of the Standing Committee on Labour, Employment and Immigration. I see the chairperson of that committee is in the House. The Hon. Member for Nickel Belt is also on that committee. Normally, legislation of this nature would be introduced in time so that it could go before the full committee for clause by clause study. Groups who are concerned with the legislation would have a chance to make presentations and unemployed people from the various economic regions of this country would have a chance to explain how the legislation affects them. They would have a chance to explain some of the problems they have encountered because the rates have changed over a period of time, although their unemployed status has not.

Mr. Manly: And it would have given Tory back-benchers something to do.

Mr. Murphy: It may also have been a very educational procedure for some of the new Tory back-benchers to understand how this legislation actually works. I understand we are rushing this Bill through in order to benefit the people who are affected by the variable entrance requirement, but my point is that there are a lot of people who have concern with this legislation who are not going to have the opportunity to appear before a Commons committee and, by the same token, we in the Commons are not going to have an opportunity to really examine the legislation in the depth which is necessary.

I would like to give two other examples of how rushing through things have hurt people, Mr. Chairman, if I may. The indication in the November 8 statement with respect to how severance pay and pension benefits were going to be considered under the UIC program was, with almost no consultation.

The community of Lynn Lake in my riding is facing a mine closure this year, about which I previously spoke to the Minister. The people in that community woke up November 9 and found that the rules of the game had changed. They had studied the rules which were in existence before the Minister of Finance introduced his economic statement of November 8. They knew that their mine was closing and they thought they understood what the rules of the game were. All of a sudden on November 8 this Government changed the rules, and that is going to affect these people. People working in the mine who are going to be laid off and people who are going to lose their teaching jobs, and so on, will have a difficult enough time facing their own economic future without the rules being changed, and it was done without them having any chance to have any input into those changes. Again we are not allowing at this time for that type of input.

I can also say the same thing with regard to the Challenge '85 program for students. We in my riding were very drastically and negatively affected by the program. The Minister of National Health and Welfare made the announcement on behalf of the Minister of Employment and Immigration and he explained that there were only 222 jobs which were approved for my riding under that program because of the new rules. In the past we had received approximately 40 per cent more in terms of money and summer employment through the old programs, but the programs were changed. I recognize that this is a new Government, but it was done quickly without the type of consultation and study by a House of Commons committee which was necessary.

We are again doing the same thing. I wonder why the Minister was not able to introduce this legislation a month ago so that we could have taken it to the Labour, Employment and

Immigration Committee where it could have been studied and where groups and communities which were affected could have made the presentations which are necessary.

Miss MacDonald: Mr. Speaker, I listened with some amazement to the comments made by the Hon. Member for Churchill. I really thought there was no one in this House who was opposed to these particular amendments. Now I find that there is someone who wants to drag his feet and delay the legislation, which would impact adversely on 175,000 Canadians who are most in need of this particular legislation.

The Hon. Member's colleague, the Hon. Member for Nickel Belt, understands what these particular amendments are all about. He is well aware that this legislation has not met with any criticism or complaint from the people who are affected by these particular amendments. If the Hon. Member for Churchill thinks that what we really need to do is drop the variable entry requirement, do away with the minimum 10 week period for people in the fishing community, for instance, and if the Hon. Member thinks that that is the way in which the groups he seems to be speaking for want to go, then he should rise in his place and have the courtesy to say so.

I can tell the Hon. Member that in all of the representations I have heard on the variable entry requirement, I have heard no suggestion to drop that 10 week period. To the contrary. That is why we are putting this legislation through. I have talked to Hon. Members on the government side and Hon. Members from the Opposition Parties, who have urged that this legislation go through as quickly as possible. I would hope that the Hon. Member would see the reason for this and would want to give it his support as well.

Mr. Murphy: Mr. Speaker, I think the Minister, for whatever reason, has misunderstood my question. I am not against the variable entrance requirement. I have spoken in favour of it in this House before. What I asked is why we are dealing with this legislation so quickly? Why are we refusing to deal with it in a proper legislative manner? Why was this not introduced a month ago? We are not doing anything new. If the deputy whip of the Conservative Party would listen for a while, instead of yapping, maybe she would learn something. The point is that there was time. This Bill could have been introduced one month earlier. It could have gone before committee and the people who are concerned, as well as those who happen to be in favour of the legislation, could have had input. Our Party, through our critic, has agreed that we will pass this legislation because we recognize it will benefit so many Canadians. We have no problem with that.

Mrs. Mailly: Sit down, then.

Mr. Murphy: I am a little tired of the deputy whip of the Conservative Party yapping away. If she wants to speak, she does have the ability to rise in her place and speak.

The point is that we have a parliamentary reform committee which exists at this present time and which is discussing how we can strengthen and legitimize the role of the parliamentary committees. One of the main purposes of committees is to study legislation, to look at it to see how it affects Canadians. I have a concern with the legislation and with how we deal with the economic regions. My riding is grouped with other parts of Canada which have a lower unemployment rate. As a result of that, the variable rate does not benefit parts of my riding according to the actual unemployment there. I am concerned about that. Because of the process we are going through, we do not have a chance to examine that in detail. I wish the Minister, just as I wished with Liberal Ministers, had introduced this legislation early enough that we could study it in committee and give it the attention any piece of legislation deserves.

• (1230)

Clause agreed to.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

BORROWING AUTHORITY ACT, 1985-86 (NO. 2)

MEASURE TO ENACT

Hon. Flora MacDonald (for the Minister of State (Finance)) moved that Bill C-51, an Act to provide borrowing authority be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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

Some Hon. Members: Agreed.

Miss Nicholson: Mr. Speaker, I regret very much that there is no Minister in the House prepared to speak on the introduction of the Bill. If indeed that is the case—

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The Minister of Finance (Mr. Wilson).

Hon. Michael Wilson (Minister of Finance): I apologize, Mr. Speaker. Things happen so quickly around here, I had not realized that we had completed the previous piece of legislation. However, I do want to speak on the introduction of Bill C-51, requesting parliamentary authority for the borrowing of $18.2 billion.

While I am very pleased to stand before the House today, I cannot say that I am doing so with great enthusiasm in asking this House for approval of these expenditures because it is very clear we are dealing with a legacy of the previous Government. It is a legacy which continues to impose a very severe burden on the people of Canada. In the eight months or so since we have been in office, we have indicated a resolute desire to deal with that legacy by putting in place, both in the November economic statement as well as the Budget last week, a series of

measures designed to get control of this serious problem and ultimately bring it down to a much more manageable level in relation to the size of the economy and our ability to finance the various programs represented by these borrowings.

As all Members know from the discussions we went through last autumn on Bill C-11, we must come before the House to request supplementary borrowing authority to provide the funds necessary to complete this fiscal year. As I stand before you today, I am very proud to reflect on the progress we have made over the past eight months, as well as being proud of the very important role that the Prime Minister (Mr. Mulroney) took in a strong and compassionate demonstration of his leadership to take the tough but fair, and I believe very appropriate, measures necessary to end the irresponsible borrowing patterns which have been building up over the past 10 years. It has not been easy; there have been some difficult decisions taken, but I believe we have made some progress.

In the Budget last week, I think we reinforced the measures which were set out originally last November. This first Budget of the Conservative Government faced head on the two major challenges of high unemployment and high budget deficits which are facing this country. We still face unacceptably high levels of unemployment and we still have a spiralling debt problem. As I said last week, these problems are a bit of a vicious circle because high deficits constrain our ability to deal with the job problem and high unemployment in turn reinforces the very high deficit. The Budget itself does propose some realistic, fair and effective actions to break this vicious circle.

[*Translation*]

This Budget puts special emphasis on the need for promoting a spirit of entrepreneurship, by proposing measures designed to encourage risk-taking by small- and medium-sized businesses and farmers, and thus promoting new investment so as to give Canadians more opportunities to participate in the economy, to innovate and to succeed.

[*English*]

As Hon. Members are aware, interim borrowing authority for this fiscal year was provided in Bill C-11 last year. In her speech on that Bill, the Minister of State for Finance (Mrs. McDougall) stated that further legislation would be introduced after the Budget to seek the balance of the borrowing authority needed for this fiscal year. This is the legislation now before us. There can be no doubt about the timing of this legislation; it is right, and follows directly on the financial requirements set out in the Budget. Under the Financial Administration Act, statutory borrowing authority must be obtained from Parliament in order for the Government to increase its outstanding debt. Part IV, Section 36 of that Act requires that:

> No money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament.

This refers to new money only, because under Section 38 of the Act, there is continuing authority to borrow funds to repay maturing debt while Section 39 provides for short-term, temporary borrowings.

I would now like to discuss the Bill itself and explain how the amount requested has been arrived at. Clause 2(1) seeks $18.2 billion of borrowing authority for the 1985-86 fiscal year. The major portion of that money is composed of the difference between the total of $28 billion in financial requirements for 1985-86, as I set out in the Budget, and the borrowing authority granted under Bill C-11 for $12 billion even. To this $16 billion must be added another $2.2 billion, resulting from the use of Section 39 of the Financial Administration Act last February. You will recall, Mr. Speaker, that the use of that Section was directly related to the delay in the passage of Bill C-11 in the other place. The request for an additional $2.2 billion is really quite technical in nature and results from the way the relevant Sections of the Financial Administration Act are structured.

● (1240)

Section 39 provides for the Governor in Council to authorize the borrowing of money if, in the opinion of the Governor in Council, it appears that funds will not be sufficient to meet disbursements from the Consolidated Revenue Fund. This action is designed for short-term temporary use only as loans are limited to terms to maturity not exceeding six months, and each borrowing must be approved by the Governor in Council.

Section 38 provides for the normal raising of money to refund maturing debt and, since there is no increase in the oustanding debt, does not require borrowing authority. The Financial Administration Act, however, specifically excludes securities issued under the authority of Section 39 being refunded pursuant to Section 38. Thus, specific borrowing authority is required to refund maturing debt issued last February under Section 39. I hope you followed that all very carefully, Mr. Speaker.

Mr. Nystrom: Could you repeat it please?

Mr. Wilson (Etobicoke Centre): I don't think you want it again. If the passage of Bill C-11 had not been delayed last February, the $2.2 billion would have been charged to regular borrowing authority and it would not have been necessary to seek this additional amount this fiscal year. As it was, $2.3 billion of regular borrowing authority was cancelled at the end of fiscal 1984-85 because the Government was unable to use it.

I assure Hon. Members that it was essential to use Section 39 last February. Members will recall that at that time there was some downward pressure on the Canadian dollar as a result of the unprecedented strength of the U.S. dollar and foreign exchange intervention was required, causing a run-off of our U.S. dollar foreign exchange reserves. These U.S. dollar reserves had to be replaced by employing Section 39 of the Financial Administration Act to draw on Canada's standby credit facilities with the Canadian chartered banks and the international banks. Section 39 was also used to raise $200 million in the domestic capital market through the issue of

Treasury Bills. Thus, in total, the equivalent of $2.2 billion was raised at that time.

The cost of delay by the Liberal Senators in the other place was quite significant. We may never know the total indirect costs arising from the confusion and uncertainty which resulted from those delays. However, we have been able to identify very clearly and precisely the amount of money that that did cost us. It amounted to $15 million. That was the cost of the delay by the Liberal Senators when they took action to obstruct that legislation at a time when it was totally irresponsible for the Senators to take that action knowing, as they did, that we were running out of borrowing authority and that the U.S. dollar was putting considerable pressure on our currency, causing interest rates to go up. They deliberately caused an increase in our over-all financial costs which must ultimately be borne by the taxpayers of Canada.

Mr. Nystrom: What was that figure again?

Mr. Wilson (Etobicoke Centre): A cost of $15 million was caused by the unconscionable delays of the Liberal Senate.

With the passage of this Bill, the Government will have a total of $32.2 billion of borrowing authority for the current fiscal year. This amount will consist of $12 billion provided by Bill C-11, the Borrowing Authority Act, 1985-86; $18.2 billion provided by the Bill before us now; and $2 billion non-lapsing reserve carried forward from the Borrowing Authority Act, 1984-85 (No. 2). I must note, however, that all borrowing authority conferred by the two Acts for this fiscal year which is unused in 1985-86 will be cancelled on March 31, 1986.

As a matter of interest to Hon. Members, I would like to outline how the Government has made use of the borrowing authority provided by Parliament for the 1984-85 fiscal year. The total amount of borrowing authority for 1984-85 was $31.9 billion. This authority consisted of $24.6 billion provided by the Borrowing Authority Act, 1984-85; $7.3 billion provided by the Borrowing Authority Act, 1984-85; and $7.3 billion provided by the Borrowing Authority Act, 1984-85 (No. 2).

During the 1984-85 fiscal year, domestic borrowing operations used about $26.7 billion of borrowing authority. Of this amount, $10.4 billion was raised through the issuance of Treasury Bills, $12.5 billion through the sale of marketable bonds, and $3.8 billion through the net sale of Canada Savings Bonds. Foreign borrowing added a further $.9 billion to the use of borrowing authority. The foreign borrowing represented a 1 billion Swiss francs borrowing in the Swiss franc market in May 1984, a 120 billion yen syndicated loan in the Japanese capital market in July of 1984, and a U.S. $500 million bond issue in the Eurodollar market in March of this year.

Net standby drawings during the 1984-85 fiscal year provided $510 million of borrowing authority. There were also redemptions of foreign issues during the last fiscal year which reduced the total use of borrowing authority. These consisted of a 500 million Deutschmark private placement which matured in May 1984 and a 500 million Swiss franc private placement which matured in March 1985.

As a result of these domestic and foreign financial operations, the total use of borrowing authority in the 1984-85 fiscal year was $27.6 billion, leaving $4.3 billion unused as of March 31, 1985. Of this latter amount, $2 billion was carried forward into the 1985-86 fiscal year and $2.3 billion of the authority was cancelled.

The Bill which is before us today fully meets the conditions of the understanding we reached with the Opposition Parties last December when we agreed to bring forward a request for borrowing authority for 1985-86 within two weeks of the Budget. We made that commitment at that time and are fulfilling it today. Indeed, this Bill was given its first reading less than 24 hours after the Budget was brought down.

I would like to close by asking for swift passage of this Bill for it will permit us to get on with the job. It clearly demonstrates why we need swift passage, but we do need approval for this borrowing authority. It is a very straight-forward Bill. We are only asking for borrowing authority for the balance of this year. As Hon. Members will be aware, if they have read the Budget discussion paper that was released at the time of the Budget, we are looking for a more defined parliamentary timetable surrounding the Budget process. We are hopeful that the next request for borrowing authority, which will be in respect of the 1986-87 fiscal year, will be brought down before the end of this fiscal year.

I ask Hon. Members to assist us in passing this Bill as quickly as possible to allow us to do the job that Canadians have elected us to do, the job of representing and serving the country in an efficient and responsible manner.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister concluded his speech by asking for quick passage of this Bill. We in the Official Opposition have no plan to delay this Bill. Obviously, the Government must have borrowing authority in order to proceed with its business in an orderly fashion. However, we will have some speakers because there are a number of issues which should be addressed in the House today and possibly tomorrow.

I note that with the Budget, the Government tabled a discussion paper on the budgetary process which contains recommendations on how and when borrowing authority Bills should be presented to the House. These are interesting recommendations which will, no doubt, receive a thorough analysis and evaluation. It is clear that the Government has taken to heart the lessons learned from the consequences of its inept approach in introducing Bill C-11 last fall.

Members will recall that the Government sought borrowing authority for fiscal year 1985-86 as well as for 1984-85. The Government did not present a Budget or spending estimates. A newly elected Government, with no track record, demanded approval to borrow $16 billion, which was later reduced to $12 billion, without any statement of its economic policies or goals. It cried foul when responsible Members of both Opposition Parties asked to see financial and economic information about the Government's intentions for this money.

The Government's discussion paper refers to delays on borrowing authority such as occurred in early 1985. No doubt, this means the reluctance of the Senate to approve the Bill without knowledge of the Government's plans for spending. I am pleased to see that the recommendations acknowledged the fact that the Government was the author of its own misfortune because there is a phrase on page 11 which reads, "The Government should not seek borrowing authority for a fiscal year without first providing Parliament with all the relevant details relating to the financial requirement". The Government has quite properly restricted itself to borrowing authority for the current fiscal year in the Bill before us today and the Bill follows a budget, as it should.

• (1250)

The financial requirements set out in this Budget do not inspire confidence. The Government now wants over $18 billion to pay for a Budget that is making tough financial demands on those who are least able to bear them. Perhaps it is useful to review which areas will receive money and which will not; who will benefit and who will not.

The Budget is proposing an increase in sales tax and making sales tax payable on a host of every day items and necessities, including health care products, soaps, shampoo, pet food, candy and confectionery as well as insulation products and alternative energy devices. The increase in sales tax will bring the Government over $350 million this year directly from the pockets of the taxpayers. This sales tax bears equally on those who can afford it and those who cannot.

The Budget also provides for an increase in the Government's levy on alcohol, a stiff increase in excise taxes on tobacco and a hefty gas tax increase, all of which will bring in $630 million this year. We have barely scratched the surface of the Budget. Already we see that the Government is reaping nearly a billion dollars from a few tax proposals.

Let us not forget that sales and excise taxes have a dramatic multiplier effect. The Government will get more and more money from them every year. Next year, the gas tax will bring in over $930 million. That is enough to cover what the Government will lose next year as a result of abolishing the Petroleum Gas Revenue Tax. Therefore, the multinational oil companies—and I say multinationals advisedly because they have the old oil and will benefit from the removal of the PGRT—have a gift of a large sum of money, but the Canadian consumer makes it up.

There are a number of inconsistencies in the Budget which make it difficult to assess the Government's intentions and, therefore, its borrowing needs. The Budget stresses deficit reduction, but the Budget's deficit reduction measures are back-end loaded with little real reductions in this fiscal year. Many measures are hidden to individuals, such as a de-indexation of income tax and certain benefits, as well as the sales and excise tax rate increases and the broadening of the tax base.

We are told that over 80 per cent of deficit reduction is to be through decreases in expenditure, but many of the stated decreases are "under review" and have yet to be specified. So far, the Government's approach to deficit reduction appears to be primarily a tax grab from Canadian consumers, particularly at the low and middle income scales. Over 20 per cent of the total projected deficit reduction in 1990-91—some $4.5 billion—is shown as savings due to lower debt service payments. However, lower debt service payments depend on many factors domestically and internationally which are difficult to foresee today. Therefore, there is an element of hope which may or may not prove to be well founded.

Although the Minister claims that $4.4 billion is being trimmed from the deficit in 1985-86 and over $8 billion in 1986-87, the actual cuts are far less. In fact, the deficit may be only $2 billion lower than forecast this year and only $1 billion next year. The deficit forecast figures seem to change often. There is a deficit forecast that is $6 billion higher for 1984-85 and 1985-86 than that forecast by Marc Lalonde 18 months ago.

The constant shifting of figures makes it difficult to feel confidence in them. For instance, apparently personal income tax rebates have been accelerated. For 1984-85, this shows as exaggerating the size of the deficit. In turn, that allows for some deficit reduction in 1985-86, but surely this is not a substantive reduction. May I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Paproski): There is a disposition to call it one o'clock. I remind the Hon. Member that according to Standing Order 35(2), she still has 30 minutes remaining for her speech. The finance critic for the New Democratic Party will have 40 minutes when we resume debate this afternoon.

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

At 12:58 the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSE OF COMMONS

ALLEGED VIOLENT REACTION OF MEMBER OF PARLIAMENT

Hon. Jean Lapierre (Shefford): Last week, we heard that the Conservative caucus had received an instruction booklet on how to sell the Budget across the country. Whatever the Budget contained, this salesperson's vade mecum instructed them to defend every word the Minister of Finance (Mr. Wilson) would alter as if it were Gospel truth, and to do so with force and determination. They were to let nothing prevent

them from preaching the good word, and tolerate no criticism. Mr. Speaker, I therefore recommend that this House award a medal for bravery to the Hon. Member for Lotbinière (Mr. Tremblay), who exposed himself to bodily harm in defending what his riding association president found indefensible, to say the least.

Mr. Speaker, the Member for Lotbinière will probably be promoted to the rank of Budget hero by his own caucus, considering his fervour in defending the Budget against all comers. His riding association president, however, who is on the list of notaries favoured by the new Government, has experienced the limits of democracy within the Progressive Conservative Party in Quebec. He has a double nose fracture to show for it.

I suggest that Progressive Conservative Members immediately take out a collective policy for liability insurance, if they intend to continue these high-pressure sales tactics, and I recommend that the public, for its own protection, restrict all contacts with their Members to letters or telephone calls and refrain from any direct contact with the Conservatives in these times on the Government side.

* * *

[*English*]

EXTERNAL AFFAIRS

NAMIBIA—MINING OF URANIUM BY CANADIAN COMPANIES

Mr. Dan Heap (Spadina): Mr. Speaker, Canada is violating a United Nations decree that prohibits foreign exploitation of Namibia's natural resources. Since the bloody and brutal apartheid Government of South Africa invaded Namibia and began the enslavement of its people and theft of its resources, western countries have been joining in the looting of that defenceless former colony.

The United Nations Council for Namibia in 1974 passed decree No. 1 calling for a halt to further foreign exploitation of Namibia's natural resources. Yet Rio Algom, a Canadian company with tax benefits from the Canadian Government, has, with Rio Tinto Zinc, for nine years been mining uranium at Rossing in Namibia. After the ore is imported into Canada a Crown corporation, El Dorado, in Port Hope, processes it to uranium hexafluoride for delivery to Japan. This is a multimillion dollar theft from a conquered people, in direct violation of a U.N. decree.

Recently the U.N. Council for Namibia began prosecuting a Netherlands company, Urenco, in a Netherlands court for a similar offence. According to His Excellency Ononaiye, Nigerian Ambassador to the U.N. and spokesperson for the U.N. Council for Namibia, the Council intends also to prosecute Canadian firms engaged in this offence.

I call on the Government of Canada to honour the U.N. boycott of South Africa and the decree of the Council for Namibia, and halt this greedy and illegal practice by Canadian companies.

S.O. 21

LIONS CLUBS INTERNATIONAL

ASSISTANCE TO THE DISADVANTAGED

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is with great pride I speak in the House today on behalf of the largest service club in the world. Lions Clubs International was formed in 1917 and now boasts a membership of 1,341,000 dedicated men representing some 37,000 clubs in 157 nations and geographical areas.

The City of Ottawa is honoured today to host the President of Lions Clubs International, Bert Mason, of Northern Ireland. Earlier today Mr. Mason presented our Prime Minister (Mr. Mulroney) with a token of appreciation from Lions Clubs everywhere.

For many years the membership of Lions International has been committed to improving the quality of life for the disadvantaged. Lions International has made particular progress helping many deaf and blind persons world-wide.

I am delighted to note that near my own riding of Parry Sound-Muskoka the Lions Club built a summer camp for dialysis patients whose kidneys require expensive machinery to function normally. In the heart of my riding the Canadian International Institute for the Blind runs another summer camp with funding from the Lions.

Many Members of Parliament will recall seeing the mobile clinic parked outside the Members' entrance four weeks ago. The bus, equipped with a dentist's chair and other medical paraphernalia, is a gift to the people of Peru from, you guessed it, Lions International.

On behalf of Members of the House may I welcome Lion President Bert Mason to the capital of Canada. We truly hope our country will be his home—

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

* * *

[*Translation*]

THE ADMINISTRATION

THE BUDGET—PATH CHOSEN BY GOVERNMENT

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, in Canada the term profit has again become part of the vocabulary of our small- and medium-sized businesses, and as a result, hundreds of thousands of jobs will be created, something the Liberal Government was unable to do during the twenty years it was in power.

Workers in my riding can now look to the future with optimism because they have the assurance their employers will receive the fiscal and financial support they need to maintain and expand their businesses. In fact, for many of my constituents, uncertainty and their employers' problems were having a direct impact on their vision of their own and their own family's future.

S.O. 21

Mr. Speaker, the support voiced by farmers, businessmen and women for the Wilson budget has convinced me that the direction chosen by our Government will turn out to be the best thing for Canada and Canadians.

The Budget will make it possible for hundreds of young Canadians to put what they have learned to good use by participating in Canada's economy through jobs in all economic sectors.

Incidentally, I would like to say a few words of greeting to a group of young Progressive Conservatives from the great riding of Argenteuil-Papineau who are visiting Ottawa today, who have renewed their support for the Government and who are always as enthusiastic in their show of confidence in the Progressive Conservative Party. Our young people are our hope for the future. I trust their critical faculties, but not those of the Hon. Members' opposite, when we are talking about the best possible measures to provide for their future.

* * *

[*English*]

USE OF STANDING ORDER 21

Mr. Speaker: May I just remind all Hon. Members that the use of the Standing Order 21 to make congratulatory statements is out of order.

* * *

[*Translation*]

HUMAN RIGHTS

ABORTION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the Progressive Conservatives in Saskatchewan have taken a firm stand against voluntary termination of pregrancy. They have increased their grants to Pro-Life and put a freeze on grants to Planned Parenthood.

Today, the House will be considering second reading of a Private Member's Bill that is being used as a trial balloon, with the support of the Premier of Saskatchewan, Mr. Grant Devine. The Bill would make it compulsory for a woman to obtain the consent of her husband to have an abortion. Similarly, girls under 18 who are the victims of incest or rape will have to get their parents' consent or that of the courts to obtain a voluntary termination of pregnancy.

Mr. Speaker, this is a striking example of the Conservative attitude to women's rights. Since the 70's, women in Canada have been signing their own release for treatment and surgery. Does the House really believe that a teenage victim of incest is going to ask her father for permission to get an abortion? Is it not more likely that she will try to have her pregnancy terminated under conditions where hygiene and safety precautions leave much to be desired?

Mr. Speaker, I do not want to denigrate the role of the husband, but if we insist that a woman must have his permission for a voluntary termination of pregnancy, I will start a national campaign to make it compulsory for a man to ask his wife's permission before getting a vasectomy treatment for venereal disease.

Mr. Speaker: I must advide the Hon. Member that her time has expired. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

* * *

[*English*]

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY'S ELECTION CAMPAIGN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am sure you will recall that in the election campaign the Conservative Party campaigned across Canada saying jobs, jobs, jobs.

Some Hon. Members: Hear, hear!

Mr. Nystrom: In the Budget we see taxes, taxes, taxes, Mr. Speaker. In the campaign the Conservatives never told us about tax increases. They never told us about a gas tax. They never told us about the deindexing of pensions and family allowances. They never told us about deindexing the income tax exemption. In fact some critics go as far as to say that no member of the Government can be trusted, that no member of the Government can be believed. I would not go that far, Mr. Speaker.

There is at least one honest Tory, and that is the Minister of Justice (Mr. Crosbie). You will recall before the campaign he said: "If we tell the people of Canada the truth, they would never vote for us".

Truer words were never spoken.

* * *

EMPLOYMENT

CO-OPERATION OF GOVERNMENT AND BUSINESS IN CREATING JOBS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, we hear the voice of doom from the opposition Parties on a daily basis condemning the Government for the harsh cuts to federal programs and the resulting job loss. We have been hearing that same story since November, Mr. Speaker. The real story is much different.

Since the time we formed the new Government over 200,000 new jobs have been created. In the month of April alone there were 89,000 new jobs.

Change is obviously a threatening concept to our Liberal and NDP friends. Job-creation programs from the past have not worked. The Government inherited an unacceptably high

unemployment rate, and is now encouraged by our opposition colleagues simply to throw more money at the problem.

We in this Party recognize that meaningful job creation cannot be accomplished without the full co-operation of business, both large and small. The Budget introduced last week by my colleague, the minister of Finance (Mr. Wilson), will work to create jobs because it frees Canadians to reach their full economic potential.

* * *

[*Translation*]

THE BUDGET

CONGRATULATIONS OFFERED TO MINISTER OF FINANCE

Mr. Richard Grisé (Chambly): Mr. Speaker, on Thursday, May 23, my hon. colleague, the Minister of Finance (Mr. Wilson), brought down this Government's first Budget, a Budget that acknowledges the intelligence of Canadian men and women by giving them the tools they need to create the jobs Canada needs. As did many of my colleagues, I reported to my constituents in Chambly to get their reactions to the Budget. Many people, including owners of businesses, employees and others reacted very encouragingly to the measures proposed by the Government to reduce the deficit and to create a climate of confidence that will promote investment in Canada and put 1,400,000 people back to work, people who can now look to the future with optimism. Mr. Speaker, speaking on behalf of the constituents of the riding of Chambly, I want to offer the Minister of Finance our sincere congratulations for having chosen the right path, the one leading to Canada's economic renewal.

* * *

[*English*]

ENERGY

ANNOUNCED CLOSING OF HEAVY WATER PLANTS IN CAPE BRETON

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, last Thursday the Minister of Finance (Mr. Wilson) announced in his Budget that the heavy water plants in Glace Bay and Port Hawkesbury would be closed down. This has indicated a certain callousness and indifference to the people of Cape Breton. The Minister of Energy, Mines and Resources (Miss Carney) had promised on more than one occasion that any decision with respect to the closure of the two plants would be withheld until replacement jobs had been found for all workers. The Government has now broken that commitment.

For the record, Mr. Speaker, the Minister of Energy, Mines and Resources, on November 23, 1985, said to the workers, and it was announced in *The Chronicle-Herald*:

> I can assure you there will be no move made at all in that area unless there is a development plan in place to replace any employment effects associated with moving on the heavy water plants—

In February of 1985, she said:

> — any plans to close the two plants will not proceed before alternate employment can be found for displaced workers.

The Government has broken other promises as well. It promised consultation with the provinces, with management, with labour—with all sectors of Canadian society. Despite these lofty intensions the Government did not at any time seek to consult with the workers at Glace Bay and Port Hawkesbury. This is an astounding fact, when one considers that it is the workers themselves who are most directly affected by the plant closures.

I call upon the Government for some positive actions on behalf of the people of Canada, as opposed to the lofty promises and intentions which have yet to be realized or implemented.

* * *

PENSIONS

PENSION PLAN REFORM

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, on Thursday night we saw action on many fronts vital to the health of the nation. But few were as significant as that of pension reform.

After 10 years of obstruction and procrastination it took a Tory Government, a dynamic and responsive Government, to bring needed pension reform to this great country in only nine months.

These changes will provide more workers with the opportunity to join pension plans and to participate in the management of pension funds. These changes will protect workers who change jobs against the loss of pension benefits. It will provide workers after two years of plan membership with the right to their pension benefits, which they well deserve.

Most important, these changes will provide equal pensions for women and men retiring under identical circumstances, and will provide survivor benefits for spouses. These major reforms will provide for the splitting of pensions between spouses upon marriage breakdown. These measures will provide needed equity between men and women and, by doing so, the Tory Government is proving it believes that women should get their fair share.

* * *

SMALL BUSINESS

SMALL-BUSINESSMAN'S LETTER ON BUDGET

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I received the following letter today. It reads:

> As a small businessman, I was quite enthusiastic when I learned of the Budget's emphasis on rejuvenating the Canadian economy via a series of steps designed to enhance small business. I must admit, however, that the new Budget confuses me as to how it will help small business.

The vast majority of my business revolves around the sale of various day-to-day necessities, such as toothpaste and bathroom tissue, as well as tobacco products, non-alcoholic beverages, candy and snack foods. The new Budget, which raises taxes on every one of these items, has had the net effect of lowering consumer demand for these products.

I understood the role of the new Budget to be one of encouraging the expansion of small businesses in the hopes that we could create jobs. However, at least in my case the opposite is true, as this Budget is placing my business in a precarious position in two related ways.

First, the Budget is reducing my gross sales by lowering consumer demand. Second, the Budget adversely affects the most important component of any successful business—customer "goodwill". It accomplishes this by raising consumer taxes in such a manner that small business takes the rap for the present Government's policies.

In conclusion, it seems to me, as a small businessman, that the Minister of Finance's approach to helping small business is in need of re-examination.

Sincerely,

Abba's Grocery,
344 Bell Street S.,
Ottawa.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHAIRMAN OF THE COUNCIL OF MINISTERS OF THE RUSSIAN FEDERATED SOCIALIST REPUBLIC

Mr. Speaker: I should like to indicate to the House the presence in our gallery today of His Excellency Vitaly Vorotnikov, member of the Politburo of the Central Committee of the Communist Party of the Soviet Union, and Chairman of the Council of Ministers of the Russian Soviet Federated Socialist Republic.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

PENSIONS

CHANGE IN INDEXATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Finance will recall that on Friday last, here in the House, I asked him why he had been sneaky and had not been straight with the people of Canada and the Canadian taxpayer in his Budget.

I told him that the deindexation of the tax brackets, the general deductions, the old age pensions and the family allowances would mean, in effect, a hidden and massive tax increase at the rate of 3 per cent a year, per year, per year, all cumulative. My colleague from Laval-des-Rapides has produced a document from the Department of Finance which bears out the point I made in this House on Friday.

Will the Minister now admit what he refused to admit on Friday, namely, that an 80-year old widow living on an old age pension, with a guaranteed income supplement, will lose, in absolute terms by the year 1990, $30 per month, and by 1991 over $45 a month? Why will the Minister not come clean and say to the members of this House, and to the people of Canada, that he has been clandestine and sneaky with respect to the tax increases that he is imposing on the people of Canada?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Right Hon. Leader of the Opposition is dead wrong in the way he has expressed his point. I think what he should do is read the budget speech where the fiscal problem that we have, and the range of means by which we are dealing with it, are clearly set out. We have set a track here, a track which will carry on over a number of years. However, I caution the Hon. Member that the directions we are going in now are essentially toward controlling the fiscal problem of the country at an early date.

I ask him if he does not support the policy that we are following with respect to getting the deficit under control. If he does not support it, then he is going totally contrary to everything he has said over the past four or five years.

Some Hon. Members: Hear, hear!

IMPACT OF BUDGET ON PENSIONERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to deal with that subject fully in the House tomorrow. The public finances of the country have to be brought under control—but not at the expense of the weak, the unemployed, the elderly or the disabled. I have said that publicly for the past five years.

In 1990 we will have 1,740,000 senior citizens living at or below the poverty line. We have calculated that the reduction in the old age pension, plus the increase in the various sales taxes, will mean that these senior citizens will lose $1.25 billion in income in 1990. That is the exact amount represented by the exemption for capital gains tax for our more wealthy citizens.

Does the Minister really want the wealthy citizens of this country to receive a tax benefit, what I have called a cash bonanza, of $125,000 in a lifetime, at the expense of the elderly citizens of the country?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member made reference to the disabled. It is very clear that in the Budget we are taking steps to help the disabled. We have maintained indexation for the guaranteed income supplement and for the child tax credit. In fact we are increasing the child tax credit in excess of the rate of inflation over the next few years. We have maintained full indexation

for the programs for veterans, so what he said in the preamble to his question is dead wrong.

● (1420)

I might just observe that the Hon. Member for Laval-des-Rapides is on record as saying that he oppose tax indexation. He has said that tax indexation is a short-sighted measure which may prevent government from efficiently fighting inflation, and that is what we are trying to do.

* * *

[*Translation*]

THE BUDGET

SOCIAL PROGRAMS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary.

De-indexation is a tax, a clandestine, secret and hidden tax on the Canadian people. The Minister's secret forecasts, made public yesterday by the Hon. Member for Laval-des-Rapides, indicate that by 1990, Canadians will suffer a net loss of $630 million per year on deductions and tax credits for children. Is the Minister of Finance prepared to admit to the House today that he is making huge cutbacks in family programs? Is he prepared to admit that he has broken the Prime Minister's promise not to reduce budgets for social programs in order to reduce the deficit?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what we have set out to do in this Budget is set the Government on a track toward getting control of the massive debt problem which is a burden on all Canadians. It is very important that Canadians recognize that there is a broad attack taking place, and that everyone has been asked to share some of the load. There is to be a tax on the capital of banks, and a surtax on corporations.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): If Hon. Members opposite would just relax a little, I would continue.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Obviously they do not want to listen.

* * *

THE ADMINISTRATION

STATEMENTS MADE BY SOLICITOR GENERAL—REQUEST FOR RESIGNATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister. Yesterday the Prime Minister reprimanded the Solicitor General for taking sides in the Coates case, and less than five minutes after that the Solicitor General told the media outside the House that he did not regret having spoken out as he did. Last winter, after the clandestine Hatfield meeting was revealed, the Prime Minister was also critical of the Solicitor General, saying that such a meeting would not have been held in a perfect world. However, the Solicitor General said that he would hold such a meeting again. Both acts were highly offensive to the administration of justice or, to use the Prime Minister's own words, they were fundamentally inappropriate.

Given that we have a Solicitor General who has a perverse lack of appreciation not only of the responsibilities of his office but of his duty to the Prime Minister—

Some Hon. Members: Question!

Mr. Kaplan: Here is the question.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Given all of that, is it not time for the Prime Minister to appoint a new Solicitor General?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I appointed a new Solicitor General because we did not want one who would go out and authorize the payment of $100,000 to a killer in British Columbia. People have had it up to the ears with that kind of stuff.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Mulroney: The Solicitor General is an extremely honourable man, and I think that the former Solicitor General would be well advised not to indulge in selective quotations from the Solicitor General, because what he said was very clear-cut.

MINISTERIAL BEHAVIOUR

Hon. Bob Kaplan (York Centre): Mr. Speaker, the record shows very clearly that I did not authorize that payment of $100,000. The Attorney General of British Columbia authorized that payment.

I would like to deal with the subject at hand. What are the Prime Minister's criteria for disciplining Ministers? The Minister of National Defence has a drink in a bar and is asked to resign, or advised to resign. The Solicitor General engages in conduct which the Prime Minister himself criticizes, and he is allowed to remain in the Cabinet and gets a rose pinned on his lapel by the Prime Minister. What kind of criteria is the Prime Minister using?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yesterday I referred to the injunction in regard to the process that was quite properly mentioned by my hon. friend

from Hamilton Mountain, and it applied to all Members of the House of Commons.

Mr. Nunziata: We're not all Ministers.

Mr. Mulroney: The Hon. Member for York South-Weston was in agreement with the general thrust of the comment.

Ms. Copps: He was not.

Mr. Hnatyshyn: Let him speak for himself.

Mr. Mulroney: I think that my hon. friend should take the cautionary reference made by the Hon. Member for York South-Weston, as all Members of the House will, in regard to comments made by those involved in a quasi-judicial process. I agreed yesterday with my friend from Hamilton Mountain. His comment was appropriate, and I expect that all Members of the House will follow it in their future conduct.

* * *

CORPORATE AFFAIRS

WATER EXPORT COMPANY—PRIME MINISTERS' OFFER OF CO-OPERATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister and it concerns a report in today's Montreal *Gazette* with which I am sure the Prime Minister is familiar. The report concerns a civil action that is being brought against a company established to export water from the Prime Minister's constituency to the Middle East.

My question concerns the support the Prime Minister allegedly gave to this company. Quite specifically, I would like to ask the Prime Minister if he could tell the House what he meant when he told the company president, in a letter under the Prime Ministerial imprimatur, that he would offer "every co-operation to assist" the company after he had looked into what he described as the "corporate initiatives" being taken by the company.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the letter to which the Hon. Member refers offers every co-operation to establish productive jobs in the constituency of Manicouagan.

[*Translation*]

And that is perfectly normal. I was approached by the Mayor of Seven Islands in my capacity as Member for Manicouagan. The mayor had a letter of approval from the Government of Quebec and plans for a project that would create about 50 jobs on the North Shore. I thought it was perfectly normal that I, as the Member for the riding, should support a job creation project, which I did, and I believe any other Member of this House would have done the same in similar circumstances.

[*English*]

ROLE OF PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, no one is questioning the obligation of Members of Parliament, on whichever side of the House, to take action to support the location of jobs in their constituencies. The question pertains to something other than that. First, all Members of Parliament are not the Prime Minister. It is the Prime Minister who can request the Secretary of State for External Affairs to take related action in terms of his responsibilities. Members of Parliament, as opposed to Ministers of the Crown, cannot do those things.

My question in this regard would pertain to members of the Ministry as well as other Members. Does the Prime Minister think it is appropriate that he, as Prime Minister, lent his support to a highly speculative economic venture, in a letter that was subsequently used to get other investors to take part in the project, a project that is now involved in a civil suit?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my information is that, prior to coming to see me, the other investors had been approached and were involved. I can only tell my hon. friend the facts. I was approached by the Mayor of Seven Islands—

● (1430)

[*Translation*]

—who came to see me with a person who had already received the support of the Quebec Government in the form of a letter signed by the Deputy Prime Minister of Quebec, the Hon. Bernard Landry. I looked into the project and talked about it with the mayor who had discussed it with the municipal council of Seven Islands. Water was available from the municipality of Seven Islands. I therefore wrote the following in English, at the mayor's request, and I quote:

[*English*]

—I wish to extend to you and your colleagues every co-operation to assist, if possible, in bringing productive employment to the area.

I was adivsed that some 50 or 55 jobs could result. I thought it was an appropriate way to be helpful to the Mayor of Seven Islands in trying to bring the jobs to my area.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S LETTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I repeat that the letter which was sent by the Prime Minister states categorically that he looked into the project. In the letter he said that he had a look at their corporate initiatives, which suggests that in some sense he did some background work on the project. Then he wrote to the president of the company with a fulsome endorsation of the project. The letter was subsequently used by the president to get other people to invest.

Does the Prime Minister really think it is appropriate for himself, other members of the Cabinet, or any Member of Parliament, to endorse speculative projects which may involve risks, not for themselves but for other Canadians, particularly in this instance pensioners who could be persuaded because of such endorsation to use their pension funds for investment?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is not only unfair but extremely inaccurate for my hon. friend to refer to a proforma letter which I wrote as a fulsome endorsation of the project. There was absolutely nothing in the letter which was a recommendation of the project, least of all a fulsome endorsation of the project. There was an approach made to me, in my capacity as Member of Parliament for Manicouagan, by the Mayor of Seven Islands, which is backed up with a letter from—

[*Translation*]

—Bernard Landry, Minister of Intergovernmental Relations of the Government of Quebec.

[*English*]

There was no fulsome endorsation of it by me whatsoever. There is nothing in the letter which could be construed as an invitation to investors to get involved. Clearly, as a Member of Parliament—

[*Translation*]

I realize the Liberals think it is funny that a Member from Quebec should actually try to bring jobs to Quebecers. I know you think that is funny, and the people of Quebec are watching the Quebec Liberals laugh, but we are going to keep on trying, and that has been a project—

Mr. Speaker: Order, please. The Hon. Member for York South-Weston (Mr. Nunziata).

* * *

[*English*]

THE ADMINISTRATION

STATEMENTS MADE BY SOLICITOR GENERAL

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and it concerns his Solicitor General and the contempt which he has shown toward the Human Rights Commission and anyone's sense of fair play and justice.

Some Hon. Members: Oh, oh!

Mr. Nunziata: How much more incompetence do Canadians have to take from the Solicitor General? The Solicitor General has a fundamentally perverse misunderstanding of his role as a Solicitor General. He has brought the administration of justice into disrepute and he has challenged the very integrity of the Human Rights Commission.

Is the Prime Minister prepared today to dissociate himself and his Government, completely and unequivocally, from the statements which were made by his Solicitor General in this particular case? Will the Prime Minister extend his apology, and the apology of his Government, to the Human Rights Commission for the conduct of his Solicitor General?

Right Hon. Brian Mulroney (Prime Minister): Normally, Mr. Speaker, I would not think that would be deserving of a lengthy reply, except were it not for the fact of the well-known solicitude which the hon. gentleman has for other people's reputations.

I responded yesterday in regard to what I thought was a very thoughtful question which was put by the House Leader for the NDP. I gave a response that I believe was appropriate, which dealt not only with the Minister but with all Members of the House. I have nothing further to add, except that the Hon. Member should perhaps think a little before he speaks in regard to damage being done to other people's reputations, inasmuch as he is the principal sinner in this House.

Some Hon. Members: Hear hear!

CONDUCT OF SOLICITOR GENERAL

Mr. John Nunziata (York South-Weston): Mr. Speaker, Canadians quite justifiably are having some difficulty understanding why the former Minister of National Defence resigned when he simply attended a strip bar in West Germany, and why the Solicitor General is clinging to power when his conduct is so inappropriate. Will the Prime Minister explain why he advised the former Minister of National Defence to resign, and why he has not discussed resignation with the Solicitor General? Can he explain to Canadians why the double standard? Would he not agree that the Solicitor General's conduct to date is far worse than the conduct of the former Minister of National Defence?

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: The Leader isn't applauding.

Right Hon. Brian Mulroney (Prime Minister): No, the Leader of the Opposition is not applauding, because he is an honourable man and would not applaud that kind of intervention.

Some Hon. Members: Hear, hear!

Mr. Mulroney: He is just as ashamed of it as the rest of the Members of the House of Commons.

The former Minister of National Defence, in a difficult moment, acted with great honour, as did the Solicitor General, who has given the House an appropriate and thoughtful response.

Oral Questions

PENSIONS

EFFECT OF CHANGE IN INDEXATION

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Finance. The Minister of Finance knows that the impact of his budget proposal to deindex pensions will have a serious effect on most pensioners. The Minister also knows that the impact on a 50-year-old Canadian who is planning for his retirement is that, through inflation and reduction of the pension, he can expect to receive a pension which is equal to an amount approximately 50 per cent of what he receives today in real dollars. Would the Minister of Finance not agree that the proposal to deindex pensions is simply putting the boots to old age pensioners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it very clear to the Hon. Member so that he does not mislead the people who are watching Question Period. Indexation will be modified. There will still be a very potent form of insurance in the event that we do see high levels of inflation at some time in the future. We are having regard for the concern that older people have with respect to the effects of inflation. But I would like to remind the Hon. Member that older people are very concerned about the effects which deficits and debts have had on past levels of inflation. Therefore I believe they are willing to make a small sacrifice to do their part in fighting inflation, and to do that through reducing the high levels of debt.

LIBERAL BUDGET—STATEMENTS MADE BY PRESENT MINISTERS

Mr. Neil Young (Beaches): Mr. Speaker, on June 29, 1982, in response to the MacEachen proposal to deindex pensions, the Minister of Finance said:

—the Minister is to put the boots to those who are hardest hit in the economy today, the low-income people and the pensioners.

Would the Minister agree with the statement from the Hon. Member for Kingston and the Islands on the same day, on the same budgetary proposal, when she said:

The meanest move in his budget last night was to reduce sharply the indexing of old age security for those who do not receive the supplement.

Would the Minister of Finance not agree that the Government is indeed putting the boots to old age pensioners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has forgotten to establish the perspective within which that comment was made.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): At that time inflation was running—

Mr. Blaikie: Come on, hypocrite.

Mr. Speaker: Order, please. I think it is reasonable for questions and answers to be heard. All Members in the House—and I am pointing in a particular direction—should refrain from using unparliamentary language.

• (1440)

Mr. Wilson (Etobicoke Centre): Let me start again, Mr. Speaker. I think we should look at the situation we were facing at that time. There was a level of inflation. My recollection is that it was around 11 per cent. The Government at the time was proposing to reduce the level of indexation to 6 per cent. That was five percentage points it was knocking off the old age security benefits. What we are saying here today is that we have inflation down and we want to keep it down. One of the ways we can keep it down is by lowering the size of the deficit, getting control of the debt, and removing those ongoing pressures—

Mr. Broadbent: On the backs of the pensioners.

Mr. Wilson (Etobicoke Centre): If the Hon. Leader of the New Democratic Party would listen, he will hear that what we are trying to do is remove the pressures from that inflation which is causing the problem we are trying to protect Canadians against.

Mr. Broadbent: And the pensioners are paying for it.

* * *

[*Translation*]

THE BUDGET

THE ELDERLY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. In Sherbrooke, last July 26, he made a promise to elderly Canadians and his first priority was to reinstate full old age security pension indexation to the cost of living as of January 1, 1985. Can the Prime Minister now explain to older Canadians why he let his Minister of Finance disregard that commitment to senior citizens, and also let his Minister of Finance eliminate part of the indexation, with the result that elderly Canadians will lose $54 a month?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): I want to say to the Hon. Member that, when one takes a look at the entire indexing of old age pensions, one sees that the full indexing is still there for those pensioners who rely on the GIS.

Mr. Turner (Vancouver Quadra): The basic isn't.

Mr. Epp (Provencher): I understand that, John.

Mr. Turner (Vancouver Quadra): Then say it.

Mr. Epp (Provencher): Additionally, I want to say to the Hon. Member that he should go back, for instance, to 1982 and the discussion at that time when the former Government brought in six and five. At that time the debt was calculated at $10.9 billion. We then heard it was going to $19.6 billion. At that time the Government took those kinds of steps. Today we

are looking at a deficit of around $35 billion. Surely the greatest protection which any person receiving old age security benefits can have is to make sure that that deficit is brought under control, so that the large amount of money which is being—

Mr. Speaker: Order, please. May I ask the Ministers and the questioners, please, to be shorter. This is taking much longer than normal.

[*Translation*]

Mr. Malépart: Mr. Speaker, I can understand why the Prime Minister would be ashamed to answer the question. No wonder he is red-faced!

INDEXATION—CHEQUES FOR THE AGED—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I should like to direct my supplementary question to the Minister of Finance, and I dare hope that for once the elderly will get a clear and honest answer.

Ms. Copps: That is impossible!

Mr. Malépart: I checked the Minister's Budget and nowhere is there any reference to old age pensions being fully indexed. Can the Minister of Finance now promise elderly Canadians that, if inflation goes up 6 per cent, the guaranteed income supplement will also go up 6 per cent as will the basic old age security pension so that the poor in Canada, older people, will get the full—

Mr. Speaker: Order, please.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear that anyone who receives an old age security cheque will receive the same cheque, or an increase, as the effects of modified indexation occur.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The Hon. Member knows that there will be a very potent form of insurance by keeping the modified indexation in place for those who receive the old age security. In addition, those who receive the guaranteed income supplement will receive full indexation of the CPI, as will people who receive the child tax credit, and the people who receive the veterans payments.

* * *

PENSIONS

INDEXATION INQUIRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, yesterday our action group on jobs met with groups across Canada who expressed disappointment about parts of the Budget which affect them. They expressed real anger over the $1.6 billion which will be taken out of the pockets of our senior citizens by 1990. We heard things like: "What a hollow mockery this present Budget makes of the concepts of equity, fairness and compassion." Nowhere, Sir, is this more blatant than in "the harsh measures the Government is taking to—

Some Hon. Members: Order.

Mr. Langdon: —partially deindex old age pensions".

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

Mr. Langdon: Does the Minister agree with those words about the harshness of deindexing pensions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate that perhaps the Hon. Member has talked to some people about the effects of the Budget, but my colleagues on this side represent 75 per cent of the households in Canada, and what I have heard from them—

Mr. Broadbent: In September.

Mr. Wilson (Etobicoke Centre): They still represent 75 per cent of the households in Canada, I say to the Leader of the New Democratic Party.

During the course of the past few days my colleagues have talked to the widest range of Canadians which anyone has talked to, and I have heard directly from them the comments, and they are positive. The comments tell us this is a fair Budget, it's a realistic Budget, and it is being honest with Canadians. It is going to be effective in creating jobs, and realistic in getting the size of the deficit under control.

BUDGET PROVISIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my quote with respect to deindexing, of course, was from the Hon. Minister of Employment and Immigration when she attacked the Liberal Government in 1982 about its last attempt to deindex pensions. Will the Minister of Finance agree that what was wrong in 1982 is wrong in 1985? Will he agree, as the Essex County Senior Citizens Federation told me yesterday morning, that a sense of decency and fairness requires that these pension measures be cut out of the present Budget?

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind the Hon. Member that we are trying to do two fundamental things in this Budget. First, we are trying to get Canadians back to work and, second, we are trying to get control of the massive debt which this country has built up over the past 15 years. We cannot do one without the other.

We have to blend the policies in order to get effective results. I believe that we have blended those policies in an effective way to create jobs, and to reinforce the 201,000 jobs which have been created since September. As the same time, as that momentum of economic activity continues we are going to take another big bite out of the deficit because of the higher tax revenues we will receive from that increased revenue.

* * *

HOUSING

STIMULATION OF CONSTRUCTION

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of Finance. In view of the critical housing situation in major metropolitan areas—there is a .3 vacancy rate in Scarborough apartments—and in view of the great spin-off potential for job-creation in the housing industry, will the Minister of Finance indicate ways in which his Budget policies will stimulate new housing construction in Canada?

Hon. Michael Wilson (Minister of Finance): Yes, Mr. Speaker, I can say very directly and very clearly the way in which this Budget will generate increased housing activity, which we believe is very important for the country. Lower interest rates and lower mortgage rates are the fundamental cause of increased activity in the housing industry.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Since September 4 we have seen mortgage rates come down by close to 3 per cent. We believe that the direction of those interest rates as a result of this Budget will be towards a further reduction. That, Mr. Speaker, will have a far reaching impact, not only on housing but on manufacturing activity and a wide range of economic activity.

* * *

THE BUDGET

REQUEST FOR AMENDMENTS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, no matter how good a face the Minister of Finance wishes to put on his Budget, there are many parts of it which are obviously deficient and perhaps even contain oversights. One cannot make a silk purse from a sow's ear, and he knows that.

Some Hon. Members: Oh, oh!

Mr. Johnston: He has four weeks before Parliament rises. Will he consider, during those weeks, taking corrective action in those areas where problems have been raised by people right across the country? The elderly are suffering, along with the unemployed. The regions are being savaged. Even the Minister of Justice knows that.

• (1450)

Some Hon. Members: Order.

Mr. Johnston: He has four weeks to take corrective action and bring it into the House.

Some Hon. Members: Oh, oh!

Mr. Johnston: Will he do that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know the Hon. Member has not been in opposition for a long time, and I would like to help him ask the question.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I am not quite sure I got the thrust of the question because of the pauses but, as I indicated in response to a previous question, there has been a good degree of support, not just among my colleagues in the House, or editorial writers, but from many Canadians who are saying we are moving in the right direction.

We are finally sitting down and addressing the problems of unemployment and a high deficit. We are doing it in a fair way, and at the same time dealing with the problems of the disabled, and pension reform. There is a lot of meat in this Budget, and I suggest the Hon. Member read it.

ESTIMATES OF JOB CREATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, it is true that I have not been in opposition a long time. But he has not been Minister of Finance for a long time, and I would like to help him write his Budget.

There are Members in his own back benches who do not agree with him but who agree with me. The Member from Cape Breton is one. However, the Minister has told us again and again today that this is a job-creation Budget, yet the private experts, if you like, such as Data Resources and Informetrica, show thousands and thousands of lost jobs. The very least he can do is remove the anxiety of those who see themsleves threatened by the Budget, and table in this House his Department's estimates of what the job creation is actually going to be. Will he do that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I suggest to the Hon. Member that you learn a lot of things in opposition, and I wish him many, many long years there.

The Hon. Member made reference to the Hon. Member for Cape Breton Highlands-Canso, who said, in referring to the Cape Breton tax credit in a latter to me: "These initiatives reflect our commitment to creating jobs. Congratulations."

I know the Hon. Member has some understanding of econometric models and knows very well their very severe limitations in projecting what might happen in the economy. I only

have to remind him of what his colleagues were saying last November. The models back then indicated we were going to lose 50,000 to 100,000 jobs, and what has happened? Some 149,000 jobs have been created.

[*Translation*]

REQUEST FOR CLARIFICATION OF FAIRNESS IN BUDGET

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Finance.

Mr. Speaker, the Budget has the support of the Quebec Minister of Finance but, that PQ-Tory agreement notwithstanding, the Budget will cost Quebecers 40,000 jobs next year and, by the end of this decade, Quebec will have to raise 630 million more in taxes or cut back social, health and education services, while under the same agreement and thanks to the Budget of the Minister of Finance and reduced equalization—

Mr. Speaker: Is there a question?

Mr. Cassidy: Can the Minister explain how the Budget is fair to ordinary people in Quebec, considering its impact on employment, services and taxes?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would suggest to the Hon. Member that someone who is in very close touch with what is going on in the Province of Quebec is the Minister of Finance of that province's Government. While not giving the Budget a blanket endorsement, he did say that it was moving in the right direction and addressing the problems of that province. It was doing many of the things that the people in that province felt should be done in addressing the twin problems of high unemployment and job creation on the one hand, and deficit control on the other. These numbers that the Hon. Member is throwing around about 40,000 jobs lost have just been pulled right out of the air and have no basis in fact.

[*Translation*]

FINANCIAL AID TO QUEBEC—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would remind the Minister of Finance that the unemployment rate in Quebec is still over 12 per cent and that, during the election campaign, the Government promised grants to the shipbuilding industry in Quebec and elsewhere in Canada. Why did the Government withdraw its support for shipyards in spite of its election promises, and why did the Government withdraw financial assistance in spite of its promise to help industries in Quebec's hard-pressed regions? Is that fair to the unemployed in Quebec?

Mr. Lapierre: Not the Quebec Minister.

An Hon. Member: The new Quebec Minister.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, if I may be given an opportunity to speak as a Minister of the Government of Canada—

Mr. Deans: On behalf of the Government of the United States.

Mr. Stevens: —I would like to assure the Hon. Member that he is not correct in saying that assistance has been cut off from the shipbuilding industry and the grant program to which he referred. In fact there will be continuing assistance for another seven years.

* * *

FINANCE

INCREASED BORROWING COSTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of Finance. He will know that interest rates have dropped about 3 per cent since the election. He will also know we are borrowing roughly $4 billion more this year than last. I was wondering if he could explain to the House why his appropriation for interest payments this year is $3.6 billion higher than last year, in view of lower interest rates and a lower borrowing requirement.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as we borrow each year to cover the defict, that is piled on top of an ever increasing amount of debt. It is that ever increasing amount of debt on which we have to pay interest. The increase in the amount of debt charges I beliee is $3 billion, and a 10 per cent interest rate on a borrowing requirement of $30 billion is about $3 billion. It is for that reason we are on a bit of a treadmill here, and if we do not take action to reduce the size of the deficit we will never get that debt problem under control.

* * *

ATOMIC ENERGY OF CANADA LIMITED

CUTS IN FUNDING

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Prime Minister. Last August he sent a telex to my Progressive Conservative opponent stating that the Chalk River nuclear laboratories would not only be fully maintained but that a Progressive Conservative Government would consider additional funding. The Minister of Finance has now slashed AECL research and development funding by $100 million and has lifted an additional $70 million out of the company's retained earnings. Therefore I ask the Prime Minister, in all sincerity, why has he broken his promise in a way which will cause a large loss of jobs and result in another brain drain from Canada, just like the Avro brain drain which was perpetrated on the Canadian people by a previous Conservative Government.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think if the Hon. Member looked closely at the Budget he would see that it represents a very major commitment on the part of the Government of Canada to reinvigorate research and development activities from coast to coast.

If I may address specifically the question the Hon. Member has posed, yes, we have made some adjustments to the R & D program at AECL, but there will be discussions with other provinces to see whether there can be a co-operative approach taken to nuclear research and development. I do want to underline that the safety and health elements of the research and development programs will be maintained.

• (1500)

EFFECT ON RESEARCH AND DEVELOPMENT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary question is directed to the Minister of Finance, since the Prime Minister refuses to say why he did not keep his promise. The Minister of Finance stated in his Budget that he was going to reward success. How can he justify this statement after cutting $100 million out of R and D and lifting another $70 million out of the earned savings of Atomic Energy of Canada Limited? That is money that that Crown corporation earned largely through the world renowned laboratories at Chalk River. Does he not realize that he is creating another brain drain situation, or is he prepared to be the author of another Avro-Arrow story?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Member obviously wrote that question before he heard the answer to the first question.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We have said that we will be working with other utilities in Canada to see whether we can approach the research and development program for the Candu reactor on a co-operative basis.

In response to the broad thrust of the Hon. Member's question, I can say that broadening the definition of R and D, and having a refundable tax credit which will be of great benefit to a wide range of research and development companies across Canada, represent by far the largest commitment to research and development that any Government has made in recent years in Canada.

* * *

CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Mississauga South (Mr. Blenkarn) on Monday, May 27, 1985, meets the requirements of the Standing Orders as to form.

* * * * *

Mr. Speaker: I am now in a position to give two rulings that were requested. The first was requested by the Hon. Member for Hamilton Mountain (Mr. Deans) with regard to television coverage of the Budget. The second is with regard to the complaint by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) concerning words used yesterday by the Hon. Minister of National Revenue (Mr. Beatty).

* * *

PRIVILEGE

ANSWER GIVEN BY MR. BEATTY DURING QUESTION PERIOD—RULING BY MR. SPEAKER

Mr. Speaker: I have, as requested, examined the record. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) believed that the Minister had accused him of lying. The record does not show that any such accusation was made, and I am bound to say that I can find nothing unparliamentary in the words complained of.

However, I should like to use this occasion to repeat a plea which I have made several times in the House, namely, that Hon. Members should at all times observe the normal courtesies of debate in the exchanges which take place in the House, particularly during Question Period. Today we had examples of deviation from what I think we all believe to be the appropriate practice for Members of the House. Expressions and comments can be offensive without necessarily being unparliamentary. Proceedings would certainly be improved if all Members would avoid the use of offensive language whether parliamentary or unparliamentary.

* * *

POINT OF ORDER

TELEVISION COVERAGE OF BUDGET DEBATE—RULING BY MR. SPEAKER

Mr. Speaker: With regard to the complaint of the Hon. Member for Hamilton Mountain (Mr. Deans) about television coverage, I have now viewed several hours of budget speeches on camera. That is a part of the job that I was not aware of when I accepted this role. However, I am bound to say that the Hon. Member for Hamilton Mountain is in fact correct in his complaint.

Some Hon. Members: Hear, hear!

Mr. Speaker: The television coverage of the latest budget speech is significantly and substantially different from the coverage of previous budget speeches over the years. As Hon. Members would expect, I therefore have two things to say. The first is that I have in fact brought the discrepancies to the attention of the broadcasting bureau. The second is that, in my view, it would be appropriate, at least for the moment, to return to the guidelines that have been established.

I watched all the television coverage of all the budget speeches. From the point of view of television coverage and reporting, it is my view that the coverage of the latest budget speech was better television. I say that for only one reason. Hon. Members know that the rules which the bureau must follow were established by the House. I think it may be time for the parliamentary Committee on Reform of the House of Commons to give some thought to whether it is time for us to consider exactly what we want television to do fairly for all Parties and all Members at all times in the House.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1985-86

A message from Her Excellency the Governor General transmitting Supplementary Estimates (A) of sums required for the service of Canada for the fiscal year ending March 31, 1986; and in accordance with the provisions of the Constitution Acts, 1867 to 1982, was presented by Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Speaker to the House.

* * *

INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

TABLING OF REPORT

Hon. Walter McLean (Secretary of State): Mr. Speaker, pursuant to Standing Order 46 I have the honour of tabling in both official languages the report of Canada on Articles 13 to 15 of the International Covenant on Economic, Social and Cultural Rights.

* * *

PETITIONS

JOBS FOR YOUTH AT GAS STATIONS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition to present to the House. Given the windfalls that were given to the oil companies as a result of the Budget and the Western Accord, and given that there are no guarantees that these companies will create jobs with those monies, we ask that the oil companies be told to end self service gas stations to provide jobs for young people.

RESETTLEMENT OF TIGREANS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition signed by a few residents of Vancouver, some of whom reside in my riding. It brings to the attention of the

Government of Canada that the resettlement of Tigreans being conducted by the Government of Ethiopia will have disastrous consequences for the Tigrean people. These people are being resettled in an area where they have significant linguistic and cultural differences with the indigenous people, making for a potential recurrence of violence and persecution.

* * *

SUPPLEMENTARY ESTIMATES (A), 1985-86

REFERENCE TO STANDING COMMITTEES

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 63 I move:

That Supplementary Estimates (A) 1985-86, tabled this day, be referred to the several standing committees of the House as follows:

Since the list is rather long and there is a detailed allocation of the Estimates to the committees, if it is agreeable to the House, I would ask that the list be printed in *Hansard* as if it had been read.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Finance, Trade and Economic Affairs:
Finance Vote L2a

To the Standing Committee on Health, Welfare and Social Affairs:
National Health and Welfare, Votes 75a and 80a.

To the Standing Committee on Indian Affairs and Northern Development:
Indian Affairs and Northern Development, Vote 5a.

To the Standing Committee on Labour, Employment and Immigration:
Employment and Immigration, Votes 1a, 5a, 10a and 15a.

To the Standing Committee on National Resources and Public Works:
Energy, Mines and Resources Vote 20a.

To the Standing Committee on Regional Development:
Regional Industrial Expansion Vote 55a.

Motion agreed to.

* * *

COMMUNICATIONS AND CULTURE

ESTABLISHMENT AND ORDER OF REFERENCE OF SUBCOMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there are three items which have been the subject of consultations between the Parties that I want to bring to the attention of the House. If you were to seek unanimous consent and put these motions forward, I think you would find a disposition to accept the same.

• (1510)

The first is the longest. It deals with the subcommittee of the Standing Committee on Communications and Culture. I move:

Motions

That a subcommittee of the Standing Committee on Communications and Culture be appointed to examine annual reports of the Minister responsible for the Status of Disabled Persons and report and make recommendations to the House on any such reports and on questions referred to it by the House;

That five Members of the House of Commons, to be designated at a later date, be members of the subcommittee;

That the subcommittee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the subcommittee have the power to adjourn from place to place inside Canada provided that the locations to be visited and the estimated expenses for such travel are determined in advance and submitted to the Commissioners of Internal Economy for approval;

That the subcommittee report directly to the House on the reports of the Minister responsible for the Status of Disabled Persons and on questions referred to it by the House;

That the subcommittee have all of the powers of a standing committee of the House, pursuant to Standing Order 69(8); and

That changes in membership on the part of the House of commons be made only pursuant to Standing Order 69(4)(b).

Mr. Speaker: Is the Hon. Member for Hamilton Mountain (Mr. Deans) rising to speak on the same matter?

Mr. Deans: Mr. Speaker, there is agreement. I want to make sure for the record, however, that the total number of five members of the committee will be representative of all Parties in the House.

Mr. Hnatyshyn: I do not think there is any question about that.

Motion agreed to.

* * *

LABOUR, EMPLOYMENT AND IMMIGRATION

AUTHORISATION TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council) moved:

That the members of the Standing Committee on Labour, Employment and Immigration who are presently involved in the committee's study on the detention of immigrants in the Toronto area, be empowered to travel to Toronto and Montreal during the week of June 10 to 14, 1985, for the purpose of holding public hearings and that the necessary staff do accompany them.

Motion agreed to.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I move that the sixth report of the Standing Committee on Finance, Trade and Economic Affairs, presented to the House on Wednesday, May 22, 1985, be concurred in.

This report deals with the consideration of the circumstances arising with respect to legislation concerning the Canadian Commercial Bank and, in effect, allows an extension of the period of time for the consideration of that matter.

Motion agreed to.

POINT OF ORDER

TELEVISION COVERAGE OF BUDGET DEBATE—RULING BY MR. SPEAKER

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a point of order. There is an important question that I think remains as a result of your ruling with respect to the matter of televising the budget speech.

I believe that the House should be informed as to exactly who gave the instructions to the broadcasting bureau to depart from the rules previously agreed to by the House as to the manner of broadcasting the budget speech. I am not sure who should give this answer, whether it is the Government House Leader or an appropriate officer of the House, but I think it is necessary as a result of your ruling a few moments ago for this additional information to be provided to the House.

Mr. Speaker: The Hon. Member is asking a very good question to which I do not yet have the final answer. As the Hon. Member would expect, I have sought the answer to that question and will be happy to advise the House when I know it.

It is clear from watching the coverage of the last few Budgets that there have been more periods of applause during the budget presentations, which creates difficulty for the producers in the television facility. I suspect that producers, on their own initiative and with the best of intentions, have been bringing the cameras back for wider shots during those periods in order to deal with what would be relatively dead time in production terms.

Furthermore, between the two budget presentations, the placement of the Finance Minister in the Chamber changed sufficiently so that when the same three cameras were used for Mr. Lalonde, there was an entirely different perspective because Mr. Lalonde sat at that end and the current Minister of Finance (Mr. Wilson) sits at this end. This time, a fourth camera—the camera at the end—was added to the shot and, I suspect, for the same reason. It was added and used during periods of applause. Therefore, the head and shoulder coverage, which is covered in our rules as the electronic *Hansard* of someone speaking, was not available because we were dealing with a period when no one was speaking.

While I will certainly relay any further information, I suspect that there is nothing more to it than an attempt by our staff to try to make the presentation of the House easier to follow on television. I will, of course, be happy to report to the House of Commons whatever information I find.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 289.

[*Text*]

CHIP AND COSP PROGRAMS

Question No. 289—**Mr. de Jong:**

1. How many barrels of imported oil are saved annually as a result of the CHIP and COSP programs in (a) Canada (b) the Atlantic provinces (c) the Province of Quebec?

2. What does the Department of Energy, Mines and Resources estimate the financial savings to have been from the reduction in the level of imported oil for (a) Canada (b) the Atlantic provinces (c) the Province of Quebec?

3. What is the Department's estimated costs, both direct and indirect, of the National Energy Program to the Government?

4. What is the Department's estimate in terms of barrels of oil produced as a direct result of the programs, incentives and tax breaks of the NEP?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1 and 2. The Department of Energy, Mines and Resources does not possess the information to discern whether the oil previously used was imported or not. For the CHIP program, EM&R's data base does not contain information on oil displacement or even on fuel type used when the CHIP work was carried out. Therefore, the only numbers that EM&R can supply are as follows:

(a) Nationally: Energy savings attributable to work carried out under CHIP are equivalent to 10 million barrels of oil a year. Oil displaced by conversions carried out under COSP: 12 million barrels a year.

(b) Atlantic: CHIP—750,000 barrels a year, COSP—1,300,000 barrels a year.

(c) Quebec: CHIP—2,623,000 barrels a year, COSP—5,162,000 barrels a year.

3. The Department in 1982 estimated the cost of all the new initiatives announced in the NEP to be $9.1 billion for the four year period 1981-82 to 1984-85. A revision to this estimate has not been carried out. For the key NEP initiatives, the Department's most recent estimates are provided below.

	1981/82	1982/83	1983/84	1984/85
		($ millions)		
Petroleum Incentives Program	—	1824	1748	1770
Oil Substitution Program	134	188	204	228
Home Insulation Program	130	224	53	114
Natural Gas Laterals	—	5	77	169
	264	2241	2082	2281

4. The Department does not have such an estimate available and it would be very difficult to estimate the direct impact of the NEP on oil production. There have been a number of other factors that have influenced the level of oil production in Canada since the NEP. These factors include remaining geological potential, technological advancements, producer expectations on future oil and natural gas prices, cost of exploration, development and production, provincial incentives, producer cash flow and expected rates of return on investments in other sectors of the Canadian economy and in other countries. It is very difficult to separate the effects of these other factors on oil production from those resulting directly from the NEP.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (NO. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (for the Minister of State (Finance)) that Bill C-51, an Act to provide borrowing authority, be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when this debate was interrupted this morning I was talking about the difficulty in arriving at a true picture of the deficit because the numbers shift depending on how one views them.

I have mentioned that in a year when the personal income tax rebates are returned early, one can get an apparent exaggeration of the size of the deficit. It is corrected the following year although nothing has really changed.

Another example of this is in the February, 1984 Budget. The Department of Finance predicted an annual growth rate of 3.8 per cent over the next four years. Some ten months later, with another Minister of Finance, the Department of Finance produced totally different figures, and the result on paper was an addition of $9 billion to the deficit. This certainly points out the need for Members of Parliament to have better figures if we are to examine the financial requirements of the Government responsibly.

The need for better figures is one experienced equally by all Members of the House. For that reason, I hope that the Government will co-operate with the Auditor General in the study he is conducting in association with his opposite numbers in the United States. The object is to present Members of Parliament with figures which make for clear comparison and better understanding of the nation's business.

Deficit reduction over the next five years, to the extent that it can materially be seen, is to be pursued in a very unfair manner. The wealthy pay little, if anything. Apart from a one-year bump, corporations will enjoy substantial tax cuts.

However, lower and middle income groups will pay heavily. By 1990-91, individuals will be paying an extra $4.1 billion in income tax and $2.6 billion in sales and excise tax. However, corporations will enjoy a $2.2 billion decrease in taxes.

● (1520)

In addition, Canadians will find the real value of their pensions, family allowances and child tax support badly eroded. De-indexation of those programs by three percentage points will erode their real value by 16 per cent in 1990 to 1991. Canadians will have less disposable income to spend at a time when consumption is the key to sustaining the economic recovery.

The Old Age Security benefit payments will be cut by $1.6 billion by 1990-91 with a sizeable cut of $245 million as early as next year. Family allowances will be cut by $400 million in 1990-91 and by $90 million next year. Other cuts hit some sectors of our economy hard, in particular, agriculture. With the cuts in agricultural subsidies, food prices must go up.

The capital gains tax holiday is going to make it more profitable to get out of farming than to stay in it. As more farmers get out of farming and the value of the surrounding holdings is depressed, it does not take a lot of imagination to foresee much difficulty in the agricultural sector which will impact on the urban consumer.

The Budget has a lot of smoke and mirrors in the introduction of surtaxes on upper income groups, corporations and banks for a limited time period only. For the low to middle income family, especially those with dependent children, the cuts are ongoing.

The capital gains tax holiday which I just mentioned, apart from farmers, will benefit in the main affluent Canadians who are able to benefit from this exemption. Based on 1982 statistics, some 63 per cent of the capital gains exemption will accrue to people earning $50,000 a year or more, although they represent only 4 per cent of total taxpayers. The wealthier in society will enjoy significant tax reductions, but the poor and the lower middle class will have significant tax hikes.

The essential criticism I have of the Government's plan is the lack of any agenda for economic growth. Contrary to the leap of faith expounded in the Budget, many experts expect the proposed measures to slow economic growth. Even the Budget documents appear to undercut the Minister's Budget statements. The forecast for GNP growth shows 3.1 per cent for 1985. This is a decrease from the 1984 growth of 4.7 per cent. The Budget indicates a further deceleration in 1986 to 2.4 per cent.

Most authorities will say that even to stand still at our present unemployment rate of 11 per cent, which is unacceptably high, we need growth of 3 per cent. How can the Minister say that there will be jobs created when he is anticipating growth of less than 3 per cent? The Minister is anticipating growth of less than 3 per cent without the impact of his Budget cuts. I note that one respected forecaster for Woods Gordon has been quoted as saying the Budget's tax increases will cut GNP growth to about 1.9 per cent in 1986. If the forecaster is right, unemployment will increase sharply.

The Budget takes some $13 billion out of the economy over this year and next. The Budget takes at least $3 billion out of direct disposable income through personal income tax increases, sales tax increases, and cuts in transfers to persons, namely Old Age Security and family allowances. This cut in disposable income hits particularly the low and middle income group. The low and middle income groups are the people who spend their money on the necessities of life. They have very little margin for saving. Therefore, taking money away from them is taking money out of the economy and reduces consumer spending.

Investment is essentially driven by consumer demand, both domestic and foreign. Exports to the United States are weakening with the economic slowdown there. The Budget depresses domestic demand. In those circumstances, how can we share the economic and optimistic hopes of the Minister of Finance (Mr. Wilson)?

The Government tell us it is banking on a rise in confidence to spur economic recovery. Canadians are more sensible than to invest or spend solely because the Government says so. There must be visible reasons to do so, including improved employment prospects. The Budget does little to reduce the deficit, hence business confidence is not fortified. The Budget strikes at consumers, hence shaking their confidence. The Budget document entitled *Canada's Economic Prospects* has some material concerning consumer expenditures on page 16. It shows consumer expenditures to be very weak in 1986 when the tax measures really begin to bite. That same budget document shows net exports decreasing. Given that Canadian industry is still operating well below full plant capacity, probably at about 75 per cent, why would investment leap in 1986?

The Budget is based on supply side economics, the trickle down effect, which even the Reagan administration abandoned long ago.

Our real problem in Canada is the millions of dollars worth of goods and services we are not producing. The Budget does not address this. There is no agenda for economic growth which creates jobs. Instead, the Government has chosen to rely on a tax grab from low and middle income earners.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, as usual I appreciate listening to the comments of my colleague, the spokesman for the Liberal Party. As usual, she had a number of interesting and thoughtful reflections on where the country is not going and so on. I listened carefully to the Minister of Finance (Mr. Wilson) when he introduced Bill C-51, an Act to provide Borrowing Authority. He is asking us to approve today in principle the borrowing of $18.2 billion. Even for yourself, Mr. Speaker, you will appreciate that is a lot of change. When we are talking about $18 billion, we have a number of points to raise and questions to put to the Minister of Finance in order for us to endorse this request.

While the Minister of Finance has asked us for speedy passage of this Bill—we have no intention of holding up a borrowing authority—we have some comments we wish to make. I think it is fair to say that if we took a day or two to

approve the borrowing of $18 billion, I do not think people would consider that to be hasty or unrealistic. I think, Sir, you can anticipate two or three speakers from our Party, and I suspect my colleagues in the Liberal Party will do the same thing.

Having said some complimentary things about my colleague in the Liberal Party, I would be remiss not to mention that we are being asked to borrow extra money, not because of Liberal Members of Parliament—that would be unfair to them and their integrity—but because some of their colleagues in the Senate decided it was in the best interests of the country to hold up approval of the previous borrowing authority, Bill C-11, for $12 billion.

• (1530)

As a result, that cost the taxpayers of Canada an extra $15 million. When we talk about multibillion dollar budgets, $15 million may not sound like a lot of money. However, $15 million in extra charges, which the Members of the House of Commons were not prepared to levy, would have provided a whole set of child care centres and a wide set of opportunities to build and put into place transition homes for battered women or abused children. I could go on and on with a whole variety of areas in which that $15 million would have enabled us to perform a number of measures as a Parliament.

When we were asked by the Minister of Finance to authorize the borrowing of $18.2 billion, we heard in the same presentation, and more recently in the budget presentation, that the Government has launched itself in a new direction. We heard that there is a new era beginning for Canada and that the Government will be handling matters quite differently from now on. We have been told that we will be seeing new approaches, new directions and new developments.

Those are certainly great terms, and we welcome them. Indeed, we do. The one item I found absent from the Budget and, therefore, I think of concern to all Members of Parliament when we authorize the borrowing of $18.2 billion, was the apparent lack of a clear direction for the country.

To put that into context, and to be fair to the Members of the Conservative Party, what I think the Budget said is that we are now turning our attention totally to the private sector in order to create the 1.5 million jobs required in this country over the next number of years. We do not expect it to happen next month, or even this year. However, by unleashing the private sector, by giving it a variety of tax breaks, by giving individuals who make their living through investments, we are now looking to the private sector—the small, medium and large businesses of Canada—to provide the bulk, if not the entirety, of those 1.5 million jobs, in order to provide opportunities for the unemployed.

If you like, that is an approach to job creation. It is a somewhat different approach than what we have had in the past. I emphasize the word "somewhat". When you look at what Mr. MacEachen did in his Budget and consider what he said he was going to do, and when you consider what Mr. Lalonde did in his Budget and consider what he said he was going to do, I think the two said the same thing. In effect, they said they were going to give a great many tax breaks to upper income earners. They said that a number of tax breaks will be given to the business and corporate sectors in the anticipation of creating jobs. We have tried that, Mr. Speaker. However, this measure has taken us just a bit closer to the extreme.

That is not a direction for the country. It is a process. It leaves me to ask the question, what direction has the Government provided for the textile and footwear industries of Canada? If we were to interview people involved in that business and ask what direction this sector will take over the next decade, what would people say? What would people involved in the telecommunications and aerospace sectors say when asked the same question? I do not think there is a clear vision coming out of the Budget, or even out of subsequent discussions.

What is the situation with respect to the forest sector? This is a sector which touches every province and territory in this country. Where are we going with respect to the forest industry? I am speaking now of pulp and paper, plywood and lumber, the manufacture of shingles and shakes. Are we expanding in these vital areas? Are we rationalizing these industries? Are we cutting back?

It is not clear. What is clear is that some countries, such as Sweden and Finland, are developing resource industries such as forestry. For every tree which is cut down in those countries, three more are planted. Then, over time, the three trees are thinned out to ensure that for every tree cut down a good, strong tree is grown to replace it.

We have a different approach in this country. We cut down three trees and plant one. We are still doing that in spite of recent developments. Again, one asks where are we going with respect to the forest industry?

What is the situation with respect to fishing, whether it be the East Coast, inland or West Coast fishery? What will be the situation with respect to the fishing industry in Canada over the next number of years? At this point, I look to my colleague from Newfoundland, where fishing plays such an important role. I am forced to ask where the Newfoundland fishery will be at the end of this decade. Will it be healthy? Will it be rationalized and, in parts, phased out? Where are we in terms of fish farming and aquaculture? Again, there is no direction, no vision, no blueprint, no strategy for such a critical resource industry in this Budget. There is absolutely nothing.

One could go on and on. I think one of the most important industries any country has, particularly a country such as Canada, is the agricultural sector, the food processing sector. In every province and territory there is a certain amount of that life-critical sector, food production. What is our game plan in Canada with respect to this sector? Is it to become self-sufficient in the critical areas over the next decade or two? Is it to develop more exports in agriculture? The present Government has canned Canagrex and said that the Crown corporation whose business it is to open up new export markets for our food producers is not needed. In terms of agriculture, are we trying to preserve the family farm as the agricultural

producing unit? Are we trying to become self-sufficient in terms of critical foodstuffs? Are we trying to open up new markets for our food producers? There is no direction and no vision. There is no sense at all of where we are going as a country in terms of agriculture.

I suspect one could go through all of the various sectors in this country, whether it be the auto industry, fishing, shipbuilding, transportation policy, resource policy, and a variety of other areas. The situation is as unclear today as it was yesterday in terms of where we are headed as a country.

I suspect you might be asking yourself, Mr. Speaker, what on earth am I getting at? Do I want some kind of a plan to show us the way? Do I want a road-map for agriculture in Canada? I have to say yes to that question. When the Edmonton Oilers from your community, Mr. Speaker, go out with a strategy to win the Stanley Cup, they do not just go to the game, put everyone on the ice and see what happens. They do not just go and slap the puck around. They have a very clear strategy, not only from game to game but from period to period. They have a very critical strategy.

When one is opening up a small business, one needs a plan with respect to where you are headed for the next two, three or even ten years. If you are running a family farm, you have a plan. If you run your life as a family person, or as an individual, you have a career or family plan. Somehow, we as a country, and we as a Government, have no plan. We do not know where we are going. We do not even know if we are there when we get there. We do not know if we are going in the right direction. It is like getting the family in the car and going on a holiday this summer without taking a road map along. It is like saying that we will try and see where we are going. That is one way of doing things. However, I do not think that if you looked around the world at successful countries which have developed economies and reduced unemployment levels, that you would find that ad hockery in those countries.

As New Democrats, we are concerned when we see a Budget which holds a different approach to a certain extent. However, we still see no blueprint for Canada. We do not see any strategy; nor do we see a development plan. We have profound and deep concerns that the future will be difficult to reach if we do not know where we are going. The situation will be difficult if we do not know what the future will hold.

What I believe we are seeing in this country is the sending out of a number of conflicting and confusing signals on the part of the Government. On the one hand, the Government says that it is providing tax incentives to keep the economy going. However, when one looks closely at other parts of the tax changes contained in the Budget, we notice, for example, that for a Canadian family with two dependent children, whose income is, let us say, in the $34,000 to $35,000 range, we have calculated that the elimination of the federal tax reduction will result in a $100 increase in taxes for that family. Because of the modification to indexing, it will result in about $115 in additional taxes.

• (1540)

The cut in family allowance payments means a decrease of $22.50 in what people would be expecting. Again, because of tax increases, the average cigarette or cigar smoker and the average person who has a glass of wine or something to drink during the year will pay another $75 on average. The sales tax increase touches everyone, rich or poor; it does not make any difference. This will mean $150 in additional costs for the average family through this tax imposition. As well, another nine cents per gallon is levied on our gas charges through a gax tax increase, resulting in an increase of $50. When those figures are totalled, they come to $512.50 per family. I ask Hon. Members to think about that.

At a time when we are asking small businesses around the country to expand their operations by hiring two or three more people because the good times are coming, we are saying that every single family, through this Budget alone, will have to pay another $512.50. This money will be dragged down to Ottawa because someone has to make up for all those tax loopholes that we have created.

Those folks who make their income from investments like the stock market, selling paintings or flipping real estate will pay no income tax at all on the first $500,000. That means that they will pay no income tax at all for an income of a half a million dollars. Some people find that system to be confusing. The Minister of Finance is saying that the Budget is fair, but poor people will pay more taxes while rich people, if they can use the loopholes in the system, will pay no tax and a great many upper-income earners will get tax breaks. How is this fair?

As someone who is very concerned about the way the economy is moving, I am concerned that the economy will tend to move underground. I am concerned that because of the unfair tax system, we will find more and more people not declaring income. It will be like this: I will fix your teeth if you fix my plumbing at my summer cabin; I will build you a fireplace if you provide me with some clothing for my children. The whole thing will go underground. Cash and services will change hands, but we will not collect any taxes.

Some people say that the underground economy is worth $30 billion today. Some people say that it is worth as much as $50 billion. My fear is that at a time when we really need revenue more than ever before, we will be forcing more and more of that economic activity underground. This is something we have seen happen in a number of European countries.

I have other concerns about the direction in which things seem to be moving. I will use my own constituency as an example. It is a constituency which is pretty typical of those outside of urban Canada. The new Government with its new thrust is looking almost exclusively to the private sector for creating the jobs and the economic activity that is needed. There is a sense of support for that system within the country. However, when looking at the economic activity that has taken place in the City of Kamloops in the last number of months, one sees what is really happening. We built a new airport terminal and put hundreds of thousands of dollars worth of

improvements into the airport. We built a major bridge across a large river. We built an armoury for our Armed Forces contingent. We built a large new provincial court house. We built a whole variety of small fire halls and community halls and we built rodeo, stampede and fair grounds. We built large highways and we replaced and built a sewage system. We installed sewage treatment facilities and water treatment facilities. Those are all public-sector activities. I have left out many of them including new wharfs, beach and park developments and so on.

Tallying up almost all of the economic activity that has occurred in the City of Kamloops and surrounding area in the last few years, I would guess that at least 90 per cent of it has been public sector development. The public sector has hired hundreds and hundreds of tradesmen and bought from dozens and dozens of small manufacturers. If that public sector expenditure is taken away, I wonder where the activity will occur. The manufacturing firms that locate in the Kamloops area often locate there because they are subsidized by an incentive program which provides $500,000 worth of capital support or help with research and development and the like for locating there. Even private-sector companies that have located in the City of Kamloops often do so because of the support that comes from one level of Government or another.

If we blindly accept that the private sector alone will do everything and that there is no role at all for the federal, provincial, local or regional Governments to play, I will be very worried. With all due respect to my Conservative colleagues, it seems to me to be a little simplistic to say that the world will now change and we will rely totally on the private sector composed of small and medium sized businesses to create jobs that will employ one and a half million people over the next number of years. I think we are putting blinders on over the economic reality.

When being asked to give borrowing authority to $18.2 billion, I am particularly concerned by the Government having assumed that all regions of Canada are exactly the same and that there are no real special difficulties in certain areas. We can tell the private sector that we have confidence in it to expand in Newfoundland and Labrador, Cape Breton and New Brunswick, Alberta and Northern British Columbia, but those areas are particularly hard hit. I see that the Hon. Member who represents Red Deer is present. He will know how sensitive the situation is in parts of Alberta and other parts of western and northern Canada. Now, at a time when we are taking so much money out of those communities through increased taxes, when we are reducing the increases that senior citizens may expect to receive in the years ahead, and when we are taking away $512 from every family as a result of this Budget and at the same time as we are asking small and medium sized businesses to expand in those areas, we may asking for a little too much. We may be making some unreasonable demands on and having some unreasonable expectations for just what that sector is able to do in these times.

Some of the things that we found disappointing in the discussions that have followed this Budget and prefaced this requst for $18.2 billion were such things as the Government not really evaluating the 170 programs that are presently in place to assist business. There are 170 programs that in theory assist business. Many of them are valuable, but I suspect that many of them are totally invaluable and totally counter-productive. If we are trying to reduce expenditures, then rather than taxing senior citizens or, as someone said earlier in a very strong statement, putting the boots to the senior citizens, and rather than cutting back on family allowance increases, pension increases and raising taxes on the things kids buy in stores, would it not have been more sensible to evaluate these 170 programs that assist business in order to determine which of these could be eliminated? For example, should we be encouraging businesses through the tax system to modernize their plants so that they can lay off a number of employees? Should we be encouraging businesses through the tax system to merge with other businesses? This usually results in a net job loss. Is this the kind of way we should be spending taxpayers' money?

Again, there was no tax expenditure program with the Budget. There was no study of the 170 programs to assist business to determine which were useful and which were not. Again, this adds to the sense of the Budget being somewhat unfair. Perhaps the Budget was biased in favour of certain regions of Canada. Perhaps it was biased toward certain kinds of industries and particularly the large corporate sector. Perhaps it was biased toward upper income earners at the expense of ordinary Canadians and people with lower incomes. If we look closely at it, it provides a whole set of questions. It sends confusing messages to the regions of Canada, the taxpayers of Canada and to the people of Canada as to what direction, if any, the new Government appears to be taking.

● (1550)

It appears that we have now launched on a bit of an experiment. Last Saturday, major editorials in a number of Canada's newspapers were written about the trickle-down theory of economics. Various questions were raised as to whether the trickle-down theory has ever worked and whether it could work in Canada. For those people who are not familiar with the trickle-down theory, basically it means that if tax breaks or money is given to the large successful corporations and the upper-income earners, they will do things so that eventually some of those dollars will trickle down to ordinary Canadians. The idea is that if the large corporations and upper-income earners do extremely well, eventually it will come out at the other end.

That theory was tried in the United Kingdom. Margaret Thatcher gave a lot of tax breaks to upper-income earners and helped the big corporations. However, it would appear that things are not going that well in the United Kingdom in terms of getting unemployment levels down. Perhaps the trickle-down theory which was applied in the United Kingdom did not work quite as well as was anticipated. The Government of West Germany also tried that approach. However, unemploy-

ment levels in West Germany are increasing and the economy is slowing down. A lot of upper-income people and large corporations which were given breaks did not end up having their dollars trickle down. We are now trying the old trickle-down theory in Canada.

A friend of mine who runs a farm in Saskatchewan explained the trickle-down theory to me. He told me that it was like feeding a horse. The birds sometimes sit down on the ground behind the horse, because if enough oats are jammed into the horse eventually the odd kernel gets down through the system and the birds have something to eat at the other end. I do not suppose that theory works very well for the birds, as there are better ways to feed birds. I do not think the trickle-down theory has worked very well in the United Kingdom, nor has it worked well in West Germany. But it may work here. That is the hope which the Minister of Finance has for the country. He tells us that with a little bit of luck and if we all put our shoulders to the wheel, things will be OK.

It reminds me of the time when I took my two sons to see *Peter Pan.* Tinker Bell was talking about flying and explained that if one really wished and believed, one could fly. I believe we are now seeing the Peter Pan approach to economics. The Minister of Finance is telling us that if we really wish and really believe things will improve, they will. There might be a certain element of truth in that, but it is hardly the approach on which a strong economy is built.

NDP Members have a variety of concerns in terms of what appears to be the lack of direction in which the Government is moving. We also have concerns regarding the quarterly report approach to economics. The private sector, whether it is the shareholders or the companies themselves, is very concerned about the quarterly report. A lot of the successes and failures of small businesses are evaluated every three months on the results of the quarterly report. We in this Party have some concerns with regard to that kind of planning. We are concerned that the planning will be done only at three-month intervals and that we will not look ahead, as countries in western Europe and Japan have done, for at least a decade. We should start taking steps to ensure that certain kinds of economic activities will take place two or three years in the future.

In conclusion I would like to say that my Party is concerned about a variety of elements in this legislation. My colleagues will be raising a number of observations and concerns in future debates. Then we will look forward to the rapid passage of this borrowing authority Bill.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the House that we are now entering the second phase under Standing Order 35(2), whereby the next speakers will have 20 minutes, plus a ten-minute question and comment period.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am greatly honoured to have this opportunity to rise in the House today, in my capacity of Parliamentary Secretary to our excellent Minister of Finance (Mr. Wilson).

I am both honoured and proud, because in the few days following the Budget, Canadians have clearly understood that the present Government fully intends to act according to the very clear mandate it received last September. Only two months after Canadians had again taken control of their destiny, our Government was listening to the concerns and aspirations of Canadians through the most formidable consultation process in Canadian history, which started on November 8, 1984.

As a result of this general consultation, the Government was able to clearly define three very specific priorities. Because of the three-fold need to encompass and control the situation in our country as a whole, we cannot now afford to dissociate these priorities, which are, first of all, to create permanent jobs, second, to control Government expenditures and third, to reduce the deficit gradually and consistently. Those are the three major goals that must direct our policy for the future. On May 23 of this year, the Budget tabled in the House reflected the Government's clear-cut and realistic acknowledgement of these fundamental priorities.

Mr. Speaker, the Bill before the House today which is aimed at providing additional borrowing authority, reflects once again how urgent it is for the present Government to implement the kind of policies proposed in the Budget.

It is unfortunate but true that today we are still suffering the disastrous effects of the appalling mismanagement of this country's economy by the previous Government. It is equally unfortunate and equally true that until the new policies proposed in the Budget have any significant effect, we will still have to honour the commitments made by our country, even if those commitments reflect the poor management of the previous Government. Nevertheless, Hon. Members will understand that it is not my intention to indulge in any kind of political partisanship in presenting the Bill before the House today.

● (1600)

Nevertheless, Mr. Speaker, we are facing two very real facts: the tangible presence of the disastrous results of previous mismanagement and tomorrow's priorities dictated by systematic consultations, facts that were indeed acknowledged in this Government's brand new Budget. Thanks to the Budget brought down on May 23, the Government will save more than $6 billion this year through more effective management of its operations, that is, $2 billion as a direct result of this Budget and $4.2 billion as a result of the measures already in effect announced in last November's economic statement.

The deficit for the current financial year will be approximately $4.4 billion less than it would have been if no measures had been taken by this Government, in other words, if previous

principles of poor management had continued to be implemented.

The deficit for 1986-87 will be $8.3 billion less than it would have been without the restraint measures we proposed in the recent Budget.

The direct impact of all the efforts undertaken last November will therefore be to reduce the deficit by some $20 billion by 1990. About 80 per cent of this decrease in the deficit will be the direct result of better program management and greater cost recovery, in other words of a good administration.

The Government has undertaken to reduce the projected level of annual expenditures by $10 to $15 billion by 1990. The total spending cuts in 1990-91 will therefore amount to some $16 billion. Our medium term strategy ensures that the national debt will be about $75 billion less by 1990 than it would have been otherwise.

It must be kept in mind that the main thrust of this Budget is to create jobs. The main purpose of this Government is to create thousands of permanent jobs for all Canadians. Indeed, since our coming to power, 200,000 new jobs have been created thanks to the new confidence generated in the commercial, business and industrial sectors of Canada. The Budget has also laid the foundation of a sound economy, which will allow us to create thousands of other stable jobs.

One thing became quite clear during our consultations. Employment is our No. 1 priority, but this does not mean a vague and indifferent process of creating doubtful jobs. What we need are not temporary jobs, which were often directly or indirectly subsidized by transitional Government programs. No, what the Canadian people want and deserve are jobs created by the private sector or through local initiatives, that is by themselves. We all agree that self-sufficiency is much better and more productive than the paternalistic assistance of the welfare state.

The economic renewal and job creation approach outlined in the Budget of May 23 follows three major themes: first, in the Budget, we express the need to promote local initiatives and the private sector by rewarding success instead of subsidizing perhaps worthwhile but, unfortunately, often unproductive efforts; second, we are improving the management and effectiveness of public administration in order to give the taxpayer more for his money, that is to give him the services he deserves; third, we want to cut the deficit through strict control over our dreadful national debt.

Our initiatives to stimulate the growth of the private sector aim first at promoting job creating investments, for instance in our own small businesses in Quebec. Canadian businessmen have a much better sense of business, trade and industry than our public servants. Our initiatives to promote better government management will create a proper framework for the expected growth of the private sector while limiting the bothersome influence and harmful interference of the unwieldy government bureaucracy.

Finally, our action to cut the deficit is carefully and sensibly balanced to meet these medium-term objectives so as not to hinder the needed economic recovery. This does not mean that the Government will no longer deal with job creation or training. For instance, the Government has allocated some $900 million more for job creation and training programs next year, in addition to the $900 million already appropriated for the same purpose this year. On the other hand, the spirit underlying our programs thus funded is very different from what it was with previous programs. Funds will be used for programs based on a larger input by the private sector and the community. This partnership approach besides will result in a consensus being reached among the Provinces and the local groups across the country.

Mr. Speaker, an extensive review of the unemployment insurance program also is under way. Its purpose is to improve and simplify that program, in order to make it more equitable and more responsive to current changes in the labour market. Contrary to what some prophets of evil would have us believe, this Government's objective is anything but wanting to reduce federal help to the unemployed. And this Government's determination to bring about an improvement in the unemployment insurance system is illustrated by the two changes announced in the budget, namely that the variable entrance requirements allowing the unemployed in distressed areas to draw benefits at an earlier date will actually be extended for another year.

Further, unemployment insurance premium rates in 1986 will be the same as in 1985, so as not to unduly increase the costs for employees and employers. Mr. Speaker, this Government's determination to reduce the deficit stems from the relentless reality of the experience we have had with the negative effects of our heavy national indebtedness on economic growth and job creation.

Mr. Speaker, as I mentioned earlier, the previous Government's mismanagement has created a vicious circle from which we are just starting to break away. The fast accumulation of our national debt is still for the moment forcing us to allocate a significant percentage of the public funds to the payment of interests rather than to the programs and the social services that are so badly needed. Now we must extend our borrowing authority, Mr. Speaker. However, let us not lose sight of the fact that deficit reduction and job creation are not mutually exclusive, quite the opposite. If an increasing deficit and a huge debt could create jobs, there would not have been a single unemployed on Canada's labour market for a long time!

This Government's objective, as evidenced in the Budget of May 23, 1985, is indeed to decrease the deficit in a reasoned and responsible way, in order not to have the economy edge away from its current pattern of steady growth. Were it not for this Government's determined action to bring the deficit under control, the Canadian economy would be unable to

produce steady jobs for our workers who urgently need them. Above all, the Budget, with both a modern and truly Canadian dimension, reflects something that has long since been cast away by the previous adminsitration. It reflects a warranted hope and a faith in the Canadian people, its vitality and its capacity to grasp the opportunities and invest in their own future.

Mr. Speaker, I urge all members in this House to strongly support Bill C-51 the Borrowing Authority Act, 1985-86 (No. 2).

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): There being no questions or comments, before I recognize the next speaker, it is my duty, pursuant to Standing Order 45 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Cultural Affairs—Request for tax measures to assist artists and writers. (b) Unemployment insurance inquiry; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Public Service—Job classification—government position; the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)—Social Security—Benefits paid to widows and widowers aged 60 to 64 years—Exclusion of single, divorced and separated persons.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (NO. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (for the Minister of State (Finance)) that Bill C-51, an Act to provide borrowing authority, be now read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Manly: Mr. Speaker, I would like to make a few comments on this Bill.

The Acting Speaker (Mr. Paproski): There was no one who rose on questions and comments and I am recognizing the next speaker. Is the Hon. Member the next speaker for his Party?

Mr. Manly: I was hoping to be able to ask a question. I believe that there is someone here from—

The Acting Speaker (Mr. Paproski): There were no questions or comments. If the Hon. Member is participating in the debate, then I will recognize him as the next speaker.

Mr. Manly: I was hoping, Mr. Speaker, just to ask some questions.

The Acting Speaker (Mr. Paproski): It is a little late to ask questions or make comments. I will recognize the next speaker for debate if there is another speaker. If there is not, is the House ready for the question?

● (1610)

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take in this very important debate today. I would like to mention that this legislation has been the subject of frequent debate and that the debate on Bill C-51, which concerns the provision of borrowing authority, gives Members an opportunity to review the Government's record.

Mr. Speaker, I heard the Parliamentary Secretary refer to his Government's three-fold priority, and he had the nerve to rank job creation first. Mr. Speaker, the figures we received in April from Statistics Canada showed that for the week ending April 20, even if the Minister is bragging about having created jobs, one group was particularly disadvantaged. Mr. Speaker, I am referring to young people 25 years old or under.

Mr. Speaker, the number of jobs for young people of 25 or under hardly increased at all during the last few months. In fact the opposite is true. So we have a situation where unemployment among young people from 15 to 24 affects 489,000 young men and women who cannot become active members of the labour force and cannot participate fully in the progress of our society. And considering this fact, Mr. Speaker, I feel that legitimate though this request for borrowing authority may be, the borrowing is not being done for the right reasons.

Mr. Speaker, let me explain. This is International Youth Year, with its three major themes: participation, development and peace. At a time when participation should be a fundamental priority, when 500,000 young Canadians are anxious to take an active part in society and become active members of the labour force, the Government, through its failure to opt clearly in favour of the most dynamic elements of our society, through its lack of interest for this segment of our population, is compromising the hopes of an entire generation. The Parliamentary Secretary has said nothing to convince me his Government is at all concerned about youth unemployment. The Budget contains no reference to helping young people enter the labour market. No programs to help young people. However, Mr. Speaker, during the election campaign, that same Government was filling our ears with promises that could not have been more generous.

Mr. Speaker, the day after the Cabinet was sworn in, they appointed a Minister of State (Youth) (Mrs. Champagne). Mr. Speaker, as one Member who made every effort to ensure that the Ministry of State for Youth would be a reality within the Government, I must admit I was very disappointed. I almost regret I was instrumental in providing a position for the present incumbent. Mr. Speaker, the present incumbent at the Minister of State (Youth), who always played starring roles during her professional career, now has a very minor role indeed. What influence did the Minister of State (Youth) have on preparations for this Budget? It is obvious she had no say in it whatsoever. I say that because I am sure she is far more concerned about young people than her colleague, the Minister of Finance (Mr. Wilson), who simply shouldered her aside.

Mr. Speaker, one look at the figures is enough. Worse, in a year specifically dedicated to youth, when we talk about participation and development, development of the individual, Canada's educational system is under-financed. Access to post-secondary education is becoming increasingly restricted.

Perhaps in keeping with the Government's approach, Mr. Speaker, the situation is such that only rich people will be able to afford to attend college or university. Consider the huge number of young Canadians who can no longer afford post-secondary education. Look at the discouragingly high number of post-secondary student drop-outs, and what does the Government do? Mr. Speaker, 300,000 out of 540,000 unemployed youths did not even finish high school, 300,000 young people who do not have the vocational training required to land a full-time job. What measures did the Minister of Finance advocate? Sure enough, they will swell the ranks of permanent welfare cases, and that is unacceptable, Mr. Speaker, in a society which keeps bragging about equal opportunity for everybody.

Mr. Speaker, self-development is the current buzz word, but I fail to see the rationale behind the International Youth Year three themes—Participation, Development, Peace—because they are but words and all we can see is those lofty themes reproduced on posters. That is why I was concerned when I heard the Minister of Finance talk about people getting a $500,000 capital gains tax exemption. Mr. Speaker, precious few young Canadians stand to gain anything there, except perhaps the sons and daughters of rich parents who will end up with a fortune. Who else? And what about the economic and social impact of unemployment? Here again, Mr. Speaker, we saw the Minister of Finance shirk all responsibility. Mr. Speaker, I hesitate to give unconditional support to Bill C-51, I hesitate because the priorities are wrong.

Peace is one of this year's three themes and yet, Mr. Speaker, the Department of National Defence has been practically untouched. Mr. Speaker, why display those slogans and convene seminars and conferencs on the three themes if we are not going to do anything positive? That brings to mind the hundreds of young Canadians I met recently, most of them quite disillusioned. They had been promised the moon, but the sad reality is that they now find out that, as far as the Minister of Finance is concerned, a just society is one where the rich get richer, where people who are well-off do not miss an opportunity to do even better, and where the ordinary man invariably gets stuck with the bill. This Budget which has been brought down and which will justify part of this money, this borrowing authority, is a "fat cats" budget, Mr. Speaker. You know full well that in fact it will please the haves in our society, and that 25 per cent of the Canadian society have been totally ignored by that Budget, the younger generation has been completely overlooked, and in that sense I am very much disappointed.

I certainly can speak of that Government's new management initiatives, Mr. Speaker. Not only they have the gall to tell the unemployed: We let you turn to the private sector, do not count on us, we are not responsible and we do not want to hear from you. Worse than that they tell them: We find that your unemployment insurance benefits are a bit generous, and we will set up a committee with people from the private sector. Not a committee made up of unemployed people, Mr. Speaker. Above all, do not bother about them. This is what the Minister of Finance told them. Not only shall we not try to find jobs for you, but the unemployment insurance scheme is too generous, we are going to cut down on your benefits. Such is the message relayed by the Minister of Finance to the unemployed, a message of despair. He is telling them: You are the scape goats in our society. How can anyone with a minimum of social conscience, Mr. Speaker, accept such a miserable message to one and a half million unemployed across the land? They are told: Trust us, but, better still, trust the large corporations. Trust the rich. We are going to give them more. We are going to give them a $125,000 bonus, and they will look after you. Possibly, Mr. Speaker, with that $125,000 bonus, which is the deduction on half a million dollars in capital gains, they might hire a maid, and perhaps also a gardener. But this is about all it will afford to pay. Most of it will not benefit job creation. Even today, Alain Dubuc stated in *La presse*, and God knows he is not a politically involved columnist but a perceptivbe economic observer, this was a gift to the rich with very little chances for employment creation.

Mr. Speaker, I am pleased that my colleagues opposite, who have been commissioned to go and sell that Budget with their eyes closed and their ears shut to criticism—

Mr. La Salle: No, no!

Mr. Lapierre: The Minister of Public Works (Mr. La Salle) says: No, no, no. We even have one of his colleagues, his colleague from Lotbinière (Mr. Tremblay), who showed so much zeal that, being unable to convince his constituency association chairman with words, went as far as breaking his nose in two places!

Mr. La Salle: On the Budget?

Mr. Lapierre: On the Budget, Mr. Speaker. His constituency association chairman, over the week-end, could not agree with the Hon. Member for Lotbinière, and the Hon. Member carried out the Prime Minister's orders to the letter. He said: I must defend the Budget forcibly, and so he did, Mr. Speaker.

Mr. La Salle: With conviction!

Mr. Lapierre: With much conviction! And one thing I would recommend to the Tory caucus, if they are going to resort to that kind of pressure selling, at least they should buy collective life insurance.

Mr. Rossi: A big one!

Mr. Lapierre: I would first and foremost recommend to the average Canadians not to try and meet directly their Conservative MP's at this time, because they are very nervous. They know very well that they do not see eye to eye with ordinary people. They know it, but they were told that the word of the Minister of Finance is as good as what the Bible says. They are nervous, and if someone annoys them, they become aggressive. They have learned that from their Leader. Whenever he does not have an answer, he shouts. Mr. Speaker, I advise all Canadians who are clearly unsatisfied by most of the budgetary measures, except for the wealthy who are as happy as can be, to phone their Member of Parliament or to write to him. It is less risky and I hope that it will be as effective.

Mr. Speaker, we saw the commitments made by the Prime Minister at the time when, as he says himself, he was generous with his commitments. Where young people are concerned, he was supposed to provide more incentives so that employers would hire and train young workers. He was supposed to extend the Career Access Program, Mr. Speaker. Have you heard anything about it? They have forgotten. The Prime Minister was supposed to provide reimbursable employment tax credits. He was supposed to set up new training and retraining programs for young people in highly specialized technical areas. Mr. Speaker, we have not heard anything about them. He even said that a Conservative Government would substantially improve the information exchange mechanisms to help young people learn about job opportunities. Mr. Speaker, I understand the Government for doing nothing in this regard because there are no job opportunities and therefore no need to improve these mechanisms. I can forgive the Prime Minister for this. However, there is more. He was supposed to implement programs to fight the chronic unemployment which dramatically hit some areas in Canada. In those areas, Government Members, who have a short memory, were supposed to implement private sector development community programs. They wanted to help groups and individuals willing to create new businesses to cut through the red tape, find markets, train their employees and maintain harmonious relations with the local workers, teachers, and financial institutions. Mr. Speaker, everyone is for virtue and motherhood. That is what the Prime Minister (Mr. Mulroney) promised during the election campaign and we realize now that he did not really mean what he was saying. Today we have seen a budget, and the bill now under consideration is related to it, strictly meant for the rich, a budget which does away with all former commitments. I see the Secretary of State for External Affairs (Mr. Clark) and I know that as an honest man, he is deeply embarrassed by it. I would rather have had a budget introduced under his government, because I recognized his integrity. Moreover, he was remarkably honest in 1979. His colleague the Minister of Justice (Mr. Crosbie) said that if he had been as honest this time he would never have been elected. The Minister of Justice also said that it was better not to tell Canadians what they planned to do because they would never be elected. This is why they merely fooled the Canadian people who were ready for a change.

They wanted to humble us, but when you vote for the Conservative party you have to pay the price, Mr. Speaker. And this is what the Canadian people are beginning to say. This could surely be a useful slogan, Mr. Speaker, for my friends who have now finally realized, that the Tories tried to fake it during the election campaign but as soon as they were elected, what was bred in the bone came out in the flesh. And their traditional clientele of Bay Street and others have had more influence on the Minister of Finance than the ordinary Canadian. And when the Minister of Finance tells us: "I met some people and they approved my budget; the kind of people he sees, Mr. Speaker, is not the kind of people I meet.

Surely, I am not in touch with the business sector the same way he is and I do not apologize for it. But I will refer to the inquiries made among ordinary people, those who have realized that they will have to carry the burden of cuts made by the Minister of Finance and not derive any benefit from it. This is why I find unfortunate that the people have soon realized how costly it will be because this government has not kept its word. I do not trust the government to because I know that its expenditures will be beneficial to very few, to those whom the Minister of Finance is willing to hear.

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

• (1620)

[*English*]

Mr. Taylor: Mr. Speaker, the Liberal Member who just finished speaking indicated that the capital gains exemptions introduced in the Budget would not create jobs. The man does not know what he is talking about. Capital gains tax has killed incentive in the country. It has stopped people from investing money and stopped businesses from expanding. The elimination of capital gains tax will encourage many people to invest money. When money is invested it creates jobs. It is that simple.

After the Liberal Government introduced the capital gains tax their Prime Minister and Minister of Agriculture promised to change the date of evaluation. They then sat in the House for four years and refused to do anything. Every time we asked them about it, they would say "soon". They both recognized that it was killing incentive but would not do anything about it. They killed the incentive of hundreds of people across the country. The exemption from the capital gains tax will create jobs.

Capital gains tax has ruined the lives of many Canadians who wanted to retire but could not do so because the Government would take a chunk out of their nest-egg, the only pension they had. That caused lost jobs as well because if they had been able to sell their land to their hired man he would have been able to hire other people. That would create many jobs across the country.

The Liberals say that this Government was elected because there was a need for change. The Government was elected because the people were sick and tired of the do-nothing policies and the killing-of-incentive policies of the Liberals. That is why we were elected. Our Budget is creating jobs and reducing the deficit. Maybe that is what makes the Liberals and the NDP so angry.

[*Translation*]

Mr. Lapierre: Thank Heavens I am not a Consevative, Mr. Speaker! My hon. friend has just said that if farmers can sell their lands, they will create jobs. All farmers who intend to continue working their lands and creating jobs have denounced the fact that this decision will not help farmers generally, but only retired farmers, and will not ease the burden of those to whom the Minister of Public Works (Mr. La Salle) had promised a subsidy, like Quebec hog producers! This decision is not likely to help them because their lands having lost so much of their worth, there is no capital gain to speak of.

When he says that this decision will create jobs, Mr. Speaker, does he feel that the purchase of a condominium in Florida is likely to create jobs in Canada? The answer is an unequivocal no. There is no condition attached to the generous gift the Minister of Finance is making to the rich, as far as creating jobs in Canada for Canadians is concerned. That is the fraud of their budget. They will create a great many jobs by purchasing works of art in Europe or by purchasing condominiums in Florida or villas in Portugal. All this will be accepted by this generous Minister of Finance who was far more eager to please the big shots than ordinary Canadians. But who is going to pay for this, Mr. Speaker? I suggest that if my hon. colleague knew the people at the lower end of the economic scale and those who are faced with enormous financial difficulties . . . like our senior citizens. He should be ashamed to stand in the House and brag about defending senior citizens when his own Minister of Finance is reducing the purchasing power of their Old Age Pension cheques, which is totally unacceptable. When he uses the expression "senior citizens", he means those who have lots of money, but what about the millions of old folks whose sole source of income is their pension cheque, the purchasing power of which will be cut by as much as 30 per cent over the next five years, because of the action taken by the Minister of Finance? And he has the gall to support that. That is altogether unacceptable, Mr. Speaker.

• (1630)

[*English*]

Mr. Taylor: Mr. Speaker, all I can say is that the last remarks of the Hon. Member are complete baloney. He does not understand the system. The only thing that Liberals understand is borrowing money, nationalizing, spending government money and putting the people further into debt. That is what they have been doing for 16 years. The Hon. Member is in a rut.

He cannot tell me that capital gains do not create jobs. I told the House yesterday about a man who said he wanted to expand his business and create jobs for seven people but would never do so while capital gains tax was in existence.

The Hon. Member does not even understand farming. The Liberals say that we want the farmers to sell their land. People who have spent 40 or 50 years on the land are entitled to retire in dignity. That is what the Liberals refuse to let them do. The MacEachen Budget would not even let them put their money into an RRSP. I do not know how a Liberal can stand up without having his face turn as red as blazes. They have hurt the little people of this country and have killed incentive.

We have a new Government starting a new era in which we will give people a chance to live and a chance to have a job. That is what irks the Hon. Member so much. We are doing what his Government refused to do.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I have much respect for the hon. member because of his age and not because of his judgment. His social awareness should make him realize that the cuts his Minister of Finance is about to make in the case of senior citizens will affect the poor people without a piece of land or $500,000 in capital gains. When he referred to farmers who could not retire, I am sorry, Mr. Speaker, but . . . Marc Lalonde, the former Minister of Finance, had allowed a $300,000 exemption which covered the reasonable value of the land. The farmers I know were satisfied with that because capital gains in excess of $300,000 . . . Perhaps those people should be asked to make some contribution to the nation, Mr. Speaker, and pay taxes. I understand that the Hon. Member would want to give every opportunity to the rich. When he refers to fairness, the Hon. Member means to give more to the well-to-do. This is the difference between a Progressive Conservative and a Liberal. We have a social awareness. Our conduct is not merely dictated by the lure of power and money. The Hon. Member has two obsessions: profit-making and the fear of losses. I think that in politics our reasoning should not be strictly based on financial factors, but also on humanitarian and social considerations. And that is why your victimization

of the unemployed and the senior citizens is morally unacceptable.

Mr. Lanthier: Mr. Speaker, I should like to comment on some points made in earlier speeches when it was mentioned that the young people were left out in the budget. At least, we will not leave an unfortunate legacy of failures and borrowings for which the young will have to pay. We will try to balance the budget so that our young people will not have that legacy. I repeat once again, they will not have to pay our debts later. I hate to look back to the past, but the previous administration . . . I was not a government member then but I was a victim and I can assure you that if at least I can leave our books and our government in order, that will be a good point for our young people.

Secondly, we want young people to get out of that vicious circle where they alternate between temporary jobs created with government grants and unemployment insurance. Our young people now lack dignity. We need permanent jobs and private enterprise alone can create them . . . We are generous. We do not mention that the Liberal government is responsible. We do not lay any charge. We say that the government cannot create permanent jobs and we trust private enterprise. I come from the private enterprise sector, I can assure you that we take those measures for the sake of young people. Those are concrete and direct steps which the government has taken in the last budget.

Mr. Lapierre: Mr. Speaker, this is precisely the kind of speech I like to hear. When he says that we will have something in store for young people in future . . . but today, at this very moment there are 432,000 of them who have nothing. In the meanwhile, he only provides them with welfare benefits. Is that what the Parliamentary Secretary is offering to young Canadians? They do not have jobs. We will have to wait for his so-called private enterprise to hire all of them. That is fine, Mr. Speaker, but it is only smoke. It is a smoke screen which he puts up in front of the young people. And despair is the only thing they will inherit from him. He will be responsible because if these children cannot have . . . his own children will receive an adequate education because they will be able to pay for it but those who do not have access to education today will never forgive you. It is a high cost to pay to keep our books in order, and it is unacceptable, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Questions and comments are over.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have waited some time for the Government to bring forward this borrowing Bill. The House will recall that prior to Christmas, as part of an arrangement to be made, there was an agreement that the Government would bring in its borrowing authority legislation as close as possible to its Budget and its fiscal plan. It has done so and I am grateful that the Government has lived up to its end of the agreement.

The reason we asked for that agreement is that it seemed necessary to see all aspects of the economic package at once so that we could compare and reasonably discuss the Budget on one hand, the fiscal plan of the Government as it affects the raising and dispensing of taxes and tax money on the other, and of course the requirement for borrowing.

In my opinion there are certain things that must be said, and if I appear to be thinking out loud it is because I am doing just that. I do not have volumes of prepared text before me because what I want to say does not require volumes of prepared text. Rather, it is a view of Canada that I happen to believe has been missed by successive Governments for many years and is being missed again by the present Government.

I read the Budget with interest. I must admit that I listened to the Budget with somewhat less interest because it was long, somewhat laboured, and a bit boring. However, I read it to see if the Budget, the working papers or the background documents referred to what was really wrong in the country. I must say to you, Sir, that I could not find what I believe to be wrong in Canada at the moment referred to even in the most passing way in any of the documents. The Budget is as traditional as any Budget I have seen in 18 years of political life. It is a tax grab and nothing more. There is no innovation in the Budget. There is nothing that recognizes the reality that is Canada in the Budget. To be quite honest, there is no new direction for Canada. There is no recognition of the problems we now face as a country. There is no recognition of the problems we will face as a country, and there is no carefully analysed document that would indicate what the Government anticipates would be the impact of its new direction, this direction it calls new.

● (1640)

The Government asks us to allow it to borrow more money. In order to determine whether it is appropriate to borrow more money, we have to take a look at how the money the Government now has is going to be spent. I do not want to go into the kind of detail that many others have. I recognize that the Government has done a number of things that are about as traditional as they could possibly be. The Government has raised taxes. Where did the Government go to raise those taxes? The Government went to the working families of Canada. The Government did not even have the necessary intestinal fortitude to follow up on the Prime Minister's (Mr. Mulroney) own commitment to bring in with this Budget a tax on those who have for many years been able to accumulate substantial sums of money without ever paying a single solitary cent in income tax. The Government then decided it would add a surtax on those who are earning in excess of $40,000 a year. As one of those individuals, I do not object to paying a little more in order to put the "house" in order so to speak.

Some Hon. Members: Hear, hear!

Mr. Deans: Let me say that what I do object to is this Government, not having dealt with those who earn far more than $40,000 a year and who pay no tax, has not found any way to have them pay the surtax either. Not only do those earning more than $40,000 a year pay tax under normal circumstances, but they are not asked to pay the additional tax that everyone else is asked to. Who is being asked to pay? The senior citizens are being asked to pay. That is normal. That is what one gets to expect from Governments. Governments tend always to go to where it is easiest to get money. From here on senior citizens' incomes will be reduced on an annual basis. That appears to be the Government's will and wont. We will see over the course of the next few years a dramatic reduction in the purchasing capacity of the senior citizens in Canada. That is not fair, Mr. Speaker. It is not fair when measured over and against the fact that there are many others who earn considerably more who pay no tax at all. Where else did the Government go? The Government decided that it would hand out to its friends and supporters in the oil companies many billions of dollars. The Government told us at the time, although we asked over and over again, that this would not detrimentally affect the consumers of Canada.

The Minister of Energy Mines and Resources (Miss Carney) at one point went as far as to suggest that the measures, the effects that would flow from the Western Accord, would be of benefit to the consumers and she anticipated a reduction in the price at the pump.

I ask Conservative back-benchers who are here, and even the two Ministers in their seats, where oh where is the reduction at the pump? By September next this Government alone will have increased the cost of gasoline since November of last year by over 17 cents a gallon. The reason that it has been raised, of course, and you know it and I know it, Mr. Speaker, protestation notwithstanding, is to give the oil companies even more money.

Is there anyone who would rise and tell me that the oil companies were in such dire straits that it was necessary for the consuming public of Canada to consume an additional 17 cents a gallon by way of tax, that it is necessary for every single commodity that must be transported across Canada to reflect the added cost of 17 cents a gallon in tax? Is there anyone who can tell me that it was desirable to inflict further damage on small business because small business will find its products even less attractive in price as a result of having to absorb this additional 17 cents a gallon tax? This is the new regime, the new direction. You must surely recognize as I do, Mr. Speaker, that there is nothing new about that. That is how Governments have done these things since the beginning of time.

I say to my colleague here in the Liberal Party, without being unduly critical of him or his Government, that he would have to admit that the Government of which he was a part did exactly the same thing, albeit perhaps in differing amounts. Maybe it was not 17 cents at one whack, but nevertheless the Liberals did exactly the same as this Government is doing. What do we find? The average Canadian family will be asked to contribute even more, yet the Government tells us that somehow that will create jobs. How, Mr. Speaker? How can it create jobs if we take out of the pockets of those who will buy an even larger part of their income? How then will they be encouraged to buy more or be encouraged to take on additional indebtedness to purchase larger items if they find themselves in a position where their income has been reduced as a result of the Government's action? How then, if they are unable to buy those things they would have purchased, will that somehow encourage the manufacturers to manufacture more? Why would the manufacturers manufacture more if fewer people are buying? Why would manufacturers manufacture more if the market-place has shrunk by yet another billion dollars in sales tax, by yet another 17 cents a gallon in gasoline tax? How will that encourage the manufacturers to manufacture more when the people who would be buying what is manufactured have less money to spend? How then will that create jobs? How many more people will be put to work in this effort to produce less? How many more people do you need working to produce less than you now produce? How many more people can we anticipate being hired by those who, out of necessity, will find that the market for their products is smaller than it was before the Government brought in its Budget and imposed the taxes?

You do not have to be an economist to understand that there is at least some logic to that argument. Let me go on a bit, Mr. Speaker. I want to deal with something even more fundamental and more important in my opinion than even that. I think that in itself is sufficient to draw into question the rationale behind the Budget. What the Government says is that if it provides the manufacturers with more money by allowing them even larger tax breaks, somehow or other that will create jobs. If it encourages those who manufacture in our society to enhance their technology, to improve computerization, to improve productivity factors, that will somehow create jobs. I ask you to consider with me, Mr. Speaker, if the manufacturers are able, by virtue of tax breaks, to replace the equipment they now have with more modern equipment capable of producing far more than the equipment it replaced, if that is true, and if, as I have said, the market has shrunk, how will that create jobs? How many more people will you need working every day of the week in order to operate a machine that will produce far more, far more efficiently, for a market that has shrunk?

I suggest to the Government in that area, notwithstanding the merit—and I will discuss the merit of improving our productive capacity—that that certainly cannot be seen to be a job-producing measure.

● (1650)

Thus, on two fronts, we have the Government talking about its measures as being measures to create new employment opportunities when, in fact, if one were to look at them objectively, one could come to no other conclusion than that the measures the Government has brought forward will reduce the necessity for even the numbers of people who are presently working in the factories and in the shops of Canada to be

working. I say to you, Mr. Speaker, on those two fronts, if on no others, this Government's stated intention is being thwarted by the actions it is taking.

Can we produce jobs? That must be the question. Is there some way to produce jobs? I suppose, in all fairness, I have to say that it will be very difficult. In fact, most of the jobs that we will create in our society will be either in the Public Service, or they will be jobs of an entirely different character to the jobs we have created in the past. Many will be short-term. Most of them will be quite different from what I had anticipated as a young man and from what most of the Members of this House had anticipated as young people, men or women, when they were growing up.

What, then, will we produce by way of this Budget and other similar Budgets? We will produce more wealth. There is no doubt about that. The greater productivity, with fewer dollars required for manpower spent on the job, with faster write-offs for the acquisition of equipment, and with capital gains that people will no longer have to pay tax on will no doubt produce more wealth.

Then comes the crunch. If we produce more wealth, will we produce fewer jobs? What do we do? That is the question the Budget fails to address. In the Budget it is stated that 15,000 positions in the Public Service will be eliminated. Why? Because they are marginally necessary and, therefore, we can get by without them. However, as a part of our very being, we maintain that to be considered acceptable in our society it is necessary to have a job.

If you accept my theory that you do not need as many people in the manufacturing sector because of the changes, if you accept that the tax arrangements worked out by the Government will not in themselves create employment, and if you accept that the actions of the Government will eliminate 15,000 jobs in the Public Service, then where in heaven's name are we going to get the jobs to satisfy the requirement we impose on everyone in our society that they work for a living? Where do we get them?

There will be more wealth. However, it will not be taxed because this Government has said that you do not tax wealth. It has said that what you do is allow people to accumulate wealth in the fond hope that somehow or the other it will get from them to somebody else. You cannot hope like that, Mr. Speaker. That is not how it works.

I am suggesting what this Government has to do, if it honestly believes that there is a need for a new day in Canada—and I agree that there is a need—is that we will have to start looking at the question of income redistribution. If you cannot find a job, you cannot starve. If, through the action of Government, or through the inability of the economy to create a sufficient number of jobs in order to meet demand, there will be 1 million or 1.5 million people unemployed over the next 10-year period, then the question which must be addressed is: How will we be able to provide those people with some way of maintaining themselves? How will we be able to provide for their economic well-being? Where is that question addressed in the Budget? Where is there any reference to the problem of the 1.5 million people who are destined to be unemployed for the next 10 years? It is nowhere.

Is it not about time that we started to look at the reality that is this country, that is every country? You cannot live in the fond hope that somehow or other we will be able to find jobs for everybody, unless you are prepared to accept that some of the jobs may not be as meaningful as one would have hoped, in whatever way one makes that type of calculation. You cannot turn around and eliminate 15,000 jobs in the Public Service because of a need to generate more wealth and then expect those people, who will be displaced or unable to get into the same type of work, to find alternatives in an ever-shrinking job market.

I am suggesting to the Government that this is not a new direction for Canada. The present Budget is no more than a housekeeping operation. It is an extension of previous Governments' views on how to deal with economic problems. It is not, however, an extension of a reasoned view on how to deal with human problems. There is no recognition in the Budget of the needs of society in terms of how to deal with the human problem of keeping a family together at a time when there can be no work found and no one is willing to hire you. This is why I cannot find myself supportive of the request for additional funding for the Government by way of borrowing.

I expected more of this Government. I do not know why, since I have dealt with Tory Governments all my life. However, I still expected more. I expected some new thought. I expected the question of what is to be done with 1.5 million people who are unemployed and who must stay unemployed to be addressed. I expected someone to say to me that, unfortunately, we will have 10 per cent or more of the population unemployed for the next decades. However, how are we to deal with the needs of that 10 per cent?

I could go on indefinitely, Mr. Speaker, but I will not. I want to say that the document before us is disappointing. It inflicts hardship where it is unnecessary to do so. It conveys benefit where benefit is not required. It hopes rather than plans. It provides no concrete evidence of clear thinking.

It is time this Government went back to the drawing board and tried to come up with an economic document which honestly addresses Canada today and Canada 10 years from now.

The Acting Speaker (Mr. Paproski): Questions and comments?

[*Translation*]

Mr. Harvey: Mr. Speaker, some parts of the budget have obviously been read. As regards senior citizens in particular, the Official Opposition and the New Democratic Party are now strongly deploring their plight. And yet, the budget states clearly that the basic pension will be periodically adjusted and that the Guaranteed Income Supplement will be fully indexed. In addition, the Official Opposition also fails to mention, as well as my colleague, that for the first time $550 million in

spouse's allowance will be devoted over a two-year period to senior citizens. They conveniently ignore that fact.

They have also mentioned the 15,000 jobs that will be cut in the Public Service. I want to say clearly to my colleague that those 15,000 employees are not going to be laid off. It will be done through attrition only.

Mr. Speaker, here is my question: Does the Honourable member feel that the reduction of interest rates, due to the fact that government deficit has been brought under control, will benefit to citizens who will buy goods, appliances, to those who will have to renegotiate their mortgage loans, or to—

• (1700)

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member has nine minutes left of the period for questions and comments. The Hon. Member for Hamilton Mountain (Mr. Deans) will be able to reflect on that question and answer it next time. We are now going into Private Members' Business.

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

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 67?

Some Hon. Members: Agreed.

* * *

CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE PROPERTY RIGHTS

Mr. John Reimer (Kitchener) moved:

That, in the opinion of this House, the Constitutional Act, 1982, should be amended in order to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights so that it reads as follows:

"7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

He said: I count it both a privilege and a responsibility to introduce and defend this motion before the House of Commons today. It is a measure of its importance that this motion has already been introduced on two previous occasions during the brief tenure of this parliamentary session. It was introduced first by the Hon. Member for Mississauga South (Mr. Blenkarn) on December 6, 1984, and then by the Hon. Member for Lethbridge-Foothills (Mr. Thacker) on February 1, 1985.

This motion follows the considerable discussion which took place on the subject matter—the inclusion of property rights in the Canadian Charter of Rights and Freedoms—throughout the 1981 constitutional debate and during the subsequent debate on the motion for a constitutional amendment introduced by the present Minister of National Health and Welfare (Mr. Epp) on April 29, 1983. The recent parliamentary history of this subject indicates at least two things. First, it indicates that this is a complex and somewhat contentious issue which cuts to the very heart of philosophical and political ideology. Therefore, of necessity, I shall outline the premise, intent and substance of this motion. Second, it indicates that, for all its complexity and contentiousness, this is an issue which will not simply go away. Consequently, it is the responsibility of all Members of the House to address and render a final decision on this important matter. It is my hope that this motion may be referred to the appropriate committee, thereby leading to a conclusive debate and the enshrinement of the enjoyment of property as a fundamental right protected by our Constitution.

The basic premise of this motion is that adding the words "the enjoyment of property" to Section 7 of the Charter of Rights will give a natural and undeniable corollary to the words "life, liberty and security of the person", rights already secured in the Canadian Charter of Rights and Freedoms. To omit and deny the right to private property is to diminish and indeed render meaningless the right to life, liberty and security of person.

Life, liberty and security of person cannot be viewed as abstract principles existing in a vacuum. In order to have any meaning, they must have tangible correlates. To a certain extent, the framers of the Canadian Charter of Rights and Freedoms recognized this fact. They knew very well that such fundamental principles as liberty and security of the person must be given concrete expression. Therefore, the Charter specifies in Section 2 freedom of conscience and religion; freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication; freedom of peaceful assembly; and freedom of association. Various other concrete freedoms are enumerated throughout the Charter, including the freedoms to vote in an election, to choose where to live within Canada, to pursue the gaining of a livelihood, and so on.

The Charter is also specific with respect to its principle of security of the person. For example, it stipulates that everyone has the right to be secure against unreasonable search or seizure, arbitrary detainment or imprisonment and improper procedures upon arrest or detention. All of the above is right and proper. However, the Charter does not pursue its own inherent logic far enough to include the enjoyment of the fruits of that liberty in private property.

Let me elaborate. A life is actively lived out in time and space by men and women who require certain properties such

as food, clothing and shelter. A life so lived out requires both the liberty to attain these properties lawfully and the liberty to enjoy the measure of independence and security which they bring.

Wayne Gretzky has proven that he is the best goal scorer in the NHL. His skill is unique, and that leads naturally and rightly to his demanding his reward in the market-place of professional sports today. We would be denying him his uniqueness, his dignity and his worth as a human being and we would be denying him his freedom if we did not let him compete for whatever he can gain, even if it is close to $20 million. After all, what is private property? Surely it is simply the natural consequence of human uniqueness and freedom. Where there is no right to private property, I believe that society becomes a life in death; physically we would be alive but socially, mentally and intellectually we would be dead.

Last week I had the great privilege and, I believe, responsibility, of viewing and experiencing both sides of the Berlin wall. I say to Members of the House in all humility yet with firm conviction that if they do not understand why the principles of life, liberty and security of person logically lead to the right to private property, they ought to go to Berlin. There they will see that on the west side of the Berlin wall, the words "life, liberty and security of person" are concretely lived out, including the right to property. Tragically, on the east side of the Berlin wall, although the same words, "life, liberty and security of person", exist in the Constitution, they have little tangible and free application in everyday life and there are practically no rights to private property.

Any life that "lives", eats, dresses, takes shelter, ploughs a field, fishes a lake, manufactures a product, digs an oil well, invests in a car, a house, a cottage or a business knows that principles without properties—life, liberty or security of person without their necessary and logical correlates—are devoid of meaning and content. Surely the principle of freedom to pursue the gaining of a livelihood as a labourer, housewife, farmer or businessman is severely diminished if one's freedom to simply keep, sell or buy is not protected. Surely the principle of security of the person against unlawful search or seizure is rendered meaningless if one's right to own clothing, a car, a home, a cottage or a company is not secured.

It is this compelling logic which led to the inclusion of property rights in such documents as the Magna Carta of 1215, the English Bill of Rights of 1627, the Fifth and Fourteenth Amendments to the American Constitution of 1791 and 1868 respectively, the U.N. Declaration of Human Rights of 1948, and the Canadian Bill of Rights of 1960. It is this compelling logic which was once again confirmed in a 1972 decision of the Supreme Court of the United States which declared:

> Property does not have rights. People have rights . . . (However) a fundamental inter-dependence exists between the personal right to liberty and the personal right in property. Neither could have meaning without the other. That rights in property are basic civil rights has long been recognized.

In 1948, Canada signed the Universal Declaration of Human Rights. Article 17 of that Declaration reads:

> (1) Everyone has the right to own property as well as in association with others.
>
> (2) No one shall be arbitrarily deprived of his property.

Our Bill of Rights also specifically provides for property rights. Therefore, I call upon my Party, the Government, the Liberals and the NDP to bring our Constitution fully in line with our actions at the United Nations and with our Bill of Rights.

This, then, is the premise of this motion: logical consistency demands that those fundamental rights now guaranteed by the Canadian Charter of Rights and Freedoms of life, liberty and security of the person be given their natural, undeniable and essential correlate, the enjoyment of property. It is incumbent upon those who would disagree with the motion to state their position with respect to its premise. It follows that the intent of the motion is simply to correct the omission of property rights in the Charter of Rights. In my opinion, that is one of the most serious flaws within our Charter.

● (1710)

If I may digress briefly from the main subject at hand, I think there is also another addition which could be made to the Charter. I would seek to add at the end of the Charter of Rights a new section which states:

> The powers not delegated to the federal and provincial levels of Government by the Constitution are reserved to the people.

The American Constitution includes such an amendment. In a democracy, it must be crystal clear that people possess all the rights and Governments possess none other than those which are given to them by the people. If we looked closely at the Charter of Rights and read it, we would notice that it uses words such as "everyone has", "every citizens has", and "every citizen and every person has". Those words seem to imply that Governments give rights to the people. Therefore, to make absolutely certain that no one in Government is ever tempted to say that they, as a Government, give rights, let us make sure that our Constitution clearly reminds Governments that their powers are limited. Let us make sure that Governments clearly understand that the only rights and powers they hold are those which are granted to them in trust by the people.

Returning to the motion, I would like to emphasize that the Bill harbours no hidden agenda, and no machiavellian design to give one segment of the Canadian people more rights or more privileges than any other. Rather, it wishes to ensure that the principle of the independence of the individual from unlawful interference by the state upon his or her right to life, liberty, and security of the person, is given concrete grounding by also ensuring the independence of those properties which naturally accrue in the course of his or her exercising of those rights.

I suggest that this is a principle which applies to all Canadians, and it is a right which each of them wants and deserves, whether they happen to own a single coat or a whole wardrobe, a bicycle or a BMW, a modest apartment or a luxury home. A person's right to be secure in his or her ownership of that coat, bicycle, or apartment is no less important than another's right

to be secure in his or her ownership of a wardrobe, a BMW or a luxury home.

It is in the area of the substance of the motion, that is, its actual wording, that the greatest potential for disagreement exists. During previous debates on property rights in the House, much of the contention was engendered in two interrelated questions. First, what exactly is meant by "property"? Second, how would the inclusion and subsequent interpretation of "the enjoyment of property" impact upon such diverse bodies as the provinces, native people, environmentalists, women's groups, civil libertarians, business and labour? Those are important questions. It may be admitted that it is beyond the scope of this brief address to attempt an exhaustive explanation and critique of the various issues implicit in them. However, it is crucial that such matters be held in proper perspective. To that end, I should like to make the following comments.

First, it is indeed true that the last two or three centuries have seen the concept of property evolve from a rather basic interest in land and chattels or personal property to a more complex concern with intellectual property such as patents, trademarks and copyrights, to passive property such as stocks and shares, and now to the so-called new property such as social security systems and public employment. Therefore, the defining of what is meant by property is now a necessary and sometimes complicated exercise.

Second, one must take the legitimate concerns of the aforementioned groups very seriously. It is only common sense for Prince Edward Island to be worried about excessive foreign ownership of its limited land resources. Every Canadian who loves Canada wants the appropriate environmental laws to ensure that our natural heritage is not abused. I, personally, have absolutely no patience with polluters, be they individuals, small or big businesses, or foreigners. Women's groups are right in wanting to safeguard the recent gains which have been made in family law legislation which have ensured a more equitable understanding of property rights within a marriage relationship.

There will always be a concern to ensure, on those occasions when difficult decisions must be made as to whether the public interest demands governmental expropriation of strategically-located land, that it be done with just recompense. Labour has raised important questions with respect to the just division of assets between the ownership and the workers upon the bankruptcy of a company. All this suggests that the careful legal interpretation of the "the enjoyment of property" is also a necessary and complicated exercise which is of particular concern to such groups and to Canadians in general.

However, having granted that "the enjoyment of property" may require both careful definition and legal interpretation, it is in no way sufficient to negate the premise and intent of the motion. Just because it may be difficult to define and interpret what is meant by "life", "liberty", or "security of the person", does not mean that we should refrain from enshrining them as fundamental rights. Similarly, just because it may be difficult to define and interpret "the enjoyment of property" does not necessarily mean that it must be excluded from the Charter. To so argue is, at best, to allow the necessary qualification to negate completely a valid principle and thereby engage in inverted logic. At worst, it is an attempt to create a smokescreen by consciously confusing primary and secondary considerations. Indeed, the first consideration in this whole matter is whether or not, in principle, it may be agreed that "the enjoyment of property" must be secured as a fundamental right for all Canadians within the Charter. In discussing the premise of the motion, I have argued at some length that it is logically inconsistent to do otherwise.

Apparently, even the Liberals and the NDP agree with this assessment, although their performance during the constitutional debates on the subject might suggest otherwise. The Liberal spokesman, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), recently stated that he was in agreement with the principle of property rights, as reported in *Hansard* on December 6, 1984. Similarly, the spokesman for the NDP, the Hon. Member for Churchill (Mr. Murphy), repeatedly stated in the House that his Party, in principle, was in favour of property rights. Some of his comments were reported in *Hansard* on February 1, 1985.

All that is fine, as far as it goes, but it does not go far enough. Both the Liberal Party and the NDP have failed to pursue the principle to its logical conclusion. That is, since life does not operate in a vacuum, principles cannot be left in abstraction. Therefore, we must ensure that the principles of liberty lead to their natural conclusion in property rights.

I am content with the simple addition of the phrase, "and the enjoyment of property" being placed in the middle of Section 7 of the Charter of Rights. The parameters of the definition and the interpretation of this addition would be limited by the latter part of Section 7, which states that the right to life, liberty and security of the person and the enjoyment of property are limited "in accordance with the principles of fundamental justice".

As there will be a constitutional conference during the life of this parliamentary session which will at least discuss the issue of Senate reform, I strongly urge the federal Government and members of my Party to demonstrate to the people of Canada that we support the inclusion of property rights in the Charter of Rights. If the provinces in their wisdom choose to say no, then let them answer for their error to their electorate.

In conclusion, I call upon the House to refer the motion to the Standing Committee on Justice and Legal Affairs in order that the appropriate witnesses may be heard, a consensus achieved, and a conclusive decision made to secure within the Charter "the enjoyment of property" as a fundamental right and privilege of each and every Canadian.

• (1720)

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I would like to start by congratulating the Hon. Member on presenting this motion to the House. The concept of property rights and the

protection of those rights within our Constitution is a question we have all been debating in recent years, and having been very much involved in the constitutional process, I can inform the Hon. Member that property rights received a great deal of attention from Parliamentarians and committee members at the time. Now it should be understood that it was not indifference to the concept but the need for a compromise formula that led to the omission of property rights at the time the Constitution was patriated.

Mr. Speaker, I can assure the Hon. Member that his intentions are praiseworthy and that my party colleagues, when we were sitting on the Constitutional Committee as individual Members, were agreed on including property rights in the Constitution, but unfortunately, politics being the art of compromise, and considering the government's need at the time to reach a consensus on the Constitution and the Charter of Rights, property rights unfortunately fell by the wayside, at the insistance of some provincial governments and some of our colleagues in the New Democratic Party, who most certainly were influenced in their decision by friends in the provinces. The fact is, Mr. Speaker, that at the time we were under tremendous pressure, and compromises were reached on a large number of issues relating to the Charter, including the definition of certain rights, and in this respect, I think the Hon. Member's initiative is very appropriate. I think that at the time, politicians, in their concern for achieving a praiseworthy goal, unfortunately neglected—

An Hon. Member: —neglected Quebec.

Mr. Lapierre: The Hon. Member says: "neglected Quebec", and I agree. In a perfect world, we would have liked all Canadians to applaud in unison. Unfortunately, that was not to be, and I hope we will be able to remedy this unfortunate incident or accident, and I should be happy to support the Government if some honourable solution could be found. Nevertheless, I am very happy with the Hon. Member's initiative, because at a time when Parliament will be examining Senate reform, and when we will want to include Quebec in the Constitutional Agreement, I think the Hon. Member's concern is shared by Members in my own caucus, and he can count on our support, because we will be able to take a fresh look at this question, and since his leader is always talking about his new spirit and new openness, I hope that improved relations with the provinces will make it possible to enshrine property rights. In fact, in a society like ours, Mr. Speaker, property rights should be fundamental and be given protection against the tyranny of the majority.

I think all Canadians could go along with this concept. I think Canadians have a fundamental belief in the rights of the individual and the need to work to acquire property that can be left to future generations, and I think all our fellow Canadians would be pleased to see these rights protected.

Mr. Speaker, a number of governments at the time objected because it might create problems for their powers of expropriation, and so forth. I am very pleased. I think that ever since the Charter became effective, which is fairly recent, and especially where it has served as the basis for court decisions, I do not think anyone has found anything wrong with it. I do not think the courts have set themselves up as a distinct power. They have been strictly applying the provisions of the Charter in a fair and equitable manner, and they have occasionally, and rightly so, made Parliamentarians see reason. Bearing that in mind, I am very pleased with the Hon. Member's initiative. I would even say that there are certainly more improvements that could be made in the Charter, and I think that through the kind of initiative proposed by the Hon. Member and others, we may be able to give Canadians a better Charter.

As I said earlier, the Charter was a compromise. Very important concepts were left out. However, Canadian society is changing, which means there will always be a chance to add improvements. I am thinking, for instance, of Quebec's constitutional proposal. In that proposal, it is said that the Quebec Charter of Rights and Freedoms is more generous than the Canadian Charter. Unfortunately, it does not have the ultraparliamentary effect of the Canadian Charter but it contains more generous provisions for many citizens or classes of citizens. In that sense, I hope that the compromise formula arrived at in the constitutional negotiations with Quebec will add new guarantees for the citizens, new elements to the Canadian Charter which will make it more in keeping with the Quebec Charter.

But, in fact, Mr. Speaker, we, parliamentarians, are the ones who must agree to limit ourselves. I think it is important for all of us and the compromise made at the time of patriation needs to be reviewed. Everybody agrees. The corrective measure proposed by the Hon. Member is very reasonable and very commendable, and I am pleased with it. I can see some of my colleagues from Quebec who might be too. I think it could be a solution to improve the Canadian Charter.

We have all had a look at Mr. Lévesque's proposals, and particularly the details concerning the Quebec Charter. I think it could be interesting to increase the scope of the Canadian Charter to include in it provisions which are somewhat similar to those of the Quebec Charter. As a matter of fact, these are all principles on which politicians in general, especially Canadian politicians, because they are strictly the instruments of the population . . . Certainly, the Canadian people could appreciate the expansion of the scope of the Charter.

Mr. Speaker, I remember when we talked about the entrenchment of a Canadian Charter in the Constitution, several of my colleagues here were sceptical. We thought about the supremacy of Parliament, and we all remembered our law classes where we learned that the only thing Parliament cannot do is change a man into a woman. We all remembered those honourable concepts but in fact, science has

evolved and it is even possible to change a man into a woman today. Consequently, we must forget our old concepts of civil law or common law and realize that society changes, that our judicial system changes, that our parliamentary system changes. And your presence in this chair, Mr. Speaker, is a good example of a changing world. I am going to tell you that I hope the Charter will be submitted regularly to a renewal process to adapt to Canadian reality and in that sense, I want to congratulate again the Hon. Member for his initiative and I hope that in a constitutional negotiation, when there is less pressure... You know, it is much easier to improve things, than to change or to disturb old habits. From the moment the precedent of a constitutional Charter is established, from the moment people or lawyers have learned to live with, from the moment judges have demonstrated to us their view of reasonableness... From then on, the Charter could be reopened without creating as much commotion as its inclusion as such stirred in this country. In that sense, I feel that now we can be very happy we patriated our Constitution, because now we can discuss it between us, between Canadians, according to our own system of values. We don't even have to go through a little exercise which proved somewhat difficult for all of us, that is to go to another country and beg for the rights we wanted for us, Canadians. In that sense, the fact that we have cut the umbilical cord with Great Britain allows us to discuss between us without having to get others' approval, and I hope that other motions of the kind put forward by the Hon. Member will be introduced in this House so that we can really improve the Charter and make sure it does meet the new values of Canadians. I do hope his colleagues will not speak too long because I want to give the House the opportunity to pass and refer this motion to the committee, for if the government is really serious about it they will let it go to committee. I am sure we will be able to make tremendous progress as a Parliament if we include this notion of property rights which is absolutely not disputed by no right across this country.

• (1730)

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to make a few remarks on the motion before us, and I would like to thank the Hon. Member for Kitchener (Mr. Reimer) for bringing forward this motion on a very important topic. As I listened to him I was reminded of Tennyson's poem about the northern farmer in the 19th century who, as he rode his horse, at every step heard the horse's foot sounding the word: "proputty-proputty-proputty". That seems to be one of the constant themes of the Conservative Party: "proputty-proputty-proputty".

Mr. Nickerson: It is. You have it right.

Mr. Manly: We have seen a number of things debated during Private Members' Hour. Capital punishment was one issue, and metric used to be an issue until the Government decided it was not going to turn the clock back, it would throw a sop to some of the Conservatives but basically would endorse what had been done. At any rate, we have the Conservatives continuing with this theme: "proputty-proputty-proputty", as they trot along with their 19th century ideas.

I think it is very important to emphasize that this debate is not about the right to own property. We already have that right. It is a right that Canadians enjoy, a right that I enjoy and intend to continue enjoying. For that reason I hope I will be able to continue paying my taxes and my mortgage, and I intend to avoid violating any of the zoning regulations which impinge upon my property. However, I recognize, as I enjoy my property, that no right is absolute, and I think we have to look at this question in light of that fact.

New Democrats have a long and proud tradition of defending the right of ordinary Canadians to own their own homes, farms and small businesses. We recognize that this is the central part of the Canadian way of life, and we fought against threats to this kind of ownership. Today the fundamental threats to that right come from a number of sources, such as high unemployment. How many people in this House have seen people lose their houses, farms and businesses because of the economic system? If people do not have jobs, they lose their homes. Where we have usurious interest rates, banks foreclose on people's homes. What a painful experience it is, not only to lose your equity, but also, as in British Columbia where our housing prices have fallen so drastically, to be stuck with costs in addition to that. These people bought homes and put everything they had into them, made their payments, and when they lost their jobs and were unable to make the payments, they were stuck with a great bill to pay to the bank because of usurious interest rates. When land is treated as a speculative commodity, that in turn is a threat against the right to own property. We would like to see that right spread around so more Canadians enjoy that right. We do not want to see it restricted to the few who are able to get the necessary funds together to buy their homes. We want to see all Canadians have access to the enjoyment of property.

Many of us in this House come from countries such as England or Scotland which have a somewhat bitter history. People once thought they had a certain right to property, but then they found out, through the enclosures or the highland clearances, that someone else had the legal right. So what they had enjoyed as a common right was taken away from them by the lord or the clan chiefs who were able to establish in court some kind of right to the property. These people were then deprived of their property.

Mr. Taylor: We do not have feudalism here.

Mr. Manly: We have that history. You ask me about Canada. Just two weeks ago we celebrated, or commemorated perhaps, there is not too much to celebrate, the one hundredth anniversary of the Battle of Batoche. The Métis had tried to protect their land, land that they had developed themselves. But who had legal title to that land? They found out that the Government of Canada had granted legal title to the railways, and the Métis were driven off their land. I would like to ask

Hon. Members, if we had approved the motion which is before us today, who would have had the right to that property? It would have been the CPR, not the Métis.

Some Hon. Members: Oh, oh!

Mr. Manly: I challenge Hon. Members opposite to show me otherwise. The fact is that constitutional recognition of property rights would not have enabled the Métis to hold on to their land in opposition to the CPR. Constitutional entrenchment would not have enabled the Japanese people to hold on to their property once the War Measures Act was proclaimed. What is constitutional entrenchment going to do with regard to aboriginal title? There are a lot of concerns here.

Mr. Taylor: You are full of excuses.

Mr. Manly: When we look at the wording of the resolution, Section 7 of the Charter of Rights and Freedoms would read that everyone has the right to life, liberty, security of the person and enjoyment of property. But I am concerned about that word "everyone"—

Some Hon. Members: Why?

Mr. Manly: Because, as Members opposite will recognize, it not only includes human beings, it also includes other entities such as corporations. What we have to be very concerned about is that we do not simply end up entrenching the rights of the CPR or of MacMillan Bloedel. They have plenty of funds so they can have access to the courts and go through all kinds of appeal procedures which are not available to the ordinary citizen who cannot afford them. If we are going to look at a resolution dealing with property rights, we have to make sure we are protecting the rights of persons, not just those of large corporations.

Mr. Nickerson: That is what it says in the motion.

Mr. Manly: That is not what it says in the motion. The way the motion reads it would protect the rights of CPR and other large corporations.

I think the Hon. Member who moved the motion recognized that property is an evolving concept. It is not just land, or the right to land, but covers an expanding number of meanings. We need to recognize that property rights are covered by our Constitution presently. They are part of provincial jurisdiction under Section 9213 of the Constitution Act of 1867. Many provinces, including those with Conservative Governments, have been extremely leery of entrenching property rights in the Charter. For example, the Hon. Member for Bow River (Mr. Taylor) will be aware of the fact that the Government of Alberta, through its Minister of Intergovernmental Affairs, Mr. Horsman, has indicated that property and civil rights should remain under the control of the provinces and not be entrenched. During the constitutional conference two or three years ago, the Province of British Columbia tried to get a resolution dealing with property rights entrenched in the Charter, and Mr. Horsman canvassed the other provinces and reported that there was very little support for that idea. So they have some legitimate concerns which must be addressed by the House in dealing with this issue.

• (1740)

Property rights entrenched in the Constitution could very seriously restrict the right of provinces to pass legislation which would protect agricultural land, protect the environment, or ensure that choice recreational land is not bought up and controlled by foreign interests. I am concerned that we not take away the right of provinces to socialize industries for the public good. An example of that is the purchase of potash industries in Saskatchewan. I am concerned that laws to redistribute wealth and create a more just and equalitarian society in Canada not be abridged. Government should be able to act in the interest of all people rather than of a few corporations which have the financial clout.

Some members of the Party opposite have been running something of a fear campaign with a rather simplistic appeal to the natural concerns of all Canadians who would like to be able to own and enjoy their property. This is natural. We respect and endorse it. Although members of the Government opposite talk about property rights, we have seen no action from them that will protect the property of ordinary people from the banks. We have seen no protection from the ravages of unemployment. Instead, they talk about the entrenchment of property rights in the Constitution as a panacea without being aware of the side effects which are involved.

For example, would the entrenchment of property rights give data banks the right to collect personal information and to sell it later on? What protection would there be against that kind of use of personal information? That kind of information is part of the evolving concept of property rights. What protection do individuals have against that? The Conservatives have raised some legitimate concerns, but they have aroused more fear in the general public.

New Democrats have suggested that any proposal to entrench property rights must be subjected to full committee hearings before which a wide variety of people can testify about their concerns. I certainly cannot support the motion in its present form, but we would be interested to see what the Government might bring forward. If the Conservatives are really interested in this issue, it is incumbent upon the front benches of the Government to bring forward a well considered motion rather than a simplistic one such as this. Such a motion should be debated fully in the House of Commons and then referred to a committee process to allow all kinds of groups to be heard. In that way we can be assured that we are not simply acting out of a blind instinct to own property.

I would like to conclude by pointing out that there is a finite amount of land in this world. Our population is still expanding. When speaking of property rights in relation to land we must consider how much land one person needs. There are countries in Central America such as El Salvador where a dozen families control almost all of the land and the peasants have been pushed off. Entrenchment of property rights in such a situation would simply entrench that inequity. We do not want to

entrench such an inequity, but rather to recognize the rights of ordinary Canadian people to own their own homes, farms, and businesses. We do not want to make it possible for large corporations to use the Constitution to deny Government the power to act in the interest of ordinary Canadians.

The Charter of Rights and Freedoms is still in the process of being shaken down in our courts. We are still unsure as to what many of its provisions mean. While that is happening, it is very important for us to watch closely to see in what direction the Supreme Court is moving with regard to the Charter of Rights and Freedoms. Since the Charter was passed I have not heard anyone say that if property rights had been entrenched things would have been much better. In fact, I am sure that if the entrenchment of property rights had been included in the words of this motion, things would have been a lot more complicated rather than better. If the Government brings forward a motion which will recognize, respect, and protect the rights of ordinary Canadians to own their homes, farms, and businesses, we in this Party will give it our full support. We have fought continuously against every force that has tried to take those rights away from Canadians and we will support any positive measures. We are not interested in entrenching the rights of large corporations to prevent positive measures for a more just society in Canada.

Mr. Taylor: I have a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bow River (Mr. Taylor) on a point of order.

Mr. Taylor: Mr. Speaker, the Hon. NDP Member left out his most important argument, namely, that it would be more difficult to nationalize if property rights were in the Charter—

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for St. Boniface (Mr. Duguay).

[*Translation*]

Mr. Léo Duguay (St. Boniface): Mr. Speaker, first of all I want to congratulate my colleague the Hon. Member for Kitchener (Mr. Reimer) who presented a well-founded notion today.

[*English*]

The Hon. Member for Kitchener (Mr. Reimer) deserves a great deal of credit for the concern which he has shown about the entrenchment of property rights in Canada. His comments today are a valuable contribution to public discussion of this matter. This continuing public discussion is appropriate for resolving this important national issue. Many individuals as well as organizations and provincial and municipal Governments are interested in this matter. Regrettably, private Members' hour does not allow us the time to give their views the full and thoughtful consideration that they deserve, nor does it allow us to canvass properly the legal, economic, and social implications of entrenching property rights.

I hope that I will one day see in the House of Commons a private Members' hour which provides private Members with the chance to present a Bill and have it debated until it passes in the House. I believe we are operating under an antiquated set of rules. I congratulate the Hon. Member for Kitchener for bringing forward this matter in order that it may be discussed thoroughly, even though it may not be adopted in the House.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) both missed the complex and overstated and simplified the partisan. I respectfully submit that the Member was bringing forth, on behalf of his constituents and many other Canadians, some concerns which people express. The Hon. Member tried to make the subject of this motion into a Conservative policy or non-policy. Let me say clearly that I have a great deal of respect for the Hon. Member for Kitchener who brings forth this very important issue. I fully support the principle of entrenching property rights in the Canadian Charter of Rights and Freedoms.

● (1750)

I welcome today's debate as an opportunity to comment upon some of those issues. I am committed to the idea of entrenching property rights in the Charter. The Progressive Conservative Party has long supported property rights. We recognize that property rights represent basic protection for all Canadians.

We all own property of some sort; be it simple personal possessions, a Canada Savings Bond, a car or a house. We are concerned about providing constitutional protection for the right to own and use property because the ownership and use of property is so pervasive in our society. In my view, this right is no less important than other rights already entrenched in the Canadian Charter of Rights and Freedoms.

Property rights have a long history in our society. Their development marked the evolution from feudalism to democracy. The Hon. Member for Provencher (Mr. Epp), now the Minister of National Health and Welfare, commented on this when the Progressive Conservative Party introduced a motion in the House in 1983 to entrench propery rights in the Constitution. I refer Hon. Members to page 24997 of *Hansard* on April 29, 1983, where the Hon. Member for Provencher is reported as having said this:

> In the British context, private property has always been historically associated with the development of free institutions. It goes back to 1215, when the Magna Carta referred to it. It is referred to in the Bill of Rights of 1627.

The historical concept for property rights is clearly important. However, there is a fundamental interdependence between the right to liberty and the right to property. The right to property enables us to carry on and benefit from useful and productive activities independent of Government. With this economic freedom comes political freedom. We are less afraid to criticize the Government and give expression to our views when we know that the Government cannot arbitrarily control or affect our right to own and enjoy or use our property. The right to property has been recognized in many jurisdictions outside of Canada.

To this point I have spoken of property rights in the abstract. For ordinary Canadians, property rights are concrete.

For them, property rights mean the right to own and enjoy their homes, their farms, their businesses without arbitrary interference from the Government. Property rights mean that they can provide for their children and their future. Property rights are their security, their assurance that things they have striven so hard to acquire and accomplish will not be undermined.

As important as property rights are, all of us recognize that they must, like other individual rights, sometimes give way to higher interests in the common good or to other individual rights. The Hon. Member for Kitchener understood that well in his presentation to the House. There are many laws affecting property interests which are essential to the proper functioning of our society. I speak of laws such as public health and safety, environmental laws, resource laws, community planning laws and family laws. In one way or another, such laws regulate the ownership and use of property in the public interest.

All three levels of Government in Canada—federal, provincial and municipal—have found it necessary to enact such laws. In doing so, they have usually struck a reasonable and fair balance between property rights and important societal interests.

There are many who are concerned, however, that the entrenchment of property rights will tip this balance in a way which is detrimental to these important societal interests. The provinces, women's groups, environmentalists, civil libertarians, native people and others have voiced concerns about the potential consequences of entrenching property rights. I see no reason why the concerns expressed should prevent us from acting. Those concerns simply indicate to me that there is a need to be cautious and sure that we have consulted all of those groups before we act in amending our Charter.

Some of the provinces are concerned that in applying property rights guarantees to provincial laws, the courts will substitute their economic and social beliefs for the judgment of legislatures. They believe that these sorts of judgment should be made by our elected representatives. The provinces would not appear to object to these sort of procedural protections which may be provided by the entrenchment of property rights in the Charter. Nor do they appear to object to protection against arbitrary government action. They do object to any step that would usurp their responsibility to make important social and economic policy decisions on the basis of public interst.

Women's groups are also concerned that by entrenching property rights we will be enabling the courts to substitute their policy views for those of Government. They point, and rightly so, to the experience in the United States in the first few decades of this century.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Shefford (Mr. Lapierre) have a point of order?

Mr. Lapierre: Yes, Mr. Speaker, on a point of order. I am very happy with the speech made by the Hon. Member for St. Boniface (Mr. Duguay), but if I am not mistaken, Mr. Speaker, in the case of private members' business, if one were to speak till six o'clock, would all those good words not be vain? Could you remind the Hon. Member for St. Boniface of the rules in order that—

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order.

[*Translation*]

Mr. Duguay: Thank you, Mr. Speaker. I can assure my colleague that I fully understand the Standing Orders of the House of Commons.

[*English*]

The women's groups to whom I was referring point to the experience in the United States in the first few decades of this century. During that time, the courts invoked the due process clause of the U.S. Constitution to strike down social and economic legislation. I make that point not to undermine the points made by my hon. colleague. They are indeed valid.

[*Translation*]

Mr. Malépart: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Is the Hon. Member for Montreal-Sainte-Marie rising on a point of order?

Mr. Malépart: Mr. Speaker, I believe my hon. colleague and friend from St. Boniface does not know the procedure. Could you explain to him that what he is now doing is talking out a Bill which is of great importance for Canadians?

[*English*]

The Acting Speaker (Mr. Paproski): I do not think that it is fair to the Hon. Member, particularly in private Members' hour. I regret that Hon. Members are doing this. The Hon. Member still has a minute left in which to speak.

[*Translation*]

Mr. Duguay: Mr. Speaker, not only do I know and respect the rules of this House, but I do not abuse them as do some other Hon. Members.

[*English*]

The present Government has not had sufficient opportunity to consult with the parties concerned in this matter and to consider properly their views. Consultation takes time. My colleague, the Hon. Member for Kitchener, has raised a very important issue. He has contributed to an important debate. Canadians understand that the matter that he raises is significant to all of us. It needs to be done with a great deal of care and concern so that when we put forth amendments they are supported by the provinces and Canadians get what they so rightfully deserve, an entrenchment of property rights.

• (1800)

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CULTURAL AFFAIRS—REQUEST FOR TAX MEASURES TO ASSIST ARTISTS AND WRITERS. (B) UNEMPLOYMENT INSURANCE INQUIRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, on May 3 I raised a very important question regarding taxation of artists in Canada. I particularly noted the recommendations of the report of the subcommittee on the taxation of visual and performing artists and writers. It made a large number of precise recommendations to get our artists out of poverty and to see that they get their due with the tax man and do not have to endure unreasonable treatment by tax authorities. The answer I got was extremely unsatisfactory.

I raised the question about the deduction of losses, about the deduction of expenses, assuming people who are artists have the right to make deductions as do other professional people. I also raised the issue of unemployment insurance because our artists are people who suffer from very long periods of unemployment and now for the most part are excluded from coverage by unemployment insurance.

The only answer I got from the minister was that these things were being considered by the Government and I would get my answer in due course in the Budget. Since that time we have had a Budget. I regret to say the very large number of concerns that were raised in the subcommittee on taxation of artists did not make it into the Budget. All of the lobbying, the march on Ottawa, the lobbying done by the Canadian Conference of the Arts and many other arts groups that made recommendations to see fair taxes for artists have been ignored.

[*Translation*]

The taxation of artists raises the matter of poverty and justice. Visual and performing artists and writers are the less well-paid group in Canada. According to Statistics Canada figures, pensioners are the only ones to have lower income than our artists. It was therefore to be expected that the Budget would contain concrete proposals to improve their lot.

Last year, the subcommittee on the taxation of visual and performing artists and writers proposed a series of measures to increase the income of artists. The Conservatives, who were then in Opposition, supported those proposals. During the election campaign, the Conservative Party renewed its support for those recommendations. Now that they have the chance to keep their promises, they fail to do so. The plight and poverty of our artists does not concern them any more.

The most important recommendations of the subcommittee were as follows.

20—That the simple fact of incurring major expenses creates a presumption of self-employment for all performing artists.

11—That all losses resulting from expenses directly related to the artist's or writer's work be fully deductible. The same thing is recommended for tutoring costs.

27—That the grants given to professional artists be considered a business income and that their expenditures be deductible from their income.

23—That performing artists be eligible to unemployment insurance, regardless of their fiscal status.

In my opinion, it would be advisable to make other categories of creative artists eligible for unemployment insurance. Unemployment is a much more prevalent problem among our artists than this would indicate.

7—That the Income Tax Act be amended to allow the deduction of losses resulting from professional artistic activities.

22—That the Income Tax Act be amended to authorize symphony orchestra musicians to claim the deduction of all expenses incurred for the maintenance of their instruments.

In this regard, Revenue Canada has recently replied to the demands of Canadian orchestras that such an amendment to the Act was unlikely to be made.

• (1805)

[*English*]

It is extremely regrettable that we have not seen any swift and favourable response to this important measure for musicians.

[*Translation*]

What this Government has done is much more limited. In this Budget, this Government has taken action in only two of the cases covered by the 31 recommendations of the subcommittee and has chosen two measures which deal only with visual artists. This means that there is nothing for performing artists, writers and other creative artists.

[*English*]

I am sure that Mr. Tony Onley is pleased that he can put away his matches and not burn his works on the beaches of Vancouver. He is a visual artist who has been helped by this Budget. However, most of the artists have not been helped.

Measures which deal with only one small group are not enough. We want justice for artists. We want measures which will ensure that they have adequate incomes in order that they can pursue their work.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, many recommendations made by the subcommittee on the taxation of visual and performing artists and writers were accepted on an administrative basis by Revenue Canada and did not entail legislative amendments.

With regard to the specific case of performing artists, their self-employed status has been strengthened by the administrative policy which allows them to deduct the cost of musical tutoring and other lessons to develop their talents. Revenue Canada has also reviewed its interpretation bulletin for musicians and performing artists to take into account the length of their job contracts. This will allow most performing artists to be considered as self-employed.

When the contracts of symphony orchestra musicians are once again submitted to Revenue Canada, the department is willing to consider most, if not all, these musicians as self-employed, therefore, it is no longer necessary to implement the recommendation of the subcommittee to amend depreciation provisions since these self-employed musicians can already claim depreciation for their instruments. Mr. Speaker, these changes meet the concerns expressed by the subcommittee about the fiscal status of performing artists.

[*English*]

The question has also been raised as to whether the Government is prepared to introduce a measure permitting the deduction of artistic and writing losses from other income. Such a measure implies a definition within the Income Tax Act of a special category of individuals called "professional artists", who could deduct losses without necessarily meeting the test of "reasonable expectation of profit". By allowing the proposed deduction, our tax system would be providing a subsidy to all individuals who meet the criteria of "professional artist" but who may have no intention of earning income from their artistic pursuits.

Further, the definition of "professional artist" would likely be unpalatable to the arts community and would be difficult for Revenue Canada officials to administer with any degree of consistency. Given these problems, Revenue Canada has modified its administration by including in its determination of "reasonable expectation of profit" the criteria of professionalism and the longer time frame required to earn profits from artistic and writing activities. This change in administrative practice ensures that these persons will not be denied the deduction of losses from other income.

[*Translation*]

Finally, Mr. Speaker, the Hon. Member for Broadview-Greenwood (Ms. McDonald) would be well-advised to refer to the Budget Speech and Papers to learn about the most recent changes in the legislation dealing with artists generally and especially visual artists.

• (1810)

PUBLIC SERVICE—JOB CLASSIFICATION—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the question I want to raise during the adjournment debate has to do with an issue of great interest to public employees. I am referring to job classification and classification standards. The matter is very complex, so perhaps I might explain first what classification means and how the system works.

Here are some of the remarks one can find in the Auditor's General's report. Job classification is an important element and an integral part of the salary of federal employees. This process makes it possible to establish the relative value of jobs in the federal Public Service and to classify each job within a professional group and at a precise level.

In other words, Mr. Speaker, it is a duty to be performed by the employer, a management responsibility related to about 222,000 jobs in the Public Service of Canada.

Last May 22, I asked the Minister a question to find out whether this Government—which, as we know, made a considerable number of election promises—would keep its word. In a letter he wrote last year to the President of the Public Service Institute, Mr. Donegani, the then Leader of the Conservative Party said, and I quote from the English version I have here:

[*English*]

A PC government will negotiate directly with public service unions and associations toward the establishment of an improved collective bargaining system . . . Staffing procedures, classification, technological change, designations, and other issues will become negotiable.

Classification will become negotiable.

[*Translation*]

Last May 22, I wanted to know from the Minister when the Government would keep its word and when we might expect that famous negotiation for classification standards to become reality and on what conditions.

The Minister was absent at the time, so the Minister of National Revenue (Mr. Beatty) told me that he would note the question and bring it to the attention of his colleague.

It is not just everybody who can talk every day to the Minister responsible. I remind Hon. Members that I am still waiting for an answer, that the unions are worried and would like to know when the matter will be settled.

As you may recall, Mr. Speaker, the issue of classification standards had been raised in last year's Auditor General report. According to the Auditor General of Canada, the existing system was such that 25 per cent of Public Service jobs were incorrectly classified; 80 per cent of classification errors or 19 per cent of all jobs were cases of overclassification. According to the findings of an audit by the Secretary of the

Treasury Board, one federal employee out of five is overpaid. Still according to the Secretary of the Treasury Board, the cost of overclassification is estimated to be $125 million a year, 2.4 per cent of the ordinary rate of pay. The net cost of the employer's classification errors is therefore rather high, and I would point out to the House that the Auditor General said that this amount of money, $125 million, would be enough for 5,200 jobs, enough to staff three of this Government's average departments.

So, it is rather embarrassing that the government cannot come forward with a solution after promising a review of classification standards. I do not blame the government for previous mistakes, since classification standards were not negotiable in the past. But the Conservatives did promise during the election campaign that for the sake of efficiency those standards should be made negotiable with public servants as it is the case for salaries.

On February 4—as you can see I am not raising that matter for the first time—I asked the Treasury Board what corrective action was considered to alleviate the situation. The Minister reiterated at that time that he would indeed keep his word. And he did confirm it on May 15 in committee while answering a question on job classification in the Public Service. He said that we could rest assured that the government would live up to the commitment made during the election campaign.

Mr. Speaker, considering the report of the Auditor General and media reports as well to the effect that we are facing a serious situation, that some $125 million and 5,000 jobs are at stake; considering that this government announced in his last budget that it would cut 5,000 jobs next year, I do not think we are seeking too much from the government by asking that it take corrective action in the very near future so as to remove that sword of Damocles hanging over the reputation of public servants, since it is said that they are overclassified; in other words, overpaid. That allegation is groundless. As stated by the President of the Public Alliance as well as the President of the Professional Institute, such allegation does not take into account the fact that a number of jobs are presently underclassified, that is underpaid.

Drastic changes have also occurred in job classifications with the implementation of the computer system into the federal administration. That means that in some cases jobs have not been reviewed for the past ten years and are yet to be classified, and employees should not be blamed for the lack of corrective action by the employer.

I would like to know tonight if the government is prepared to announce that a system of negotiation for classification standards will be implemented so as to correct not only an unfair situation that needs to be corrected but also to strengthen a system that needs to be tough, to implement standards by which the federal administration could operate normally, efficiently and effectively in the best interests of Canadian taxpayers.

• (1815)

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, Section 7 of the Public Service Staff Relations Act confirms the right of the Treasury Board to classify positions in the Public Service. When the Board's secretariat reviews a classification standard with a view to updating it, a copy of the draft revised standard is provided to the affected Public Service union for comment. That process has enabled meaningful input from unions to be incorporated into the revised standards. As a result of consultation with the Public Service Alliance of Canada, significant changes were made recently in the revised standard for the General Labour and Trades Group.

The Treasury Board Secretariat last fall commenced a review of the program administration classification standard. As an experiment, it was decided to have representatives of the Alliance sit as members of the standards review committee with exactly the same voice in the deliberations as representatives of user government Departments. The arrangement appears to be working well, and the same process is slated to apply to the upcoming review of the administrative services standard.

I mentioned those practices and developments to show that Treasury Board has been and is involving the Public Service unions in a meaningful way in the matter of the review of classification standards.

At the Standing Committee on Public Accounts on May 16, the President of the Treasury Board (Mr. de Cotret) advised that all classification standards would be reviewed and updated over the next two years. Any deputy head whose Department's classification performance is unsatisfactory will be called before Treasury Board to explain the situation and submit plans to correct it.

In response to the Hon. Member's question about the election promise of the Prime Minister (Mr. Mulroney) to make classification a negotiable issue, the President of the Treasury Board referred to the good progress he was making in the discussions he was holding on six union-management issues with the Public Service union leaders.

The views of other interested parties will also be solicited. Out of the process will emerge the Government's proposals to change the Public Service Staff Relations Act. Those changes will be placed before Parliament at the earliest possible date.

[*Translation*]

SOCIAL SECURITY—BENEFITS PAID TO WIDOWS AND WIDOWERS AGED 60 TO 64 YEARS—EXCLUSION OF SINGLE, DIVORCED AND SEPARATED PERSONS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, further to a question I asked the Minister of National Health and Welfare (Mr. Epp), whom unfortunately I must call—because of his actions, of the decisions he has made concerning the aged with respect to Bill C-26 and because of

what happened in the Budget—the Minister of Social Injustice in Canada, Mr. Speaker, I asked the Minister at that time why this Progressive Conservative Government has deliberately decided to debar 80,000 older persons in need, aged 60 to 65 years, from the spouse allowance program for the simple reason that they were single, separated or divorced.

● (1820)

Mr. Speaker, my colleague also reminds me that all persons in religious orders, unless the Minister considers that having been married to God they have become widows or widowers, those persons as matters now stand will not be entitled to the spouse allowance because they are considered single.

Mr. Speaker, I would like the Parliamentary Secretary to tell me how it is possible that in 1985, men and women can meet in Cabinet and look at the number of needy citizens who now live, not below the poverty line but below the misery line since they are on welfare, how can human beings in 1985 decide to give assistance to half of those persons while ignoring the other half? Who are the persons being penalized by the Bill? Let us look together at the single people who are 60 years old today. Why? First, those people often have been living mainly in rural areas. Most often, they were the eldest daughters in the family, people who sacrificed their own future. They left school early enough to help their mother raise the children at home. They sacrificed their own interests so their brothers and sisters could get an education, find jobs. And upon reaching a certain age, they had to go on sacrificing their own aspirations to stay with their fathers and mothers, because of their age, rather than sending father and mother to a nursing home. They accepted to give up everything to stay at home, they remained single, saving the governments retiring home money. And all those people inherited from their parents has been the so-called family home. Now they own the house where they have been living but they have no money to pay for their property taxes.

Mr. Speaker, because this Government and this Minister of Social Injustice refuse to help those persons, it is a sad sight, Mr. Speaker, to see those people who sacrificed everything all their lives, who served the community being told by the Right Hon. Prime Minister (Mr. Mulroney) and the Minister: No, you are not to be entitled to the spouse's allowance.

What about the 80,000 persons who are separated or divorced? I remember the celebrations on Remembrance Day. We mentioned veterans, widows and widowers. I think that persons older than I would remember the many broken marriages at that time because of people having to live far apart.

● (1825)

They are mothers who kept going despite the husband being away for whatever reason, Mothers who all by themselves raised five or ten children, who sacrificed everything when times were really tough, not in the easier years we ourselves have known. And, today, the Government is telling them: Because you are separated, unfortunately you are not entitled to the spouse's allowance. It is only for widows and widowers. When I am told we are looking at this in terms of money, it seems to me we all have been elected here not only for the purpose of writing a budget. We were elected with our hearts and our souls, with the knowledge we have. I am convinced that if there was a free vote on that matter, Mr. Speaker, there is not one. Member who would vote against extending the spouse's allowance to all persons living alone, whether single, separated or divorced.

Mr. Speaker, it is unthinkable that those 80,000 persons will be turned down come September. They are to be found in each and every constituency. I believe that I have been trying to call the Government's attention on that since before the Christmas holidays. I have been calm, I have been violent, I have been tough to try and make this Government understand. I may have upset a few people and I am sorry about that but I am quite sincere when I say that when someone is in dire straits, when someone is not treated fairly, I think it is our duty as Members to raise the issue and get someone's attention.

I do not want to score political points, but look at all the waste; they say there is no money, they want to reduce the deficit, but they have to live up to our NATO commitments and so they will send a thousand more soldiers to Lahr, at a cost of $100 million a year. I wish the Prime Minister had been more humane, that the Minister of National Health and Welfare (Mr. Epp) had also been more humane. The former Minister of National Health and Welfare, Miss Bégin, would never have done anything like that. It seems to me they should have said: Let us respect our commitments towards Canadians first and then, after three or four years, we will respect our NATO commitments. To my mind, Mr. Speaker, the first thing to do would have been to meet the needs of senior citizens. I will not even comment on the penalties imposed in the recent Budget.

But I keep hoping and I have confidence in the Parliamentary Secretary. I am seriously considering the possibility of urging the Prime Minister to ask for the resignation of the Minister of National Health and Welfare and to put the Parliamentary Secretary in his place. I hope she will answer me from the bottom of her heart, as she did before, rather than read from a paper written by departmental officials.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Tonight I am not going to use the notes provided by the Department, Mr. Speaker, because answering the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is too easy.

He wants to champion the cause of the poorest of the poor within our society, something for which I congratulate him. This does not mean, however, that we on this side remain insensitive to the needs of these people. As you said a while

ago, we have hearts and souls just like everybody else, and as part of our party's last year election platform, we had promised spouse's allowances to widows and widowers between 60 and 64 years of age. Surely we would like to do more and say that widows and widowers will be eligible at age 59. It might be discriminatory against people 59 years of age to draw the line at age 60. But we must take into account our ability to pay; suffice it to say that we should like to do more and that we will do more as soon as we can. For the time being, only widows and widowers will start receiving in September these spouse's allowances.

If we were to share the views of the Hon. Member for Montreal-Sainte-Marie who feels that we are not concerned about the needs of all the needy people... Besides these widows and widowers, there is a whole lot of people within our society, I mean, all those women who may or may not have worked outside their homes and who, being 40, 45 or 50 years of age, are tired and who would be delighted to get benefits from the government under some program or other. There are other categories of people who are improverished and underprivileged. We think about them and we are trying to put programs together to help them survive. The hon. member has raised this issue many, many times, which is understandable, but all we can say is that we will do what he is asking for when we can.

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

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, May 29, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

MINES

REQUEST FOR REAL POLICY CONCERNING ASBESTOS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, the Minister of Energy, Mines and Resources (Miss Carney) announced recently that the Sherbrooke-Asbestos gas pipeline project was shelved. This unilateral decision is an insult to the Quebec Government which was not party to this decision-making process. The decision will have a dramatic impact: first, although it is planning to invest $1.2 billion, Domtar will not be supplied with natural gas and, second, J.M. Asbestos Company has just announced 225 lay-offs.

In either case, Mr. Speaker, the Government is not doing anything at all. It is not doing anything with respect to the gas pipeline which would make Domtar's project more viable and pave the way for real economic diversification in the two single-industry towns of my riding.

As to asbestos, the Government's performance is pitiful and will have a dramatic impact on the major city of my riding, Asbestos. The people of Asbestos quite properly expect the Government to implement a dynamic abestos policy to boost sales and on-site processing.

Shameful though it may be, the Government processes only 5 per cent of the production and simply exports the other 95 per cent. Processing would be just the way to create jobs.

* * *

[*English*]

ENERGY

GASOLINE PRICES—BUDGET IMPACT

Mr. Rod Murphy (Churchill): Mr. Speaker, there is much in the Budget of the Minister of Finance (Mr. Wilson) which concerns Canadians. The betrayal of the Conservative promise of full indexation for the old age pension was the cruellest cut of all. However, I would like to talk about another broken promise.

On page 97 of the Conservative campaign handbook, the Conservatives promised:

> The tax system must be adjusted to help lower the price of consumer oil and gas products.

Was that promise kept? No, it was not. Instead, ordinary Canadians will see yet another hike in the cost of gasoline, not to reduce the deficit as some may claim, but to give more to the oil companies of the land.

Canadians in rural and northern areas are doubly hit. First, they already have to pay higher prices. Second, they have longer distances to travel. That is not all. In addition, because the cost of gasoline is going up, it will mean that each and every product which is transported into rural and northern areas will go up as well.

It is upsetting to many Canadians that the Government does not keep its promises. But it is doubly upsetting to realize that it has absolutely no concern for those people who live in the hinterland of the country.

* * *

[*Translation*]

THE BUDGET

IMPACT ON THE AGED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I should like to stir the conscience of Hon. Members by reminding them of what the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) expect them to do about the elderly.

The Minister of Finance and the Prime Minister have been urging us to tell the elderly that they ought to tighten their belts to reduce the deficit. When we talk about the elderly, we are referring to my father and mother, your father and mother who were brought up in difficult times. My parents were married during the Depression, they lived through hard times yet paid to send me to school because education was not free in those days, they made a lot of sacrifices to pay for medical care because there was no such thing as health insurance then. Today's generation of Wilsons and Mulroneys benefit from the self-sacrificing achievements of elderly Canadians who are once again expected to do more than their share so that the Wilson and Mulroney children will not have to pay the debt later on.

Mr. Speaker, I should think that all members of the House share my feelings: under no circumstances will I ever ask my parents for more sacrifices. I would rather sacrifice the Wilson

and Mulroney generation and well-to-do people to reduce the deficit and save our children as well as our parents.

* * *

[*English*]

INTERNATIONAL YOUTH YEAR

COMPOSITION OF ADVISORY COMMITTEE

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the United Nations has designated 1985 as International Youth Year, in which the three themes of participation, development, and peace are to be given emphasis.

The United Nations' document elaborating on these themes states that "participation implies that a person is aware of his or her opportunity, has access to the means necessary for taking advantage of it, and feels satisfied that his or her contribution has been recognized". That condition will not be met in Canada if a person is a disabled youth, an Acadian, an East Indian, or a black. Those persons will not be represented on the Youth Advisory Committee for International Youth Year which was appointed by the Minister of State for Youth (Mrs. Champagne).

The Acadian community, in particular, has already expressed its concern to the Government. Participation is also compromised by exploitation for political purposes, such as has been alleged by some to have occurred in Jamaica when there was an attempt to co-opt Canadian support for highly partisan, right wing resolutions which were promoted by the United States, or when background material and agendas were not provided in a timely fashion in preparation for meetings.

New Democrats believe that participation is of fundamental importance to all components of our youthful society. What the membership of the advisory committee might be is of tremendous and symbolic significance—

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

* * *

AGRICULTURE

UNITED STATES DUTY ON CANADIAN HOGS

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, I would like to draw to the attention of the House an important delegation which is in Ottawa this week. Hog producers are here from all provinces in Canada to call on their elected representatives and to inform them of the serious dilemma which faces the hog industry today. If the current United States countervailing duty on hogs continues, Canadian hog production could drop by 25 per cent to 30 per cent. That would mean a loss in production of from three million to five million head, and some $300 million to $500 million to Canadian hog producers. With the five-to-one spinoff recognized in hog production today, Canada's economy could lose $2.5 billion.

We have 50,000 hog producers in the country. About 30,000 live hogs and seven million pounds of pork are exported to the United States each week. The countervailing duty is 3.8 cents per pound on live hogs, and 5.3 cents on pork. It is disastrous. Canadian hog prices have dropped over 15 per cent since the tariff was imposed.

We must act now so that this vital sector of our agricultural economy is not devastated beyond repair. All the provinces and all the hog boards must work collectively with the Government before the full effects of the tariff are felt.

The hog producers are not looking for handouts. They have not come begging. All they want is a fair deal. All they want is access to fair trade.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

THE BUDGET—SOLIDARITY FUND FOR QUEBEC WORKERS

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, as the Member for Gaspé, I would like to draw the attention of the House and the people of Canada to a particularly interesting proposal in the Budget brought down on May 23 of this year by the Hon. Minister of Finance (Mr. Wilson).

The proposal concerns the Solidarity Fund set up by the Quebec Federation of Labour in 1984, to maintain existing jobs and create new employment in Quebec. It is a venture capital fund and invests in small and medium-sized businesses in Quebec. The Government of the Province of Quebec provides tax credits to individuals who invest in this fund.

The Progressive Conservative Government, unlike the previous Government, believes that this kind of initiative deserves support, not only in Quebec but across Canada.

Consequently, the Government of Canada will provide a tax credit for individual investors in the Solidarity Fund in Quebec or in similar funds in other provinces that are based on the Quebec model.

Mr. Speaker, this measure shows once again the conviction of our Government that investment is necessary to create jobs.

* * *

● (1410)

[*English*]

SOCIAL SECURITY

BENEFICIAL BUDGET PROVISIONS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, since the Government took office Canada's Old Age Security Program has been one of the best in the world. In spite of a

projected deficit of $32.8 billion in the forthcoming year, senior citizens will still be better off in Canada than anywhere else. Full universality of old age security pensions will be guaranteed. No current pension income will be reduced to fight inflation or to cut the deficit. Full indexation of guaranteed income supplements for the most needy will be maintained.

Cost of living supplements will be paid to all pensioners when the Consumer Price Index rises above 3 per cent. Indexation of spousal and veterans pensions will continue. Larger contributions to RRSPs will be permitted tax free. Plan holders will be allowed to purchase shares in Canadian-owned corporations. Best of all, inflation will be checked by responsible fiscal policies. Canada will still have a better Old Age Security Program than anywhere else in the world.

* * *

[*Translation*]

THE BUDGET

SALE OF CROWN CORPORATIONS

Mr. Gilles Bernier (Beauce): Mr. Speaker, I would like to take this opportunity to recall the new approach taken by the Government with respect to Crown corporations, as set forth in the Budget brought down last Thursday by the Minister of Finance (Mr. Wilson).

I was glad to hear that Crown corporations with a commercial value but no ongoing public policy purpose will be sold. In this connection, the Government intends to divest itself very shortly of Teleglobe Canada and Canadian Arsenals Limited, as well as its interest in the Canada Development Corporation. Crown corporations with no commercial value and no effective public policy purpose will be dissolved or absorbed within existing departments. Thirteen corporations have already been identified.

Mr. Speaker, Government operations must be leaner. It is not enough to be well-intentioned. A vigorous effort is needed to streamline and enhance the efficiency of our public administration. For 20 years, Crown corporations have been allowed to proliferate. Twenty years of white elephants!

Spending public money to make their dreams of centralization come true, that was the goal of the Liberal Government. We were elected to clean up the mess, and that is what we are going to do.

* * *

THE BUDGET

IMPACT ON REMOTE REGIONS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the people of New Brunswick were appalled to hear that the Progressive Conservative Government has decided to ignore their needs in its Budget.

It is indeed discouraging when we realize that the Government has decided to stop encouraging our regional small- and medium-size businesses by cutting federal grants by $100 million this year and $150 million next year.

It is discouraging when we hear that the transportation sector will lose $75 million this year, and we all know how vital this sector is to the Atlantic Provinces. It is also discouraging to realize that the price of gas has gone up again, especially since in the Maritimes, the price of gas is already very high. It is very discouraging to hear that transfer payments to the provinces will be limited from now on.

It is discouraging to be hit with a host of tax increases that will reduce the disposal income of consumers and result in more employment. It is discouraging to hear that Old Age Security pensions and family allowances will no longer be indexed to the consumer price index.

Finally, it is really discouraging when we realize that middle- and low-income Canadians in remote areas stand to suffer most as a result of the draconian policies the Progressive Conservative Government has decided to inflict on Canadians.

* * *

[*English*]

EXTERNAL AFFAIRS

LEBANON—ASSAULTS ON PALESTINIAN REFUGEE CAMPS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, the three Palestinian refugee camps of Sabra, Shatila, and Bourj al-Barajneh have come under armed assault by the Shiite Amal militia and the Lebanese Army Brigades. Another Palestinian refugee camp has been encircled by the Amal militia.

During the attack the Gaza Hospital was partially destroyed, and 95 wounded Palestinians were murdered in their hospital beds. Some 450 Palestinians refugees were killed, and over 2,000 were wounded in the fighting. Another 2,000 Palestinians have been kidnapped. No distinction is being made between men, women, and children.

The Palestinian refugee camps have come under continuous and merciless shelling. No supplies have been allowed in, nor have the wounded been evacuated. The Red Cross has been denied permission to administer humanitarian assistance. Victims are being allowed to die when they could have lived.

I urge the Government of Canada, as a conscientious and humanitarian body, to call upon the Governments involved to halt the horror. I also call upon the Government of Canada to make immediate representations urging provision be made to allow the admittance of medical and food supplies into the camps, to permit the evacuation of the wounded and burial for the dead, to provide safety for those in medical centres who are

presently injured, and to arrange the safe return of the abducted Palestinians. We cannot turn away from this cruelty.

* * *

• (1415)

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions among the Parties and, today being a unique and special Canadian day when Steve Fonyo reaches the end of his important journey across Canada, we have agreed that the Prime Minister (Mr. Mulroney), the Right Hon. Leader of the Opposition (Mr. Turner), and the Leader of the NDP will each have an opportunity to address this important occasion. Therefore, Question Period will be extended for the period of time used up on this occasion.

Mr. Speaker: Is that understood and agreed?

Some Hon. Members: Agreed.

* * *

STEVE FONYO

TRIBUTES TO ONE-LEGGED RUNNER ON COMPLETION OF "JOURNEY FOR LIVES"

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker and Members of the House of all Parties, today, together with all Canadians, I take pride in saluting Steve Fonyo, our courageous young countryman, who has completed his epic run across this vast land. After many months and countless miles he has reached his destination, he has realized his dream.

Steve Fonyo, despite his crippling disability, has accomplished this remarkable feat because he is a man of genuine courage, driven by a desire to help others who are or might become victims of the disease that he faces with such fortitude. His first step on his journey for lives was a giant step for all of us. Through his valiant efforts he has made a significant contribution to the cause of cancer research and the eventual conquest of a grievous malady. On behalf of all Members of the House of Commons and all Canadians, I salute him warmly today.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: Alone and vulnerable, overcoming his handicap with each step, Steve Fonyo has blazed a trail of courage across the breadth of this continent.

In so doing, he has made each of us part of an event which, in addition to its unique individual achievement, has acquired meaning for us all.

His unspoken but eloquent message is that there are other answers to human vicissitudes besides despair; other ways to combat evil besides violence; and other solutions to injustice.

Steve Fonyo is among those who believe that individuals find their ultimate dignity in throwing off the chains imposed by day-to-day existence.

[*English*]

Steve Fonyo has made his painful progress from St. John's to Victoria. He has given us a shining example of the true strength of the human spirit. He demonstrated anew the power of courage, the capacity of a man of inflexible resolve and indomitable will to struggle, to endure, and so to achieve his cherished goal. Steve Fonyo's personal triumph is a matter of national pride.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We stand in admiration of his extraordinary achievement. We are all the richer because of the legacy of hope and inspiration that he has given all of us. Where there is a generous heart and gallant spirit great things can be achieved. This, I think, is the lesson we have learned from Steve Fonyo, the long-distance runner.

[*Translation*]

On behalf of all Canadians, I want to offer my congratulations and best wishes, not only to Steve Fonyo but also to his family, to his truly remarkable parents, and on behalf of all Members of the House of Commons, I again wish to extend our sincere congratulations today.

[*English*]

Let me assure you, Steve, that all Canadians rejoice with you and with your family today. Yours is a unique achievement, a splendid accomplishment. You are a Canadian of historic stature, worthy of our utmost esteem. On behalf of the Government and the people of Canada and on behalf of my colleagues of all Parties of the House of Commons I offer heartfelt sentiments of gratitude and pride, and I express our most fervent hopes for your personal health and happiness.

Some Hon. Members: Hear, hear!

• (1420)

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to join the Prime Minister (Mr. Mulroney) and second what he has so ably said. On behalf of fellow Members in the House, I pay tribute to one of Canada's outstanding young men. Steve Fonyo said to his fellow citizens in B.C. Place, "I am not a hero. I am just a 19 year old guy who got cancer". Steve, there are not very many 19 year old guys who run across Canada on one good leg to raise money for cancer.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): On Monday we watched as he ran into Vancouver's B.C. Place. We watched as he was greeted by his fellow British Columbians. We have watched as

he ran through Rogers Pass in the Rocky Mountains. We have watched him run across the cold Prairies during a very tough winter. We watched as Mary Beth Dolan greeted him in Winnipeg. We watched as he ran through ice and rain in Atlantic Canada and Quebec. Canadians have been watching Steve Fonyo, praying for him, and thanking him ever since he dipped his leg into the cold Atlantic Ocean more than a year ago.

[*Translation*]

Mr. Speaker, I have twice had the honour of thanking Steve Fonyo personally: the first time when he visited the National Capital last August, and the second time in Kelowna, British Columbia, not long ago.

Today, Canadians want to express, to him and his family, their admiration for his determination, courage and perseverance.

Canada is a big country, and its climate can be cold and rigorous. But it also has a wealth of beauty and warmth. Steve Fonyo, by doing what he did, has demonstrated all the generosity, sincerity and courage of which Canadian men and women are capable.

[*English*]

Today, as Steve Fonyo stands at kilometre zero of the Trans-Canada Highway and pours that vial of water from the Atlantic Ocean into the Pacific Ocean, we would all like to share with him and his family the enormous pride that he must feel having completed such an epic journey.

In his "Journey for Lives" he has created a hope for thousands across Canada who suffer with cancer, hoping that some day there will be a cure. Steve Fonyo said:

> I have run in the cold and I have run on ice. I have run in the rain. I have run in the sunshine. But mostly, I have run on hope.

Steve, on behalf of my own proud constituents in Vancouver Quadra, on behalf of all our colleagues in the House of Commons, and on behalf of all your fellow Canadians, I say that you have given people hope, hope for a cure for cancer, hope in themselves, hope for the young and old who suffer, hope for a country. Thank you once again, Steve. Congratulations.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am pleased to join with the Prime Minister (Mr. Mulroney), the Leader of the Opposition (Mr. Turner), and all other Members of the House to mark a courageous young man's completion of a monumental 8,000 kilometre voyage, Steve Fonyo's "Journey for Lives". We are paying tribute this afternoon to a very special young man. Although Steven himself may say, as he did, "So big deal", we know differently. We know that Steve's determination to fight cancer has affected Canadians profoundly. He has won a place in our hearts and in the collective imagination of all Canadians.

[*Translation*]

The brave struggle, five years ago, of another young man, Terry Fox, to help find a cure for cancer, inspired Steve Fonyo to do something that would bring hope to other young men and women afflicted with this terrible disease. Steve Fonyo decided that he could and would take up the challenge.

[*English*]

In Steve's own words, "I just want to say that I hope because of this run there is going to be a cure for cancer. I don't want any kid—I don't want anybody—to go through what I did."

• (1425)

Steve's dedication to this cause was tested over the last 14 months as Canadians all across our land have seen. Like the classic hero of antiquity, he set out on a journey, was confronted by nature and the foibles of personality, but he did not falter or fail. He overcame. Indeed, he triumphed.

Steve's arrival at his destination today, mile zero on the Trans-Canada Highway, while a personal triumph for Steve is an inspiration for all Canadians. His journey has revealed what the indomitable human spirit can actually achieve.

Steve refused to quit. He refused to quit because he did not want to let down the children struggling with cancer, to put it as bluntly and frankly as that. He wanted to show them that fighting can make a difference.

Despite almost constant pain and a gruelling 25 kilometre a day schedule, Steve persevered. With stubborn determination he became our coast-to-coast hero, weaving a common thread of optimism across our country.

[*Translation*]

His run across the country will remain a symbol of endurance for all Canadian men and women. His initiative has fired the dedication of thousands of volunteers of the Canadian Cancer Society who yearly go from door to door to canvass for donations. During his trip, donations to the Canadian Cancer Society increased 25 per cent. The money is to be given to the Lung Research Association in Kelowna and will also be spent on research, education and various services for cancer patients across the country.

[*English*]

Steve Fonyo can indeed go his own way today in the full knowledge that he has made an outstanding contribution. We all wish him well in realizing his wish at this point for plenty of sleep and a chance to learn to fly a helicopter.

I would like to say to Steve, having shown us all what it means for the human spirit to fly, he should be able to master a helicopter on one clear day.

Some Hon. Members: Hear, hear!

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE OF THE UNITED KINGDOM

Mr. Speaker: Before proceeding to Oral Question Period may I indicate to the House the presence in our gallery today of the Right Hon. Baroness Young, Minister of State, Foreign and Commonwealth Office of the United Kingdom.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

SENIOR CITIZENS—BUDGET IMPACT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Prime Minister. Pursuant to the Budget tabled by the Minister of Finance we note that the purchasing power of senior citizens at the poverty line, who are those receiving the guaranteed income supplement, will be reduced by an average of $58.08 a month by the year 1990. Would the Prime Minister tell the House whether he realized at the time the Budget was being prepared, or when it was delivered, that it would have this devastating effect on the purchasing power of our elderly poor?

● (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on June 30, 1982, there was a statement made in the House that I think responds to the Hon. Member's question. It reads:

> The essential attack on the federal deficit and on provincial deficits can only come when people contribute more out of their incomes to reducing them. We have built in this country one of the best welfare systems in the world, one of which we can all be proud. But we must also pay the bill for that system. That is what I meant when I said that the real incomes of the employed in this country must be reduced so that the capital, which would otherwise go into consumption—

—would go into paying for those resources. That was the statement by the Member for St. Henri-Westmount.

Ms. Copps: They are on pensions.

Mr. Mulroney: In point of fact we were extremely conscious of the impact of the Budget on all Canadians according to different income levels, which is why it is most demanding and most tough on those in high income levels and it has the smallest possible impact on those down the income scale. I think that is consistent with the principle of fairness with which all Canadians agree.

Ms. Copps: Tell the truth.

Mr. Johnston: Mr. Speaker, I do not think the Prime Minister really answered the question. I am trying to get at some facts that may have escaped the attention of the Government, the Minister of Finance, or the Prime Minister, when the Budget was tabled.

GOVERNMENT POLICY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have a supplementary question. We have done the calculations. The issue really is this. Was it the intention of the Budget to have the people at the poverty line, the elderly poor, contribute $58.08 a month out of their incomes to reduce the deficit? That is the question. Perhaps the Minister of Finance could respond to that.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think we have responded to this question on a number of occasions in the past in the House.

Mr. Foster: He has talked, but he does not answer.

Mr. Wilson (Etobicoke Centre): We have said it is important to maintain the viability of the finances of the federal Government in order that we can maintain the wide range of social programs that we have and that we all feel are very important to the fibre of our society. We have taken these considerations very much into account when we designed the Budget. That is why we kept in place this very, very potent form of insurance against the effects of inflation for those people who are on old age security so they will continue to be—

Mr. Speaker: Order, please. The question was short. The answer can be short, too.

Mr. Johnston: All my questions are short, Mr. Speaker.

Some Hon. Members: Oh, oh!

REQUEST FOR INTRODUCTION OF LEGISLATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have another question for the Minister of finance. Seriously. If we are able to satisfy the Minister of Finance and the Government that this is the impact, $58.08 out of the pockets of the elderly who are at the poverty line, and if we can satisfy everyone in this House on that score, will the minister of Finance bring in remedial legislation or proposals before the end of June to correct what is obviously an inequitable and unjust situation?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Budget is generally regarded as being fair to all Canadians.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Where has he been?

Mr. Wilson (Etobicoke Centre): We have maintained the full indexation of the guaranteed income supplement in place, and the payments to veterans and the child tax credit will be increasing in excess of inflation over the next three years. We have committed to put in place a minimum tax for the next taxation year. There is a wide range of matters here which direct themselves to the question of fairness, and I believe Canadians support that.

* * *

[*Translation*]

SOCIAL WELFARE

ALLEGED DECLARATION BY PARLIAMENTARY SECRETARY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister. Yesterday we proved that you did not honour your solemn commitment towards elderly Canadians.

Here is what the Parliamentary Secretary to the Minister of National Health and Welfare said, as reported today in the newspaper *La Presse:*

—the Mulroney Government does not have to keep last summers's election campaign promise to index old age security pensions.

Here is my question to the Prime Minister. Does the statement made by the Parliamentary Secretary to the Minister of National Health and Welfare represent the position of the Prime Minister and the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the position . . . The Hon. Member is not in the House today.

Mr. Rossi: They hid her!

Mr. Mulroney: On the contrary! The Hon. Member for Bourassa said that we hid her. She is one of Quebec's most distinguished women, one of our outstanding Quebecers and we want her to be constantly in the limelight. The name Bertrand commands pride. She did not say she was speaking on behalf of the Government. The Minister of Finance and the Minister of National Health and Welfare have been the Government's spokesmen, and I should think that was obvious enough.

FULL INDEXATION OF OLD AGE PENSIONS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, just to make sure that the Right Hon. the Prime Minister is as good as his word, would he now agree to ask the Minister of Finance to reinstate full old age security pension indexation, as promised in Sherbrooke on July 26, particularly in the case of elderly people living under the threshold of poverty who will lose $54 a month as a result of the Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the record of this Government since we have been in office has been a good one.

Mr. Chrétien: It is a broken record with broken promises.

Mr. Rodriguez: Soak the poor.

Mr. Wilson (Etobicoke Centre): We have broadened the spousal allowance to 85,000 other new low-income Canadians who previously had not been receiving the benefits that they now receive, and I believe that is a good step forward.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): If the Hon. Member wishes to look carefully at the budget documents he will see that, if in the future the circumstances and the resources permit, we will review the situation.

* * *

PENSIONS

ELECTION CAMPAIGN STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we have been continuing to get what can only euphemistically be described as baloney type answers from the Minister of Finance in justification for the Government's removal of indexation from pensions.

I want to ask the Prime Minister a question on the same subject. He promised Canadians on July 26 last that if a Conservative Government were elected there would be full indexation restored to all pensions on January 1, 1985. Yesterday the Parliamentary Secretary to the Minister of Health and Welfare, of all people, said that the Conservatives were not obligated to keep their promises. Is that the real explanation why the Prime Minister has broken his promise to Canada's pensioners?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have—

Mr. Nunziata: No integrity at all, Mulroney.

Mr. Mulroney: There is somebody who knows a little bit about integrity.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Yes, he does.

Mr. Mulroney: It is written all over his forehead.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Since we have come into office, notwithstanding the fact that the budget deficit was greatly in excess of the deficit projected in the February papers, we have taken a number of measures designed to benefit those in need both in November, and again in December, with regard to veterans, the elderly, and others. We will continue to do so.

I will acknowledge that unfortunately, given the incredible mess that we were left, we cannot do it all over night, but we are working on a program which will allow us at all times to provide more to those in our society who need help.

REQUEST FOR RECONSIDERATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the reality remains that the Prime Minister has categorically broken a very specific promise he made to the pensioners of Canada, who are among the most vulnerable people in our society.

Some Hon. Members: Hear, hear!

• (1440)

Mr. Broadbent: When his Party was in opposition it took out full-page ads across the country and spent some $30,000 to criticize what was then alleged to be the Liberal Government's intention to remove indexation of pensions, correctly pointing out how harmful that would be to Canada's elderly citizens, and urging Canadians to send a message to the Government to stop it from doing so. Since Canadians were urged to send a message to the Government of the day to get it to reconsider, will the Prime Minister now make a commitment to Canadian pensioners that, if they get a message to him that they want indexation restored to their pensions, his Government will reconsider?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member does a disservice to the House when he compares the 1981 period with the position of the economy today. It is quite clear, and this is my recollection, that at that time the inflation rate was 11 per cent or 12 per cent. That was entirely different from today, when we are looking at an inflation rate of 4 per cent. At that time there would have been a major impact on Canadians had there been a removal of indexation, as was speculated at that time. However, at this point there is a very potent form of insurance for Canadians receiving any form of indexation program, because they will be protected from any inflation rate over 3 per cent.

REQUEST THAT PENSIONERS BE CONSULTED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the only guarantee in the Budget for pensioners is that within five years they will lose $600 from their pensions, and that within 15 years they will lose $1,500 from their pensions. That is the guarantee they are getting from the Conservatives.

Considering that the Minister's Government has made so much about consultation, even though it left out anything it heard from pensioners, will he now consult pensioners about the effects of the Budget and, if they tell him that they want their full pensions restored, will he have the honesty, in terms of previous commitments, to live up to that request?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we can see in the House today that there are many Conservatives Members who have been consulting over the past few days. The response to the Budget has been a positive one. Our senior citizens are saying: "Yes, we know there will be some"—

Mr. Fulton: Name one senior citizen who supports it.

Mr. Wilson (Etobicoke Centre): If the Hon. Member would allow me to finish the question, I would do so.

An Hon. Member: George Hees.

Mr. Wilson (Etobicoke Centre): Senior citizens are saying: "Yes, there will be a small sacrifice which we, as all Canadians, are being asked to accept, but we want to do so because we are worried about our grandchildren, because we are worried about that fast accumulating debt which is such a burden on the country". Those are the reasons why senior citizens are saying: "You are on the right track".

* * *

THE ADMINISTRATION

SOLICITOR GENERAL'S CONDUCT—REQUEST FOR REPLACEMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. When the Prime Minister smeared me yesterday with a patently false accusation, which he has subsequently withdrawn, he was trying to protect a Solicitor General with a perverse sense of how he should use his powers. I want to return to that and to ask the Prime Minister how he can keep in Cabinet a Solicitor General who gratuitously intervened, taking sides in a proceeding before a federal commission, to protect a friend. Does the Prime Minister not realize that that sends an intimidating signal to complainants before the federal tribunals and commissions? Is it not a ground for replacing the Solicitor General with someone who has respect for the office?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have learned that in the heat of debate in the House from time to time statements are made which inadvertently reflect unfairly on other Members. That was the case with part of my statement yesterday *vis-à-vis* the Hon. Member. I wrote to him earlier today to withdraw that statement, and I do so with good grace, and with an apology to him.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I read the transcript of the statement made by the Solicitor General. It is my reading of it, and my understanding, that he expressed to the media at that particular moment regret that his remarks had been so construed. He

indicated that, if that were the case, that that part of his remarks he wished he had not so conveyed. In light of that, and given the outstanding record of probity of the Solicitor General for so many years, I am satisfied that he will continue to conduct himself with great honour.

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ROYAL CANADIAN MOUNTED POLICE

STATEMENT ATTRIBUTED TO SOLICITOR GENERAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, I will seek to raise a question of privilege in connection with the letter, which is not an apology and which is not satisfactory as far as I am concerned. However, I want to ask the Prime Minister a supplementary question. With *The Gazette* of Montreal now added to the list of dailies demanding the resignation of the Solicitor General, will the Prime Minister look at the latest gaffe the Solicitor General made in the Justice Committee yesterday, where the Solicitor General refused to do anything to assist the Commissioner of the RCMP to defend the reputation of the force in the Province of New Brunswick, where the Government of that Province, even after Commissioner Simmonds' investigation and report, still indicates that it harbours suspicions against the force? Will the Prime Minister at least read that transcript and what the Solicitor General had to say about his responsibilities?

Right Hon. Brian Mulroney (Prime Minister): I am sorry to learn, Mr. Speaker, that my hon. friend is disinclined to accept an apology offered on the floor of the House of Commons. Having said that, may I tell him that, while I will read the transcript to which he referred, I had an occasion in Regina at the First Ministers' Conference when this matter arose to set out the view of the Government of Canada, which is that we view the Royal Canadian Mounted Police as an outstanding national police force that we hold in the highest respect, and will defend at all times, in all circumstances.

* * *

PENSIONS

PROGRESSIVE CONSERVATIVE PARTY'S 1980 ADVERTISEMENT

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. There is absolutely no question that, under the Government's proposal to deindex pensions, pensioners will be getting a double whammy—lower pensions and higher taxes—from the Budget.

When the Conservatives were in opposition they ran an ad across the country opposing what the Liberals intended to do on deindexation. Does the Prime Minister agree with the following statements which they made then—"the less your income, the harder you get hit", "deindexing would mean a massive tax increase for all Canadians", and "the one group which would get hit hardest are pensioners"? Does the Government still agree with those statements which were made across the country in 1980?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I remind the Hon. Member that at that time—and he was in the House, as I was—there was considerable speculation that indexation would be fully removed. Instead of having a minor impact on indexation, as is the case with our proposal, there was to be a drop in the indexation rate from around 11 per cent or 12 per cent to zero. We opposed that, and we still oppose that. This is why we have put in a modified form of indexation which provides for full indexation of the impact of inflation over the level of 3 per cent.

GOVERNMENT POSITION

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Since Conservatives raised Canadians' expectations by promising to index pensions fully, as well as all those other promises which they made, why does the Government now feel quite justified and quite clean in saying to Canadians that it cannot keep the promises to seniors but it can keep the promises to the oil companies, and make seniors pay for them?

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am going to repeat myself. I have talked to many of my colleagues here, and I have talked to many senior citizens. The one thing that seniors tell me very, very clearly, is that they are very worried when they see the debt of the country growing three times faster than the rate of the increase in the economy of the country. They are also concerned, about the huge debt, which at today's level is $6,000, and will go to $12,000 per person that will be left for their children and grandchildren to pay. That is something we are trying to turn around, and I would expect that there would be some degree of support for—

Mr. Speaker: Order. That is becoming a speech.

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ENERGY

CLOSURE OF CAPE BRETON HEAVY WATER PLANTS—CREATION OF EMPLOYMENT

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The Prime Minister will know that a member of his caucus is on record as saying that the closure of two heavy water plants in Nova Scotia will be devastating to the local economies. That Member has also gone on to say that it is now the complete responsibility of the Government of Canada to resolve the high unemployment rate in that area. I would ask the Prime Minister respectfully if he agrees with those statements. If so, when can we expect some real, concrete, positive

statements and actions to be taken to put people back to work in those communities?

Right Hon. Brian Mulroney (Prime Minister): Indeed, Mr. Speaker, there is an onus on the Government to make sure, to begin with the employees affected, that if there is an error made that we err always on the side of fairness and generosity to the employees. I accept, as well, that there is an obligation on the Government of Canada to ensure that the tax measures proposed result in the attraction of durable jobs for the people of Cape Breton.

Cape Bretoners have had a difficult time, and eastern Nova Scotia has not had an easy time for as long as I can remember. It has never been easy. There is a special kind of problem there that has been recognized by Members on all sides of the House. I accept that we have a special obligation to do everything humanly possible to bring durable jobs to Cape Breton.

REQUEST FOR GOVERNMENT ACTION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. I wish to inform him of what the Minister of Energy, Mines and Resources informed the union when she said on March 4:

> No action will be taken on the future of AECL's heavy water operations in Cape Breton without a full and thorough review of the impact of a proposed decision.

There has been no consultation with the unions affected. I would ask the Prime Minister to order the Minister of Energy, Mines and Resources and the Minister of Regional Industrial Expansion to live up to their commitments to the people of Nova Scotia, and to the workers, by creating jobs now, not in 50 years' time. Will the Prime Minister live up to that commitment?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member I would like to assure him that there will be jobs for those in Cape Breton. As far as I am concerned, the number of jobs to which the Hon. Member referred is certainly attainable before there are any reductions with respect to the heavy water plants, as far as employment in those plants is concerned.

* * *

THE BUDGET

EFFECT ON OIL COMPANIES AND PENSIONERS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Prime Minister. In 1980 the Conservative Party promised tax breaks to the oil companies and, sure enough, in the Budget paper that was not published, it is indicated that in 1990 $2.4 billion will be forgone to the oil companies, in one tax alone, the PGRT. In 1980 the Conservative Party proposed that it would not do anything with deindexation for pensioners, but in the Budget it eliminated that—

Mr. Speaker: Order, please. The preamble is becoming longer than the question.

Mr. Waddell: Mr. Speaker, why is there a double standard? Why is it fair to give the oil companies $2.4 billion while taking the money away from the pensioners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what the Hon. Member misses is the range of measures that are taken in this Budget to do two things. One is to create jobs by identifying three particular areas in the economy which have the greatest impact on economic activity. The first is small business, the second is research and development, and the third is energy development. Those jobs will be created right across Canada. As I said before, jobs will be created in Vancouver-Kingsway as well as in Halifax. Those are the things we are trying to do. We are trying to get the unemployment rate down so that the children and grandchildren of those senior citizens will have jobs.

Mr. Waddell: Mr. Speaker, the Minister knows that he is taking money from the pensioners and giving it to the oil companies. Will he take this cheque from the pensioners of Canada to give to his friends—

Mr. Speaker: Orders.

Some Hon. Members: Order. Order.

Mr. Waddell: Will he give them $530 million? Will he take that right out of the pockets of the pensioners of Canada?

Some Hon. Members: Order. Throw him out.

Mr. Speaker: Order. The Hon. Member for Grand Falls-White Bay-Labrador.

STATEMENT ATTRIBUTED TO MINISTER OF JUSTICE

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, last week the Minister of Justice was sent to Newfoundland and Altantic Canada to sell the Budget, the most crippling economic blow ever dealt to the Altantic area. The Minister of Justice knew that because he said, as reported in the *Evening Telegram* of May 25, 1985:

> If it turns out that in any of the approaches taken in this budget there is any possibility of any damage to regionally deprived areas, then there will be changes made—

Does the Minister of Finance agree with that? Will he show some compassion? Will he live up to the commitment made by the Minister of Justice? If we can show him, as we can, that this will cripple the Atlantic area, will he make some changes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have always indicated in the past that I am a very flexible individual. We have had a Budget which I think has been well received across the country. I am listening to people. We are

going to continue the consultative process. Consultations did not stop on May 23. We will continue with them for future Budgets that the Government will be bringing down. Yes, we will be flexible, but we do believe that the new approach that we set out in a clear break from the past is the right approach, and we are going to give it a good chance to work.

REQUEST FOR CHANGES TO BUDGET

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, we cannot wait for future Budgets. This Budget will cripple the Atlantic area for the next four years. The *Evening Telegram* also reported the following about the Minister of Justice:

He admitted the private sector in the Atlantic area is weaker than other parts of the country and said there will have to be more government support—

The Minister of Finance has cut that government support. Will he change the Budget? Will he stop the cruel and devastating effect this is having on the Atlantic area?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker—

Mr. Ouellet: Order. The question is to the Minister of Finance. He cannot answer.

Mr. Crosbie: They are afraid.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister of Justice has the capacity to answer as the Hon. Minister of Justice on a justice matter.

Mr. Ouellet: It's not a justice matter.

Mr. Speaker: Order.

Mr. Ouellet: This is a budget matter.

Some Hon. Members: Oh, oh!

Mr. Speaker: For some reason I cannot hear. The microphones must be off.

Mr. Rompkey: Mr. Speaker, the question was directed to the Minister of Finance.

Mr. Speaker: Order, please.

Ms. Copps: It's a budget matter, not a justice matter.

Mr. Speaker: Order. I take it that the Hon. Minister of Justice is now trying to answer a question in his capacity as Acting Minister of Fisheries?

Mr. Crosbie: Yes.

Mr. Broadbent: No, it's a budget question.

Mr. Speaker: Order.

Mr. Crosbie: I am versatile, Mr. Speaker.

Mr. Speaker: I now recognize the Hon. Member for Laurier.

* * *

[*Translation*]

CONSUMER AND CORPORATE AFFAIRS

CLOSING OF PATENT OFFICE—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Since yesterday I have had several conversations with the President of the Canadian Patent Insitute who stated that closing the Patent Office would deprive Canada of a tool essential for Canadian industry as a whole as well as for innovation, economic growth and employment opportunities. As he told me, we will soon rank among the banana republics.

Can the Minister confirm that closing the Patent Office is indeed Government policy? Can he tell us whether a cost-profit analysis was made, and would he be prepared to table that study?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, indeed we are aware of the recommendations of the task force chaired by my colleague, Mr. Nielsen. We are interested in examining the conditions of Canada's ratification of the Patent Co-operation Treaty with a view to avoiding duplication of efforts by various countries when examining patents.

The task force considered and analyzed the advisability of Canada proceeding this way, and we endorse this measure.

* * *

• (1500)

PATENTS

REQUEST FOR DETAILS CONCERNING CLOSING OF PATENT OFFICE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my supplementary is directed to the same Minister.

Dismantling the Patent Office will mean a loss of 200 jobs in the Public Service. Can the Minister inform the House whether he has consulted with the unions and whether these employees will be dealt with on the basis of relocation? Will they benefit under the measures provided by the Public Service Commission ... Can the Minister inform the House today exactly when the Office is to be closed and why?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I repeat once again that the Government is anxious to provide the best possible service at the lowest possible cost. As far as the Hon. Member's questions

are concerned, I can inform him that I have had consultations with the President of the Treasury Board, and I can assure him that there are quite a few patent applications that must be examined before any employees can be laid off, and we must proceed with these applications before any final steps are taken.

* * *

TEXTILES AND CLOTHING

GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Finance.

After carefully reading through the Budget, I was unable to find any measures dealing with the textile and garment industry. Could the Minister inform the House what kind of policies he intends to introduce in this respect or could he give some indication of the progress that has been made in deciding on policies for this particular sector?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Budget gives a good deal of encouragement to the small business community, which involves many companies in the textile industry. The involvement there will give the industry access to more capital and a good deal of encouragement in expanding its activities.

In consultation with the Minister of Regional Industrial Expansion as well as with the Minister for International Trade, we have been discussing at length the directions in which we feel the textile industry should proceed. Announcements will be made with respect to those directions in due course.

* * *

NORTH AMERICAN AIR DEFENCE COMMAND

REPORTED REORGANIZATION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I should like to ask a question of the Minister of National Defence in the absence of the Secretary of State for External Affairs. Will the Minister confirm the reports we have received from the usual sources—those being the Pentagon and *The New York Times*—which state that the United States has finalized its plans to establish an integrated command centre at Colorado Springs which will include ballistic missile defences, that is, the SDI, as well as offensive nuclear forces? Can the Minister confirm this decision? Will be not agree that, unless we oppose it, Canada will be inexorably drawn into star wars through NORAD?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will confirm no such thing. I read the article to which the Hon. Member refers in *The Globe and Mail* this morning. That article purports to reproduce an article from *The New York Times*. Mr. Halloran, who, I believe, is the reporter who wrote the article, garbled totally fictitious events with some actual developments, which creates the very false impression of relevance to star wars, SDI, or whatever. However, in the process it is very misleading and gravely misquotes the facts, which I do not find unusual.

STATEMENT ATTRIBUTED TO EXTERNAL AFFAIRS MINISTER

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, it is clear the Minister has, once again, not been speaking to his colleague, the Secretary of State for External Affairs who, on March 12, 1985, in answer to a question from my colleague, the Hon. Member for Brant, said that arrangements have been in place for some long time for the development of the merging of missile air and space systems under NORAD. That is what the Secretary of State for External Affairs has stated. That is what the United States stated when the Minister—

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

Ms. Jewett: When will the Minister state what his colleague has already stated, namely, that there is to be a combined, integrated centre at Colorado Springs which will include ballistic missile defences?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, my colleague has said no such thing.

Ms. Jewett: Read Joe.

Mr. Nielsen: If there is any influence among the bedfellows over there, then I would urge the Leader of the New Democratic Party to intervene personally with the Leader of the Liberal Party—

Mr. Broadbent: That is what he is doing!

Mr. Nielsen: Perhaps, then, we can break this log-jam. We have been trying to get the subject of NORAD before the standing committee since April 3, but it is they who have been preventing it. Let us have some agreement to get the subject before committee.

* * *

[*Translation*]

THE BUDGET

JOB CREATION—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, last Monday, I was able to point out that in absolute dollars,

the middle class was going to be taxed 26 times as much as wealthy Canadians. A closer analysis of last Thursday's Budget indicates that as a result of tax increases and de-indexing of Old Age Security pensions, domestic demand will drop $3 billion in 1986-87, $5 billion in 1987-88, $7.3 billion in 1988-89, $9.5 billion in 1989-90 and $12 billion in 1990-91.

My question to the Minister of Finance is very simple. How does the Minister intend to create the jobs he promised Canadians by cutting the purchasing power of the middle class?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, on many occasions the Hon. Member opposite has commented on the danger of running up deficits and debts which are too high. I believe he has pointed out why we did not go farther in the deficit cutting exercise. We have maintained a balance. We have tried to have regard for the impact on Canadians and for the impact on the economy. For that reason we chose the direction which we have taken in the Budget.

However, if the Hon. Member suggests we should be cutting somewhere else, and not in the ways he has suggested, then I would appreciate him advising me. I do not think he would wish to have a higher deficit than that which I brought in last Thursday.

[*Translation*]

Mr. Garneau: Mr. Speaker, that is not the point. If we can afford to reduce the tax burden on the oil multinationals, why can't we afford to maintain the purchasing power of middle-class Canadian taxpayers?

* * *

FINANCE

ASSISTANCE TO MEDIUM AND SMALL ENTERPRISES—JOB CREATION—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a supplementary. I would also like to point out to the Minister of Finance that although he is very found of using the United States and the Prime Minister's buddy, Mr. Reagan, as a model, the U.S. economic recovery was the result of reducing taxes and increasing the deficit. My supplementary is as follows: Could the Minister inform the House how, if the purchasing power of Canadian families is cut by $1,000 a year, starting in 1988, there will be enough demand to help small- and medium-sized businesses create jobs and produce more, also considering that our industrial capacity is under-utilized?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am left to draw two conclusions from the Hon. Member's question. First, he would wish that I increase the deficit to something in the order of $38 billion or $40 billion. That is the direct conclusion which I draw.

The second conclusion is that, in an imaginative way, without drawing on the resources of the Government, we have opened access to vast amounts of capital for the small business community. As the Hon. Member and I are well aware, the small business community is the major generator of economic activity. It is the creator of jobs. That is the direction in which we have gone, and I think the people are supporting it.

* * *

CROWN CORPORATIONS

SALE OF CANADA DEVELOPMENT CORPORATION—EFFECT ON KIDD CREEK MINES LTD.

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. In the budget speech it was stated 13 Crown corporations will be sold, one of which is the Canada Development Corporation. The CDC owns 49 per cent of Kidd Creek Mines Ltd., the largest employer in my riding of Timmins-Chapleau. Will the Minister tell me what ramifications, if any, the sale of the CDC will have on Kidd Creek Mines, its employees, and the community of Timmins?

• (1510)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the possible sale of some 23 million government shares which was announced today will have no direct effect on the Kidd Creek Mines operation. I would remind the Hon. Member that there is no suggestion that the board will be changed, or that the management of CDC will be changed. As he probably knows, that mine had a much better experience in the current quarter than in earlier quarters. It actually was on a profit level and had a cashflow level of $18.3 million.

* * *

AGRICULTURE

REDUCTION OF SUBSIDIES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Finance. The Budget indicates that an annual reduction of $50 million will begin in 1985-86 and will continue to 1990-91. Can the Minister clarify the effect of the reduction? Will it be a one-shot affair which will end up as being a $300 million reduction in the money which will go to farmers over six years, or will it be a $1.05 billion reduction in the money which will go to farmers on a cumulative basis?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I presume the question related to the $50 million reduction in agriculture subsidies.

Mr. Hovdebo: Yes.

Mr. Wilson (Etobicoke Centre): In the Budget I said that those reductions would occur as $50 million a year in 1985-86 and in 1986-87. The Minister of Agriculture will be announcing the effects of the reductions in due course.

SIZE OF REDUCTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the $50 million reduction in the Budget is only a small part of the reduction which will affect farmers. Could the Minister indicate what the total extraction of money from farmers will be, with the $33 million recovery program, the reduction in insurance premiums, less funds for the farm credit program, higher freight rates, and the grain commission recovery? What will be the total extraction from the farming community through the Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Member has got his decimal points or his signs wrong. Since we have come into power the impact of the measures which have been taken by the Government have all been positive and have benefited the farming community.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): There is a $150 million fuel tax rebate. There is a drop in the Farm Credit Corporation long-term interest rate, from 16.25 per cent to 13.5 per cent. There is a change in metric. There is a change in the capital gains exemption, which the farmers will be able to take advantage of right away. In addition to that interest rates have dropped about three percentage points since we have taken office, and that has also helped the farming community. I do not understand what the Hon. member is getting at. We have been very generous toward the farming community.

Some Hon. Members: Hear, hear!

* * *

PENSIONS

STATEMENT BY SPOKESPERSON FOR SENIOR CITIZENS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Finance. A few minutes ago he told the House that he had spoken to senior citizens and that they support what he has done in the Budget, in reducing old age pensions by amounts up to $690 a year by 1990. Can he explain the statement of Jean Woodsworth, head of the Ontario division of Canadian Pensioners Concerned, representing about 10,000 seniors in Ontario, when she said:

> It's a shocking thing for the Government to do, . . . It takes money away from the very poor.

Further she said:

> —senior groups across Ontario petitioned the federal Government to maintain full indexing.

To which seniors did the Minister talk? Surely not the spokespersons for the tens of thousands of elderly people across the country. Will he come clean and tell the House why he has not listened to the spokespersons of the senior citizens, and why he is cutting their pensions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would expect, as would the Hon. Member, that the spokespersons for the senior citizens would take the position which they took. I can assure him that senior citizens are very encouraged because we have maintained full indexation on the GIS. They acknowledge that some change has been made in the modified indexation of the OAS, but, as I have said before, they recognize the importance of getting the deficit down because they know that deficit leads to inflation. If there is one thing which senior citizens understand, it is inflation, and the levels of inflation which the previous Government brought in.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that two petitions were presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) on Tuesday, May 28, 1985. The first petition, concerning jobs for youth at gas stations, meets the requirements of the Standing Orders as to form.

The second petition which was presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell), concerning assistance to the Tigreans in Ethiopia, does not meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

ALLEGED DAMAGING REMARK OF PRIME MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a question of privilege, of which I gave you notice, that relates to a letter which the Prime Minister (Mr. Mulroney) sent to me this morning, to which he referred in Question Period as a letter of apology. The letter refers to false accusations which he made yesterday that I had engaged in an authorization of a police procedure which the Prime Minister considered reprehensible.

To come directly to the question of privilege, the Prime Minister did not satisfactorily and completely retract today the remarks which he made yesterday in the House, which results in damaging my reputation and in creating the impression that I have engaged in some form of reprehensible conduct.

Yesterday, the Prime Minister alleged that I had directly authorized a payment of $100,000 to be made to Clifford Olson. That is an authorization which the Prime Minister considered reprehensible. Today, he withdrew in his letter the remark that I had authorized it, but be continued to assert that I was responsible for it.

Mr. Hnatyshyn: Order.

Mr. Kaplan: As I have the floor, I hope I will have the opportunity of being heard.

In his letter today, the Prime Minister continued to assert that I was responsible for the authorization of that payment because it was made by a senior officer of the RCMP for whom I was responsible to Parliament.

In reply to the statement which was made by the Prime Minister, I would like to remind him that, in fact, RCMP officers who investigated the case were acting on a matter which was of provincial responsibility. They were paid by a provincial contract. They were reporting to the Attorney General, and it was not the Attorney General—

Mr. Speaker: I have given the Hon. Member some time to tell the House what it his question of privilege. I would now invite him to do so. I appreciate the seriousness and importance of the matter to everyone who is concerned, but would the Member please bring it into the context of privilege.

Mr. Kaplan: Mr. Speaker, I submit that the Prime Minister should withdraw the remarks which damage my reputation.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, that is clearly not a question of privilege. I do not understand what the Hon. Member hopes to accomplish by raising the matter under the guise of a question of privilege.

The Prime Minister (Mr. Mulroney) had the grace and decency to stand in his place and withdraw categorically any implication with respect to the statement which was made yesterday. I have the letter here. If the Hon. Member who is new in this House, and probably does not know the rules, would look at Beauchesne's Citation 19(1), he will understand—

• (1520)

Mr. Ouellet: You are the House Leader and you should know better.

Mr. Hnatyshyn: —that a difference in facts is certainly not a basis for a question of privilege. There is no question of privilege here. Moreover, the Prime Minister stood in his place on the floor of the House—and, Mr. Speaker, you heard him today in Question Period—and said that he withdrew absolutely the reference made on the floor of the House yesterday with respect to this matter. And, Mr. Speaker, he apologized.

If the Hon. Member had any sense of decency in this House, he would leave things alone; he would leave it at that.

Mr. Kaplan: I would accept an apology from the Prime Minister (Mr. Mulroney), but this is no apology.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise on the Hon. Member's question of privilege. I am sure that if the Prime Minister (Mr. Mulroney) would add to what he said in the House earlier today, a withdrawal of this letter, which is not an apology, the Hon. Member would accept that.

Some Hon. Members: Hear, hear!

Mr. Andre: What kind of garbage is this? You're despicable.

Mr. Gauthier: He is despicable.

Mr. Speaker: Order, please.

Mr. Rossi: Who do you think you are?

Mr. Speaker: It does not seem to matter how many times I say to the House that there is language which is proper for this place and language which is not. It just does not seem to matter on both sides.

Mr. Rossi: He is the one who said it.

Mr. Speaker: Order, please. This is not some place where people yell at each other. This is supposed to be a house of civilized, principled debate.

Mr. de Jong: The press are laughing.

Mr. Speaker: Order, please. I didn't say it was. I said it was supposed to be. I hope, for the last time, to read Citation 19(1) from Beauchesne to Hon. Members. Beauchesne reads:

> A dispute arising between two Members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

The question of privilege of the Hon. Member for York Centre (Mr. Kaplan) arises out of yesterday's Question Period. It arises, I take it, out of a concern he has with a statement which was made and which, apparently, in his view is unfactual, and later admitted to be that by the Prime Minister (Mr. Mulroney). Whether withdrawn or not, the factual dispute is not a question of privilege, ever. I suggest to Hon. Members that, under the circumstances, I have been given nothing to reserve on except the question of a putative letter of apology, and I am faced at the same time with a verbal apology issued during Question Period.

Mr. Turner (Vancouver Quadra): With a letter on record.

Mr. Speaker: There is no letter on record.

Mr. Turner (Vancouver Quadra): It is.

Mr. Speaker: The Hon. Member had the opportunity, in presenting his question of privilege, to submit to me the letter. He neither submitted it to me in writing nor did he indicate during his question of privilege that he intended to submit it to the House. I have no evidence. Even if I did have the letter, it would still come back to a question of fact, and I believe the right hon. gentleman knows that. It is a matter of procedure.

I appreciate that it is a difficult moment between Hon. Members in the House. But I ask Hon. Members to accept the position which the Speaker is in on this question, and who apparently is entering into what the Hon. Member for Hamilton Mountain (Mr. Deans) quite properly referred to yesterday as "editorializing", and I think I will leave it at this point.

Mr. Mulroney: May I just say that I had the opportunity earlier in the House of conveying my apology to my hon.

friend. I had hoped that that would be appropriate and adequate. If it is not, I am happy to repeat it again for him and to withdraw the statement.

I take your observations very seriously, Mr. Speaker, and particularly your injunction in regard to civilized conduct. As Prime Minister, I must be the first to follow those rules. So I apologize to my hon. friend.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Mr. Speaker, I can accept a gracious apology, but the letter on the record, the letter which has been sent to me, makes it clear that the Prime Minister still regards me as responsible for the payment, and that is no apology.

Mr. Nunziata: Withdraw the letter.

Mr. Mulroney: Mr. Speaker, if it is the letter, which was dispatched in good faith, the letter of apology that is causing some difficulty, I will withdraw the letter of apology.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEES

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—SECOND REPORT OF STANDING COMMITTEE

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Indian Affairs and Northern Development in both official languages.

[*Translation*]

OFFICIAL LANGUAGES AND PROGRAMS—FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I have the honour to present the first report of the Standing Joint Committee of the Senate and the House of Commons on Official Languages Policy and Programs.

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

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PETITION

ESTABLISHMENT OF SENIOR CITIZENS' HOME

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, I have the honour to present to the House a second petition from my beautiful constituency of Québec East. It has been signed by residents of the Saint-François d'Assise Parish asking that the Quebec Catholic School Commission agree to the establishment of a senior citizens' home on a vacant lot on 1ère Avenue in Limoilou, Quebec.

Mr. Speaker, I will send a copy of this file and the signatures to the Minister responsible and make sure that the project is taken under consideration.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, questions Nos. 342 and 369 will be answered today.

[*Text*]

AMWAY OF CANADA LIMITED

Question No. 342—**Mr. Althouse:**

Was any agreement reached between the Department of National Revenue and Amway Canada Limited after the Department sought $105 million for unpaid import duties, sales taxes and penalties for the years 1977 to 1980 and, if so, what were the terms of the agreement?

Hon. Perrin Beatty (Minister of National Revenue): No agreement has been reached between the Department of National Revenue and Amway of Canada Limited. The Department is still seeking the amount of $105 million. The matter has been referred to the Department of Justice with a request to proceed with the case in the Federal Court (Trial Division) for recovery.

PENSION BENEFITS STANDARDS ACT

Question No. 369—**Mr. Young:**

1. For each of the past five years, how many applications did the Department of Insurance receive from pension plan sponsors to recover surpluses from plans registered under the Pension Benefits Standards Act and (a) how many were approved (b) what was the total amount of surplus recovery?

2. What amount did plan sponsors propose recovering from pension plans registered under the PBSA?

Hon. Barbara McDougall (Minister of State (Finance)):

Department of Insurance

1 and 2.

Year	No. of Requests	No. of Requests Approved	Amount of Surplus Refund Requested $	Amount of Surplus Refund Approved $
1980	1	1	93,806	93,806
1981	1	1	1,365,700	1,365,700
1982	4	4	3,919,825	3,919,825
1983	6	5	5,928,105	5,586,080
1984	11	11	47,269,849	27,328,856
1985 (to date)	0	0	0	0
Totals	23	22	58,577,285	38,294,267

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-52, an Act to amend the Unemployment Insurance Act, 1971, without amendments.

* * *

THE ROYAL ASSENT

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

Government House,
Ottawa,

May 29, 1985

Sir:

I have the honour to inform you that the Honourable Gérard V. J. La Forest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 29th day of May, 1985, at 4.45 p.m., for the purpose of giving Royal Assent to a certain Bill.

I have the honour to be,
Sir,
Your obedient servant,
A. P. Smyth,
Deputy Secretary
to the Governor General

● (1530)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, May 27, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 5043).

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Mr. Turner (Vancouver Quadra): Where did everyone go?

Mr. Nielsen: I can't see anyone. Oh, yes, there are two Hon. Members behind my hon. friend over there.

Mr. Turner (Vancouver Quadra): Where did everyone go?

Mr. Nielsen: I can't see anyone.

I rise to intervene in this debate, Mr. Speaker, in connection with a process in which my ministerial colleagues and I have been involved since last autumn. I speak, of course, of the program review, so I am participating in that regard wearing the hat of chairman of that task force.

The time and the thoughtful consideration given to the program review by the Minister of Finance (Mr. Wilson), the President of the Treasury Board (Mr. de Cotret) and the Minister of Justice (Mr. Crosbie), who sit with me on that committee, is a measure of the commitment of this Government, the depth of that commitment, and the priority being given to improving both the management of government programs and service to the public, as well as to improving the sense of order generally throughout the Government. This mission is one that we accepted readily and that has been at the forefront of our thoughts for several months with a very high degree of determination and insistence upon those objectives.

The assignment with which the Prime Minister (Mr. Mulroney) mandated us last September is a measure as well, Sir, of the commitment to ensuring the effectiveness and efficiency of the Public Service for many years to come. The people of this country, it is our belief, have a right to expect a Public Service the equal of any. People from Port Alberni to Chicoutimi and Placentia Bay are entitled to expect their Public Service to function without fear of favour, liberated entirely from any concessions whatsoever to the past. A contemporary Public Service should be free from the yoke of compromises fashioned to fit expediencies that no longer apply.

A revamped approach to management of the Government was long, long overdue. We in government knew that as private citizens, as businessmen, as farmers, and as members of communities which struggled to meet the challenges raised

by post-war global enterprise. We knew this as members of her Majesty's Official Opposition as we watched and then tried to check the responses of the Government of the day to the energy crisis; as we tried to check the environmental threats that were being posed and, in our view, overlooked, and the failure of the Government of the day to rise to the challenges being brought about by the technological revolution. We watched them as their response stacked program on top of program, inflated Budgets beyond accountability, and multiplied staff resources in many areas until they grew entirely out of proportion with any reality whatsoever. We reflected, too, on the judgments of others such as that of the Auditor General of Canada when he declared that the management of Government in this country was entirely out of control. We waited, Sir, until obviously Canadians came to the conclusion that enough was enough was enough.

We have now been a few months into this process of program review, a process which can be accurately described as an examination, on a government-wide basis, of management practices being applied with respect to those programs. The impressions we formed while in opposition, the observations we made, have been confirmed and with a great deal of emphasis.

Members, I am sure, are aware of the findings of study teams on services and subsidies to business, the study teams on job creation, training and employment and on agriculture which were reported in the Budget in a separate document entitled "New Management Initiatives". Members will also be aware that there has been created by the Prime Minister a special subcommittee of Cabinet to deal with the whole broad range of native policy matters. The Budget presented an early opportunity to describe the work of the ministerial task force in the context of the Government's fiscal plan, and in the context of the Government's over-all strategy for economic renewal. Certain observations at this stage are central to the work of the task force on program review as it has occurred to date.

First of all, where we looked we found what we expected. There was stacking of subsidies and programs to spur investment. That stacking process had been obscured in a scheme of grants, tax incentives, loan guarantees and other forms of industrial aid which take more than 30,000 public servants to keep track of. The Budget addresses one dimension of this issue: The amendment to the investment tax credit will reduce the stacking of this tax incentive on top of other forms of support. The Government will be consulting with provinces and industry about other ways to deal with this stacking phenomenon.

Training programs should not be an end in themselves; assuming people enter these programs with an interest or aptitude for certain kinds of work, it is reasonable for them to expect the authorities to ensure that there are jobs to go with their new certificates. People pin their hopes and the well-being of their families on the expectation of employment which is implied in the offer of training itself. Yet the review of federal training programs revealed that the kinds of training that are provided are too often not synchronized with the job opportunities in the labour market. The material released with the Budget asserted that the link between training and job opportunities should be strengthened during the renegotiation of the federal-provincial training agreement.

Another observation: Canadian agriculture needs a new impetus and emphasis on the market realities of the 1980s. The agri-food sector must also equip itself to adjust to opportunities that will emerge in the last decade of this century. Effective programs for the development of the industry must be based on a sound appraisal of the market opportunities and the competitive position of each commodity in each region of this country. This orientation is central to the review of agricultural programs and was consolidated in the Government's plans for new market-oriented commodity development strategies by the decisions of Cabinet relating to that particular review. In short, many of the assumptions on which current agricultural programs are based are anchored in the past. This realization no longer reflects merely the views of outsiders looking in on the management of federal Government as it relates to agriculture; it has now been acknowledged and embodied as a new direction in the development of federal policy and programs for the future.

Second, the Government of Canada is under new direction and we are moving decisively to remove the ties that bind federal decision-making to the past. I have just mentioned the new orientation of agricultural programs. Another example deals with the antiquated legislation governing the operations of Revenue Canada, Customs and Excise. The legislation prohibits the importation of goods between sunset and sunrise. The same law empowers the Government to impound a horse and cart, while making no reference at all to a truck. The Minister of National Revenue (Mr. Beatty) will be bringing forward proposals for a new Customs Act and will review the operations of Revenue Canada, Customs and Excise, to deal with these anachronisms and other issues illuminated by the exercise on program review.

• (1540)

Still another example is raised in the business framework legislation administered by the Department of Consumer and Corporate Affairs. In addition to a Bankruptcy Act which has only been tinkered with since 1949, the Department is burdened with a 1924 Copyright Act which could not possibly anticipate the advent of photocopiers, cassette tape-decks, video recorders or personal computers. As the budget documents say, legislative proposals applying to bankruptcy, patents, copyright, the Canada Business Corporations Act, the Trade Marks Act and the Industrial Design Act, have just been moved up on the Government's agenda.

A third observation has to do with the nature of the process of reviewing over 1,000 federal programs and services on a government-wide, department by department basis. None of these programs exist in isolation, although in some cases they are distinctly unrelated to the real world of the 1980s.

Neither I nor my ministerial colleagues on the task force were surprised when we opened the lid of this Pandora's box that we inherited from the previous Government. As I have already said, our expectations were very quickly confirmed. The study team on business services and subsidies alone had to sift through well over 150 distinct federal or federal-provincial programs costing more than $12.2 billion in fiscal 1984-85. Many of these programs not only have roots in the past, they are like some mutated creature, half plant and half fish, with tentacles that reach deep into the support system of legitimate enterprise-strangling initiative, incentive, and natural growth.

Another perspective of the work that we are trying to accomplish might best be achieved if I were to inform Members that the over-all program review entails the support of some 170,000 person-years annually. It addresses the expenditure of something in the order of $92 billion. Study teams confronted with matchless complexity of that magnitude had about three months each to come to grips with the subject matter and to bring forward reasonable suggestions or recommendations for solutions. When these recommendations reached Ministers of the task force, care was taken not to cripple good and effective programs in our enthusiasm to eradicate those that good management compelled us to recommend be eradicated.

The simplest and most isolated examples of overlap and duplication were, of course, dealt with most expeditiously. However, these were not always the most insidious or most far-reaching. In a number of cases the solutions to the most vexatious issues lie at the end of a long and sometimes tedious implementation process. The choice of the task force in some instances was to ask for additional study along the lines developed by the study teams, with a subsequent report and decision to come before the fall. In other instances, as in the illustration I used a few moments ago, the solution lies in legislation and will be determined by the priorities of the House. In any case, the decisions of the task force fall somewhere between an evolutionary reform of the management of Government and a more revolutionary one.

There are few overnight remedies to a number of problems that have taken two decades to develop. The choice of the task force has been to bite off a manageable portion this far and to report our initial results as part of the budget package.

Incidentally, I am delighted that the advent of this Budget has provided the vehicle for squelching certain myths about the work of the task force. I have heard it suggested, for instance, that the task force is devising some sort of hidden agenda. Others have said it is operating under a mantle of excessive secrecy like some nocturnal raider intent on slashing this and chopping that. Such talk is nonsense and those who propel it are nonsensical. Such nonsense reflects no appreciation for the uniqueness and magnitude of the task we are about.

Never in the history of Canadian public administration has the political will been summoned to launch a review of such scope. Nowhere in the annals of federal public administration has such a representative cross-section of people from outside Government been invited into the process in the way that the private sector is represented, both as advisers and analysts, on the study teams. How can it be credibly asserted, as some have tried, that this is a closed process? Its very make-up has assured, in the creation of a private sector advisory committee and in the private sector membership on study teams, an open and healthy exchange of ideas. I am totally mystified how a process can be declared secretive when at the first opportunity an account is tabled of its composition, its terms of reference, and its initial results, running to more than 270 pages in both official languages.

It is ironic that the very nature of the process has caused some mutterings about its impact and implications. Members of the House should understand, if some instant analysts do not, that it was not designed to yield headlines, but to produce results.

Mr. Turner (Vancouver Quadra): Author.

Mr. Nielsen: I am the author of these words, Sir.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I have often attempted to give a 20 minute speech in 20 minutes, but sometimes it has to be put on paper in order for that to be done. Now he has diverted me and I have lost a minute.

Mr. Turner (Vancouver Quadra): We are grateful.

Mr. Nielsen: You should be grateful. I am glad to see you sitting here listening.

As I say, it was designed to produce results. A measured, methodical analysis of more than 1,000 programs may not satisfy some newsmen's lust for drama and immediacy, and may not produce the kind of political grist that others in the House may seek. I do not identify anyone who may have this motivation as being guilty. In no way can this can be described as an overnight smash and grab. All that the initial report of the task force represents is a snapshot of a systematic process, with headlines to follow if and when they are warranted. Rash judgment may be the bread and butter of some—including a few journalists and others who may moonlight at that craft—but there is no place for it in the management of the Government of Canada.

• (1550)

In the Budget itself we have seen the first step of the implementation of the stacking principle to prevent the "giving with both hands". We have seen the introduction of the refundable tax credit for research and development as an initial step to streamline the administration of R and D programs. We have seen the termination of a number of sales tax exemptions to restore part of our tax base.

All of these measures are directly attributable to the work of the task force and the individual study teams. In terms of dollars, the famous bottom line, you may have noticed that our initial discussions have been translated by the Department of

Finance for fiscal year 1986-87 into some $500 million in savings and some $275 million in increased revenue. I suggest that is a good start.

The Acting Speaker (Mr. Paproski): Questions or comments on the Hon. Minister's speech? If not, debate.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is always a happy coincidence to have you in the chair. It gives me that sense of equilibrium one needs when addressing the highest court in our land on a very serious subject.

After waiting the longest period in Canadian history for a new Government to present its economic plan to the nation, eight and a half months, Canadians are finding out that it was not worth the wait. The Budget does not have an economic plan. There is no agenda for growth, no agenda for jobs.

We have heard the Minister of Finance (Mr. Wilson) say in the House that last fall Canadians, voted for a change. However, they did not get the change they wanted. They did not get what they were promised. Instead of sticking to its massive list of glowing promises, that avalanche of promises, the Government has made a complete about-face.

The people of Canada were misled. Not only did the Government have no intention of keeping those promises, the new Conservative Government has finally revealed through its Budget that the true hidden agenda is nothing short of an all-out attack on lower and middle-income families of this country.

The Prime Minister (Mr. Mulroney) and his Ministers are travelling throughout the country in expensive government jets to promote the Budget. I understand that the Prime Minister is on his way to Toronto. The Budget received tremendous hype. The Prime Minister was in western Canada for the first time since the election, except for a brief love-in at Regina on St. Valentine's Day. He showed up in Edmonton, Calgary and Winnipeg saying that this was going to be a tough but fair Budget.

Conservative back-benchers, who are usually silent, anonymous and invisible, have been given a kit and told to sell the Budget in their ridings. Selling the Budget will be a challenge. No matter what the qualifications that the Members of the Conservative caucus may have as salesmen, no one can sell a bad product. The Budget is a bad product.

The Prime Minsiter said that the Budget would be tough but fair. The Prime Minister has spent much time promoting this Budget and I believe that he co-authored it, beginning in Miami. Therefore, this is not only the Budget of the Minister of Finance but, probably for the first time in Canadian history, a Prime Minister is intimately connected with the writing of the Budget, and he will be held jointly accountable with the Minister of Finance.

The Prime Minister's slogan of "tough but fair" promises to go down in history with many other famous sayings, such as, "Let them eat cake", "A chicken in every pot", "Tough but fair". The words "fair" and "fairness" are sprinkled liberally throughout the Budget. On the first page of the budget speech, the Minister says, "The actions I am proposing are realistic, effective and fair". On page 21, he says that costs and benefits will be fairly shared.

I believe that before the Minister of Finance assumed his portfolio, he was rather straightforward, direct and unambiguous. It seems that the Prime Minister, followed by the Minister of Finance and other members of the Government, feels that people will tend to believe something if it is said and repeated often and enough. Let me suggest that despite the repetition and the hype from all the salesmanship, the burdens, the costs and the benefits of the Budget are not evenly shared by the people of Canada.

The Government's Budget is not fair. It hits average Canadians hard. The tax increase for the average Canadian is approximately $400 to $500 a year when one considers all that the tax increases, including the clandestine, sneaky and direct increases. That $400 to $500 tax increase to the average Canadian family begins now.

What use will be made of this money that was taken from the average Canadian? Does it go to the poorer regions of the country? Does it go to the less advantaged? Does it go to the single parents? Does it go to the elderly widow? Does it go to our native people? The answer is no, no, no. It goes to the rich and wealthy with the scope to invest.

The $500,000 capital gains tax exemption is a cash bonanza of $125,000 when converted into cash. The average family faces a $500 a year tax, while the wealthy have a cash lifetime bonanza of $125,000. Is that fair? Is that just? I do not believe that is the type of equitable Budget that you expected, Mr. Speaker.

I said in the House on Thursday night, and again last Friday morning, that this Budget is not only unfair, it is sneaky. It is based on a hidden tax increase. The Minister had a secret document entitled *Direct Impacts of Budget Measures by National Accounts Component*. It was prepared by his Department and confirmed as valid by his own officials. As was pointed out on Monday by my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), this secret document of the Minister of Finance reveals that de-indexing will net the Treasury $11.5 billion more. In other words, the cost of this move to the average Canadian by 1990 will be $11.5 billion. It is not a $200 million tax increase, but a $11.5 billion increase. At the same time, the give-away to the multi-nationals by that date will be some $8.5 billion. The middle class will be affected now, while the minimum tax on the rich is postponed for a study. Those who can least afford it must pay now, while those who can afford it pay very little. That is what the Government calls fair.

Let us deal with the minimum tax. On August 17, during the election campaign last year, the Minister said:

> I think it is unfair that an individual not pay a minimum tax.

We proposed a minimum tax on the rich of 13 per cent for those over $50,000. Taken with the provincial component of an additional 7 per cent, that would have been a 20 per cent

minimum tax on every Canadian earning over $50,000 a year. The Government also promised a minimum tax during the election campaign, but it has given only some options in this Budget. It has provided for some further study but not any realistic commitment.

The Budget hits the poor, the weak, the elderly and the disadvantaged. It does so in a sneaky, underhanded, ruthless and gutless manner because the tax increases are not up front. The Prime Minister and the Minister of Finance said categorically that there would be no tax increases. Yet the Government has handed Canadians the most massive tax bill in recent Canadian history.

The Minister of Finance agrees with me that hidden taxes are wrong. Here is what he said as quoted by the Canadian Press on August 8, 1984. These are the Minister's words. He was then the critic for another portfolio. He said:

● (1600)

I think taxation which is automatic, taxation which sneaks in without a politician having to say, "this is what we're doing, this is why we're doing it, and be prepared to take the flak that comes from it is wrong.

He went on to say:

Responsible government means that when you want to increase the taxes, you say you're going to increase the tax and you make it quite clear why you're going to increase the tax.

The Minister has not done it. He has repudiated his own words and brought in the most massive, secret, hidden tax increase in the history of this country.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): He begins with de-indexation of old age pensions. I want to tell the old age pensioners of this country what is happening in this Budget. By taking away de-indexation from those pensions up to 3 per cent every year pensions will be reduced by 3 per cent, year after year after year cumulatively.

Mr. Siddon: No.

Mr. Turner (Vancouver Quadra): That is exactly what the Budget says.

Some Hon. Members: No.

Mr. Turner (Vancouver Quadra): Yes, read the documents. We have a lot of squirming Conservatives on the other side of the House who have not read the documents, Mr. Speaker. There are approximately, 1,740,000 senior citizens in Canada at or below the poverty line. De-indexation plus tax increases means that old age pensioners will lose roughly $1.25 billion in income by the year 1990. Those are figures derived from the Minister's own documents produced by my colleague, the Hon. Member for Laval-des-Rapides. Those are the documents upon which the Minister of Finance is relying himself.

Mr. Siddon: Pensions will not be reduced.

Mr. Turner (Vancouver Quadra): Those documents have not been denied by the Minister. They were not denied by his officials in the lock-up.

The 80-year old widow trying to make ends meet will see a reduction in her income by 1989 of $30 a month in real terms. She will have to pay more under this Budget for health care products. She will even have to pay more for her cat food, more for her soap and her shampoo.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): They laugh. Members on the other side do not know what it is like to count every penny to know if you have enough to pay for soap, shampoo, let alone to feed a pet. The Minister did not tell the 80-year old widow that in this Budget that is what she will have to do. He did not tell her that $360 a year is going to help provide the owner of her apartment building with a $125,000 cash bonus in a capital gains tax exemption. She will have little money for soap, shampoo and basic health care, but the owner of that apartment building will be able to invest in Miami real estate.

You know, Mr. Speaker—

[*Translation*]

—he is eliminating the first 3 per cent of indexing from senior citizens' pensions, and as if this further violation of an election promise was not enough, the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) told the newspaper *La Presse* today that it was up to the people to judge whether this promise was so vital to the survival of our senior citizens. You know—

[*English*]

In his book *Where I Stand*, the Prime Minister said the following about indexation of pensions. On page 19 we find:

It should become a priority to reduce and eventually eliminate and outlaw indexed contracts and benefits, including indexed pensions, in line with a decline in inflation—Clear and justified exception should be made for mothers' allowances and all other social programs designed to protect the ordinary or disadvantaged Canadian from the ravages of inflation for which they are not responsible.

That is where the Prime Minister stood. Where does he stand now after all that talk about sacred trust and longstanding commitment? Canadians can be forgiven for asking the Prime Minister, "We knew where you stood when you wrote the book. Where do you stand now?" It is certainly not where he stood during the last election campaign.

Let us turn to family allowances and the child tax credit. The net result, based again on these documents of the Department of Finance, is that some $300 million less is available for families by 1990. This reduction hits hardest at the people who need help the most, young families, single parents, and every year that family allowance, now de-indexed up to 3 per cent, goes down 3 per cent, after 3 per cent, and all cumulative.

Let me come to the matter of de-indexing the income tax system. By de-indexing the tax bracket 3 per cent after 3 per cent year by year, which accumulates, again by the Minister's own documents, by 1990 families with incomes of $15,000 a year will see their taxes increase by 36 per cent while families with $30,000 a year will see their taxes increase by 11 per

cent. But if you make $100,000 a year, the increase will be only 4 per cent. If you make $200,000 what will the increase be? Only 2 per cent, Sir. That is the fair, equitable Budget of this Government and of the Minister of Finance?

I want to tell the Minister why I brought in indexation of the tax system into the Income Tax Act in the first place in my Budget of February, 1973, a Budget I recommend the Minister read and study. Our income tax is based on a progressive system. It is based on a progressive rate schedule. As a Canadian's income increases, the percentage of tax he or she pays increases. It is basically sound, basically fair. But the increase should be in real terms, it should not be in inflationary terms. The increase should be a real increase, and not just a numerical or nominal increase as a result of inflation. If a Canadian gets a 5 per cent pay increase, and inflation for that year is 5 per cent, the increase is really illusory, it does not exist. He has the same purchasing power. There is nothing more. But under the tax system we had then and under the tax system the Minister proposes for us now, that person will be worse off, because for every 3 per cent in inflation his real purchasing power will diminish and he will get caught by the new system proposed by the Minister.

In my Budget I moved to eliminate that unfair and unintended result from our tax system by indexing deductions and tax brackets as the consumer price index increased each year. That move was supported by the Conservative Party when the Conservatives sat in opposition under the former Leader of that party, the Hon. Mr. Stanfield. The only people who opposed that move at that time, as I recall, were the other Parties.

Mr. Gauthier: The NDP.

Mr. Turner (Vancouver Quadra): The tax system would no longer erode a person's purchasing power and individuals would no longer pay tax at a higher marginal rate simply because inflation boosted him or her into a higher tax bracket.

For a person on fixed income, the result of indexing was to reduce taxes each year of prices went up and leave him or her with the same real tax to pay but not the same nominal tax, which was inflation. That change put Canada on the vanguard of nations with progressive, humane tax systems. No longer were the neediest hit. No longer was the tax system claiming higher and higher shares of an individual's hard earned money simply because of inflation. That system, I believe, Sir, has served us well since it came into effect in 1974.

Last Thursday, the Minister of Finance turned back the clock and virtually wiped out one of the most progressive and humane changes in tax legislation in our history.

[*Translation*]

We Liberals know what our principles are. And since last Thursday, when this Budget was brought down, we also know what the real principles of the Conservatives are. The Conservative Government has finally shown its true face. Last Thursday's Budget has made a mockery of the Prime Minister's solemn commitments made during the election campaign. This Budget is a betrayal of the trust of Canadians. The Minister has deceived the Canadian people.

This Budget is a direct attack against Canadian men and women on low incomes who are being hit by a whole series of tax increases. A real downpour, as the Hon. Member for Laval-des-Rapides (Mr. Garneau) said. "Taxes, taxes, taxes!" to use the words of the Hon. Member for Saint-Maurice (Mr. Chrétien). The tax on gas: 2 cents more per litre. The Government is going to use the money to pay the oil multinationals the $2 billion it agreed to pay them under the Western Oil Accord.

The Minister of Energy, Mines and Resources (Miss Carney) promised the House that this measure would not result in any tax increases for Canadians. We have been deceived. This Budget contains a whole list, a series, an avalanche, a veritable downpour of taxes: federal sales tax exemptions on certain products have been withdrawn; a 1 per cent increase in federal sales tax; a 25-cent increase in excise tax on a large package of cigarettes; a 2 per cent increase in the excise tax on alcohol. Even candy is being taxed! This is a cruel Budget, a cowardly Budget!

• (1610)

[*English*]

It is also a regressive Budget. It hits those least able to pay. It hits the consumer. There is a 1 per cent hike in the federal sales tax to 11 per cent. New items not previously taxed have been added—everything from children's candies and soft drinks to pet foods and alternative energy equipment. The 11 per cent tax now applies to health care products as well, such as bandages. Scrapes and bruises are suddenly taxable items, as well as soap and shampoo. It will cost more to stay clean. It really is a dirty Budget.

In 1982, the average family of four in the under $20,000 income range spent $372.60 per year on health care products. The Minister has just raised that bill by $41, 11 per cent, to $413.60. Again it is a tax which will hurt those who can afford it least. They will be the hardest hit. Most important is that the 11 per cent sales tax now applies to surgical supplies in doctors' offices, dental instruments, X-ray apparatus and X-ray film. A trip to the dentist will be more expensive, especially if one has children. These increases are expected to cost the health field alone some $75 million per year in additional costs to average Canadians going to a dictor or going to a dentist.

Mr. Nystrom: That is painful.

Mr. Turner (Vancouver Quadra): The Hon. Member to my left says: "That is painful". I want to tell him that trying to get any information from the Minister of Finance is like pulling teeth.

What does the Budget do for women? First, there is no mention of the promise of a home-maker's pension, which was in their platform during the election campaign. The Prime Minister was committed to it in the Leaders' debate on

women's issues. There is no mention of compulsory credit splitting on marriage breakdown. There is no mention of continuation of benefits on remarriage. There is no mention of improvement of survivors' benefits. There is no mention of improvement if disability benefits. All of these were commitments of the Prime Minister and of the Conservative Party during the election campaign, commitments made by the Prime Minister on television when he debated the other two Leaders. There is no promise to improve child care as undertaken by the Conservative Party during the election campaign. More than 70 per cent of single women live below the poverty line. Why is there no shelter allowance, as we promised? There is no protection against inflation for senior citizens. Most senior citizens living in poverty are women, and their pensions will be eroded 3 per cent per year, and there is no additional protection. The Minister says the Guaranteed Income Supplement is not touched. However, the base is touched, so the total of the pension and the GIS come down 3 per cent a year or whatever the lower percentage will be after calculating the GIS.

Let us look at health care. The health care system in Canada is under attack. User fees and extra billing are undermining the equality of that system. The health of Canadians is too important to be played around with. We all have a commitment to preserve that system. However, in the Budget the Government intends to cut by the year 1990-91 over $4 billion in cash transfers to the provinces under EPF. Another $1.6 billion will be cut from post-secondary education transfers. Two key areas where we share responsibility as parliamentarians with provincial Governments are health care and education. Can you tell me, Mr. Speaker, two more important vital priorities for the country than a decent, universally accessible health care system and improvement to education, particularly at the technical and post-secondary levels? I do not know of any stronger priorities for Canadians, yet these are proposed to be cut under the Budget.

The Minister is also imposing a two-cent per litre tax on gasoline, indeed on all other transportation fuels. When the Minister of Energy, Mines and Resources (Miss Carney) signed the deal with the western provinces, we called it a giveaway to the multi-nationals which would cost consumers. She said to us in the House that the consumer would not pay. She accused us of pitting region against region. She told me that we were causing hatred and division. She promised that there was nothing in that agreement "that hurts consumers", as reported in *Hansard* of March 29. We were undermining the future of the nation by even suggesting that the consumer in Atlantic Canada or in Ontario would have to pay. I hope that Minister will at least have the decency to apologize today for misleading the people of the country in the Parliament of our country.

That tax is also being applied in a very sneaky way. It does not come into effect until September. The Government hopes the consumers of the country, motorists and those who drive trucks for a living, will have forgotten by then. It hopes the people who drive and who depend on transportation for a living will not remember why they are being hit at the pump. The simple reason is that it is to pay for a giveaway to multinational oil companies. The tax also applies to aviation and other transportation fuel. It means that everything that moves gets more expensive, including air fares. Less than a year ago, the now Minister of Justice (Mr. Crosbie), then finance critic and lusting after the portfolio, as quoted in *The Citizen* of Ottawa on July 26, 1984, said:

> We are not planning any gasoline sales tax increases on the Canadian public.

Oh, those broken promises; oh, how they must hurt.

Mr. Nunziata: Who said that?

Mr. Turner (Vancouver Quadra): Laymen would call him "John Crosbie"; we call him the Hon. Member for St. John's West. At the same time, the Government is increasing user fees and putting a larger tax burden on farmers.

Let us look at the agricultural picture. The Government increased fees in November on inspection services and grading up to $32 million per year. The Minister says that the capital gains exemption will solve the problem. That is the one commitment they lived up to, that a capital gains exemption would be applied immediately on the transfer of farm land. Mr. Speaker, you were sitting in a less exalted place when I eliminated the capital gains tax on the transfer of a family farm from one generation to another. That being said, all the other promises were reneged on.

The Minister says that the capital gains exemption will solve the problem. It will only help more people get out of farming. What about the 39,000 young farmers caught in the debt crisis? The Government did not keep its promise of an agri-bond program with long-term lower interest rates. Farmers are hit with the increased fuel tax, two cents per litre. The average farmer uses 14,000 litres of fuel per year. His increased cost as of September will be $280 per year.

There is $50 million chopped from the departmental budget on top of the cuts in November, endangering dairy programs, freight assistance, crop insurance and other programs. Sales tax increases mean higher input costs for farmers. We in this Party are committed to the family farm. This Budget is great for the farmer, but only if he wants to get out of farming. For his family who wants to stay in agriculture, this Budget is a disaster.

How has the agricultural community responded to the Budget? Henry Pelissero of the Ontario Federation of Agriculture says that he is disillusioned, disappointed, upset and angry and that the Budget mocks the consultative process. That is what the Ontario Federation of Agriculture thinks about the Budget.

[*Translation*]

Michel Lord of the Union des producteurs agricoles had this to say about the Budget:

> —it was a great disappointment there were no measures to help farmers in financial difficulty, no proposals for overhauling farm financing.

[*English*]

How about fishermen? In November, fishermen were subjected to a cut of $40 million. Their fees for weather reports, dockage and berthing were raised. This Budget imposes an additional $25 million cut on fishermen. The average fisherman in British Columbia, Nova Scotia, New Brunswick, Quebec or Newfoundland uses thousands of litres of fuel per year. I have not been able to obtain that statistic as I was able to do for farmers, but the two-cent increase in fuel taxes means that fuel will cost fishermen hundreds of dollars more.

● (1620)

I now turn to the subject of mining, which is a major industry in British Columbia, the province which I have the honour to represent. Mining is not even mentioned in the Budget. There is not even one single line with respect to it in the budget speech or in any of the supporting documents. Where are the promised changes to the tax system to encourage exploration, processing and development? There is not one single line with respect to those changes.

I would now like to deal with another major industry in British Columbia, that is, forestry. Where is the aid for B.C.'s declining forest product companies? Why is there not assistance to allow for recapitalization of these companies through transfer of tax bases, capital cost allowances and investment tax credits to investors? When one reads the letters investment bankers send out with respect to the Budget one sees that they state, "Stay away from western forest product companies". That is exactly what has been said. Where is the promised increased funding for the Canadian forestry service and the regional forestry agreements? Where is the national forestry internship program which the Government promised during the election campaign?

With respect to the areas of forestry, fisheries, mining—and I will mention tourism in a minute—there is nothing in the Budget. The Province of British Columbia is a monumental loser with respect to this Budget.

Let us now consider VIA Rail. The Government is cutting service with respect to this corporation by some $200 million per year. This hits the outlying regions of the country. The new philosophy seems to be, "Use it or lose it". This from a Party which vowed to reinstate VIA Rail routes. It is the end of a commitment to the disadvantaged regions of the country.

The Government is cutting regional industrial incentives by $100 million this year and by $100 million next year. Business will concentrate through the private sector in central Canada. The weakest regions of the country are being hit. Cape Breton has been devastated by this Government. The Minister of Employment and Immigration (Miss MacDonald) promised, and I am quoting her words:

> My plan (in Cape Breton) to close the two heavy water plants will not proceed before alternate employment opportunities can be found for displaced workers.

What do they do? There is no plan for employment in Cape Breton. There is no economic plan for less disadvantaged areas. All we have for Cape Breton is a so-called tax free zone. That is a joke. Without the infrastructure in place, where can we get the private sector to invest in Cape Breton?

I would now like to speak about another region which has been absolutely devastated right here in the Ottawa Valley. I am speaking of Deep River, Chalk River, Arnprior, Pembroke and Renfrew. Funds to Atomic Energy of Canada have been cut by some $100 million. In addition, $70 million of its earned surplus has been diverted into government revenues. That is a devastating comment with respect to what we are doing through the Government to Canadian research.

In my hand, Mr. Speaker, I have an advertisement which appeared in *The North Renfrew Times* on August 22, 1984, which is entitled "The P.C. Commitment to Chalk River Nuclear Laboratories. Elect Don Whillans. Time for Change". The advertisement states:

> Chalk River has been the heart and soul of this nuclear program. A P.C. government will not only maintain this facility, it will consider providing additional funds to allow greater Canadian involvement in the massive fusion energy projects underway in other countries, building on the Laboratory's experience with tritium-based fusion cycles.
>
> The future of Chalk River is closely linked to our Party's commitment to research and development. We will develop a co-ordinated approach to government-sponsored research, strengthening the linkages between public sector and private sector research activities, and setting priorities in close consultation with provincial government engaged in similar research.
>
> This is the Progressive Conservative commitment: Job security for you—and jobs for your children.

How about that?

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): I wish to show you, Mr. Speaker, a copy of the *The North Renfrew Times* for Wednesday, May 29—today. The headline is "Budget Gores AECL". On the front page of the newspaper is reprinted the advertisement to which I have just referred. It has been surrounded in black crepe. I understand the rules with respect to this matter, Mr. Speaker, and I will desist. However, I wish to show visibly how hypocritical the Government has been.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister of Finance has said, "The approach we are following in Cape Breton reflects the basic philosophy of this Government". I tell you, if I lived in the Atlantic provinces, Gaspé, northern Ontario, up in the Ottawa Valley, or even in parts of western Canada, I would not take the Minister's commitment too seriously. The Minister has also said, "We must ensure that adjustment takes place in a humane way". That is like saying to a condemned man on death row, "Do you want the noose, the electric chair or would you like it intravenously?" That is what this Government is saying.

What about tourism, which is so important to British Columbia, Ontario, Quebec and Atlantic Canada? The largest potential customer for our tourist industry is the United States. What have we done in this regard? We have raised gasoline prices and liquor prices. Frank Miller, on his last leg, breathing his last priministerial air, claims he kept the price of

gas from going up by 22 cents per gallon. The following is what Frank Miller had to say with respect to his claim:

I'm delighted to see the discussions I had with the Prime Minister . . . about the potential 22-cent-a-gallon gas tax had some impact on his final decision.

Frank, you did a great job. You cut it down to about 10 cents.

This is what the Prime Minister said last summer during the election campaign as reported in *The Globe and Mail:*

We will examine gasoline, alcohol, food and lodging taxes which are reducing the competitiveness of Canada's tourism industry.

What has the Prime Minister done? He has examined them all right. He took one look and jacked them all up. He jacked up the price of gasoline, liquor and food.

The Minister of Finance has said that the reason for the tax hikes is to lower the deficit and to stimulate confidence. However, all this ballyhoo and noise about confidence does not even accomplish what he set out to do.

If we look at the Minister's objectives with respect to dealing with the deficit, he does not measure up. During the election campaign I was the only one who spoke frankly about the deficit. I analysed it into a structural and cyclical component. I made a commitment to reduce the structural part of the deficit in a period of five to seven years. However, not at the expense of the weak, the unemployed, the aged, the handicapped or the weaker regions of the country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If the Minister is looking for applause from the investment community, he will not receive it since the deficit has not really been reduced. He took the deficit at $29.6 billion from Mr. Lalonde's February 1984 Budget to somewhere between $30 billion and $32 billion. Through the actions of his Government, he took that deficit up to $38.2 billion. He took it up as a result of the Western Accord, transfers to the provinces and other actions. At best, the figure of $38.2 billion is his figure and not something which he inherited. In fact, he inherited something between $30 billion and $32 billion. He now says he is bringing that deficit down to $33.8 billion. Mr. Speaker, he is not even back to where he started. He has not broken even.

In November, the Minister predicted a deficit of $1.5 billion lower than that which he now has. In his financial statement just six months ago that is what he said. Six months ago he was wrong by $1.5 billion. The minister now responds by saying that he is not going to bother making projections any more. I do not blame him. At least, his projections will not be published. He states at page 20 of the budget speech:

It is more misleading than helpful to present a precise view of the deficit five years from now . . . It would be foolhardy to finetune policy to precise estimates that we know are uncertain and will inevitably be proven wrong.

At least the Minister of Justice, when he was the Minister of Finance—during that short, abortive period in Canada's history—had the guts to come up with projections.

Three sentences down in the same paragraph of the budget speech the Minister states:

The measures I announced in November and today will ensure that the annual deficit is $20 billion lower than it would otherwise have been by the end of the decade.

Three sentences prior to that he said there would be no more projections. He stated it would be too tough to predict employment figures, interest rates and inflation rates. He has said he will make no more projections. Yet, just three lines later we are given a $2 billion deficit reduction. Those are selective projections. He draws what he wants. He publishes what he likes. I say to the Minister that that is intellectual dishonesty.

● (1630)

The Minister claims to have cut $4.4 billion from the deficit this year and over $8.6 billion in 1986-87, the next fiscal year. In fact, the Minister's own figures show that the deficit reduction will be only $2 bilion lower than forecast this year and only $1 billion next year. Which is it to be? Are there going to be projections or not?

The Minister has already acknowledged that in six months they were out by $1.5 billion. In five years, that works out to a margin of between $10 billion and $15 billion. This is an important fact. It is at the core of the Budget and is the Minister's own argument. It is the way he wanted to do things.

The Government is putting all its hopes for growth on building what he calls confidence in he private sector. However, in one paragraph, the Minister undermines that whole approach. How can the business community have confidence when the Minsiter will not tell us on what he bases his figures? He simply says, "Trust me". I simply say that that is not good enough. Confidence is fragile enough without adding to the confusion.

The Minister of Justice (Mr. Crosbie) went to St. John's, Newfoundland recently. He goes back there every once in awhile to refresh himself. The Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) mentioned earlier today the article in the *Evening Telegram* of May 25, 1985, which quoted the Minister of Justice. The Minister is even more loquacious when he is in St. John's. I suppose it is contagious. The article quotes the Minister as saying:

"If it turns out that in any of the approaches taken in this budget there is any possibility of any damage to regionally deprived areas, then there will be changes made to deal with that," he said.

I think we ought to invite the Minister to Cape Breton. Perhaps we ought to invite him to Deep River. How about Chalk River?

Mr. Chrétien: In B.C., what about the forestry, the mining? He should be there.

Mr. Turner (Vancouver Quadra): You've got it, Jean. The article indicates that the Minister went on to say the following about his brother Ministers:

"If they can't do it, if they can't produce the jobs and the economic growth, then we won't hesitate to go in a different direction. Although I don't know what other direction you can go in because the other direction has proved to be a failure for the last 20 years."

The article indicates that he went on to say:

"If they don't perform, then big brother will have to be given the job back again," he warned.

I wonder if the business communities of Toronto, Montreal and Vancouver have read about that particular remark.

These boys will change their minds pretty quickly. They do not really believe in what they are doing. I ask them to show us the calculations. I would ask the Minister to show us how he came up with such optimistic projections. I would like to remind the Minister of Finance of what his leader, the Prime Minister, told us during the election campaign about public finances. He said that they were going to tell the people the facts, that they were going to share them with Canadians and that they were going to set out a true and honest accounting. Well, give us that accounting.

We know that over one-half of the deficit reductions, $2 billion this year and $1 billion next year, are put down to what the Minister calls better program management. When we were in the lockup, my colleagues from Saint-Henri-Westmount (Mr. Johnston), Winnipeg-Fort Garry (Mr. Axworthy) and Laval-des-Rapides asked the officials who wrote the Budget what that meant. We asked them from where that money would come. They did not know. They had no answers. Neither does the Minister of Finance. As Jeff Rose, the President of CUPE, has said about this Budget, this Budget is about leaps of faith and starry-eyed assumptions that the private sector will provide jobs while consumers spend less.

I say that it is lousy economics to take $4 billion out of the economy next year and to take $4 billion away from consumers. My colleague, the Hon. Member for Laval-des-Rapides, made this argument earlier this afternoon. The Budget takes $4 billion out of demands. From where does the cash come to buy the goods being produced by the private sector? How does taking away spending power from the Canadian consumer create jobs? How does it help small business?

The Government is relying on the United States market to keep our exports going. It is relying on the United States market to keep our big business going. However, when small business is the core around which this Budget is being directed, it takes $4 billion out of the demand of this country, money which can ony be directed to small business and the products of small business. The answer is that this will not help small business. It will hurt the average businessman and woman in this country. We predict that on the basis of that withdrawal of $4 billion worth of demand in the Budget, 125,000 to 150,000 jobs will be lost.

Data Resources, a well-known forecasting firm, has just come up with its calculations. Its report indicates:

The Government's bitter medicine will reduce growth of real output by 0.3 per cent this year and by 0.2 per cent in 1986.

It goes on to indicate:

The restraints may raise the unemployment rate in the next year by as much as 0.3 per cent.

That is not a job-creating Budget. That is not an agenda for growth. That is not an agenda for jobs.

The Minister is relying on opening up the rules for the application of funds from RSPs and pension plans in order to invest in small business. I do not know how realistic that is. I have been a trustee for pension funds for a large number of workers. I know that I and the other trustees of such funds have a fiduciary duty to protect and increase the capital of those funds. I want to know how many pension funds or RSPs will really invest in high-risk ventures when the duty of the trustees who manage those funds is to protect and enhance their capital. I think there is a lot of smoke and mirrors and a lot of wishful thinking here.

We suggested that the best way to help small business in this country and to persuade Canadians to invest in small business would be to allow a complete deduction of a capital loss against income for investment in small business. I believe that that would have done far more for small business than any measure that is in this particular Budget. What about our young entrepreneurs program for which we suggested $100,000 worth of start up moneys? What about one-stop shopping for all government services at the Small Business Development Bank?

Where are the promises the Government made to reduce the tax burden on small business, to simplify the tax system, to review government purchasing policies so small business can get their fair share and to create more accessible methods of financing? The Minister claims that the half million dollar exemption for capital gains will go to small business, but again that exemption is not targeted. There is no assurance whatsoever that any of that money invested and claimed by way of exemptions by wealthier citizens will go to small business.

By the way, only 4 per cent of Canadians make capital gains. There are only 150,000 Canadians who invest in ways that will allow them to get capital gains exemptions, and there are no strings attached to those exemptions.

As you know, Mr. Speaker, we in this Party are committed to the private sector. The Budgets I brought down were committed to the private sector. We believe that the small business sector is the engine of growth in this country. We believe that the small business community can and will give us job creation. That is why during the election campaign we presented the programs I have just described. We believe in rewarding success. We believe in rewarding risk. Those are basic principles of our Party.

As reported in *Hansard* of May 24, the Minister has said:

One of the things that has characterized the response of a broad range of people to this Budget is that it has been fair.

However, $350 to $500 will be taken from the average family and there will be a $125,000 cash bonanza for the wealthy who can afford to invest and be eligible for capital gains. However, there is no relation between that exemption and small business. There is no guarantee that that money will be invested in a business in Montreal, Saint-Maurice, Vancouver Quadra or Ottawa-Vanier. That money could go to a condominium in Florida, a hotel in California or Palm Springs, European art or a number of objects that have nothing to do with jobs in this country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister says that he has been consulting and listening. It has taken eight and a half months for him to bring down this Budget, the longest time it has taken in modern Canadian history. Today the Prime Minister said that he thought that the Budget was generally regarded as a helpful document for the economy.

To whom has the Prime Minister been listening? To whom has the Minister been listening? It sure wasn't Lesley Silver of the Social Planning Council of Ottawa-Carleton who said:

> This Budget is a strong step in the direction of entrenching inequality . . . In fact, a de-indexing of Old Age Security will mean the poorest of the elderly—those living on incomes comprised solely of OAS and GIS—will suffer a 1 per cent reduction in real income.

He didn't listen to Sally Hall, President of the Consumers' Association of Canada, who said that middle-income earners are going to be hit hardest and that the consumer is going to have less money. Nor did he listen to representatives of labour. Dennis McDermott has said that the Budget:

> —studiously ignores labour . . . there is a violation of their election promise to get the country working again—

He went on to say:

> This is a Budget of continuing recession. There is no hope out there.

James McCambly, President of the Canadian Federation of Labour, said that the $125,000 capital gains tax bonanza for the rich means:

> —high income people will get off scot-free but middle income and average wage earners are going to get hit.

He didn't listen to Cliff Pilkey, President of the Ontario Federation of Labour, who said:

> —the unemployed people of Canada have been betrayed.

Nor did he listen to the President of the Canadian Ship Building and Ship Repairing Association who said of the Budget:

> Our worst fears have happened and all the promises (made by P.C. politicians during the 1984 election campaign) have been abandoned.

● (1640)

Nor did he listen to the Executive Director of the Ontario Federation of Agriculture, who said:

> It was a pretty depressing message . . . It will help farmers sell and get out of farming, but there was little to help them stay in business . . . There was nothing that dealt with the issues that we raised with them and nothing that had been promised in the federal election proposals.

Nor did he listen to the Secretary-Treasurer of the B.C. and Yukon Building Trades Council, who said:

> Once again we have a federal Budget designed to make ordinary wage earners and the unemployed pay to meet the never-ending demand for increased profits from speculators and major corporations.

Did he listen to the 13 member Canadian Council of Churches and Citizens for Public Justice? They said:

> In fact, the Budget will deepen poverty in Canada. Changes in the federal sales tax, for example, are regressive and mean additional tax costs for poor families.

We do not know to whom the Minister has been talking and where he got the idea that people think it is fair to attack middle and lower income groups. I am outraged that the Minister would dare to say that I agreed with his over-all approach to capital gains exemptions for the rich. Not only is the measure unfair, but put together with the tax increase for the average Canadian it will not work for the purposes which he says it will work. It will not be invested in Canadian small business.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is great for real estate in Florida, buying a race horse in Kentucky, or a hotel in Hong Kong, but it will not put a cent into Canadian business. When I asked the Minister why the exemption was not limited to Canadian businesses, he said:

> —if we put those rules into the tax system it would result in a tremendously complex tax system . . . people would be able to find ways around it.

What a pathetic excuse. What a sad and sorry abdication of ministerial responsibility. The Minister of Finance said that the Budget was about jobs. That is pretty rhetorical, but the truth is that there is nothing in the Budget which will create jobs. It will not even create training, as it has cut $100 million from training programs.

On CTV's *Question Period*, May 25, the Minister said that it was:

> —a very slight amount less money spent on job training—

I have said that budgets are not just graphs, jobs or projections. Budgets are about human beings. An economy only works if people are at work. A budget is only successful if people can find meaningful employment, educate their children and provide for their retirement.

[*Translation*]

A Budget is not just the sum of a column of figures or a series of graphs. A Budget is people. It deals with men and women and families across the country. A Budget concerns our way of life, the careers of your young people, the future of our children. This Budget, however, is not a Budget of hope, it is not a Budget of jobs, it does not have the confidence of Canadian men and women.

[*English*]

The sad thing is that the people of Canada honestly believed that the Prime Minister meant it when he said the priority would be jobs, jobs, jobs. They believed him when he said that social programs were a sacred trust. They believed him when he said that the economy could be made to grow, that prosperity was just around the corner and that the unemployed would be put to work. They believed him when he said that the poor would not suffer. They believed him when he said that the elderly would live in dignity. He said the Government would be fair, but the first Budget, the first opportunity the Government had to demonstrate what it really means for Canadians, where its heart really is, and the first chance it had to demonstrate that fairness is something which counts, is an

astonishing betrayal of the trust which was placed in the Government by Canadians last fall.

It is a gutless Budget. It is ruthless. It is a heartless assault on the weak, the poor, the unemployed, the elderly, the disadvantaged, middle-income earners and average Canadian families across the entire country. The average Canadian is being hit to put money into the hands of the rich and powerful.

There is no agenda for growth. In fact, the Budget is anti-growth, anti-family, anti-youth, anti-women, anti-senior citizens, against the regions of the country and anti-research. There are no jobs available in the steel and automobile industries. There is not a single word about mining. There is nothing for forestry or housing. There is nothing for tourism, and there is virtually nothing for agriculture or fishing. There is only the vague expectation of the Minister of Finance that somehow, out of the goodness of their hearts, the corporate sector will invest a bit more and create a few more jobs, but the Minister will not say how. He will not say it because he does not know. His incentives are not targeted to achieve that result.

That is why we in the Liberal Party have no confidence in the Budget. It presents a vision of Canada which we do not share. It is a vision of Canada which denies the contribution of the elderly. It is a vision of Canada which denies equality to every individual in every region. It is a vision of Canada which says that the poor are not worthy of our compassion. It is a vision of Canada which denies the social contract. It is not a Budget of hope. It is a Budget of despair. It is a Budget which we cannot support. We will continue to condemn the Budget from one end of the country to the other.

Some Hon. Members: Hear, hear!

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, it is with great pleasure that I rise today to participate in the budget debate. Although, Mr. Speaker, you have been kind enough to recognize me on various occasions to permit me to comment and make observations on matters before the House, my remarks today constitute my maiden speech.

It will thus come as no surprise if I digress briefly from the important budget debate to make several comments about my riding of Esquimalt-Saanich, which I have the great honour and privilege to represent in the House. Some Members who are present, having been here awhile, will remember several of my predecessors—the Hon. George Pearkes, P.C., and holder of the Victoria Cross; George Chatterton and Donald Munro. I know my distinguished predecessor, Don Munro, would want me to extend his felicitations to his many friends and former colleagues on both sides of the House.

Where, one might ask, is Esquimalt-Saanich? It is on southern Vancouver Island, adjacent to the riding of Victoria. It has a population of 115,000. Its make-up is diverse. Esquimalt includes our western naval base and Work Point Barracks, the home of the 2nd Battalion Princess Patricia Canadian Light Infantry. The Saanich Peninsula includes rich farmland and a growing scientific community. We share a major university and community college with the riding of Victoria. Thanks to our temperate climate, we have a large number of retired residents. Given the immense natural beauty of Vancouver Island, the mild climate and the ocean as a doorstep, it is not surprising that tourism is a major industry.

Greater Victoria, which includes my riding, is the sports capital of Canada. We have produced a long procession of national championship teams in basketball, soccer, lacrosse, softball and field hockey. The heart of our Gold Medal Olympic Rowing Team lives and trains in my riding. Many Canadians will be surprised to learn that we even won the Stanley Cup a few years ago. Sports flourish across the full range of age groups and areas of endeavour. It is truly a favoured land. Some have called it a Garden of Eden.

Thus far, I have been describing the physical aspects of my constituency. The economic situation is not so happy a story. Unemployment is at 15 per cent in the greater Victoria area. Energy prices are high. Small business has been depressed. Tourism has been down and mills have been closed. Young and old alike have suffered.

The first tentative signs of economic recovery are showing. As a province heavily dependent on resource industries, we in British Columbia require stable markets, affordable wage scales and responsible federal Government fiscal management for business to flourish. Until recently, these necessary ingredients have been missing.

• (1650)

Initiatives taken by the new Progressive Conservative Government beginning last September have helped to start the turnaround, not just in British Columbia but right across our nation. The Budget introduced by the Minsiter of Finance (Mr. Wilson) is an important milestone in this process of economic renewal. Hon. Members opposite are attempting to portray this Budget as some isolated incident which is unrelated to the legislative program which began last autumn and which will continue over the months and years ahead. They could not be more mistaken, Mr. Speaker.

We began with the economic statement in early November, followed by the First Ministers' conference in Regina, the conference in Quebec and the economic conference here in Ottawa. Overlaying and connecting all of these events has been the extensive and unprecedented consultation between the new federal Government and all of the provincial administrations. Many other important legislative initiatives have been taken since November which have inspired Canadians from coast to coast. This is an ongoing process and there is much more important legislation to come.

This budget, very significant though it is, is not the end of the battle to make sense out of the nonsense we inherited. Indeed, this is barely the "end of the beginning", to paraphrase the words of that great Englishman, Sir Winstor Churchill.

What do British Columbians in general, and my constituents in particular, think of this Budget and the approach of this Government? They like it very much, indeed, Mr. Speaker. It begins with that very basic of requirements, attitude. We are the first federal administration in a long while which has

genuinely listened to western Canada. In a federal state such as Canada, there is a partnership between the federal authority and the various provinces. Practically all of our national programs are funded and administered jointly. To presume to govern nationally, to presume to be acting on behalf of all Canadians, without consulting promptly, thoroughly and reasonably with each and every provincial jurisdiction, is to perpetrate a fraud, a hoax on the people of Canada. That is exactly what our Liberal predecessors did. They perpetrated a fraud and a hoax. They did not consult, did not account and they did not care. It was a splendid example of "fooling enough of the people most of the time". In 1984, Canadians said, "Enough".

The people of Esquimalt-Saanich are very much in favour of the consultative process. They are fed up with the bickering between jurisdictions. They want effective, efficient administration from Ottawa. I don't know how Ottawa is viewed from Cape Breton or Saskatoon, but I can tell you, Mr. Speaker, Ottawa has been known in British Columbia these recent years as "fat city". Fat city, Mr. Speaker, is that shameless place which is untouched by the recession and populated by legions of faceless bureaucrats and eastern politicians. It is inured from the vicissitudes of inflation and high unemployment, with fat salaries, fully indexed pensions and other assorted perks and benefits.

No one in the former Government cared what westerners thought. Let us take the Liberal national energy policy. That alone tells the story of the Liberal attitude toward western Canada; repressive, vindictive, disinterested and disdainful. Western Canadians have long wanted to be consulted, to be treated fairly and honestly. They have been consulted these recent months. They agree with the policy thrusts of this Budget.

This past weekend I met with hundreds of my constituents in a public forum. They agree that the deficit must be controlled and reduced. They acknowledge that the private sector, most especially small business, is the vehicle for economic growth and job creation. The tax incentives and the changes to the capital gains legislation are important ingredients in the policy to help small business.

The pioneer spirit is alive and well in British Columbia. It is a frontier land of rugged beauty and rugged individualism. The entrepreneurs, the risk takers, are more than willing to take up the challenge of business development, business growth and to be the engine of economic renewal. They have been waiting for a Government which is prepared to reward the successful and the risk taker, a Government which does not dictate everything from the bowels of "fat city" but consults and puts faith in the individual Canadian. That states plainly that the Government wants to unleash the little bit of genius which lurks in every Canadian, whether it be a labourer, union member, farmer, scientist or artist. We have said in the Budget, "You, the average Canadian, choose which artist deserves support, which business has a saleable and worthy product and which initiative deserves public support". That is what my constituents tell me, that is what this Budget tells my constituents and all Canadians, and that is how we intend to proceed.

We intend to manage our nation's affairs prudently and efficiently. We intend to be accountable and to consult. The farmers in my riding are very pleased with the capital gains legislation. The entrepreneur and the small businessman are very pleased with the tax breaks offered in this Budget. Those involved in research and development are delighted with the revised rules. The many retired people who have worked long and hard to build this country, the men and women from right across Canada who suffered through war and depression and who have retired on temperate Vancouver Island, viewed with particular alarm and concern the profligate and irresponsible financial management of this country over the past two decades. They applaud this Budget because that for which they had worked so long and so hard, and for which they had risked so much, was being eroded, thrown away, before their eyes.

None of us is happy with the need to touch modestly the old age pension indexing, but senior Canadians recognize, as do all other thinking Canadians, that full indexing itself is inflationary. Our retired citizens are prepared to make any modest and reasonable sacrifice, providing all Canada joins in the battle to straighten out our financial affairs. The senior citizens in my riding are well aware that our social programs, in order to be sustained, and to be improved and strengthened, require a vibrant economy in which Canadians have jobs and our finances are properly managed. We have extended benefits to widows and widowers between the ages of 60 years and 64 years. We have increased veterans pensions. We have broadened the scope of eligibility for disability pensions, which will benefit an estimated 120,000 additional Canadians. We do indeed take our social responsibilities seriously.

• (1700)

The Western Accord on energy is a great boon to British Columbia, indeed to all of Canada. In the fishing treaty with the United States, we have at long last started on the road to re-establishing our valuable salmon resource in British Columbia. I had the privilege of attending in Vancouver on Saturday the signing ceremony for the IRDA sub-agreement on forestry involving $300 million. There has never been a larger forestry agreement signed in Canada. This means thousands of jobs in B.C. in the immediate future. This agreement is six times larger than any previous federal forestry agreement with British Columbia.

In this debate on Monday, the Hon. Member for Vancouver East (Ms. Mitchell) stood up and said we had done absolutely nothing for forestry. I suggest that shows she and her Party are completely out of touch with what is going on in B.C. The right hon. gentleman who spoke ahead of me, representing the Liberal Party, said we were doing nothing for forestry. This agreement was signed in a city in a riding which he purports to represent. I suggest he does not know what is going on in B.C. either.

The rest of the IRDA agreement involving joint expenditures of an additional $275 million to be devoted to tourism, research and development, agriculture, and the economic development funds provided for in this Budget are all positive steps toward economic renewal and new jobs in British Columbia and in my riding. These are all positive steps, all part of the new and enlightened administration of this country. This Budget is an important milestone in this process of renewal and regeneration.

In summary, my constituents in Esquimalt-Saanich support the initiatives taken in this Budget. They consider it to be fair and even handed. They are fully aware that our financial affairs will not be put straight overnight. They expect us to develop a lean, efficient and accountable administration, one that is frugal with their tax dollars, and one that returns control and decision making to the people of this country. They are fully aware that the initiatives in this Budget, although significant and important, are but one milepost in the long and difficult road back to prosperity in our country. My constituents support this Budget, I support this Budget, and I am very pleased to have this opportunity today to say so.

Mr. Skelly: Mr. Speaker, first let me congratulate the Hon. Member on his maiden speech. He indicated that people like this Budget. I would like to raise some concerns expressed by an important group of people who do not like the Budget; that is, members of the Canadian Armed Forces who are penalized by the Budget and the Conservative Government.

New provisions of the Unemployment Insurance Act have placed retiring members of the Armed Forces at a serious disadvantage when they retire. Many former members of the Armed Forces have retired after long years of service to Canada with low pensions because in former times incomes were very low. They have now lost the benefit of full indexation. Servicemen who live in permanent married quarters on Canadian Forces bases, particularly CFB Comox, are facing dramatic increases in rent, some in the order of $100 to $150 a month. I would like to point out to the Conservative Government and the Hon. Member who just spoke that this Budget is unfair and unacceptable to members of the Canadian Armed Forces. It imposes harsh treatment on them, and I think these matters should be raised and responded to by the Government.

Mr. Crofton: Mr. Speaker, I appreciate the observations of the Hon. Member for Comox-Powell River (Mr. Skelly). I am not entirely sure exactly which members of the Armed Forces he is speaking about because the ones I have spoken to support this Budget. There is indeed a problem with housing for servicemen living on base. The Hon. Member might not know it, but this is one of the questions I raised just recently in the Standing Committee on External Affairs and National Defence. I did so because clearly action is required in this regard.

As to the matter of de-indexation, I think it best to repeat the comments made by the Minister of Finance earlier today. Finances which are out of control, rising costs, interest rates and inflation, affect all Canadians. Any thinking Canadian will appreciate that any government which does not take action to get our finances under control does a gross disservice to the people of this country. That is precisely what we are attempting to do, to get our finances under control, and that is what we were elected to do.

Mr. Skelly: Mr. Speaker, there is of course another group of people who live in the Hon. Member's riding who are concerned about this Budget. If you include the cuts announced in the November Economic Statement along with those announced in this Budget from the Department of Fisheries and Oceans, that Department is not going to be able to enforce habitat protection and fisheries management. They are not going to be able to provide a $200 million salmon enhancement program or the $100 million buy-back program. Many people are dissatisfied with this Budget, and I think it would pay the Hon. Member to take a very close look at people in his riding who are not satisfied.

THE ROYAL ASSENT

[*English*]

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

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

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

● (1710)

And being returned:

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

Bill C-52, an Act to amend the Unemployment Insurance Act, 1971—Chapter No. 18.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 5043).

The Acting Speaker (Mr. Paproski): Questions and comments? The Hon. Member for Essex-Kent (Mr. Caldwell).

Mr. Caldwell: Mr. Speaker, under the rules of the House we are unable to ask any questions of the Right Hon. Leader of the Opposition (Mr. Turner). Since they both come from the same province, I will ask my question of the Hon. Member for Esquimalt-Saanich (Mr. Crofton). The Right Hon. Leader of the Opposition indicated that he did not see any area in the Budget where a minimum tax was mentioned. Can the Hon. Member tell us whether he saw mention of a minimum tax in the Budget and whether he read the same Budget as did the Right Hon. Leader of the Opposition?

Mr. Crofton: Mr. Speaker, I thank the hon. gentleman for his question. The Budget presented by the Minister of Finance which I read did indeed make reference to a minimum tax. The Right Hon. Leader of the Opposition (Mr. Turner) said all sorts of things in his presentation that were, as far as I could determine, a combination of flights of fancy, misrepresentation, and a whole flock of other things. He drew attention to forestry and tourism. As I endeavoured to point out in my presentation, the Budget happens to be one of a series of documents. Unless one is going to have a budget speech that goes on for two days, it is impossible to touch on everything.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Winnipeg North Centre (Mr. Keeper) on debate.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the one thing that we can say with some confidence about this Budget is that it is clearly unfair to ordinary Canadians. It is a kick in the teeth of the ordinary taxpayers. The real question that must be asked about the Budget is who pays the bill that the Minister of Finance (Mr. Wilson) presented with his Budget in the House. It is obviously the ordinary taxpayer of the country who will pay. Every ordinary family across the country will be paying an increase in taxes of approximately $500 a year. That is one heck of a wallop in terms of increased taxes. That increase in taxes comes on top of the $500 increase in taxes of ordinary Canadians by the Minister of Finance last November 8. That is unfair, Mr. Speaker, because at the same time as he is asking ordinary Canadians to pay increased taxes, he is telling other Canadians that they can rest in the sunshine of paying no taxes.

• (1720)

As a result of the Budget, the Government will have collected $4.1 billion in personal income taxes by 1990-91. As a result of the Budget, the Government will be collecting $2.6 billion more in sales tax by the year 1990. At the same time, corporate taxes are going down and by 1990-91, they will be $2.2 billion less. This obviously makes the Budget very unfair and unbalanced. Ordinary families will pay $500 more in taxes while corporations will benefit next year by some $540 million less taxes. They will pay even less in corporate taxes as years progress.

When the Minister of Energy, Mines and Resources (Miss Carney) announced the Western Accord in the House, she was very proud to say that consumers would not have to carry the burden as a result of that energy accord. Of course, the day she announced that accord there was no mention of a tax for consumers, only the fact that the oil companies were getting a $2 billion tax holiday.

We waited some time for the other shoe to drop. When the Minister of Finance delivered his Budget, we discovered that the gift to the oil companies as a result of the Western Accord will come out of the pockets of consumers. The Minister of Finance raised the excise tax on gasoline by two cents a litre.

From a political perspective, the Budget was well crafted because the impact of tax increases on individuals are delayed and spread out among several groups. For instance, the gasoline tax increase will not take effect for a few months so that consumers will not feel its immediate impact. However, the truth remains that the Government has raised taxes on gasoline in order to pay for that tax holiday to the oil companies.

The measure which received the greatest applause from the Conservative caucus during the Budget presentation was the capital gains tax exemption of $500,000 over a lifetime. While I support a capital gains tax exemption for such things as the sale of family farms and individual homes, allowing $500,000 in capital gains tax exemption while increasing the taxes for ordinary Canadians is completely unacceptable. At a time when the Government is preaching restraint, it is unfair to allow capital gains tax exemptions to a select few. The Government is raising sales taxes and limiting indexation on personal income tax while allowing a capital gains tax exemption to those who have money. The most outstanding feature of the Budget is its unfairness. It favours corporations and the rich.

[*Translation*]

In my opinion, Mr. Speaker, this Budget is unfair, for it has raised taxes paid by ordinary people while at the same time reducing those paid by rich people and large corporations.

[*English*]

I hear comments about the coalition. I presume it is envy that this Party has been able to bring progress and a breath of fresh air to politics in Ontario.

Let me comment on the capital gains tax from the perspective of its use as an economic instrument. It perhaps would be possible to understand the Government's decision to tax middle income earners while favouring the rich if the capital gains exemption were to achieve a worth-while public purpose.

In the opinion of the Minister of Finance, the capital gains tax exemption would create employment and result in economic growth. I suggest that opinion deserves further study. First, the Minister has set no conditions for the capital gains tax exemption. For instance, he did not make this exemption conditional on creating employment in our country where there are 1.5 million people unemployed. He did not say that if you invest in Canada you can have this exemption on capital gains, which would be a worth-while public purpose. He just

said, "You can have a tax holiday on capital gains whatever you do."

● (1730)

It is important for us to take note that even before this Budget, capital gains was treated much more favourably than ordinary income. Up until the Budget, half of one's capital gains would be tax free anyway. What the Minister has done is sweeten the pot, and the pot was already pretty sweet as it was.

What was the result of the previous easy treatment of capital gains by the tax system? Did it result in a great deal of new employment? Had the Minister examined the results of those capital gains, studied them and come up with documentation to demonstrate to us that this kind of use of the taxation system resulted in *x* number of jobs or that it directed employment into regionally underdeveloped areas? No, Mr. Speaker. The Government simply moved on the basis of blind faith, on the basis of philosophy and its ideological commitment to laissez-faire, to hands off, when it comes to the private sector.

Let us consider some other possibilities that capital gains might be used for. If you had a summer cottage and it was worth a tidy bit, you might want to sell it and realize a capital gain and a tax benefit therefrom. Would that create employment? Not necessarily. If you owned a duplex or a triplex, a building in which you did not live yourself, and you wanted to realize an exemption under capital gains so you sold the dwelling, would that result in more employment? No, not that I can see, Mr. Speaker. If you invested outside of the country, even if it created employment wherever you invested, would that make jobs for Canadians? It is pretty hard for me to see that it would. It is possible for somebody to sell a condo in Florida and realize a capital gain that will not be taxed, to get a gift from the Government, but it would not create any employment in Canada.

Another way capital gains will have an impact is that they are treated better under the taxation system than dividends or interest. It will favour trading in shares. Does that necessarily result in employment? Not necessarily, Mr. Speaker. What proportion of the economic activity that will take place under this exemption of capital gains will favour employment? I do not know. I am sure the Government does not know either. It did not provide us with any figures. If the Government did know, it would have provided us with solid figures to say that this tax holiday will provide 1,000 or 10,000 new jobs. The Government provided no figures because the Government does not know how many jobs will be created as a result. The Government does not know how much of this money from the Government going to those who have large capital holdings will be a waste because there will be no employment creation whatsoever.

When we are looking at this capital gains tax holiday, we are talking about a fair amount of money. It is not a minor item. This year we are talking about some $550 million. That is a lot of money which the Government is giving up, particularly at a time when it says that it is concerned about balancing the books and reducing the deficit.

Next year we will lose from public revenues some $700 million. In five years, when this capital gains exemption reaches its full proportions, you will be looking at billions of dollars, Mr. Speaker. It is a serious question. You have to ask yourself, why did the Government introduce this capital gains holiday? It could not have been because the Government was concerned about reducing the deficit. If the Government were, it would have sought to collect this revenue and to use it to bring down the deficit.

[*Translation*]

Mr. Speaker, I have another comment to make on the question of capital gains. It is important to me that the public be the real winner every time tax exemptions are granted, and the first and foremost consideration today is unemployment and jobs. Does the Government know how many new jobs will flow from this measure? I would suggest that no one not even the Government, can come up with exact figures.

Mr. Speaker, I want to know why they gave that tax exemption to rich people without any guarantee that it will create jobs in Canada.

Some Hon. Members: Hear, hear!

Mr. Keeper: Thank you, I just keep trying.

[*English*]

I see, Sir, that I have only two minutes remaining. I want to be sure to mention one other item from the Budget because it is crucial. The most shocking element of this Budget is the meat axe which the Government took to the pension system. It decided to limit indexation of the old age pension. The Government is taking away from the people who built this country their sense of security. The Government has decided that the first 3 per cent of inflation will not be covered in pensions. This year I think pensioners will lose $100, and next year the amount will be more. The social policy reform group has estimated the cumulative loss to a single pensioner by the year 1987, two years from now, will be $1,577.

This Government has decided to pick the pockets of pensioners in order to give money to its friends in business to whom the Government is giving a tax holiday. That is the most cruel, insensitive aspect of this Budget. The Government has broken promises. It said universality was a sacred trust and that it would govern with compassion. Who did the government hit over the head?

Mr. Gauthier: The elderly.

Mr. Keeper: Yes, the elderly. The Government is taking money out of the pockets of elderly Canadians to give a capital gains holiday to its friends, a move which is of questionable benefit in terms of employment or of any economic impact.

It is shocking that the Government would tamper with the pensions of people who have built this country when the

Government promised during the election that universality and pensions were sacred.

• (1740)

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I rise today to salute a new day for Canada. My colleague, the Minister of Finance (Mr. Wilson), has shown us the way to economic renewal. He has opened the door of success to Canadians. He has given us the chance to rebuild Canada. The future is ours.

For over a decade the door to success was kept closed, barred by a massive debt and the economic policies of the previous administration, policies which never recognized the great potential within every individual Canadian. Instead, we saw policies which shattered the morale of Canadians, that lead to stagnation in the economy and destroyed the dreams of millions of Canadians. A shattered dream is hard to repair; a shattered notion, even harder.

We have begun the process of repair and renewal, a process which will give new hopes to Canadians, a process which offers all Canadians a chance to grow, a chance to succeed. The Right Hon. Leader of the Opposition (Mr. Turner), when he was Minister of Finance, showed us the way to go into debt. Canadians accepted it then; after all, it was not that much and they were told that it was necessary and unavoidable. However, it set a dangerous trend, a trend of always taking the easy way out, a trend which led to more and more debt, and a trend which has led to a deficit of some $35 billion this year alone.

Tough measures were needed a long time ago, but the previous administration was afraid to act. In 1975, one in eight tax dollars was used to pay the interest on our debt. The previous administration had set sail on a course which lead the country further and further into debt, with more and more misery for thousands of Canadians. It lead us to a point where 30 per cent of our tax dollars go to pay only the interest on the debt. When Members of the previous administration spoke to Canadians, they never told them that 80 per cent of the income tax they paid would one day go to paying the interest on the debt.

We have taken tough measures. They are fair and they are progressive. They are positive steps toward a new future for Canadians. I can understand the Opposition's mock rage, its posturing in the House, because the Budget shows Canadians that we are willing and able to make changes, fair changes which will provide more jobs and offer them new hope, something the previous administration was unable to do. Instead, it took us into debt and shattered our dreams. On September 4, Canadians voted for a change. They voted for a chance at a new beginning.

This Government has chosen a path which brings about positive, fair change. The Minister of Finance has adopted a fair approach which will solve the problem over time without threatening our economic recovery. This is not an easy task. We cannot ask Canadians to do it by themselves. Government must be a leader in cutting costs and eliminating waste. Eighty per cent of our actions to reduce the deficit will result from our efforts to cut government expenditures.

[*Translation*]

Very important though they were, these measures would not have been enough and some taxes had to be increased. As a whole, however, these increases will amount to only $250 million in 1985-86 and $1.7 billion in 1986-87. In other words, close to 80 per cent of the deficit reduction stems from lower expenditures. It is a fair and realistic strategy under the present circumstances with the result that, within a relatively short time, the Government will have more leeway to take yet more encouraging measures for Canadians.

[*English*]

Our goal is growth and new jobs. During the election we spoke of jobs, jobs, jobs. That is still our goal. Unlike the opposition Parties that are still wandering around in the dark, the Minister of Finance has lit a beacon of hope, a beacon which will guide Canada through the shoals of Liberal mismanagement to a new economic future.

This Budget will generate new economic activity and with that activity will come new jobs. The small business sector has long been proven to be the major source of new jobs in this country. In my own riding of Dollard, small business was stagnating, its spirit crushed by the ineptitude of the previous administration. It has been awaiting some sign that the Government cares, that the Government recognizes its ability to create jobs, permanent jobs. I was a small-businessman, and I beleive that small business is the single most dynamic force in the Canadian economy. More jobs, permanent jobs, have been created by this sector than by any other. The last Liberal Government with its spending on mammoth projects, work schemes, et cetera, which quickly became modern day dinosaurs, was not the answer. Past policies made it easier to keep wealth than to create it. These savings vehicles did not create jobs, they left investment decisions in the hands of bankers and their best customer has been the Canadian Government. I hope I need not remind too many people of issues like Dome and Maislin. I am not an economist, but I know that what the Prime Minister (Mr. Mulroney), the Minister of Finance and we in the Government have done in the Budget has broken with the past and has taken a gamble, a gamble on the Canadian people. A number of elements in the Budget will make it easier for the average Canadian on the street to say: "I would be better off investiong in a small business than just putting my money to sleep in a savings account."

In my riding, 61 per cent of Challenge '85 applications came from small-businessmen whose morale was on the way up, who say this Government take the first progressive steps in November and who wanted to show Canadians that our faith in them as the vehicle of economic renewal was not unfounded. We want to encourage Canadians to invest in Canada's growth. By giving Canadians a lifetime capital gains exemption of $500,000, the Government is giving individual Canadians a chance to invest in Canada's future. Unlike the NDP, we know that most investors are ordinary Canadians, not multi-millionaires.

We are rewarding success and challenging Canadians to invest in Canadian enterprise. We believe they will accept the challenge.

We have also for the first time changed the regulations governing RRSP and pension fund investment. RRSP funds can be used for investment in smaller Canadian businesses. Does the Opposition actually think this opportunity will be ignored? No, it will not. There will be a new influx of badly needed capital for business. This is but one important step which will create jobs. We have made other changes to pensions that will benefit all Canadians. Portability of pensions is now a reality. No longer will it be necessary for a Canadian to turn down a job offer or refuse a new opportunity because his pension is frozen.

Men and women are equal. They deserve equal pay for equal work, and they deserve equal pensions. The Government has recognized that equality and has acted.

As I mentioned before, we must be fair. The Budget recognized the fact that our social programs must help those in need. That is where the money must be channelled. We have kept universality but for the first time the Government is insisting that the moneys go to those who need it. We have increased the child tax credit, a credit delivered to low income families, to a level of $584 per child by 1989, an increase of $140. At the same time we have guaranteed that Old Age Security payments or family allowances will not be reduced as a result of the modification to indexation. They will be fully compensated whenever inflation goes over 3 per cent. The Guaranteed Income Supplement, as well as benefits paid to veterans, will continue to be fully indexed.

When one considers fairness, we cannot forget taxing the rich. All Canadians should be making a reasonable contribution to the tax revenues required to finance public sector operations which benefit all. This Budget recognizes that principle. Beginning in 1986 there will be a minimum tax. High income Canadians will pay their share. Unlike the infamous MacEachen Budget, which introduced 35 retroactive taxes, we believe in being fair and honest with the Canadian people. We have no retroactive taxes, and we are giving advance notice of when we intend to make changes. That is the fair way, the progressive way.

We recognize the role labour has to play in creating jobs. We have seen in Quebec the successful application of labour-sponsored venture capital funds. With the progressive use of tax credits to individuals investing in these funds, we will increase investment in small and medium sized businesses. This will create jobs.

• (1750)

Research and development in Canada has long been ignored. We recognize the vital contribution it can make to Canada's economic growth. We have made changes that will help these smaller companies, especially start-up firms. This Government will make 100 per cent of the tax credit they now earn for R and D refundable to them. This is a major, significant improvement over the 40 per cent of the credit that was previously refundable.

This sector was ignored by the previous administration. Its full job creating potential was never recognized, and its need for capital never realized. The Government has recognized the potential this sector holds for Canada. We have recognized its needs. If Canadian industry is to be successful in the 21st century, it must rely on research and development today. We recognize that and we have acted. Not only will we create jobs today, we have guaranteed them in the years ahead. We face a great challenge. Our challenge is to recreate a dynamic Canada, one of growth and prosperity.

Last Friday, in Paris, Yves Duhaime, Quebec's new finance minister, was asked what he thought of the P.C. Budget. Does anyone remember what he said? He stood up and declared loud and clear that it is about time somebody in Ottawa took a stand and said, "Enough is enough." What he meant, and what we mean, is that the federal Government cannot continue to support the country as if it were receiving welfare. It is about time the people of Canada did this for themselves. That is what my Party believes in. This is what the Minister of Finance's Budget is designed to achieve. It is intended to arouse the people of Canada so that they can improve the deplorable economic situation in this country through hard work, investment in Canadian business and intelligent risk taking. No Government in the world can tolerate an annual deficit as large as ours in relation to our country's size. The Liberals tried it and look where they are now. They deserve it.

When the Liberals came to power—there was no deficit. There was a surplus. Through their financial incompetence, the term "deficit" has become, unfortunately, a household word in Canada.

[*Translation*]

In 1974-75 the federal Government's net debt was 16.6 per cent of the Gross National Product. In 1984-85 it has reached 45.2 per cent—a totally unacceptable level.

The measures proposed in this Budget will directly reduce the deficit. That is precisely what Canadians expected us to do, and we will manage to reduce our deficit so that our children may look to the future with confidence.

[*English*]

During the election campaign we promised to act responsibly. Our Budget is the first step in that direction. I will tell Hon. Members something—it is about time! Through our Budget, every small and medium sized businessman in Canada is being invited and encouraged to invest with confidence in the economic future of Canada. This is what will provide jobs for Canadians. We have provided a way for the Canadian people to help themselves.

[*Translation*]

The budgetary proposals manage to reduce the deficit while introducing measures to help create durable jobs. To create those jobs, Canada needs a private sector that is dynamic and vigorous, flexible and innovative. Small- and medium-sized

businesses in particular are the engine of our economy. By encouraging the private initiative of Canadians with measures such as the lifetime capital gains exemption of half a million dollars and allowing pension funds and registered retirement savings plans to invest in small businesses, we will create employment and provide for sustained economic growth.

Many jobs will also be created as a result of measures to promote investment in research and development.

[*English*]

Before our sweep of September 4, media commentators and other political observers were deploring the fact that there was little difference between the Liberal and Conservative platforms. The Hon. Member for Oshawa (Mr. Broadbent) compared the Prime Minister (Mr. Mulroney) and the Leader of the Opposition to Visa and Mastercard respectively. He implied the voters had no choice. However, the massive shift of allegiance has shown that the voters themselves saw the significant differences between our two Parties.

Our gains were most spectacular in Quebec. However, right across the country, French-speaking people and members of many ethnic communities joined their English-speaking brethren in deserting the Liberal Party. They rejected bureaucracy. They rejected federal paternalism and the period of confrontation. We must eliminate waste and inefficiency in Government. We want a Government which is efficient, effective and economical. Stop betting on the Government, and bet on the little guy.

Where was the Government in February of 1984 when the petrochemical industry of Montreal called? At that time, there was no response. What did the Government do with respect to the losses in Montreal's pharmaceutical industry? We waited some 15 years for a review of a patent law which was totally unfair. It was a law which cost us jobs and proved disastrous to the development of products.

This Budget is a call to arms to our constituency—the small businessman, the professionals and the farmers—all 700,000 of us. We form a veritable army in the war on unemployment. It is this army which will create jobs. This Budget is a break from the past. We want to use the creative energy of Canadians to build a better future for themselves.

What did September 4 signify? It signified a change of Government, yes. However, it also signified the beginning of a new political area. In November, we promised to put our House in order. This means a leaner Government, one which is more efficient—one which will create a healthier investment climate. We have said that Canada is open for business.

The Budget embodies three main principles of the P.C. Government: the encouragement of private initiative and job creation; the improvement of the management and effectiveness of government; and concrete action to control the debts.

Measures to encourage private initiative represent a break with the past. Personal capital gains exemptions are designed to let the people of Canada—not politicians and bureaucrats—choose where to invest and how to create jobs. What the Budget says to individuals and communities is, "For too long Government has made your decisions for you." Now is the time to translate ideas and energies into the type of Canada we want for ourselves and our children.

Canadians are not quitters, Mr. Speaker. We are tough and resilient. Together, we can work toward a greater future—a future with a job, success and where the security of one's family is guaranteed.

Some Hon. Members: Hear, hear!

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

Mr. Rompkey: Mr. Speaker, I would like to take part in the debate. I would also like to call it six o'clock at this point.

The Acting Speaker (Mr. Paproski): There are still a few minutes left which could be used for questions and comments.

Mr. Rompkey: I would very much like to take part in the debate, Mr. Speaker, if that is possible.

The Acting Speaker (Mr. Paproski): In light of there being a minute or so for questions and comments, perhaps we could have one question from the Hon. Member for Comox-Powell River (Mr. Skelly).

Mr. Skelly: Mr. Speaker, I have a comment to make.

This Budget is not a beacon of light, as outlined by the previous speaker. It is a revisiting of the Dark Ages. The Conservative philosophy is nothing more than economic Neanderthalism, which is no more apparent than in this Budget.

For one group in the economy, that is, people in communities dependent upon the fishing industry, the Budget is a complete disaster. For this group, the Conservative Party has broken all its promises. Instead of assisting these people with measures such as salmon enhancement programs, fishing vessel buy-back programs, more work on habitat protection, and the development of an effective fishing industry plan, the Conservative Government has cut the Department of Fisheries and Oceans' Budget by $65 million. It has increased user fees. It has increased mortgage rates and cut services to the industry. This Budget is not fair. It is not effective for the fishing industry and in fact it is irrational.

The Acting Speaker (Mr. Paproski): A short answer from the Hon. Member for Dollar (Mr. Weiner).

Mr. Weiner: Mr. Speaker, I thank the Hon. Member for his comment. Of course he comes to it with a totally different perspective, and one that I cannot understand. We have apparently read two different documents. From my study of it, my impression is that what our Party is attempting to do is fair

and honourable. I have been consulting in my community constantly and I have had overwhelmingly good—

The Acting Speaker (Mr. Paproski): On that basis, I must interrupt. I am afraid that I cannot recognize the Hon. Member.

[*Translation*]

It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 30, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, May 29, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 5043).

Mr. Speaker: There were nine minutes remaining in the question and comment period following the speech yesterday of the Hon. Member for Dollard (Mr. Weiner). Are there any further questions or comments with regard to the speech of the Hon. Member for Dollard? There being no further questions or comments, we shall resume debate.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I welcome this opportunity to give my version of the events which have occurred since that so-called fair but tough Budget which was delivered in this House a week ago. I would like to comment on several areas of the Budget, but I will comment primarily on the areas for which I am the critic, that is, the treatment of our elderly and the families of our society. I will give a general overview of what I see as some great weaknesses in this Budget which was presented by the Minister of Finance (Mr. Wilson) several days ago.

I question very much, Mr. Speaker, the fairness of a Budget of which the Minister of Finance is so embarrassed that he has to use the word "fairness" some 26 times in his speech. It seems to me that if one has to resort to using the word "fair" so often, there must be some doubt about the fairness and equity of some of the measures which were put into that budget. I would like to speak about the fairness as it relates to the elderly in our society. I am going to quote from a program called *CTV Question Period* in which the Minister of Finance was asked about the shift in dollars which will occur within the package of spending for the Old Age Security. The Minister at that time said, and I quote:

> Yes, as a result of this Budget, there will be some shifting so that those who are in the lower-income brackets for the child tax credit or the Guaranteed Income Supplement will get more, but that is consistent with the principle that we did establish that the balance in the social programs should be weighted more towards those who need it the most.

I feel that this is an absolutely misleading statement with respect to what measures were put into the Budget by the Minister of Finance in both those particular areas. I noticed with care, Mr. Speaker, that this Government chose to put forward only the Estimates and the impact of the Budget in relation to the years 1986-1987. It took several days before we had a leaked document from the Department of Finance which indicated the full impact of those measures until the year 1990-91. When we see the actual impact which these measures are going to have, not only on personal incomes but on the incomes of the elderly and on those families with young children, we don't have to wonder why the Minister of Finance put forward only the years 1986-1987. In those two years, the full impact of the measures announced a week ago would hardly have impacted. It is only when we see what happens in the year 1990-91 that we get the true thrust of what this Budget is all about.

I would like to speak now about the commitment toward the people in the lower-income brackets of which the Minister has made so much. I find it rather mind boggling, to say the least, Mr. Speaker, to actually believe that the Minister thinks that people who live below the poverty line should be expected to share any of the burden of the deficit reduction. I am talking in particular about the 1.3 million Canadians who rely on the Guaranteed Income Supplement in order to make ends meet. Those are the 1.3 million Canadians who are over the age of 65 years and who no longer can avail themselves of jobs to protect them against the ravages of inflation. Their only relief is going to come from government cheques and from a Government which believes that in order to protect the dignity of an individual, they should have sufficient income to at least match Statistics Canada's definition of poverty.

• (1110)

Here we have a Government which, over the next five years, is going to take from the hands of those who qualify for the Guaranteed Income Supplement some 19 per cent of their purchasing power. All of us in this House recognize that anyone who is on the GIS today lives below the poverty line. That is a fact. However, this Government is going to take away a further 19 per cent of the purchasing power of people already below the poverty line, and calls that fair. I would like to read the words of some Members in opposition when we were in Government and brought in the six and five program. When he was in opposition the Minister of Finance said that "the Liberals are putting the boots to those who are hardest hit in the economy today; the low income people and the pensioners." His colleague, now the Minister of Employment and Immigration (Miss MacDonald), said that the caps on indexa-

tion were "the meanest move" that she has ever seen in a Budget.

Ms. Mitchell: And so it was.

Mr. Frith: That is what those key Ministers had to say. I want to remind my friend from the NDP who just said "so it was" just exactly what the Liberal Government did—

Mr. Gauthier: Ignore her.

Mr. Frith: —when we brought in six and five. We made sure that those people in our society who need help the most, those who qualify for the GIS, were going to be double indexed. That is a pretty complicated term, but it meant that in addition to fully indexing to inflation the GIS portion of the OAS cheque, we fully indexed the OAS portion to make sure that the poor in this country would not lose one cent of purchasing power because of the need for sacrifice to bring inflation down to a reasonable and acceptable level. That was the Liberal way. We asked the people of this country to share the burden of reducing inflation but not on the backs of the poor. Do we see that from this Government? Not at all. The Minister says one thing and does the opposite.

The Minister of Finance indicated as well that those in the lower income bracket would get more dollars from the child tax credit. Yet if one looks at the direct impact of his Budget measures on the national accounts component, by the year 1991 there will be a reduction of $80 million in that total package. People can be fooled by numbers, but the facts are that in 1985 dollars every family earning $12,000 a year or more is going to receive less from the child benefit package by the year 1991 than they do today. I question whether that can be termed a fair measure in the Budget.

I find it incredible that the Minister did not accept the advice of the Standing Committee on Health, Welfare and Social Affairs concerning the child tax exemption and tax credit, particularly when the majority of Members on that committee are Conservatives. Here is a Minister who, in the interests of fairness, introduces a tax measure which will reduce the cut-off point for the child tax credit from $26,000 a year of family income to $23,000 a year. I find it incredible that a Conservative Government—I should not say that; I should not find it incredible because, frankly, after September 4, I fully expected this would be a Tory Budget. However, I thought they would at least have the courage to say it was a Tory Budget. Do not try and fool the Canadian public by saying it is a fair measure to decrease the benefits for every family who earns $12,000 a year or more in 1985. At least be straightforward with the Canadian public.

Yesterday, in his speech to the House of Commons, my leader indicated that part of the problem with this Budget is that it is a sneaky Budget. It is sneaky in the sense that they thought they could fool the Canadian public by only showing the impact of these budgetary measures during the first two years. They were trying to hide the impact that this would have on the elderly and the young families in our society. I find it incredible that at the same time as the Government is giving $500,000 in capital gains exemption, it has chosen to hit the poor families in our society and expects Canadians to believe that this is a fair but a tough Budget.

• (1115)

I want to talk about the growth factors in the Budget. The Government, which has been in office since last September 4, was handed an economy which was growing at the rate of 4.1 per cent. That was the over-all growth in the country in 1984. In his own Budget documents, the Minister of Finance indicates that growth in our society in 1985 can be expected to drop to approximately 3.1 per cent. Although he is convinced that the measures in this Budget will lead to an economic renewal in the private sector creating thousands upon thousands of jobs, his own figures indicate that growth will be cut in half again in 1985 to the rate of 2.4 per cent. One must have an awful lot of faith in the engine of growth in our society to believe that a growth rate of 2.4 per cent in the economy will lead to the creation of thousands upon thousands of jobs.

Conservatives talk about the economic miracle that has occurred in the United States since the implementation of many of the fiscal policies of President Reagan. They point to the miracle that has occurred in terms of the freeing of free enterprise in the United States. I remind those Conservatives that free enterprise has been freed by putting tax dollars into the hands of consumers. Despite his talk of fiscal restraint, President Reagan has created a deficit in the United States which will approach $200 billion in 1985.

Despite all his rhetoric, President Reagan at least understood that if the fiscal tools of the Government are properly used and directed, they can do a great deal to speed up economic recovery. Do not assume, however, Mr. Speaker, that the direction of $200 billion toward the defence industry is my idea of creative, productive, and socially valuable fiscal spending. I am suggesting that, if properly directed, a deficit can do a great deal to speed up economic recovery. We have seen an example of that in the United States. In addition to increasing the size of the deficit, President Reagan cut taxes of middle income Americans so that they would go on a spending spree, and spend they did. As a result, there has been a decrease in the unemployment rate in the United States, and their growth rate has been higher than that experienced in Canada.

If the Minister of Finance were true to his Conservative beliefs, I would have expected him to have taken the examples of the United States and implemented some of those over-all general directions in Canada. He did not do that, Mr. Speaker. Instead, he chose the Margaret Thatcher way. He chose to increase taxes on middle income Canadians so that they will have less to spend on consumer goods. That will impede growth in our economy next year, as he has admitted. To suggest that he has had such a tough job in cutting the size of the federal deficit leaves little to be imagined.

Eight months ago, the Minister of Finance was handed a $30 billion deficit. By his gift to the multinationals of $2.6 billion and his increase in the size of federal transfers under

Established Programs Financing, the Minister of Finance has increased the federal deficit from $30 billion to $38 billion. He then says that he has done such a good job in paring the deficit down to $34 billion that all Canadians should applaud. What hypocrisy and sham. The Minister of Finance cannot learn the lessons of the British economic experience in the last four or five years. Rather than President Reagan's policy direction, he chooses that of Margaret Thatcher. I hope some member of the Government will talk about the pros of Margaret Thatcher's direction.

• (1120)

There have not been many positive improvements to the British economy. Since Margaret Thatcher took office, the unemployment levels have not dropped. There is a lost generation of youth in the U.K. Unemployment for youth between the ages of 18 and 24 in the United Kingdom is approaching 26 per cent. That is a direct result of the economic stupidity on the part of a Government that focuses itself so narrowly on fiscal measures to reduce the size of the federal deficit. It believes so strongly in the private sector for recovery that it has led to an exact opposite result to its original goal..

The Minister of Finance admits that he is anticipating growth of 2.4 per cent in 1985-86. How does he expect there to be a cut in unemployment if the growth rate will be smaller than it was this year?

Let us talk about the Minister's concept of fairness. On Budget night, the Minister of Finance did not indicate to the Canadian public that he plans $2 billion of cuts in transfers to the provinces over the next five years. I assume he does not want that impact to be seen until the year 1989-90, after the next election. He is attempting to fool the Canadian public with this Budget. The impact of each of these budgetary measures will fully impact on the Canadian economy long after the next election. Canadians should be aware of the hidden agenda of this sneaky Budget.

What effect will a cut of 42 billion to Established Programs Financing have on the average Canadian? It involves a transfer of funds for money spent under the Canada Assistance Plan in transition homes and for people who are on welfare lists at every municipal level in this country. Cuts in Established Programs Financing and other such programs will impact on the dollars spent on medicare by the provinces and in post secondary education.

Do you really believe that if the federal Government cuts the transfer to its provincial counterparts by $2 billion that nothing will occur? Surely the provinces will be faced with either cut-backs in those areas or they will have to raise taxes to make up the difference in the transfer of payments from the federal Government to the provinces. That is not my concept of a fair budget. A review of the figures in the Budget documents as they relate to unemployment shows that the Government apparently accepts that unemployment will hover at the 11 per cent mark for most of this decade. Does the Government believe it is fair to expect 1.5 million unemployed to wait five more years for the economic recovery in order to get a piece of the pie, while it hands out millions of dollars of tax breaks to the rich in our society? Is that the Conservative's idea of fairness? It is certainly not the Liberal concept of fairness.

I have seen the attack on the regions of our country. I represent an area of this country that has been badly hit by unemployment in the nickel mining industry. I know what it is like to have an unemployment rate above the national average because we have lived with it for the last six or seven years. My riding had the highest unemployment rate in the mid 1980s. Our unemployment rate of 35 per cent was the highest in North America. When Conservatives tell me that make-work programs are not worth anything, they might want to visit communities in our country where it is the only means of job prospects. Without that, people in those areas face only one option, which is to go on the welfare rolls of the municipalities.

There are Members in the Conservative caucus who represent regions in this country that have similar problems to those experienced in Sudbury. I have not heard one Conservative backbencher attack this Budget. They know it will hurt the people whom they represent. This Budget will adversely impact on Atlantic Canada, on northern Ontario and northern Quebec, which are areas of this country that have traditionally relied on government programs. They have relied on the Department of Regional and Industrial Expansion to fuel the growth so that while the unemployment rates are still unacceptable, at least they are lower than they would be without those programs.

The Conservatives used to complain about us, but we pale by comparison with the dollars the Government and its 40 Cabinet Ministers have spent jetting around the world. Now they tell us that they no longer have the money to pay for the programs that will protect the poor in our society who live below the poverty line.

• (1125)

This is sheer hypocrisy, Mr. Speaker. I think the people of Canada will be asking their back-bench Members of Parliament who represent the Conservative Party where they were in the debate of 1985 when the Budget came down. Were they defending the interests of constituents when everyone elected under the Conservative banner in Atlantic Canada knows that this Budget is no damn good for Atlantic Canada? This Budget will severely impact on the day to day lives of constituents, and Conservative Members are not saying a word to the Minister of Finance or to the Prime Minister (Mr. Mulroney).

I must admit one did have the courage. The Member of Parliament who represents Cape Breton finally said that the measures in the Budget were not acceptable to the people of Cape Breton. No wonder, Mr. Speaker, because if he has any hope of being re-elected, he had better be seen to be voicing the concerns of his own constituents. It will be a mark of dishonour on Conservative backbench Members who have not taken advantage of this Budget debate and stood up to defend the interests of their own people.

If this Finance Minister is so convinced that the elderly in our society, those who live below the poverty line should share in the burden of the deficit reduction, then I ask the Minister to appoint a committee this month to travel from Vancouver to Halifax to all of the small centres and to listen to senior citizen organizations and organizations who represent the poor. Let the people voice their concerns about a Government that will take from them 19 per cent in purchasing power over the next five years. Can he tell them that is fair? I am convinced that if he has the courage of his convictions, he should have the courage to establish that committee.

I have already indicated today that I have talked to Patrick Johnston, the Executive Director of the National Association of Poverty Organizations. He is willing to set up part of that travel show. If we can do that and we report back to Parliament, the Government will see its folly and reverse itself in the Budget.

Ms. Mitchell: I have a question for the Hon. Member for Sudbury (Mr. Frith). He shared experiences on the Standing Committee on Health, Welfare and Social Affairs when we were reviewing child benefits. We put a lot of work into the report with some guidelines for child benefits. Does he think that this Government really paid any attention to that report and to some of the principles we felt were very important? The Government has reduced indexing on family allowance, which in my view really erodes the whole principle of universality as well as giving less money to families. Is that his view?

There is a very small increase in the child tax credit, $70 now and $70 later, which is far below what was considered in the options we looked at in the committee. The Government has removed savings from the child benefit package for governments, but not for families. Does the Hon. Member agree with these principles? What does he think should have been done?

Mr. Frith: Mr. Speaker, I thank the Hon. Member for Vancouver East (Ms. Mitchell) for the comments and for her questions. Clearly the Government did not listen to the recommendations of our committee. If the Hon. Member remembers correctly, even the backbench Tory Members indicated that the cross-over point for the child tax credit should be significantly higher than what was presented in their own child benefits paper. Not only did the Finance Minister ignore the recommendations of his own Tory backbenchers, he took another Draconian step by reducing the changeover to $23,000 a year.

I find it absolutely incredible, naive and mean to suggest that a family whose total income is $23,000 a year should expect to have a decrease in the child benefits portions that governments gives.

Frankly, the over-all thrust of the Budget, in addition to being anti-old age, is also anti-family and anti-youth. In terms of 1985 dollars, if one takes a look at the national accounts component which I talked about earlier, it indicates that in real 1985 purchasing dollars, every family which earns $12,000 a year or more today will suffer a reduction of dollars to spend. The Government is going to hand out to the rich in our society $350 million next year in tax free capital gains, which amount will go up to the tune of $700 million by 1990-91. That is what they are doing on the one hand. They can actually hit low income Canadians in this manner.

• (1130)

I just want to point out that 67 per cent of the capital gains benefit will go to 4 per cent of the population. That kind of thrust in the Budget does not surprise me, as it is a Tory thrust, but I hope the people of Canada will remember it when they go to the polls the next time.

Mr. Malone: Mr. Speaker, I have a quick question for the Hon. Member for Sudbury (Mr. Frith). How did he know that there could be a stabilization of the transfer payments to provinces and that there might be an increase in the collection of revenues for the Government of Canada in future years?

Mr. Frith: Mr. Speaker, I suggest that the Hon. Member for Crowfoot (Mr. Malone) look at the national accounts. I know they have now been released in the newspapers. Of course, these are all projections, but they indicate the full impact of these measures. It is indicated quite clearly that they are expecting a $2 billion saving in transfers to the provinces by the year 1990-91. Also, in those same papers it is indicated that by 1986-87 they do not anticipate any reduction in transfer payments. This is what led me to the belief that the Government will go to the polls between 1987 and 1988, before the full impact of these measures will be felt by Canadians. Government Members know that if they stick around long enough for Canadians to feel the full impact of these budgetary measures, they will not be sitting on that side of the House after the next dissolution.

Mr. Malone: Mr. Speaker, I have a supplementary question for the Hon. Member. The point I want to make is that the Hon. Member for Sudbury deludes himself. He spent the greater part of his speech saying that it was a sneaky Budget. He gave as evidence of that, that certain facts would be coming forward in the future which he somehow claimed to be sneaky, and when I asked him how he knew that, he claimed that he read public documents. Obviously it is not sneaky; it is public.

We have laid out a long-term plan by which the country will create real jobs. The Hon. Member and the people of Canada know that taking tax money from taxpayers to pay for the jobs of other people simply creates ongoing situations wherein the ability of those who have the capacity to produce jobs is diminished to the extent that they cannot produce more jobs. The best Governments can ever expect to do is to redistribute wealth.

The Hon. Member talked about the capital gains tax. Surely he does not believe that Studebaker will buy out General Motors or that the owner of a large corporation who may earn $200,000 per year will be enticed to sell out to get the $500,000 advantage. Surely the Hon. Member knows that the capital gains tax applies to little store owners, clothing store

owners, farmers, garage owners and people with service stations. Also he knows that after a lifetime of work, when one has the capacity as a result of a system which a Government has put in place to look after oneself as an individual, one does not need social services handed out by a Government. That is the point, and I know that we are trampling on this unholy marriage between the NDP and the Liberal Party.

Mr. Frith: Mr. Speaker, I have a quick reply to the Hon. Member's question. I will not suggest that the Hon. Member is naive. I indicated that the budget document was sneaky because it only contained the full impact for the years 1985-86 and 1986-87. They did not have the courage to include the full impact for the year 1990-91 when it will really impact upon the Canadian public.

The only reason I ended up my remarks by referring to this secret document was that it was released by the Department of Finance because it wanted Canadians to see exactly what would be foisted on them. That is what I meant by "sneaky".

I just want the Hon. Member to understand that 67 per cent of the capital gains benefit will go to 4 per cent of the population. I am telling that Tory Member that when the Budget takes away 19 per cent of the purchasing power of the poor in society and hands it over to the multinationals through the oil agreement and to the top 4 per cent of wage earners, it is not my concept of fairness. If they go to the Canadian public, they will be given the same answer.

Mr. Gagnon: Mr. Speaker, I would like to indicate to the Hon. Member for Sudbury (Mr. Frith) that I just came from a meeting of the Standing Committee on National Resources and Public Works at which officials of Atomic Energy of Canada appeared. They indicated that they recommended two years ago that the heavy water plant should be cut, that they had reached this conclusion only after detailed and intensive investigation, and that a certain Cabinet Minister of his Party decided that it was worth $100 million per year of Canadian taxpayers' money to keep his seat.

The cost per job is $200,000 per year, per employee, and the employee only receives $28,000. We can shut down this whole plant and for the same amount of money, for the same benefit, have 4,100 on the payroll.

Mr. Speaker: I regret to advise the Hon. Member that the 10-minute period for questions and comments has expired. I will recognize the Hon. Member on a very short response, like 15 seconds.

Mr. Frith: Mr. Speaker, his own Government's measures will create a large national park out of Cape Breton. That is all that will be left for those people once his Government is finished with that measure.

I should like to add one other comment. The people of Cape Breton will remember the gall of this Government to introduce tax measures to attract industry to Cape Breton when it knew dang well that the measures we put in did not attract one industry there.

• (1140)

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, as former U.S. President Franklin Delano Roosevelt once said in «*Combats pour demain*», to govern means keeping the scales of justice the same for everyone. In fact, these words could very well have been part of the Budget Speech of the Minister of Finance (Mr. Wilson), because they reflect the underlying philosophy of this Budget.

During the past few days, I have listened with a great deal of interest to the comments of Hon. Members on the Budget brought down a week ago by the Minister of Finance. Mr. Speaker, I think it is appropriate to point out that this first Budget is a courageous, realistic and above all fair reflection of the broad economic proposals made by the Government last fall, with a view to stimulating the economic renewal asked for by the vast majority of Canadians.

The basic goal of the Budget proposals is to encourage the initiative of Canadian entrepreneurs, to improve Government effectiveness and to put our financial house in order. In making these proposals, the Government has also acknowledged its responsibility for social programs, and it has taken this rigorous approach in order to be in a position to discharge its responsibility to the less advantaged in our society.

Unlike previous governments, we decided last November and in the Budget before the House today, to take immediate steps to control a deficit that we felt had become a veritable threat to the Government's ability to play its true role and that was draining the energy of the private sector of our economy. We have always maintained, and we still do today, that not governments but private enterprise creates that wealth we need to provide for economic growth and create the jobs Canadians need.

A government cannot act effectively if it has to spend $20 billion or more annually to pay the interest on the national debt. More than 20 per cent of the Government's total expenditure will be used to service the national debt during this financial year. Canadian entrepreneurs cannot find the investment money they need if they must constantly compete with the Government on the capital markets.

We have decided to break this vicious circle. In fact, Canadians have congratulated this Government on the courage it has shown in this respect. The constant upward spiralling of the structural deficit could no longer be tolerated. As a percentage of the gross national product, the deficit rose from 16.6 per cent in 1974-75 to 45.2 per cent in 1984-85. The overall impact of our Budget proposals will be to reduce the deficit by $4.4, $8.3 and finally, $20.1 billion, respectively, over the next three financial years.

As a result of the steps taken by the Government last November, we have been able to cut $8.3 billion in Government spending over three financial years. The Budget brought

down by the Minister of Finance (Mr. Wilson) will bring about an additional reduction of $12.1 billion over the same period.

The Government has realized it could not ask Canadian taxpayers to take on the entire burden of reducing the deficit. It had to set an example by controlling its own spending and by making a systematic study of every one of its programs and activities. The expected levelling off of the deficit will be largely the result of the Budget cutbacks we have introduced. We are particularly concerned about the cumulative effect of Budget deficits. Less than 20 years ago, the cumulative deficit or national debt reached $18 billion. Today, it is nearly $200 billion, and this progression could not be allowed to continue.

It will become clear that the Government has not merely paid lip service to the need for reducing this crushing deficit, but has taken steps to deal with it.

We made this decision, Mr. Speaker, because we believe that the vast majority of Canadians wanted us to do so. When they entrusted the Progressive Conservative Party with a mandate for economic renewal, they did so in the knowledge that they were asking for a solution to a serious problem, a solution that could not longer be postponed indefinitely. Since last fall, the Prime Minister (Mr. Mulroney), the Minister of Finance, my colleagues and myself have been conducting consultations with all groups of our society. More than ever, we remain convinced that the vast majority of Canadians not only support our economic proposals but are indeed prepared to shoulder their part of the load in dealing with this country's finances.

Mr. Speaker, we are keenly aware of the fact that this Budget demands sacrifices by all members of our society, and we believe that all Canadians will acknowledge that this effort is necessary. We know that Budget cutbacks will have an impact on certain groups in our population, but our proposals have in no way tampered with the Government's social commitment which it sees as sacred. We have taken this approach precisely to make sure that in the coming years we will be in a position to protect the needy. In my judgment, we would not live up to that commitment if we were to let ever rising expenditures for certain programs grow unchecked. We would then be ignoring a basic fact—the Government's financial resources are not unlimited.

A few speakers in this debate seemed to imply that the Budget measures advocated by the Government would be unduly favourable to certain groups in society at the expense of others. I quite agree with all my colleagues that many of the provisions announced last week will have a very positive impact on entrepreneurs in the Canadian private sector, particularly with respect to small and medium-sized businesses. Far from feeling guilty about this favourable prejudice, Mr. Speaker, we are proud of it.

We believe that our Budget measures will prove to be a historic new trend in the Government's approach to economic recovery and job creation. It reflects the change of attitude we promised Canadians last fall and stems from our vision of society.

The Government does not believe that the fairness of its Budget ought to be assessed only in terms of taxes imposed on a group of taxpayers or benefits given to another group. In our estimation, justice lies in the equitable sharing of responsibilities within the scope of a common objective.

The Budget incentives for Canadian businesses—the once-in-a-lifetime capital gains exemption, new pension plans provisions designed to spur investment in small and medium-sized businesses, and the small and medium-sized businesses exemption from the temporary corporate surtax, to name just a few—attest to the wide-ranging responsibilities given to the private sector. We are quite sure that the private sector will meet our expectations and that all Canadians will benefit from its contribution. In our opinion, Canadian entrepreneurs rather that Governments and public officials must channel most investments. We also believe that because they are prepared to take risks and work to achieve their goal, those entrepreneurs properly deserve to benefit from their own initiatives. It has been years and years since our business community got such a vote of confidence from Government.

In keeping with this vision of society whereby private sector interests have become partners of the State, the Government was prompted—in the Budget strategy under consideration today—to steer a new historic course in a sector which, I suggest, is just as vital to our collective existence as Canadians, namely arts and culture. This Budget marks the beginning of a new artistic and cultural era within Canadian society, not only because it offers lasting support, but rather as a result of its approach and its specific provisions. Mr. Speaker, I would be remiss if I failed to point out that, for the first time ever, a Government gives priority to this field of activity in an economic strategy document.

We formally acknowledge that arts and culture are not a negligible sector of our society and our economy, and it is that consideration which is the driving force behind all my endeavours as Minister responsible.

While it does not belittle their contribution to the quality of day-to-day life, the Budget and its provisions equate artistic and cultural activities with a genuine industrial sector. In 1980, the economic contribution of the artistic and cultural community amounted to between $14.7 and $16.8 billion and, in 1981, roughly 272,000 Canadians were gainfully employed in such activities. In terms of income, it ranked 11th among industrial sectors.

The formation of a Task Force on the Funding of the Arts is a Budget measure which faithfully reflects this new approach.

● (1150)

I shall soon be able to disclose the names of the members and the terms of reference of this group. It is the first time the Minister of Finances and the Minister of Communications initiate such a joint action. The task force will submit to the Minister of Finance and to me a series of concrete recommendations on the various measures, including tax breaks, proposed to encourage the private sector to contribute more generously to artistic and cultural activities. True enough, we are looking for an increased participation by the corporations, but we must also find ways to convince ordinary Canadians to play a more active part too. Mr. Speaker, I should like to emphasize that this review and its orientation are in no way an indication of the government's intention to turn over to the private sector the main responsibility for supporting the arts, but rather a desire to increase the financial resources made available to participants within the Canadian artistic communities and cultural institutions.

As a matter of fact, the budget introduces several measures which are of immediate interest to Canadian artists. For instance, it proposes tax relief for visual artists through a change in the method of valuing their supplies, work-in progress and finished works of art. This means that when computing their income, they will no longer have to include the cost of such inventory. This change will simplify the tax affairs of individual artists and allow them to write off the costs involved in a work of art in the year they are incurred, rather than waiting until the work is sold.

We are currently considering other measures with the same outlook. Members of the artistic communities are more than creators, they are driving forces, a fact which our programs and policies should reflect. The Government wants to make sure that the financial resources whether they are provided by the public or by the private sector actually end up in the hands of Canadian men and women who can use them productively. This global approach to artistic and cultural financing is necessary in this period of budget restraint, for it will associate the public as a whole with the artistic community and extend the financial base of that industry. In my opinion, Mr. Speaker, the multiplicity of funding sources is for the artistic community the best guarantee of its freedom.

In the area of radio broadcasting and telecommunications which also are part of my responsibility, the Government has put forward several major proposals. Having identified, as early as last November, the telecommunication industry as one of the main motors of economic growth, the Government has sought in its budget strategy to favour the tax environment within which corporations involved in this industry must operate. The research and development provisions especially will have a major impact on the telecommunication industry. An easing of the rules governing R and D will encourage the corporations involved in this industry to substantially increase their investments and help maintain our industry's reputation abroad as a source of quality programming. The budget also provides measures to help Canadian corporations involved in telecommunications and other high-tech industries become more competitive on international markets.

In the area of radio broadcasting, the budget proposes for instance to increase from 20 to 30 per cent the rate of capital cost allowance available to cable television systems for cable TV converters and descramblers. This new rate will apply to equipment purchased since last September, the start of the 1985 taxation year for most cable companies.

In this spirit of equitable sharing of responsibilities which I described a few minutes ago, the representatives of the radio broadcasting and telecommunication industries will have to co-operate with the Government in its efforts to put its financial house in order. Thus, the budget provides that my department will implement during the next financial year a series of measures aimed at recovering the costs of a number of services. Those measures should yield additional revenues of $15 million for the Treasury. The broadcasting and telecommunication industries will assume the operating costs of the CRTC and relevant regulating costs. The David Florida Laboratory of the Department which has been testing satellites and advanced technological products will also review its schedules of user fees to recover as soon as possible its entire costs.

Those are examples, Mr. Speaker, of the great equity of this budget. On one hand, the government has recognized that it was essential to encourage and promote the private sector in Canada, but it also makes sure that all Canadians will not have to assume the cost of services used essentially by specific concerns.

With respect to the basic principles which are part of our socio-political fabric as those dealing with social security, arts and culture, our government provides a continuity in the spirit of Canadian traditions. However, we have undertaken since September last to find new avenues and solutions. We have chosen to break free from a past the legacy of which is a financial disaster, adversarial relations in our society and intergovernmental relations lacking a minimum of respect. In this regard, this budget breaks off with the past. It rejects the notion of a society made up of diverging interest groups intent on destroying the system and grasping privileges and benefits. On the contrary, since last autumn we are trying to abolish that adversary system and to create at the social and political levels a new spirit of association and co-operation.

Mr. Speaker: Questions and comments. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, I should like to put a question to the Minister. Why has the Government tried to control the deficit rather than unemployment? Why the fight against the deficit rather than unemployment? I think that you are putting the cart before the horse! Why has the Government decided to reduce the deficit and not unemployment? In

British Columbia where I live there is 15 per cent of unemployment and we are not trying to control the deficit—

Mr. Masse: Mr. Speaker, in reply to the Hon. Member, I would say it is because we believe that the deficit in largely responsible for unemployment. As I told you, the public debt was $18 billion 20 years ago. The previous government, under the instigation of the NDP, decided to increase the deficit to reduce unemployment. As a result, our national debt has almost reached $200 billion. Today, almost 25 per cent of our revenues is used to pay interest. Such a policy has given us 1.5 million of unemployed in Canada. We believe that the other policy is sound, that is to reduce the deficit, to stimulate the economy while creating jobs through the private sector rather than public programs responsible for huge deficits.

• (1200)

Mr. Prud'homme: Mr. Speaker, as usual I listened very closely to the Minister's speech.

An Hon. Member: You were reading the paper!

Mr. Prud'homme: Listen, you have to choose: either I will not listen to you or I will. I am listening carefully. I did not go to the trouble of coming here and listening to the Minister in order to shout at him. I was in my office when I saw that the Minister opposite whom I sit as a critic, was going to speak so as a courtesy I came in to listen to him and I intend to ask him questions.

I would like first to ask him about the rather troubling statement that was made by a very worthy lady, the Hon. Member for Brome-Missisquoi (Mrs. Bertrand). I do not believe that lady, a newly elected Member in this House, would indulge in pure demagogy. She made a statement I find quite troubling, and I am asking myself this question: Was she speaking on behalf of the Government when she stated it was not bound to all of its promises, that after all what importance does it have? Senior citizens will lose some $100 a year, which is not quite fair. And what does that amount to per day, 365 days, $100 a year? We know those are hundreds of dollars taken away from senior citizens, who are the most needy in our society, who have not enjoyed in the past all our social programs, who built this country.

Therefore, I would like to know first whether the Hon. Member for Brome-Missisquoi was speaking on behalf of the Government, since she is the Parliamentary Secretary to the Minister in charge of all those programs, the Minister of National Health and Welfare, (Mr. Epp)? And if it is true that the Government does not feel bound by its commitments, how is it then that the former Minister of National Defence, whom I still call my hon. friend, who had promised during the election campaign that no later than July there would be new uniforms—certainly a futile, needless expense—nevertheless managed to keep his promise? And we know that as early as next summer, that promise will be fulfilled at an extra cost of $35 million for this year, and over $20 million next year, in addition to causing complete havoc in the Armed Forces.

How is it that they could find $50 million of extra money this year, and $100 million in the following years, to increase by 1,150 our troops in Germany, as of this year, at a time when troop reduction is being negotiated in Geneva? We in Canada are increasing them, and we find the money for it, but we do not have the money needed to help our senior Canadian citizens who certainly are the most in need. They certainly will not be getting from this budget unbelievable capital gains.

Mr. Masse: Mr. Speaker, I am very happy to see my Hon. colleague in this House today, rushing to his seat because the Minister of Communications is going to speak. But I had hoped his questions would have dealt with cultural affairs, broadcasting or communications in Canada.

But he is asking two questions. First, about election promises. The Hon. Member knows perfectly well, and his wide parliamentary experience should inspire him in that respect, that election promises made by political parties are government commitments, mandate commitments, and that it is over the whole of their mandate, when the parties go back before the electors, that the latter will pass judgment on the carrying out of their election platform. So we will see at the end of our mandate, and I can assure the Hon. Member that the commitments made by the Progressive Conservative Party before the Canadian people will have been fulfilled when we go back before them.

Second, the Hon. Member has mentioned uniforms. It is not my responsibility on behalf of the Government to engage in debate on national defence. But I would like to point out, after certain comments made by Members of his party a few minutes ago for instance concerning Government or programs in the economy, that on the one hand, members of our armed forces are entitled to programs that meet their needs, their wishes, their abilities, their pride. And second, that the implementation of that program will widely benefit the Quebec economy, because if I remember correctly, more than or close to 50 per cent of those uniforms will be manufactured by small and medium-sized businesses in Quebec. And to that extent, I do not understand why the Liberal Member indulges in demagogy when there is a real need in the textile industry in Quebec.

[*English*]

Mr. Malone: Mr. Speaker, I would like to ask a question of the Minister based on his thorough and extensive knowledge of agriculture. The Hon. Member for Vancouver-Kingsway (Mr. Waddell) said the Minister in his speech had the horse before the cart. I would like to ask the Minister if that is not the right place to put the horse?

Mr. Waddell: I said the cart before the horse.

Mr. Malone: And is it not the case that the Liberals and the New Democratic Party have had the cart before the horse for

all these years, and it is those Hon. Members who have an economic mix-up because they believe Governments can create jobs and not the private sector? Would the Minister, out of his knowledge of agriculture, tell the Hon. Member of the New Democratic Party that the horse is supposed to be in front of the cart?

Mr. Waddell: Mr. Speaker, I rise on a point of order. Perhaps there is something lost in the translation or perhaps it is my French, but I thought I said, "le chariot avant le bœuf". That means, as far as I understand, the cart is before the horse not the horse before the cart.

[*Translation*]

Mr. Masse: I do not want to open a debate on the realities of agriculture in Canada, but I know for a fact that in a public budget, revenues must come before deficits if jobs are to be created.

[*English*]

Mr. Speaker: I must advise Hon. Members that the ten-minute period for questions or comments has expired unless the House, by unanimous consent, wishes to continue. We shall resume debate.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have heard the Budget which was delivered here last week described as "sneaky, cruel, harsh" and "Draconian". I think there is another word I would use to describe this budget.

An Hon. Member: Careful, John.

Mr. Rodriguez: I would think this Budget is "crafty", Mr. Speaker.

Ms. Mitchell: Crass, too.

Mr. Rodriguez: Crass and crafty. It was very craftily drawn, Mr. Speaker. I am not surprised that the Conservatives would bring in this kind of Budget. Every time the Conservatives govern in this country, we hear the old saying, "Tory times are tough times". As I watched last night the trek on to Ottawa from Vancouver back to the 1930s I could not only see the R. B. Bennett days formulating over on the other side of the House, but I could see something much more insidious and vicious. What I see in this Budget is a reinforcing and restructuring of the class system in this country. In fact, we are going back to a very class conscious society between the wealthy and the poor.

I would tend to call this budget "the Robin Hood Budget" with a twist. Where Robin Hood used to take from the rich to distribute to the poor, this Budget, this Minister of Finance (Mr. Wilson) and this Government, takes from the poor to give to the wealthy of this country. When one looks closely at the measures in this Budget, the pension provisions, the federal sales tax provisions, the RRSP giveaways and the capital gains giveaways, the message is very clear. The Government is taking from those who have the least and giving to those who have the most. It is all based on the fallacy that when those who have gorged themselves on the labour and fruits of those who are at the bottom end of the economic scale, somehow or other some of it will trickle down to the people at the bottom and jobs will be created.

• (1210)

Mr. Waddell: The trickle-down theory.

Mr. Rodriguez: Trickle-down theory, and it is liquid and amber coloured and I am running for cover, brother; I am not sticking around. People had better get out their umbrellas.

Let us look at the whole question of pensions, Mr. Speaker. One of the things this Budget does is reinforce the cynicism among people about politicians; when politicians are trying to get into office they make all sorts of promises. But lo and behold, once they have achieved office, they turn around and go against the very things they promised. We have many examples of that kind of cynicism building again in this Budget. We have examples of taking from the poor and giving to the wealthy. Look at deindexing. In 1980 the Conservative Party placed ads in newspapers across the country criticizing the Liberal Government. They said:

> You've heard a lot about the Constitution lately, but how much have you heard about deindexing?
>
> Deindexing is a system to guarantee that you'll pay higher federal income taxes year after year.
>
> Deindexing would mean a massive tax increase for all Canadians.
>
> Deindexing would raise a lot of money. Fast, $1.6 billion in the first year alone.
>
> Deindexing would hit people living on low incomes the hardest.
>
> The Progressive Conservative Party of Canada is providing the opposition.
>
> Indexing was our idea in the first place.
>
> And we are determined that you should continue to receive this fundamental protection against inflation.
>
> But we need your help. It's time for all Canadians to speak up.
>
> An important message from the Progressive Conservative Party of Canada.

The Tories placed those ads pointing out the dangers of deindexing. Now that they are in Government, what have they done? They have deindexed old age pensions, and old age pensioners are being asked to take up the first 3 per cent of inflation. This contradicts what they said in their public advertising campaign. This is in complete contradiction of what the Prime Minister said when he promised "complete indexing of old age pensions to the actual cost of living". What we see here is a direct attack on the principle of universality. Because of deindexation, the old age pensioners will receive $100 less next year and that will put them even further below the poverty line. The cumulative effect will be $203 the following year, and by 1990 seniors will be $512 further below the poverty line.

As well, Mr. Speaker, de-indexation contradicts the Tory promise that as soon as the Government's financial position allows, it will provide increased financial assistance to single senior citizens whose incomes are below the poverty line. So the Government puts these people below the poverty line, takes money away from middle and low income Canadians,

increases the federal sales tax and allows the poorest of the poor to fall even further below the poverty line.

Mr. Gagnon: Do you know what the word "honest" means?

Mr. Rodriguez: But how does the Government treat high income earners? The Hon. Member across the floor says "be honest".

Mr. Gagnon: Tell the truth.

Mr. Rodriguez: He says they have kept the index on the GIS. I said that full indexing remains on the supplement. How do they treat the wealthy?

The Acting Speaker (Mr. Rossi): Order, please. Will the Hon. Member be polite enough to listen to the comments of the Hon. Member?

Mr. Rodriguez: Thank you, Mr. Speaker. How does this Government treat the wealthy? Looking at RRSPs, those who earn $86,000 a year or more will now be allowed to increase their tax deductible RRSP contributions from $5,500 to $15,500. Where is the principle of deindexation there? The $15,500 will be fully indexed. There is no discounting of the first 3 per cent of inflation. It is fully indexed. These people can sock away the $15,000 each year plus the fully indexed cost of living. Do you know what that means? It means people in the 50 per cent a year bracket can pocket $5,000 more of what they earn. That is as much as some people in my riding live on. That is the Government's view of fairness!

Mr. Thacker: Louder, I cannot hear you.

Mr. Rodriguez: What will that cost the Government? Its own figures indicate that giveaway will cost $235 million. The Tories are taking that $235 million from the poor and middle income Canadians and transferring it directly to the wealthy.

You might ask how do they treat the person earning $30,000 with respect to RRSPs? Instead of allowing them to deduct up to 20 per cent of their income, they are cutting back so that they will only be allowed to deduct up to 18 per cent. On the one hand, we give upper income Canadians a bonanza, and on the other hand the people at the middle and lower income level get cut. Is that the Conservative sense of fairness?

Ms. Mitchell: Yes, it is.

Mr. Rodriguez: I suspect it is much more machiavellian. Right through this Budget we see a constant shifting of income from low and middle income Canadians to upper income Canadians. If there is an honest Conservative in the House, they will admit that.

From the Government's own figures, Mr. Speaker, by March 31, 1991, the children's benefit will be $635 million less than under the present program. This has to be a Titanic Budget: it is children and senior citizens first. They are taking $635 million out of the child benefit program of this country, as well as a massive $1.6 billion less for old age pension benefits, and what are they doing with it? What are they doing with this theft from Canada's social programs? Are they doing something creative?

Mr. Waddell: Giving it to the oil companies.

Mr. Rodriguez: They say they are going to reduce the deficit. I know this Government has a fixation about reducing the deficit, just as Margaret Thatcher has a fixation about reducing the deficit, yet unemployment problems remain in Great Britain. We know that the Premier of British Columbia has a fixation with reducing deficits.

Mr. Fulton: And they are getting bigger.

Mr. Rodriguez: Deficits are getting bigger and unemployment is getting higher. There are no jobs for anyone in British Columbia. But when I hear about this fixation with deficits I am reminded of a quote by Kevin Doyle, the editor of *Maclean's* magazine. I would like to read that quote from the February 4, 1985 issue of *Maclean's*. It reads:

● (1220)

The preoccupation with the deficit has become a menace. The word has become a little-understood part of the jargon that men without imagination and governments without direction use to disguise their poverty of purpose. It is a blind to be drawn over any discussion of the real economic challenges that face us, as well as over any argument that threatens to disturb the comfortable, conventional maunderings of the uncaring.

I think that is a very appropriate way of describing the obsession of this Government and governments like it with the deficit. Is the most creative use that we can make of the money removed from the economy through the Budget to put it toward reducing the deficit, in spite of the fact that that completely contravenes and contradicts what the Prime Minister (Mr. Mulroney) said on November 17? He said that money saved by retargeting social programs would not be used to reduce the deficit but redistributed to the neediest. Well, it is not being redistributed to the neediest, it is being given to the greediest in society.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Another area in which they have socked it to ordinary Canadians is in the deindexation of personal income tax. By 1990, as indicated in its own figures, the federal Government will collect $4.4 billion more in income tax revenue. On the other hand, corporations will receive $540 million next year and $2.2 billion by 1990 as a direct transfer. It is taken from those who have the least and given to those who are already enjoying a very low tax rate in the economy.

When I returned to the House in September of 1984, I was struck by the proliferation of powerful lobbies on the Hill. The oil companies have one of the most powerful lobbies. They pay very little tax, only 7 per cent in 1979. The Bankers' Association has a very powerful lobby. They float around in their pin-striped suits. The drug lobbies are getting what they want now, which will sock it to individuals who have the misfortune of being sick. The Manufacturers' Association has another very powerful lobby. It is time that we considered registering the lobbies on the Hill. This might be the appropriate time.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: There is no more regressive tax in any land than a sales tax because it does not take account of the ability of an individual to pay. It is a regressive tax which goes with a regressive Conservative Government. By 1990 the Government will collect $2.6 billion more in federal sales tax. Sales tax is being slapped on candy, confections, pet food, soft drinks, health goods, surgical and dental instruments, X-ray apparatus and films, wood-burning stoves, wind deflectors, heat pumps, solar heating panels, furnaces, insulating materials, wind generators, windmills, and other such goods. Having socked it to people who were trying to save on energy through the elimination of COSP, the Government has now socked it to them through federal sales tax.

The sneaky thing about this is that the federal sales tax is rolled into the price. Therefore, the provincial sales tax is applied on the total price, including the federal sales tax. We therefore have a tax on a tax. Ten per cent will be applied on those items. In fact, it increased by 1 per cent in November and will increase by 1 per cent in January. That is a 2 per cent increase in federal sales tax in the space of one year.

This Budget emphasizes and reinforces the class structure in the country. There is no minimum tax on the rich and the wealthy escape the puff-ball attempt to implement a surtax because, if they do not pay tax, they do not pay the surtax. According to the Budget, the surtax is to take in $550 million next year. However, on the other hand, through capital gains tax exemptions and RRSPs, it gives the wealthy $640 million in the same year.

A report prepared by the Department of Finance indicates that the removal of the capital gains tax means that Canada will be taxing its rich much more lightly than any other industrialized country in the world. The Government is determined to redistribute the wealth in the country from the poor to the wealthy. This Budget does not deal with the most important problem facing Canada, unemployment. In our paper *Canada Unlimited*, we have targeted unemployment. The Government has failed to deal with that most pressing problem. This Budget could very well add to the deficit as well as exacerbating unemployment.

Mr. MacLellan: Mr. Speaker, I would like to comment on the Hon. Member's speech. He refers to a Robin Hood Budget. That is the quaint phraseology which the business sector used to refer to the Budget of November, 1981. As the Hon. Member says, this is different because it is taking from the poor and giving to the rich. Would the Hon. Member accept the terminology "a sheriff of Nottingham Budget"?

Mr. Rodriguez: I would certainly accept that, Mr. Speaker. I recall that the MacEachen Budget was a serious attempt to redistribute wealth from the wealthy to those who needed it. We have never heard such a howling as went up across the country. The lobbies were in full bay. The Conservatives were part of that lobby group. The MacEachen Budget was forcibly put aside. This is a Robin Hood Budget with the Prime Minister as Friar Tuck and the merry men of Nottingham. When the Budget was to be brought down, they were all in Europe. Phone calls were made to bring them back so that they could surround Robin Hood, Friar Tuck, and the merry men of Nottingham Forest. It was necessary to use the wide angle so that the folks across the country could see that they were indeed merry. Their merriment reached a peack when the Minister of Finance said that capital gains tax was being removed to a limit of $500,000. They stood to a person and applauded loudly. I think that is a fair indication of the kind of Budget this is. I think they ought to be very ashamed of this Budget.

Mr. Ravis: Mr. Speaker, I grew up on a farm. We used to put blinders on horses so that the horses would not be able to see people on either side of them. It seems to me that the Member is taking that kind of approach to the Budget. You are not prepared to look at what is happening around Canada and what must happen on a broad base. Of course, if we use tunnel vision, we can pick out any particular item in the Budget and say that it has some serious negative impact. However, if you look at the over-all broad issues, it seems to me that with thousands of small business people in the country who employ one or two other people and others who would like to quit jobs now to enter into small business, there is a possibility and the opportunity for those people to run their own small business and take some initiative.

• (1230)

It seems to me that the Hon. Member for Nickel Belt (Mr. Rodriguez) is putting on blinders. He is not prepared to look at the impact of this Budget on the very small businessmen in his constituency. I have visited his constituency, and I know what kind of people live there. I ask the Hon. Member, who certainly spoke a lot about small business during the election, how he would approach the problem of trying to turn the economy around by including small business initiatives in his constituency and across the country?

Mr. Rodriguez: Mr. Speaker, the Hon. Member represents Saskatoon East. As a matter of fact, I have a letter from one of his constituents. She is a 48-year old single grandmother of seven with a small business. She wrote a letter dated May 24, 1985, to the Minister of Finance (Mr. Wilson). Let me read this letter in order to answer his impassioned plea about how the Budget helps small business:

Dear Mr. Wilson:

This is a letter about betrayal—the complete betrayal of the Canadian people by you and by your Party. Your actions since the September, 1984, election and the federal budget, have put the lie to everything you campaigned on during last summer's election campaign, while using the word "sincerity" dripping through every advertisement and speech. I knew then, and you have proven since, that this was honeyed venom.

This woman operates a small business. The letter goes on to point out how the Budget very seriously affects her business:

Until you are willing to listen to logic and reason from ordinary citizens in this country, and to make radical changes in this budget, as well as many of your other policies (not just bandaid measures), I am withdrawing completely from the payment of income tax, beginning immediately. Until you assign a decent

amount of the revenue earned by your government to the wellbeing of Canadian citizens who are now suffering with unemployment, and on fixed incomes, I am conscientiously objecting and will not be able to live with myself by contributing to your cavalier attitude and actions toward those who are suffering around me.

When listened to the Budget, I hoped that it would effectively deal with creating employment in areas like mine, which is suffering from 16 per cent unemployment. We do not have a private sector base.

I questioned how the Budget would provide an incentive for Falconbridge and Inco to hire more people. It does not provide that incentive. The Budget will not motivate those who deal in RRSPs to invest in my riding, because they are highly speculative. How will the capital gains tax exemption stimulate employment in my area? Those Canadians will simply sell what they have and buy a condominium in Florida. It will not help create employment and, therefore, I honestly say that while my hopes were high, they were dashed.

[*Translation*]

Mr. Leblanc: Mr. Speaker, our country has a wealth of natural resources and an extraordinary human potential. The major problem in the past was that the Government stifled personal initiative and killed all hopes of succeeding. That is the cause of our main problem and disastrous situation in this country. It is absolutely essential to restore confidence to the people in research and development, and I wonder what the Hon. Member is trying to sell us today. He has absolutely nothing to sell since he said that we must help the poor and the needy. We have nothing against this, but if you get to the point where your only throught is of helping the poor and the needy, you disrupt the system by preventing those who are able to succeed from doing so. Then, your businesses close down, there is no more money for the Government and people stop working. When people no longer work, they cannot pay taxes to the Government. I would like the Hon. Member to tell me where we shall find all this money if businesses close down and if the people stop working. That is my question. I do not know where that reasoning can lead you.

[*English*]

Mr. Rodriguez: Mr. Speaker, perhaps the Hon. Member did not hear me. When the Government imposes a tax on pet food, soap and shampoo, regardless of the fact that people may not be able to afford it now, it is essentially punishing poor people. A sales tax is not progressive and simply dampens demand. It does not stimulate the economy at the consumer level.

The Budget seeks to inspire confidence in the rich. It does not matter if the poor have confidence and I suspect that if the Hon. Member is really interested in stimulating the economy, he would consider that.

I also pointed out that there is a disparity with respect to old age pensions. This year, the Government is taking $100 from old age pensioners. In my riding that is the only income for many old age pensioners because they worked for companies that never had a pension plan. They depend on that old age pension, and when the Government removes $100 this year, the cumulative effect on them becomes $512.

[*Translation*]

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, I am very proud to have this opportunity, first of all, to offer my sincere congratulations to the Minister of Finance (Mr. Wilson) on bringing down a Budget on May 23 of this year that is realistic, effective and fair. I may add that I find it very exciting to be taking part in the Budget debate, considering its tremendous impact on job creation.

The Budget was so well received by tax experts and economists that it was even referred to by some as conservative, literally. A great deal of preparation went into this Budget, but I think that the Budget papers especially reflect some very positive aspects for small- and medium-sized businesses. This Budget has a direct impact on business people. On May 23, the Progressive Conservative Government brought new hope to small- and medium-sized businesses, and the time has come for the private sector to regain confidence in its potential. It is time for businessmen and women to show what they can do. Our party was put in power to bring about a change for the better, and that is what it is doing. As far as policy is concerned, this change represents a sizeable break with the past, and that is reflected in the Budget.

This Budget has benefitted from the most extensive round of pre-budget consultations ever held in Canadian history. Whereas before, the independence of private entrepreneurs was questionable, to say the least, they are now being encouraged to become more actively involved than ever before in increasing awareness of their strength and potential at the local, national and regional level. It is this involvement that will give our economy the clout it needs at the international level.

It would be too easy to say that the Budget is giving the private sector a chance to change the present state of affairs. However, it is challenging entrepreneurs to take the iniative. There is no longer any reason for the lack of initiative shown by business people so far in this country. Various business-oriented incentives have removed the taint from the word "profit". Creativity and innovation are high on the priority list, and productivity will at last be rewarded.

Yes, this Budget favours private enterprise. Yes, it is giving the private sector the tools it needs to overcome its economic stagnation. Yes, the entrepreneur must get involved. It is a must. It is a real must. Otherwise, the Budget will be useless.

● (1240)

Good intentions are not enough to bring about change. We need action! We need immediate, intelligent and genuine action. How are the measures this Budget contains going to help private enterprise prosper? Very simple: it will have to

adopt as its motto the slogan of every good manager: product, quality and price.

We must make our products competitive. Well before they become obsolete, we must already be developing new ones. The Budget has introduced changes to the definition of research and development so that more enterprises will be able to benefit. Our small- and medium-sized businesses have not lost their sense of creativity, but it must be revitalized.

If we are not active in certain areas, perhaps we should ask ourselves why. Hi-tech companies are scarce in Quebec, that is a fact. But where are the incentives for such firms? Language and fiscal barriers, for instance, have tended to discourage companies and investment in this area. Although we may not get those hi-tech companies overnight, we can at least start by creating a climate that is favourable to their growth and development.

Our firms are just as competent as others in foreign countries. We have here in Canada everything we need to compete on international markets. Our efforts must be directed towards export products, but beware, they must bear the seal of quality. We do not stand to gain much encouragement by comparing the number of American-Canadian car recalls to that of imported cars. We do know that the standards are identical in both cases.

Canadian companies have to set their own production targets and, as required, replace obsolete equipment, expand or bring in new blood. I am proud to remind the House that small- and medium-sized businesses need look no further than the Budget to find provisions under which they can obtain the funds needed for such investments.

Businessmen now see a way out of their stagnant situation. Conditions will improve, businesses will gain strength, and at last they can see the light at the end of the tunnel.

Small and medium-sized company management fully appreciate that the incentive measures announced on May 23 will improve the economic and financial outlook. Success rather than effort will be rewarded. Every businessman will be goaded into action by the new Government tax measures.

And we know what those measures are.

One. The lifetime $500,000 capital gains exemption. This additional financial input will unable management to direct those funds towards better planning of future business. Close to one million Canadians will benefit from this measure, an open invitation to invest in small and medium-sized businesses.

Two. Budget measures make it easy for pension funds to invest in small and medium-sized company capital stock. RRSPs and registered retirement income funds can also be channelled into private Canadian companies. Even the labour movement is urged to invest in businesses. This can be a reliable pool of capital for small and medium-sized businesses, a new source a capital funding.

Third. The fully refundable tax credit on the first $2 million in eligible expenditures on research and development each year. As you know, Mr. Speaker, small and medium-sized companies were so far limited to 40 per cent of the tax credit and most of them could not really afford to go into research and development. The funds required to maintain day-to-day operations did not leave enough leeway to consider investment in research.

Four. The extension of the small business bond program, a readily available source of funds for companies temporarily strapped for cash.

Five. Unemployment insurance premiums will be frozen in 1986, leaving more money in the hands of companies. A thorough review of the UI program will be undertaken later.

Six. Small and medium-sized companies will be exempt from the 5 per cent corporate surtax.

Seven. Business fluctuations often made it difficult for small business owners to make regular contributions to an RRSP for their retirement years. Henceforth they will be able to carry forward unused contribution room for seven years.

Eight. A new tax credit to individuals investing in the Quebec Solidarity Fund.

Nine. The documents tabled with the Budget contain a proposition aimed at significantly reducing the basic federal tax of small companies—from 15 to 11 per cent.

The total amount of money that these measures will make available for the SMB's may help investment within the individual business in improving manufacturing processes, updating equipment, increasing production, paying interests on loans, and so on. The previous Government was unable to motivate the business community and neglected private enterprise. But this Government has brought down a political budget which by itself scorns the complexities of a strictly accounting budget.

The end result of all those measures will be a decrease in the burden of the SMB's. In turn, their financial resources will increase. New firms which to this day had difficulty attracting investment will from now on have all the support they need. The new budget will have reached its goal, which is to be a catalyst for the Canadian economy.

I for one am committed to using in my beautiful constituency of Quebec East all the energy needed to get business people involved, and I urge my colleagues to do the same, and make entrepreneurs aware that their daily involvement is vital to the success of this budget. I would even offer my support to other Hon. Members who defend that view.

Crippled businesses must be revived at all costs, business leaders must concentrate on creating jobs and carrying out the research work needed in order that the economy may go forward, for humanitarian if not philantropic reasons. Humanitarian, because even with the profit motive, a business can

improve working conditions and help the cause of the unemployed. Profit is defined in the dictionary as: "An increase in the goods one owns, or the improvement in status resulting from some activity". I would even suggest, Mr. Speaker, that the concept of labour should be added to that definition.

We can say that the Government has honoured its commitment to ensure economic revival and job creation. What better way of helping the SMB's generate jobs and new R&D activities than our Progressive Conservative budget? The Government has realized that the only way to give the economy a forward push was to strenghten the SMB's and avoid hindering their development. As many of us have already said in this House, I will repeat, Mr. Speaker, that the Budget brought down by the Minister of Finance is realistic, efficient and fair. The Budget does recognize that Canadians individually and collectively will be able to achieve the desired economic progress. At the same time, it does recognize that there is no wonder solution, but that a balanced program involving growth, better management, decreased expenditures, and tax increases, is a starting point for the reorganization of our finances and the nationalization of overall Government management.

The Government has put the emphasis on the private sector because it strongly believes that stable and meaningful jobs are better provided by business people. This Budget is clearly a step in the right direction towards an economic renewal.

You will note, Mr. Speaker, that in my remarks up to this point, I have dealt mainly with that aspect of the Budget that promotes private initiative. This was the first of the three areas in which the Budget proposed measures for economic renewal. The two other areas are improving Government effectiveness and controlling the national debt. The Budget will enable the Government to better manage the affairs of the state. We have dealt with a few simplifications of Government programs, and finally the Government's financial responsibility takes precedence together with its will to cut down on the huge size of Government. The Government, in its capacity as a trustee, will reduce the funding of many Departments and review several programs, in order to better allocate whatever funds are available.

Mr. Speaker, the Government also is exercizing restraint at the financial responsibility level, by proceeding to reduce subsidies, to rationalize the public service, even eliminating 30,000 jobs, to improve cash management, to dispose of surplus buildings—to close down plants manufacturing products for which there is no demand—to increase cost recovery, to move towards on improved and renewed budget process.

The reduction in the huge size of government will be achieved not only by rationalizing the public service and various Government programs, but also by privatizing Crown corporations. Thirteen of them will no longer compete against small businesses. After they are sold, disbanded or integrated into existing departments, small businesses will be better able to develop in those specific areas. This will help restore their faith in the Government.

● (1250)

As much as small businessmen used to be suspicious of the Government, they will now be motivated to succeed. Their competition will no longer be subsidized by the Government. We are opening up avenues for conscientious and hard-working businessmen.

The last point I wish to raise is the matter of getting our national debt under control as soon as possible. This Budget counters the effects of the heavy legacy left by the previous Government. All those who have positive or negative reactionary tendencies should keep in mind that this Budget is only a partial aspect of the general policies of our Federal Government. However, the Budget projects our image to foreign countries. For instance, the Western Energy Accord will restore confidence in Canada at the international level. It will stimulate the flow of foreign currency into Canada. Believe me, Mr. Speaker, as far as investments are concerned, whether the bills are blue, red or green and measure 3 by 5 inches or 7 by 8 inches, we shall accept all of them equally for the simple reason that this is what we want from other countries. We do not want foreign workers who are supposedly better qualified to manage our businesses because many of our business people are said to lack intellectual vigour. We have the human resources we need. We only have to identify them, to go and get them and urge them to do their share in improving the economy.

Our Budget represents a major break with the past and gives us some hope of stabilizing our deficit. A reduction of the deficit means a decrease in interest rates for borrowers, which is economically beneficial for the Government, for businesses, and also for individuals. A reduction of the deficit also brings down inflation, which decreases the need for indexation, but let us leave this matter aside for the moment. Let us simply say that the approach chosen by the Government is a gradual one and that the Budget is the first step. However, the Nielsen Task Force is still considering ways to reduce spending.

In conclusion, I wish to emphasize that our Government is taking seriously the mandate for change it has received last September 4. Emphasis is on job creation, growth and Government responsibility. We are fighting three things: unemployment, unemployment, unemployment. Unemployment among young people, unemployment among the middle-aged and unemployment among people on the eve of retirement.

Mr. Speaker, I repeat that this Budget will prove effective by creating new jobs for Canadians. It will no longer be politicians and bureaucrats who decide for Canadians where to invest and how to create jobs. The initiative will now be taken by the people, not by the Government.

Mr. Speaker, I have the great pleasure to confirm that our Government has taken the measures required to create a

climate which will result in increased investments and more jobs. Our Budget asks Canadians to translate their ideas and energies into action in order to make of this country what we want for ourselves and our children.

Our job as Members of Parliament is clear. We, in the Government, must send to the business sector this message, on which I shall conclude my remarks: Take advantage of this opportunity! The Government has placed you in the forefront. It is up to you to put Canada back on its feet and make it competitive. You are competent, dynamic, creative, knowledgeable, proud, responsible, conservative and progressive! Finally, Mr. Speaker, I realize that they are all that as much as myself.

Ms. Copps: Mr. Speaker, I am pleased to see that the Progressive Conservative Party has finally realized how eager Canadians are because I think that the comments which have just been made by the Hon. Member for Quebec East (Mr. Tremblay) are the exact opposite of what his leader said when he gave his famous interview to *Fortune* magazine stating that Canadians did not want to work, were unable to deliver on time and unproductive.

Now, since September 4, did the Prime Minister and the Government make a complete turnabout considering the contradiction between the comments of the Hon. Member for Quebec East and the comments of his own leader when he stated to the Americans that Canadians were unproductive?

Mr. Tremblay (Québec East): Those who read the 3½ lb. budget and listened to comments different from those of prophets of gloom and doom are permeated with our new spirit of growth and pride. During the weekend, I attended a meeting of the Chamber of Commerce in Montreal North and about a hundred businessmen confirmed that if we kept our spirit, our aggressiveness and put the emphasis on private enterprise, they would each undertake to create one job. There are some 700,000 small and medium businesses throughout Canada. If each would hire at least one unemployed, we would solve 60 per cent of the unemployment problem.

An Hon. Member: There are also some new businesses.

Ms. Copps: Mr. Speaker, I would like to ask him . . . His comments will haunt him for years to come, up to the next elections. Does the Hon. Member for Québec East (Mr. Tremblay) endorse the policy of the Minister of Finance (Mr. Wilson) who said to all senior citizens in Canada living under poverty level that 1.2 million of individuals will receive less to make up the deficit? Does the Hon. Member for Québec East agree with the policy of the Minister of Finance who will take money from senior citizens under the poverty level? Does he agree with that policy with respect to the deficit issue?

Mr. Tremblay (Québec East): Mr. Speaker, during the election campaign, I noted during my numerous trips that the prime concern of older people was not indexation but the unemployment of their grandson or their granddaughter. I repeatedly said to them that our young people were not to blame. Healthy young people have to spend their energy in some way or another. When they are not busy, we have a society such as it is today. Thanks to our spirit, our aggressiveness, our desire to succeed, and you can be assured that I am part of it, the people will again begin to look for a job and try to improve their lot.

[*English*]

Mr. Winegard: Mr. Speaker, I want to congratulate my colleague, the Hon. Member for Quebec East (Mr. Tremblay), on his very fine address and to express my disappointment, and indeed some sadness, that our colleague from Hamilton East has joined the rest of her friends and members of the New Democratic Party in the biggest put-down of senior citizens which I have heard for some time.

In my riding, the most understanding group of this Budget is senior citizens. They know that one gets nothing for nothing. They are prepared to pay. As the Hon. Member for Quebec East said, it is not that they worry about paying a little extra or not having indexing, it is that they worry more about their grandchildren. This is what they say to me as I walk down the streets of my riding of Guelph.

It is difficult to sit in the House, as we have for the past few days, and listen to the denigration of senior citizens. I do not think senior citizens deserve it.

Mr. Speaker: It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SPORTS

SOCCER RIOT FATALITIES—CONDEMNATION OF FANS' VIOLENCE

Mr. Sergio Marchi (York West): Mr. Speaker, yesterday's violent attack which led to the deaths of 41 individuals at the European Cup finals soccer game between Liverpool of England and Juventus of Italy was a brutal, savage, and barbaric act. It is an act which has, unfortunately, begun to appear on the international sports stage, particularly in soccer, with all too much frequency. This is a cause for great concern.

S.O. 21

This violence needs to be condemned in the strongest possible terms. However, most important, such senseless and immoral events need to be brought to an immediate end. Strict and swift reprisals must be taken against any culprit wishing to engage in such perverse displays. Responsibilities on the part of sports organizations and Governments must be clearly defined and carried out.

There are those who suggest that harsh penalties might hurt the game of soccer. As a progressive society we cannot stand idly by and risk the lives of innocent individuals for the protection and sake of a soccer game on the field. Our priorities need to be clear, and vigorously pursued. Violence in the stands must be fully cleaned up before the whistle starting a game can be blown.

Canada has a unique opportunity to play a vital role in ensuring that respectability and civility are returned to sports competitions. Our record for sports-related incidents is highly envied throughout the world. Thus we can and should be sports ambassadors of goodwill.

* * *

AGRICULTURE

EMBARGO ON HOG SHIPMENTS TO UNITED STATES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the States of North Dakota, South Dakota, Nebraska, Iowa, and Wisconsin recently placed an embargo on Canadian hogs saying that Canadian hogs contain traces of chloramphenicol, an antibiotic which has been recently banned from use in the U.S. Despite increased monitoring, not a single positive indication of the drug has been found in Canadian meat. Canada performs monitoring interprovincially, as well, and no traces have been found, even though the drug is used on occasion under veterinary order.

This embargo, coupled with the recent tariff increase which the U.S. has unilaterally placed on Canadian hogs going to the U.S., will have disastrous effects on our pork industry. Last year 96,000 hogs were shipped to South Dakota alone.

Chloramphenicol can cause aplastic anemia. Some researchers in the U.S. estimate one in 50,000 people may be genetically susceptible to the disease if chloramphenicol is used. The incidence of anemia, however, is no higher in Canada than in the U.S.A. where the drug has been banned, so the reason for causing pork to be stopped at the border is economic rather than medical or scientific. I call into question the whole affair. I think it is illegal.

Mr. Speaker: I regret to advise the Hon. Member that his 90 seconds have expired.

THE FORMER ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, it is with a great deal of pleasure that I present this week's Survivor of the Week Award. Perhaps a more appropriate title might be the "S.O.W. Trophy".

Today's winner of this much-coveted award—the highlight of many a Liberal career, I am told—is Gayla Voorhees, the cousin of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Some years ago Gayla Voorhees was hired—surprise—as a secretary in the Hon. Member's constituency office on the Pembina Highway in Winnipeg. Then, in 1983, another surprise. Gayla Voorhees was appointed to the Immigration Appeal Board by the true Grits in the Privy Council. It was a 10-year appointment at a very large salary. What a survivor. She is still there.

Obviously, as the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has said: "Patronage is a relative affair".

* * *

[*Translation*]

THE BUDGET

SPEECH MADE BY LEADER OF THE OPPOSITION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I was in the House yesterday afternoon when the Right Hon. Leader of the Opposition (Mr. Turner) delivered his speech on the Budget.

Angel-faced and sanctimonious, he made utterly irresponsible statements. Hiding behind the immunity afforded him by the Standing Orders, he was able to avoid questions which he would certainly have found rather embarrassing. Here are some of them.

Do the Right Hon. gentleman and his Party not feel ever so lightly guilty and responsible for compelling us to present a Budget which calls on all Canadians to make sacrifices?

Is the Leader of the Official Opposition honest enough to admit that the Budget is the result of the most comprehensive consultation process ever undertaken in this country, and that makes it different from budgets introduced by his Party—oftentimes slapped together in 72 hours—such as the 1981 Budget which caused irreparable damage to our economy?

During the last election campaign, did the Leader of the Official Opposition not state on several occasions that the deficit was a serious problem with which we had to come to grips? No, Mr. Speaker, not quite. Contrary to what he said yesterday, this Budget does not mislead Canadians, for they knew that a Government had to assume its responsibilities.

Fortunately for all Canadians, a Conservative Government has been given the mandate to set our economy on an even keel.

* * *

TEXTILES AND CLOTHING

SITUATION OF TEXTILE INDUSTRY

Mr. Don Boudria (Glengarry-Prescott-Russell): Once again, Mr. Speaker, I want to draw the attention of the Government to the alarming situation of the Canadian textile industry, a major employer in my constituency of Glengarry-Prescott-Russell. Many Hon. Members have received letters from textile workers who are seriously concerned about the future of Canada's textile sector.

When the Quebec Conservative caucus met in Sherbrooke last July 26, they formally undertook to bring immediate and long-term assistance to that industry. Two full pages of promises were made about this during the election campaign, yet almost a year has gone by and people are still waiting for the Government to deliver.

The last Budget did not even refer to that industry. The Government must take immediate action to make sure that an early solution will be found to solve the problems now faced by the textile industry, otherwise it will disappear.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF LAYOFFS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to call the attention of the House to the layoffs announced yesterday by Canadian National Railways, where 4,100 employees out of the main shop's workforce of 5,500 will be laid off for an extra four weeks this summer over and above the usual summer shutdown.

Apart from my customary objection to this practice of the CNR, whereby it seeks to balance out its books on the backs of young workers and their families, it is interesting to note that the reason given for this layoff was flat traffic forecasts. I find it ironic, indeed, that within a week of the Budget, and some six months after the November 8 statement which was supposed to create all kinds of confidence in the economy and set the country rolling again, we have the major railway in the country laying off people because it does not expect the economy to be moving at all. It does not have enough confidence in the Government's own Budget to be putting people to work for the full year to prepare the rolling stock for the goods that will have to be moved. If the Minister of Finance (Mr. Wilson) has as much confidence in his Budget as he really says he does, then I suggest he get on the phone to the president of the CNR, Mr. LeClair, and tell him to cancel the shutdown and keep people working.

[*Translation*]

RESEARCH AND DEVELOPMENT

IMPORTANCE OF BUDGET MEASURES

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, I want to stress the importance of the research and development measures contained in the Budget brought down last Thursday by the Hon. Minister of Finance (Mr. Wilson).

Investing in research and development is essential to economic growth and job creation. Canada must keep pace in order to compete both at home and in foreign markets. To encourage R&D in Canada, our Government is proposing to refund 100 per cent of the tax credit earned on the first $2 million of qualifying R&D each year. Furthermore, the definition of qualifying R&D expenditures has been changed in response to requests made by the industry for many years.

Mr. Speaker, this measure reflects the Government's firm resolve to provide Canadians with durable and satisfactory jobs, specially young Canadians who want jobs and need jobs.

Mr. Speaker, on behalf of the residents of Montreal-Mercier, I want to congratulate the Minister of Finance on a Budget that demonstrates the fundamental confidence of this Government in the Canadian people.

* * *

● (1410)

[*English*]

SMALL BUSINESS

ENCOURAGEMENT BY BUDGET

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, the major thrust of the Budget in connection with employment is to encourage the creation of new small businesses and the growth of existing small businesses. The logic behind this is well known and was put forward by the Minister of Finance (Mr. Wilson) in his ground-breaking *Agenda for Economic Renewal—A New Direction for Canada*. The logic is that new small business has been shown to be the single most important source of new full-year jobs since 1978.

The Budget undertakes to encourage the channelling of private sector investment funds, technological support, and various other forms of start-up help, to assist the proliferation and growth of small new business. I fully endorse this approach. The previous Government would have borrowed money and hired staff to create make-believe, make-work jobs which would have added to the deficit and fizzled out as soon as the money was spent.

In my own riding I am emulating the Government's show of faith in the private sector. This summer I intend to propose a Prince Edward-Hastings bootstrap operation designed to encourage new business, using all forms of government help except tax money, plus the active help of big business, labour, and the other two tiers of government. I have the utmost

confidence that this is the kind of initiative which will bring us back to high levels of employment and prosperity.

* * *

FITNESS AND AMATEUR SPORT

HAMILTON'S RECORD IN PARTICIPATION CHALLENGE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this is a great day for the citizens of Hamilton and Canadians everywhere who participated in the Great Canadian Participation Challenge. The City of Hamilton led all other communities in its population range by a wide margin. It beat out Ottawa, Calgary, and Edmonton. In fact 121,000 Hamiltonians participated in one way or another.

I have received reports of runners running at the YW and YMCAs, school children biking and hiking, senior citizens cleaning garages, and even patients in the hospital taking that extra step down the corridor. With the likes of Bobby Orr who is here in the gallery, we know that from the Tiger Cats to the Mahoney Bears, and from the Mountain Bees to the new NHL franchise, the people of Hamilton are good sports. We plead with Harold Ballard and his entire family to allow us an NHL franchise so we can allow that sportsmanlike attitude to pervade the whole country.

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[*Translation*]

ENERGY

PARTICIPATION BY OIL CORPORATION IN IMPORTANT PROJECT

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, I welcome this opportunity to draw the attention of the House to a recent and laudable decision by the Esso Company to invest $200 million in the crude oil project at Cold Lake, which I visited not long ago with a number of my colleagues, thus creating 110 permanent jobs in addition to the 800 jobs that will be created in the construction industry.

This is one of the new investments that were planned and promised since the signing of the Western Energy Accord. These investments, representing $15 billion, will help to create 20,000 new jobs in the near future and increase oil production by 181,000 barrels per day.

Contrary to what our Liberal and New Democratic Party critics on the other side of the House have said about the impact of the Western Energy Accord, this is the direct result of an historic accord concluded by the Minister of Energy, Mines and Resources (Miss. Carney) with her Western counterparts.

It is a clear sign that the oil companies intend to meet their commitment to re-invest their new profits obtained as a result of the removal of that odious and discriminatory Liberal tax on oil and gas revenues.

It indicates that the Progressive Conservative Party—

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

* * *

[*English*]

YUKON

SWEARING IN OF NEW DEMOCRATIC PARTY GOVERNMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, on May 13, 1985, Yukoners went to the polls wisely to elect for an NDP Government the first time. On Wednesday, May 29, the new Government of Yukon was sworn in. The five-member Cabinet that now governs Yukon includes Tony Penikett, Government Leader and Minister responsible for Economic Development, Finance, the Public Service Commission, and Intergovernmental Affairs. Roger Kimmerly is the Minister of Justice and Government Services. Margaret Joe is the Minister for Health and Human Resources. Piers McDonald is the Minister responsible for Education, and Community and Transportation Services. Dave Porter is the Minister of Renewable Resources and Tourism.

When they went to the polls Yukoners wanted a Government that would effectively, efficiently, and sincerely address their concerns. They have elected just such a Government. I have every confidence that the new NDP Government will develop positive initiatives to create jobs, settle land claims negotiations, and serve individual Northerners to the fullest extent. The new Government is representative of natives and non-natives together.

I would respectfully request that the Government and Parliament respond to the new Yukon Government with co-operation and assistance, and I am sure we all will. The election of an NDP Government in the Yukon has given hope to all Northerners.

ORAL QUESTION PERIOD

[*English*]

PENSIONS

INDEXATION—REQUEST FOR RECONSIDERATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would have hoped that in the days following the first Budget of the Government we would have had the Prime Minister, the Minister of Finance, or the Minister of National Health and Welfare present to answer our questions.

Mr. Crosbie: Where were you on Monday?

Mr. Turner (Vancouver Quadra): I've been right here.

Mr. Crosbie: You were not here on Monday.

Mr. Turner (Vancouver Quadra): They are listening to you in St. John's, but you are going to have a little more trouble here.

The Government has the responsibility of defending the Budget, and the Ministers responsible should be here.

The Deputy Prime Minister and his seatmate, the Minister of Finance, have heard what we on this side of the House have had to say about the Government's decision to deindex old age pensions. By now the Minister of Finance must understand that he was wrong, particularly about the sneaky way that he did this. I would ask the Deputy Prime Minister if he would prevail upon the Prime Minister and the Minister of Finance to reconsider that decision, to have some compassion for the senior citizens, and to restore the value of the old age pensions.

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this was a measure that was very carefully considered when putting the Budget together. I can assure the Hon. Member that the senior citizens of Canada have been very supportive, and all through the election—

Some Hon. Members: Oh, oh!

Mrs. McDougall: There is a high proportion of senior citizens in my riding and they have all said to me that they are concerned about jobs for our young people because they remember the Depression. They remember what it is like not to have a job. They have been saying to all of us that they are concerned about jobs and the future of this country.

Some Hon. Members: Hear, hear!

[*Translation*]

OLD AGE PENSIONS—REQUEST FOR LIST OF PERSONS SUPPORTING BUDGET MEASURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the circumstances I shall have to direct my question to the Minister of State (Finance). The Minister of Finance maintains that he spoke to many grandparents across Canada living below the poverty line, who were nevertheless in agreement with his decision to limit and devaluate old age security pensions. Within the next few days, Mr. Speaker, we intend to table in this House petitions from a great many grandparents who disapprove of this severe measure. My question to the Minister is as follows: Could the Minister, with her colleague the Minister of Finance, table the names of the grandparents, the senior citizens who spoke to the Ministers and agreed with the Government's decision to de-index pensions? Could she also table the names of young people with whom they spoke and who want their grandparents to continue to live in poverty as a result of the de-indexing of old security pensions? Table the names!

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, several blocks from where the Hon. Member lives you will find a number of senior citizens' homes, and I have been in touch with all of them. The senior citizens there have been supportive of our measures.

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think it is absolutely ludicrous of the Minister to suggest, as the Minister of Finance has suggested, that the grandchildren of the senior citizens want their grandparents to live in a country which silently, secretly, in a sneaky way deindexes by 3 per cent per year the old age pensions of their grandparents. I just do not believe it. Will the Minister not own up to the fact that what she has really done, along with the Minister of Finance, is to provoke the most massive, hidden, sneaky, underhanded tax increase in the history of this country?

• (1420)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, if there is anything which people have asked us to do it is to get our house in order so that we can create jobs—

Mr. Deans: Not on the backs of the elderly.

Mrs. McDougall: —and so that we can look after the poor pepole in this country. We have done that. We have retained the indexing of the GIS. But the best way that we can protect the seniors is to get our house in order and to keep inflation at its lowest possible point.

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CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF LAYOFFS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of Transport. The Budget last week promised a new economic order and I think we are seeing the first practical results of that. This new economic order has resulted in an announcement by the Government's own Crown Corporation of an extended layoff of over 4,000 workers in Moncton, Montreal, and Winnipeg. At the same time the Government is extracting an extra $46 million payment from the CN, which is more than sufficient funds to keep those people working over the summer months.

Does the Minister intend to review this decision with the CN? Will he meet with the union representatives? And will he sit down and determine how he can convince his colleague, the Minister of Finance, to hold back on the extraction of $46 million so that those people can stay at work over the very vital months ahead of us?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first with respect to the double payment which was paid to CN by the previous Government of Canada, it was drawn to the attention of the Canadian Public by the Auditor General, and others, that that payment was improper and that arrangements should be made for the recovery of that overpayment.

Negotiations are currently under way to work out a satisfactory arrangement whereby that money will be paid back to the Crown.

With respect to the layoffs in question, I think the Hon. Member knows very well that traffic has declined rather substantially. We have no control over the weather. The amount of grain which was produced in the prairie region has dropped substantially. The forest industry is down substantially. As a result of that, traffic is down.

Mr. Foster: It sounds like Tory times.

Mr. Mazankowski: I should point out as well, Mr. Speaker, that this is not the first time this kind of extended layoff has occurred. It occurred for a ten-week period in 1984, and for four weeks in 1977—

Mr. Speaker: Order.

Mr. Axworthy: I will just say that the Hon. Minister has given a very accurate description of the new economic climate when even his own railway is forced to lay off thousands of workers simply because of a lack of confidence in the economy.

BOX CAR REHABILITATION WORK

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): I would like to ask the Minister about a very cruel joke which was played by one of his colleagues, the Leader of the Senate. He came to Winnipeg on the "budget sell" on Saturday and promised millions of dollars of new capital investment and new jobs in the Transcona shop. But instead of that we now have an announcement of 1,700 layoffs. When will the Government go ahead with the commitment, which was clearly made under the federal-provincial agreement, to rehabilitate 2,000 box cars and keep those 1,700 people in Transcona at work over the succeeding months?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is too bad the Hon. Member doesn't follow the activities which go on within his own province—

Mr. Axworthy: They are not working.

Mr. Mazankowski: —and the arrangements which are going on between the Government of Manitoba and the Government of Canada. An arrangement has been made to proceed with the rehabilitation of the box cars. These box cars may or may not be needed, but nonetheless a commitment has been made.

With respect to the Hon. Member's complaint about the economy, the country is still suffering from the aftermath of the bad economic policies of the former administration—

Mr. Axworthy: You can't use that any more. That's all over with.

Mr. Turner (Vancouver Quadra): It's your Budget, your economy.

Mr. Mazankowski: The fact that grain sales are down and grain shipments are down—

Mr. Deans: Bring back the Crow.

Mr. Mazankowski: —is certainly not this Government's fault. It has something to do with the weather and with the previous economic policies of the former Government.

With respect to the expansion of Transcona, the Hon. Member should know that the future for Transcona and CN in Winnipeg is very bright. If the Hon. Member will just be a little patient there may very well be some announcements which will be very positive for the future expansion of Transcona, as referred to previously by the Hon. Senator—

Mr. Speaker: Order, please.

* * *

THE BUDGET

STATEMENTS ATTRIBUTED TO OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of State for Finance. I have been trying without too much success to get the Government to be completely frank about the Budget. Yesterday a 25-year-old man telephoned the budget hot line of the Minister of Finance. I want to know if the Government agrees with the response which this man received from one of the Minister of Finance's own officials. The official said the following:

> Unless you can get your boss to give you a $40,000 a year increase, I can't sit here and lie to you. Or unless you happen to own a few warehouses or something, then the $500,000 capital gains would be some help. There is really nothing in here for someone making your wage. I'm afraid there is just nothing in here for middle-income earners.

I want to know if this official in the Department of the Minister of Finance was saying what the Minister herself agrees with.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, what this Budget does is create opportunities and jobs for the middle-income people of the country.

Some Hon. Members: Hear, hear!

Mrs. McDougall: It means that they will find jobs and their children will find jobs. And we think that is the most important thing we can do for Canadians, because that is what they have told us they care about the most.

Mr. Broadbent: Mr. Speaker, I wish the Government would be just half as frank as the officials who speak for the Government.

TAX PROVISIONS

Hon. Edward Broadbent (Oshawa): There were two reports which came to the attention of Members of Parliament in the past 24 hours. Yesterday every Member of Parliament received a report which showed that the number of poor in Canada has increased by 24 per cent. Today tax officials have acknowledged that the rich in Canada pay a lower level of tax than the wealthy in any other industrialized country—thanks to the Liberals—

Mr. Speaker: Order, please. It is a long preamble. Does the Hon. Member have a supplementary question, please?

Mr. Broadbent: —and that the Budget gives the rich more tax breaks. At a time when the number of poor in Canada is actually increasing, and the rich are already well off in terms of the tax system, why did the Government bring in a Budget which increases the financial position of the rich and makes everyone else, including the poor and the pensioners, worse off?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, if we don't find jobs for the poor, they will always be poor. Let me also say that some of the tax incentives in this Budget are directed at small business people. They have been asking, and asking, for consideration, and they received it in this Budget. They are the people who are creating the jobs and who are going to help us help the lower-income people about whom the Hon. Member says he cares so much.

Some Hon. Members: Hear, hear!

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, will the Minister admit that she doesn't answer the question, just like the Minister of Finance and just like the Prime Minister, because she wants to use propaganda to try to convince the Canadian people—instead of admitting that this is the most unequal Budget probably in 20 years—that the Government is actually doing something for the people? Will the Government at last come clean and be frank with the people of Canada in what it is doing?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the people in this country understand two things—

Mr. Blaikie: Death and taxes.

Mrs. McDougall: —first, that the people of this country need jobs and, second, that we have too much debt. They are prepared to assist and support us as we seek to solve those problems.

[*Translation*]

SOCIETY SECURITY

FULL INDEXATION OF PENSIONS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Acting Prime Minister.

Yesterday, the Prime Minister admitted he reneged on the promises he made to senior citizens during the election campaign. Mr. Speaker, would the Acting Prime Minister agree that his Government reneged on promises made by his Government and his Minister of National Health and Welfare in the paper tabled in January, on page 6, and I quote:

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

My question is as follows: Is the Acting Minister prepared to inform senior citizens that he is going to re-instate full indexation of old age security pensions, at least for the neediest in our society, in order to restore the Prime Minister's credibility?

● (1430)

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I might point out that the Hon. Member himself some time ago indicated that senior citizens were prepared to support a 6 per cent indexation with 12 per cent inflation. Can you tell me how we are letting them down when we are supporting indexation over 3 per cent with a 4 per cent inflation rate?

[*Translation*]

Mr. Malépart: Mr. Speaker, I shall try and keep my temper. But obviously the Minister cannot read French, because I never approved of my party... My party maintained full indexation for the needy elderly. If the Minister wishes to lie, let her do it somewhere else.

My supplementary is as follows: The Minister will agree, if she read the paper by the Minister of National Health and Welfare who is here to defend the elderly, that he did not respect, and I quote on page 9: "Changes in these programs"... Mr. Speaker, that is my question. Why she did not respect... "Changes in these programs which may result from this review should improve benefits for those most in need."

I want to ask the Minister why—

Mr. Speaker: Order, please. This question is already long enough. The point has been made.

[*English*]

Mrs. McDougall: Mr. Speaker, we have kept our commitment to the poorest senior citizens in this country.

Some Hon. Members: Oh, oh!

Mrs. McDougall: We have kept the indexing of the GIS.

Mr. Rodriguez: Check your nose, Barbara.

Mr. Nystrom: Your nose is growing.

Mrs. McDougall: Mr. Speaker, the worst thing that ever happened to the senior citizens of this country was the inflation induced by the former Government. We have kept our commitment to senior citizens, and we will continue to honour it.

* * *

PENSIONS

TREATMENT OF SENIOR CITIZENS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of State for Finance. In the telephone conversation my Leader referred to earlier, the person on the other end of the line said that if there is no change in the inflation rate, that is, if it stays at 3 per cent or more, the cost to seniors will be quite substantial. Our estimate is that pensioners will have a real income loss over the next five years of something like $2,300, plus an additional loss of some $2,000 due to tax increases. Given that, would the Minister not agree that the Government is indeed putting the boots to senior citizens?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Opposition and the NDP like to play games with numbers. They have come up with number, after number, after number. We have laid out an agenda whereby the low income senior citizens of this country will be looked after. We have laid out an agenda which is going to reduce the deficit and bring down interest rates. That will affect the inflation rate in a positive way and they should accept that.

SINGLE ELDERLY WOMEN

Mr. Neil Young (Beaches): Mr. Speaker, perhaps the Minister will listen to figures from the National Council on Welfare and their report *Poverty on the Increase*. Would the Minister not agree that somewhere around six out of ten single elderly women live in poverty? I ask her again whether she would not agree the Government is simply putting the boots to these grandmothers and grandfathers she likes to talk about?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, perhaps the Hon. Member has forgotten that one of the first things we did was extend the spouse's allowance to deal precisely with that problem.

* * *

AGRICULTURE

FARM DEBT—RESCHEDULING RECOMMENDATION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for Finance. The Budget is really bad news for Canada's farmers. The Ontario Federation of Agriculture finds it so bad that it has called an emergency meeting of all directors a week from today. The Budget does nothing to cover the farm debt crisis which affects 39,000 of our young farmers, those who produce half of the agricultural commodities in this country.

Can the Minister say why the Government has not kept its promise on agri-bonds? Why is it not acting on the recommendation of the Finance Committee to establish a long-term rescheduling of farm debt with loans at 8 per cent? Why was action not taken on this emergency matter for farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am inclined to believe that the Hon. Member must be getting his information by reading old Budgets lying around in his office from the days of the Liberal Government. He is certainly not referring to the Budget brought in by this Government and our Minister of Finance on May 23. Since that time I have been in Saskatchewan, Alberta, Nova Scotia, and Ontario, and the message I am getting, on a one-to-one basis, from farmers and farm groups is that the Budget is extremely beneficial for and in the interests of Canadian farmers.

Mr. Foster: Mr. Speaker, it is obvious that he was talking to Tories.

INCREASED INPUT COSTS

Mr. Maurice Foster (Algoma): Mr. Speaker, can the Minister say why he has deepened the despair of Canadian farmers by increasing their input costs? For example, there is the 9 cent a gallon tax on gasoline which will cost $280 a year for the average farm operation. The 1 per cent sales tax increase is another example. Why is the Government cutting back $200 million over the next four years in programs of the Department of Agriculture? Why is the Government determined to destroy the agricultural community by tightening ever more the cost-price squeeze for farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is really nothing more than sheer nonsense. As I indicated before, there are three or four very significant measures in the Budget which will benefit the agricultural industry. Indeed, starting on September 17 we can go through a long list of measures we have taken which provide great benefit to Canadian farmers. It was only on the Friday prior to the presentation of the Budget that I received the final recommendation and report of our pilot project in Bruce and Grey County.

The message I have been carrying to Canadian farmers, and the message I want to give here in the House, is that we continue to look at ways and means in which we can address this very serious problem of farm finance which has existed in this country for a long time but has only been dealt with effectively since last September 17.

TRANSPORTATION OF DANGEROUS GOODS

IMPLEMENTATION OF REGULATIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of Transport who will, no doubt, be aware of the recent PCB spills in Saskatchewan and Ontario. Much has been made of the new regulations coming into effect on July 1. The Minister and his officials have said in committee that those regulations with respect to the transportation of dangerous goods will only have the effect of making the response to a spill more accurate and will not prevent a spill itself because they do not deal with packaging as such. Can the Minister confirm that and, if so, when will he be about the business of bringing in a more comprehensive set of regulations so we can deal with the plethora of spills which seem to be happening all over the place these days?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Government has taken a number of initiatives to deal effectively with these spills. Number one was the issuance of the protective direction concerning the transportation of dangerous goods, which provides for the process and manner in which PCBs should be transported. That direction is in effect.

Secondly, we have dispatched inspectors from the Transportation of Dangerous Goods Directorate to the sites in question in the four or five cases reported. An analysis is going on and, if there is a contravention of the protective direction, clearly there will be charges laid.

With respect to the latest spill, at this particular time that evaluation is still going on, as is the evaluation with respect to the recent spill in Quebec.

FEDERAL JURISDICTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am not sure that the Minister said clearly that the regulations coming into effect on July 1 do not deal with packaging and that a more comprehensive set of regulations is necessary.

• (1440)

Is the Minister aware of the judgment of the Supreme Court of Ontario that, contrary to what the Minister of the Environment said some time ago when the spill occurred near Kenora, the interprovincial transportation of dangerous goods is strictly a federal jurisdiction and that there is a need for more federal involvement? If the Minister is aware of this case and accepts that jurisdictional responsibility denied by the Minister of the Environment at one point, what is the intent—

Mr. Speaker: Order, please.

Some Hon. Members: Order.

Mr. Speaker: The Member has asked two questions already in that supplementary.

Mr. Blaikie: I had a couple more.

Hon. Don Mazankowski (Minister of Transport): Without agreeing with the preamble of the question, I think the fact that we have taken a conscious decision to ensure that inspectors are on site immediately upon the report of such spills is a clear indication that Transport Canada is taking its responsibility and ensuring that all necessary steps are taken.

With respect to the promulgation of the regulations that will come into effect on July 1, they will indeed be more comprehensive. I think the Hon. Member realizes that there is joint jurisdiction involved with the provinces and industry. We are trying to work that process out in the most comprehensive and effective way possible. Clearly the combination of the issuance of the protective direction and the promulgation of the new regulations on July 1 will go a major distance to ensuring the safe transportation of these substances in the future.

* * *

SPORTS

SOCCER MATCH RIOT—SYMPATHY FOR FAMILIES OF ITALIAN VICTIMS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the horrendous suffering inflicted upon so many innocent spectators at the international soccer match in Brussels yesterday, and in view of the large number of Canadians with Italian backgrounds, will the Acting Prime Minister, on behalf of the Government and people of Canada, send a message to the President of Italy expressing our deepest sympathies, especially for the families so tragically bereaved?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure that I speak on behalf of all Members of the House when I say that the very tragic incident that occurred in Brussels was deplorable indeed. It is my understanding, from the accounts that I have seen and read, that those who were killed and injured included nationals of several countries. I note the observations of the Hon. Member with respect to condolences. I am unaware of whether all of the surviving families have been identified, but his suggestion will certainly be taken into serious consideration.

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ROYAL CANADIAN MOUNTED POLICE

PREMIER'S TRIAL—INTERNAL INVESTIGATION REPORT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Solicitor General. In the report of Commissioner Simmonds on the Hatfield affair he wrote that members were all tarred by comments made by persons occupying high office in New Brunswick, and that the air of suspicion with respect to the force needed to be cleared up. On Tuesday in the Justice Committee the Solicitor General said that there was nothing he could do to clear the air.

There are times when a Solicitor General should not meet with a provincial Premier, but there are also times when he should meet with a Premier. Is the inability of the Solicitor General to do this obvious thing not a sign that he is a lame duck?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, my hon. friend is sadly mistaken if he thinks that any person can direct a public official, particularly an official in the administration of justice in a province, as to what he should or should not do. In committee I expressed a very clear desire, as I am sure all Canadians would have wanted me to, that both Premier Hatfield and the Acting Attorney General of New Brunswick be gracious and concede that this report indicated that the RCMP acted in an entirely proper manner throughout.

Some Hon. Members: Hear, hear!

REQUEST THAT JUSTICE MINISTER MEET NEW BRUNSWICK MINISTERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, following that cop-out I would like to direct my supplementary question to the Minister of Justice. *The Globe and Mail* was today added to *The Gazette* and other dailies which are demanding the resignation of the Solicitor General. Will the Minister of Justice himself take that step with the Government of New Brunswick which Commissioner Simmonds is obviously asking?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I well recall that when the hon. gentleman was Solicitor General there were calls from every corner of the country for his dismissal from his position, which were ignored by the then Prime Minister.

With respect to the question directed to myself, I have no doubt that that matter will be dealt with in due course by the people involved. We have no authority to direct provincial government officials as to what they should or should not do.

Mr. Nunziata: He is a friend of yours, John.

* * *

TRANSPORTATION OF DANGEROUS GOODS

TRANSFORMERS FILLED WITH PCBs

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, two more spills of PCBs have occurred this week, one in Saskatchewan and one in my riding of Thunder Bay-Nipigon. My question is directed to the Minister of Transport. Why, despite his order of April 19, are trucks still moving PCB filled transformers with certificates that grossly underestimate the strength of the solution? Why are shippers not required to demonstrate in advance that the solutions are weak? Why are transformers not moved under proper escort when the contents are clearly dangerous?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that is like asking me why motorists speed. If the Member wants to know why they do this, perhaps he should direct his question to them. We have issued regulations governing the transportation of PCBs. We expect those regulations to be carried out under the due process of law. If there is a contravention we will certainly exercise the right of laying charges as the regulations so imply.

TRUCKING INCIDENT AT CLAVET, SASK.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my supplementary question is directed to the same Minister. Would the Minister inform the House what procedures his officials will put in place at Clavet, Saskatchewan, to ensure that when that truck leaves that point it will be in no danger of spreading the high levels of PCB concentrates that it is carrying? What process have his officials put in place to ensure that that cannot happen again?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the protective direction which has been issued will clearly have to be—

An Hon. Member: It's not working.

Mr. Mazankowski: Of course it works if it's followed.

Mr. Deans: But it isn't being followed.

Mr. Mazankowski: In this case the truck will probably not leave until the protective direction is clearly followed.

Mr. Deans: Until the next leaking truck leaves.

Mr. Mazankowski: As I said in response to the previous question, if there is a clear violation of the protective direction, charges will be laid.

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CANADIAN BROADCASTING CORPORATION

FAILURE TO COVER WEIGHTLIFTING CHAMPIONSHIPS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Communications. Two weeks ago the Canadian weightlifting championships were held in my riding and four Canadian records were set. The CBC was invited over a year ago to be present to cover this event. It did not do so.

Could the Minister inform the Canadian Weightlifting Association, and the citizens of the community hosting the event next year that he will ensure that the CBC will be there?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Well, Mr. Speaker, that is a weighty question. I will convey it to the CBC President who will certainly weigh the pros and cons of the CBC's presence at the next championships.

IMMIGRATION

GRANTING OF AMNESTY—CRITERIA USED IN CHOOSING COUNTRIES FROM WHICH CLAIMANTS MAY APPLY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question was intended for the Minister of Employment and Immigration, but in her absence I shall direct it to the Deputy Prime Minister.

It was learned that the Government is preparing a partial amnesty plan for refugee status applicants. Claimants from certain countries will be granted amnesty, while others will have to go through the normal procedure leading to refugee status. That sounds like discrimination on the basis of country of origin. Can the Minister enlighten us about the criteria used in choosing countries whose claimants will be granted amnesty?

● (1450)

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, on behalf of the Minister of Employment and Immigration, I take notice of the question from the Hon. Member. I am sure that fairness and the attitude of the Minister will be reflected in her answers to her.

[*Translation*]

REQUESTS FROM BANGLADESH—MINISTER'S POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would also like the Minister to tell us why she considers requests from Bangladesh to be frivolous and unsupported, a country under a military regime and whose constitution and legislature have been suspended?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure that the Hon. Member is as aware as other Hon. Members of the attitude taken by the Minister of Employment and Immigration. Her attitude of fairness will certainly be brought to bear with respect to the questions that have been asked.

* * *

FISHERIES

SALMON FISHING BY JAPANESE OFF WEST COAST

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the United States is conducting talks with the Japanese concerning voluntary reductions of high seas salmon fishing by the Japanese off the West Coast. These talks are being held outside the bounds of the International North Pacific Fishery Commission and are as a result of the deep concern about the Japanese taking 20 million to 25 million tonnes of salmon out of the West Coast high seas fisheries.

Will the Minister of Fisheries and Oceans inform the House if the Government was approached by the American State Department to participate in these negotiations, and if the Canadian Government intends to conduct such negotiations with the Japanese?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I will inquire, because I do not have any information whether the Government of Canada was asked to participate in those conversations. I will report back to the Hon. Member as soon as I can.

Mr. Skelly: My information is that on two separate occasions the invitation was extended to Canada to participate.

STUDIES OF IMPACT ON WEST COAST FISHERY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Japanese are not the only ones fishing in the West Coast high seas fishery. The Koreans and Soviets are taking large quantities of chum, Chinook and steelhead. Will the Minister inform the House what studies have been done to determine the impact of the current level of interception of salmon on the West Coast? Does the Government intend to begin talks with the Koreans, Taiwanese, and Soviets regarding these fisheries?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the question raised by the Hon. Member is of considerable importance to all of us on the West Coast. Most of the studies, if they can be called that, are several years old. I have asked the Department to concentrate on this. We know that very high numbers of steelhead which are spawned in British Columbia's streams are being taken by the Japanese. We are not as certain about the amounts of salmon. The question is appropriate and I will be discussing it further with the Hon. Member.

* * *

TRANSPORTATION OF DANGEROUS GOODS

RAIL CARRIAGE HAZARD TO TORONTO

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Transport. The Minister knows that the Canadian Transport Commission has just rejected a recommendation to reroute trains that carry some 1,500 carloads of hazardous materials through downtown Toronto each month, and has also refused to slow the speed of those trains. There are some two accidents on those train lines every year. Will the Minister tell the House what steps the Government will be taking in order to protect the safety of 2.5 million people who live in Metropolitan Toronto?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the recommendations of the Burton-Post Report calls for either the rerouting of the railway or the diversion of dangerous goods which would normally proceed through the city. The implications of these two recommendations are quite

severe and there has not been a clear consensus as to which, if any, should be proceeded with. Therefore the CTC has asked for further study and examination of this issue, and has asked all interested parties to come forth by October.

I should indicate that heretofore there have been a number of steps taken with respect to the roller bearing retrofit. There has been a slowing down of trains, double shelf couplers—

Mr. Speaker: Order. The Hon. Minister may want to finish this under Statements by Ministers.

* * *

PENSIONS

TABLING OF PETITIONS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Finance. I wanted to ask questions about Atlantic Canada but half of the Cabinet is missing today.

My question to the Minister of Finance deals with her statements regarding the deindexing of the old age pension. The Parliamentary Secretary to the Minister of National Health and Welfare has said that they do not have to keep their campaign promises. The Prime Minister admitted yesterday that they have not kept campaign promises. The Minister of State for Finance is saying in the House today that they have kept all their promises. My question to the Minister of Finance—

Some Hon. Members: Oh, oh!

An Hon. Member: Sit down.

Mr. Tobin: Government Members are not concerned about senior citizens. Given that she argues that senior citizens support the Government's deindexing of this program, how many hundreds, or how many hundreds of thousands of names on petitions should we in the Opposition table in the House to convince her to change her mind and restore full indexation of old age pensions?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I welcome the question by the Hon. Member. I thought that he was out looking for a fact today. I have said in the House, and we have produced a consistent message, that we have kept our commitment to the people of this country. It is hypocritical for Members opposite, who created the problems for senior citizens in the first place, to talk to us about sneaky things for senior citizens.

RECONSIDERATION INQUIRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I ask the Minister again, given that her only defence for this Draconian measure—

Some Hon. Members: Oh, oh!

Mr. Tobin: —is that senior citizens want it and senior citizens support it, how many hundreds of thousands of names must we table in the House before the Government recognizes that senior citizens don't want it and it repeals this Draconian measure? We will do it.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Draconian measure for senior citizens in this country was a 12 per cent inflation rate and a proposal by the former Government that indexation be limited to 6 per cent. We are doing for low-income Canadians and low-income senior citizens exactly what has to be done in this country at this time, because of their policies.

* * *

THE BUDGET

ASSISTANCE TO ATLANTIC CANADA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister is probably aware that the President of the Atlantic Provinces Chamber of Commerce, Robert Stuart, has criticized the federal Government's Budget. The basis of his criticism of the Budget is that the private sector fuels about 55 per cent of the economy nationally but only fuels about 20 per cent of the economy in Atlantic Canada. His complaint is that the Government is not doing anything to help the economy in that region. Will the Minister indicate anything in the Budget that will help that region?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, when the Hon. Member for Churchill asks that kind of question, he obviously has not read the Budget. The fact is that the Budget will ensure more economic growth in the Atlantic region. It will ensure that the Government will continue its supportive measures in that region.

Mr. Broadbent: Especially Cape Breton.

Mr. Stevens: It will ensure, most important, that employees who have been without work in that region will be back to work once again. I wish that the Party to which that Hon. Member belongs would start supporting the workers of this country instead of, through despair and doom, requiring them to remain on the unemployment lists.

Mr. Murphy: I was not making my own comment. I was quoting the President of the Atlantic Provinces Chamber of Commerce.

Mr. Speaker, perhaps the Minister would respond to this comment from the Treasurer of the Atlantic Economic Council, Mr. McCulloch, who says:

—there were three paragraphs talking about the regional nature of Canada's economy—

In the November 8 "New Direction" statement:

After our first discussion with the Hon. Michael Wilson, we became convinced that it wasn't just an oversight, that that was his measure of its importance.

Mr. Speaker: Order.

Mr. Murphy: What faith can people in Atlantic Canada have in your Budget if that is what their spokesmen are saying?

● (1500)

Mr. Stevens: Mr. Speaker, again in reply to the Hon. Member for Churchill who refers to an officer within APEC, perhaps he missed that the Chairman of APEC has joined our advisory group in that area. He is most supportive of the budgetary measures that have been taken—

Mr. Tobin: That is a lie.

Mr. Stevens: I think the Hon. Member will see that in due course—

Mr. Tobin: That is a lie.

Mr. Stevens: —even the Chamber of Commerce—

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Order. The Hon. Member for Humber-Port au Port-St. Barbe will withdraw the comment please. I ask him simply to stand in his place and withdraw the comment, please.

Mr. Tobin: Mr. Speaker, this man is not telling the truth. He is putting words—

Some Hon. Members: Out.

Mr. Speaker: Order please. There is nothing to be gained here, I hope, except that I trust the Hon. Member will know that the traditions of the House require an Hon. Member, when something has been said, perhaps in heat, simply to stand and withdraw the comment, please.

Mr. Tobin: Mr. Speaker, the traditions of the House would require me to withdraw a statement which reflects a very accurate assessment of what is happening opposite, but I withdraw the statement nevertheless.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Québec East (Mr. Tremblay) on Wednesday, May 29, 1985, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGES AND ELECTIONS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker I have the honour to present the first report of the Standing Committee on Privileges and Elections in both official languages.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 224 and 325.

[*Text*]

PERSONNEL AT CFB GAGETOWN, N.B.

Question No. 224—**Mr. Howie:**

1. As of January 1, 1985, or of the latest date for which figures are available, how many (a) permanent civilian (b) temporary or term civilian (c) regular force military (d) militia personnel on callout, were on strength at CFB Gagetown, Oromocto, New Brunswick?

2. Of those military personnel who were employed at CFB Gagetown, how many were (a) in combat trades (b) in non-combat and support trades?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence):

1.	(a) Permanent civilian	—	705
	(b) Temporary or term civilian	—	104
	(c) Regular force military	—	3,246
	(d) Militia	—	3
2.	(a) Combat trades		
	(i) Regular Forces	—	1,779
	(ii) Militia	—	1
	(b) Non-combat and support trades		
	(i) Regular Force	—	1,467
	(ii) Militia	—	2

EXEMPT STAFF OF MINISTER OF STATE (SMALL BUSINESSES)

Question No. 325—**Mr. Gagliano:**

What are the names of the persons on the exempt staff in the office of the Minister of State (Small Businesses) and, in each case, what is his/her salary?

Hon. André Bissonnette (Minister of State (Small Businesses)): As of April 15, 1985:

Name	Salary Range
Aftergood, David	Up to $43,931
Bouthillette, J. L.	Up to $80,970
Linkletter, France	Up to $29,219
Poirier, Serge	Up to $24,395

Name	Salary Range
Provost, A. Lise	Up to $43,931
Roy, André	Up to $51,591
Young, Huguette	Up to $43,931

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Guilbault (Saint-Jacques): Mr. Speaker, with regard to the business of the House, obviously we know we are debating the Budget today, tomorrow and Monday. Perhaps someone on the government side could let us know what we will be dealing with on Tuesday and Wednesday of next week, if that has been determined.

Mr. Dick: Mr. Speaker, that has not been determined as yet. We will be announcing forthcoming business on Monday.

Mr. Ouellet: Monday?

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Johnston (p. 5043).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I had the opportunity this morning of listening to the interventions of a number of government Members who were prepared to stand in their places and tell the people of Canada that they were elected to fight a deficit on the backs of senior citizens from coast to coast. I want to tell you, Mr. Speaker, that this Government has clearly shown through this Budget for the first time a kind of cold blooded, blue blooded attack, not only on the middle class but also on those in our society who can least afford to a pay.

This Government is so arrogant that when it tabled the budget documents it even thought it could turn maple leafs into blue maple leafs.

Some Hon. Members: Hear, hear!

Ms. Copps: As far as I know, the Canadian flag is a red maple leaf representing Canada from coast to coast. The Government has even gone to the extent, in its hungry search for publicity, of turning the Canadian flag into a blue flag indicative of the blue blooded, cold hearted, iceberg approach which the Tories have taken to deficit reduction.

Mr. Stewart: You are setting women's rights back one hundred years.

Ms. Copps: The Member has said I have set women's rights back one hundred years. I want to tell the Member that this Budget has set the rights of senior citizens back one hundred years because the Government has a Finance Minister who has the gall to stand here in the House and tell senior citizens that their purchasing power will be reduced by $500 a year as a result of this Government's budget cut-backs. Those are the very senior citizens currently living below the poverty line who are being expected to bear the brunt of an economy which offers tax write-offs to the very, very rich.

Congratulations. The Minister of Finance (Mr. Wilson) has now said that anybody who leaves the country at any time can now write off $100 in tax free goods. Do you think the senior citizens who are scraping the bottom of the economic barrel can afford to travel on a regular basis, Mr. Speaker? No, they cannot. The beneficiaries of that particular tax write-off will be the business people who already have enough write-offs.

The Leader of the Opposition (Mr. Turner) has quite clearly shown us how the half a million dollar capital gains tax write-off will put $125,000 into the pockets of the very rich. At the same time, the Minister of Finance and the Minister of State for Finance (Mrs. McDougall) have the nerve to stand here in the House and say that senior citizens should bear the burden of that measure.

Some Hon. Members: Shame.

Ms. Copps: That hollow argument is somehow saying that this particular initiative will result in job creation. We know the direct impact of this Budget—we have seen some of the results in the announcement today on Canadian National—, will be to cut 125,000 to 150,000 Canadian jobs. I plead with government Members, if there is to be job creation as a direct result of this Budget, to table the documents in the House, to table the projections in the House and to table the assessments in the House. It is quite clear that the Minister of Finance has taken a Pontius Pilate approach to job creation by saying to young people, "I wash my hands of this". There are 1.4 million people who are not working, yet the Minister of Finance has the nerve to cut back on job creation protection and projections through the federal Government.

Mr. Clifford: He is helping young people.

[*Translation*]

Ms. Copps: Mr. Speaker, the Hon. Member says that he is helping young people. I am young myself, much younger than the Hon. Member who has just spoken, and I should like to ask him directly how this Budget will help in view of the 125,000 or so jobs that will disappear as a direct result of the Budget measures.

Mr. Speaker, it is clear that the Minister of Finance (Mr. Wilson) and his "true blue" colleagues of this Conservative Government—"true blue" because of their blood and because of the "Blues" they are inflicting—do not care whether our senior citizens freeze next winter, because they are more eager to fight against the deficit "on the backs" of our senior citizens than to create jobs for our young people.

On the Liberal side, Mr. Speaker, we had hoped for a Budget which would have directly resulted in job creating schemes. Alas, it was in vain. What we see here is a Government which is prepared to give a $125,000 cash bonanza to every Canadian earning over $100,000.

Mr. Speaker, it is a fact that only 4 per cent of Canadians can benefit from the Government's initiative to exempt from tax the first $500,000 in capital gains. I repeat, only 4 per cent of Canadians is able to benefit from this initiative, and it is our senior citizens, our underprivileged and middle income people who will foot the bill.

• (1510)

[*English*]

During the campaign, many Canadians believed the promises of the Government. When the Prime Minister (Mr. Mulroney) said that universality was a sacred trust, when the Prime Minister stood in the House of Commons and said that indexation would not be touched, people believed him. They thought him to be a man of his word, but the record and this Budget clearly show otherwise. They show that the Government is prepared in the most insidious way to reach out into the pockets of not only senior citizens, but of our children.

I received a telephone call this morning from a gentleman in my riding who is very involved in a local candy factory, Allan Dancy. Most of the Members on the government side may not know that 8,000 people are employed coast to coast in the confectionary industry. Those people are facing massive layoffs as a direct result of the Government's budget initiative which will literally be taking candy from the mouths of babies.

Some Hon. Members: Oh, oh!

Ms. Copps: Government Members may laugh, but I want to tell them that three years ago there was a man in Ontario who was laughing.

Some Hon. Members: Who?

Ms. Copps: His name was Frank Miller. He introduced a budget which taxed candy for babies, which taxed sanitary napkins as a non-essential item, and which taxed a cup of coffee. Instead of learning from the Miller lesson, the Government, under the leadership of the Prime Minister, introduced a tax on soap, shampoo, candies and pet food which in the most regressive way hits out at those families that can least afford to pay. The facts speak for themselves.

Let us look at the impact of this particular Budget. GIS recipients, that is those who are in the worst position of poverty in the country, will see their own purchasing power, as little as it is, and their own income reduced by 33 per cent by the end of this decade. They will see a 33 per cent reduction in their purchasing power. In the first full year that this insidious Budget will take effect, $2.4 billion will be taken directly from the pockets of those consumers who pump money back into the economy by buying chocolate bars—heaven forbid that they should be allowed to have a chocolate bar—coffee and pet food, items which ordinary Canadians pay for on a daily and weekly basis.

This Budget is not a fair one. It cushions the rich and it says that a Canadian family of four earning $15,000 per year, which is not the lap of luxury, will be paying 36 per cent more in taxes in 1990, while a family of four earning $200,000 per year will be paying 2 per cent more in taxes. Where is the fairness in asking a family of four earning $15,000 to pay 36 per cent more in taxes at the same time as saying to a family earning $200,000 that its tax burden will be increased by 2 per cent? If we take into consideration the $125,000 cash bonus to the rich, we discover that the typical family of four earning $15,000 will be paying $413 more in taxes and the family earning $200,000 as a result of this cash bonus, this cash for life bonanza, will be paying $2,352 less in taxes than they paid before the Budget was introduced. The cash for life lottery does not only benefit people who buy tickets; the Government has given a $125,000 cash write-off to the rich. Is it fair to ask a $15,000 per year family to pay more and to give a tax break which will result in savings of more than $2,000 to a family earning $200,000?

I represent the most industrialized riding in Hamilton, the great riding of Hamilton East.

An Hon. Member: No, no.

Ms. Copps: If the Hon. Member would like to check the figures, he can look at the latest census. Then he will be aware of the fact that the people in my riding are steelworkers; they are construction workers. Many of them are working for the minimum wage. In particular, women are working for 63 cents of every dollar earned by men. Many of those people voted for the Conservative Party because they believed the message of fairness preached by the Prime Minister. They actually believed the Prime Minister when he said that he would not touch the pensions of senior citizens. In fact, he said it right here in the House last December.

If government Members had a modicum of integrity, they would rise in their places today and dissociate themselves from this vicious attack on the pensions of senior citizens, senior citizens who are living below the minimum wage. Also, they believed the Prime Minister when he said he would reach out

to try to develop employment equity for women. What do we see for women in the Budget? For the women of the country we see absolutely nothing, absolutely no budgetary provisions for the introduction of employment equity into the federal Public Service. On the contrary, we see by the Government's own secret Cabinet documents that it is expecting to garner a savings of almost half a billion dollars as a direct result of Public Service rationalization.

We have heard government Members speak about rationalization and say how tremendous it is that the Government will be saving almost half a billion dollars. However, rationalization means that those women currently employed in ghettoized jobs in the Public Service, those women in private companies who are currently under federal labour law that does not respect the concept of equal pay for work of equal value, will be further reduced because the federal Government has made absolutely no provision to implement the kind of employment equity which the Prime Minister promised when he spoke to the women of Canada. If we look at the figures, we discover that rationalization in federal Public Service terms means dumping those women who currently occupy the lowest rungs of employment within the federal Government. It is anticipated that more than 60 per cent of those directly affected by rationalization will be women. They will also happen to be those women who are currently at the lowest end of the federal salary scale. Last August the Prime Minister went before the women of Canada and made promises—

[*Translation*]

—that as soon as he was elected on September 4, he would start fighting to ensure that Canadian women would get equal pay for work of equal value. And now we see what happened. The Prime Minister and his Minister of Finance got together to figure out how to take money from the middle class, from Canadian women and from the elderly and hand it over to their own Progressive Conservative friends. The real meaning, the true spirit of the Progressive Conservative Party has come through in this Budget, Mr. Speaker, because it is clear to see that the Prime Minister has decided to give a bonus of $125,000 to families already earning more than $200,000, while at the same time taking money out of the pockets of families earning less than $15,000 . . . they are going to be paying over $400 in taxes. Mr. Speaker, in addition to taking $400 out of the pockets of lower income families, they also felt they had to take money from the elderly poor in Canada.

When I have a chance to talk to senior citizens in my riding, I find that of course they would like to work together will all Canadians to create jobs, but Mr. Speaker, it is not fair to ask our own elderly people who are already living below the poverty line to give up 3 per cent of their benefits next year and 3 per cent the year after. By the time we get to the end of the period covered by this Budget, in 1990, the elderly will have lost more than 30 per cent of their purchasing power because of these budget cuts.

Mr. Speaker, it is not just the people who are already getting other pensions. Most of these people, 600,000 to be exact, are already living below the poverty line. And at the same time, the Minister of Finance comes up with some of the most extraordinary measures for the benefit of private companies and wealthier Canadians who can use retirement savings as a tax shelter. I think that this Budget, which for the first time has really shown the true colours of conservatism in Canada, has broken promises that were made to the Canadian poeple and betrayed hopes that were raised, after September 4, before the Budget was announced.

Mr. Speaker, about employment: this Budget does not contain a single measure that will directly create jobs for young Canadian men and women. There is not a single measure that will provide for this, because the Minister of Finance has washed his hands like Pontius Pilate by saying that the private sector is going to take care of everything for Canadian men and women. I beg the Prime Minister and I beg the Minister of Finance to at least do three things: First, to re-index fully all pensions and especially those of Canadians living below the poverty line. Second, to introduce measures that will directly create jobs for ridings such as Hamilton East where the unemployment rate is already over 11 per cent. And third, to give Canadians the assurance that the next Budget this Minister and this Government will bring down will bear the hallmark of equality and that the middle class will not bear the brunt of cutbacks while the pockets of the wealthiest in Canada are being filled.

That, Mr. Speaker, is conservative philosophy. I beg the Minister of Finance to turn away from the policy of conservatism, from this policy for the rich, and to remember that Canadians elected him to represent the middle class and all Canadians on September 4, and to act accordingly.

• (1520)

[*English*]

Mr. Deputy Speaker: Questions and comments? The Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Blenkarn: I have a question, Mr. Speaker. I am wondering if the Member for Hamilton East (Ms. Copps) has had an opportunity to read the Ways and Means motion notation that sanitary napkins are not taxable.

I am also wondering whether she has had an opportunity to read the book written by her illustrious colleague, the finance critic, entitled *How to Survive in Canada's Tax Chaos*, about which the Montreal *Gazette* has said, "It is required reading for every Member of Parliament". The book goes into the inequities of capital gains tax and suggests how Canada should get rid of it.

Ms. Copps: Mr. Speaker, I would like to tell the Hon. Member for Mississauga South (Mr. Blenkarn) that I have had a chance to do a little reading. I am referring to the book entitled *Where I Stand* written by the present Prime Minister.

Mr. Mazankowski: Answer the question.

Ms. Copps: The fact of the matter is *Where I Stand* is a true representation of the position of the Prime Minister. Last December he stood in the House and promised us that he would do nothing to the indexation of senior citizens' pensions. Yet, he has written in his book that it should become a priority to reduce and eventually eliminate and outlaw indexed contracts and benefits.

Mr. Blenkarn: Right on.

Ms. Copps: The Hon. Member for Mississauga South says "Right on" because that is the true Conservative philosophy. You want to do away with indexation. You want to attack the purchasing power of middle-income Canadians. You want to tell the poor, and especially the elderly, that they will have to pay for $1.5 million in capital gains write-offs.

Unfortunately, all Canadians did not have a chance to read *Where I Stand* before the Government took power. However, I am sure that over the next four years the policies of Conservatism and trickle-downism, which is telling Canadians that if enough oats get through the donkey they might make it through to the sparrows, will become clear. That is the Conservative philosophy that we will see unfold over the next four years. It is the philosophy which we in the Liberal Party will fight, and fight hard, on behalf of middle-income, ordinary and poor Canadians.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Charlevoix (Mr. Hamelin) for a question or comment.

Mr. Hamelin: For a comment, Mr. Speaker. The motto of the Province of Quebec is "Je me souviens", that of Canada "From sea to sea". I remember, just like Canadians and Quebecers, men and women alike, remembered last September 4 that interest rates had reached 22 per cent and inflation 12 per cent, that the construction industry was at a complete standstill. Workers in your riding were probably without jobs throughout that time. I also remember—as did Canadian and Quebecers, men and women both—that if for 20 years an approach does not work it has to be changed. During 20 years you experimented with that stupid liberalism which led us to the utterly unbelievable deficit that now leaves us with practically no room to manoeuvre.

Somebody once kept telling me about his 20 years of experience. I told him: You do not have 20 years of experience because you have been making the same mistakes for 20 years. You did that during 20 years, we believed you during 20 years, but it did not and still does not work. We are using other methods, taking a new approach. I am sure this Government will be able to—

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, I realize that the Hon. Member for Charlevoix is a newcomer in the House—sit down, please—a newcomer in the House but he has yet to say something about the Budget. Every time he gets up on his feet he keeps repeating the same thing. You have been in office for eight months, stop rehashing past events, Canadians want to hear about the Budget, Mr. Speaker.

Mr. Deputy Speaker: That is not a point of order. The Hon. Member for Charlevoix (Mr. Hamelin) has the floor. I would urge him to be brief.

Mr. Hamelin: In conclusion, Mr. Speaker, I believe that the concerted efforts we are asking all Canadian men and women to make to restore order in our financial affairs will bear fruit. The new programs launched by this Government have already had a positive impact in my riding, and I am glad about that.

Unfortunately, Mr. Speaker, I must say that the Hon. Member's comments are a sign of insincerity or, at least, of ignorance of the history of Canada and Quebec.

Ms. Copps: Mr. Speaker, I can understand why the Liberal Party will not go along with the policy, and the Hon. Member for Charlevoix knows what I am talking about because there are some mayors in his riding who do not share his views. And as far as the Liberal Party is concerned, we do not go along with a policy that says: You get a job because you are a Conservative, or you get a job because you are a Liberal. That is this Conservative Member's policy, and I think it is shameful and I will have no part of it.

Mr. Deputy Speaker: The Hon. Member for Charlevoix (Mr. Hamelin).

Mr. Hamelin: On a question of privilege, Mr. Speaker. The Hon. Member is making unfounded accusations. I have had occasion—

Mr. Rossi: Don't overdo it, fatso!

Mr. Hamelin: Mr. Speaker, I would qualify these allegations as gratuitous. In fact, in my riding I have had occasion to respond, in no uncertain terms, to these stupid attacks by the Official Opposition.

Mr. Rossi: Look in the mirror!

Mr. Hamelin: Mr. Speaker, we have been watching the Official Opposition for 20 years, and I believe that we are in a very good position to put our financial house in order, and, as we did for widows and widowers between the ages of 60 and 64, in our last Budget reform, to give Canadian men and women the benefit of more effective and more intelligent government.

Ms. Copps: Mr. Speaker, to set the record straight, these were not statements by the Opposition but by mayors of his own riding.

Mr. Rossi: That is the whole point!

• (1530)

[*English*]

Mr. Ravis: Mr. Speaker, I am starting to feel like someone who has to apologize for the mess that was created over the last 20 years, left to us by the Liberal Party. Believe me, I do not want to stand here and apologize to anyone in this country.

I visited every nursing home and every senior citizens' home in the constituency of Saskatoon East during the last election campaign. The least selfish of the entire electorate were the senior citizens of that constituency who never once asked for more for themselves, but asked for more for the youth of this country. It seems to me that more than anything else, the Budget has youth, jobs and promise for the future written all over it.

I would like to ask the Hon. Member for Hamilton East (Ms. Copps), who I think is using scare tactics in her presentation, if she can give me specific calculations for her figures indicating that there will be a tax increase of 30 per cent for a typical family earning $15,000 per year and a tax increase of 2 per cent for the typical family earning $200,000 per year. I would like to see some item-by-item calculations for that.

Ms. Copps: Mr. Speaker, unlike the Hon. Member, I have had the opportunity of reading the Budget. Those figures are drawn directly from the budget documents, directly from the Minister's own assessments and directly from the Government's decision to increase taxes, hidden and direct, on the middle class and in particular on senior citizens, and to in fact give a tax holiday to the same people on whom the Government promised to impose a minimum tax.

I am getting tired of the typical Conservative palaver on this particular subject. Conservative members seem to suggest that because senior citizens who are now living below the poverty line do not want to see a further reduction in their Guaranteed Income Supplements and their Old Age Security, they are being selfish. I am here for the future too. I want jobs for my brother, my sister, my children, my family and my grandchildren. However, I do not want those jobs to be delivered at the expense of those people who have built this country over the last 60 years.

The majority of those people living in poverty, as everyone in the House knows, are women who did not have the opportunity to accrue pension credits because they were not working outside the home. They are those people who have outlived their husbands and whose benefits from where their husbands worked have been cut or perhaps never existed. Those are the people whose pockets this Government is reaching out to pick of $30 per month. Perhaps $30 per month is not a lot to the Minister of Finance. Perhaps $30 per month is not a lot to the Hon. Member for Saskatoon East (Mr. Ravis). However, $30 per month is a lot for those seniors, and particularly women, who are being robbed by this Budget, which is a vicious attack on the seniors of this country.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I would like to deal briefly with some of the concerns that exist in the country and then deal with the rationale behind the change in the tax system as regards capital gains. This last year, the debt of our country in relation to our Gross National Product reached 5.3 per cent of GNP, the highest level by far in the history of the country. That percentage is higher than it was during the Great Depression and higher than it was at any time during the war. It is a debt burden that was saddled on the country by administrations run by the now Official Opposition, administrations that created a horror show not only for us but for our children, our grandchildren and our grandchildren yet to come.

To hear the wailing, weeping, gnashing of teeth and nonsense that is coming from the Hon. Member for Hamilton East (Ms. Copps) makes me sick. Her speech was a misrepresentation right from beginning to end. Through this Budget, we have protected senior citizens who need assistance. We have protected them with the Guaranteed Income Supplement, which will be increased and will look after any pension deficiency. The Hon. Member for Hamilton East knows that, but she is making misrepresentation after misrepresentation because that is all she knows how to do.

Let us deal with the financial position of the country. Last year it was necessary for us to go to the markets to borrow $30 billion. This year we will have to borrow only $28 billion. Through this Budget, we have managed to cut back our borrowing requirements by $2 billion. More than that, in the national accounts, we showed a deficit last year of $31.1 billion. That has been reduced to $27.5 billion. There has been a reduction of $3.6 billion in our national deficit. The deficit is down $3.6 billion in cash over the year ending March 31. I suspect it has gone down even more than that.

If you look, Mr. Speaker, at the calculations for interest made in the November 8 statement, you will note that interest calculations then were less than they are forecast to be in this Budget. Strangely enough, since we were elected in September, interest rates have dropped almost 3 per cent. I suggest that as long as we are fortunate enough to be able to continue to drive interest rates down, we will be able to carry the national debt more reasonably, and it may well be possible for us to reduce the deficit by $5 billion. That is an important consideration when taking into account the problems faced by young people, businesses and home owners when trying to make our country grow.

As has been pointed out earlier today, we cannot put people to work when interest rates are at 22 per cent. That is what we got from the Trudeau Government. It is important to take a look at where we are going. Bit by bit, through this Budget and with our change in philosophy, we are going to be able to turn things around and will eventually be able to whittle away at our enormous, suffocating, totally encumbering national debt.

A number of people have indicated that we were being a bit unfair by implementing capital gains tax relief. I would like to read into the record a memo I sent to my colleagues regarding the proposed Budget prior to the bringing down of the Budget. The memo is dated March 21, 1985. I had an opportunity to analyse the returns to the country from the taxation of capital gains. Total capital gains in 1982, the last year for which figures are available, were $1.6 billion. Against those taxable gains, the deductible losses were $240 million. The actual losses were $700 million, but as you know, Mr. Speaker, under the current capital gains law, one cannot deduct all one's losses, so taxpayers were able to deduct only $240 million. Therefore, capital gains subject to tax amounted to $1.36 billion. With that background information in mind, my memo reads:

Bearing in mind that the total taxable income in 1982, up substantially from 1981, was $158.3 billion. Taxable capital gains net from deductible capital losses represents significantly less than 1 per cent of taxable income.

● (1540)

If one assumes that both federal and provincial taxes are averaging no more than 35 per cent—this is undoubtedly high—the maximum collected both federally and provincially inclusive is $476 million.

Those from the Finance Department might say that this was a bad year for capital gains receipts. Clearly, it was not a bad year for other income receipts. Indeed, Table 1 clearly shows the progression of tax receipts. In 1982, the over-all taxable income grew by nearly $24 billion.

May I suggest, Sir, that when we talk about abolishing capital gains, it does not mean, that much revenue will be lost. Indeed, those who claim we are losing revenue, are wrong. The revenue loss in fact is negligible. That brings me to the question of what the Budget says. There is a provision for $300 million as a tax expenditure this year for capital gains relief and $600 million next year for capital gains relief. I suggest that the budget figures are out by at least ten times. I think that we in this House ought to have an opportunity—and we certainly will when Ways and Means motions are presented to us in the Finance Committee—to cross-examine the officials of the Department of Finance. In that respect, may I remind you, Sir, that earlier this year the Committee on Finance, Trade and Economic Affairs had the opportunity to look into the whole question of capital gains taxes, particularly how they affect farmers. In that respect, the committee had before it officials from the Department of Finance. Those officials indicated that in the last year of reporting—that is the statistics for 1982—the total amount collected both corporately and personally, both by the provinces and by the federal Government, everywhere capital gains tax is collected, in any manner, anywhere, any time, was less than $1 billion.

How much real tax relief are we getting on capital gains? The figures indicate that it is pretty negligible. But it is not the relief which matters. It is the enthusiasm that capital gains relief brings to the whole community. I might point out, Sir, before I continue, that the committee report, you will recall, Mr. Speaker, recommended in recommendation No. 7 the total abolition of capital gains. The report said that "the Minister of Finance should consider the advisability of abolishing the taxation of capital gains in general". The committee's report was a unanimous report. May I point out to you, Sir, that representing the Official Opposition was the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) and the Hon. Member for Algoma (Mr. Foster). Representing the New Democratic Party was the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) and the Hon. Member for Prince Albert (Mr. Hovdebo). The unanimous recommendation of the Standing Committee on Finance, Trade and Economic Affairs was that there be a total abolition of capital gains taxes, and when we hear members of the Opposition standing in their place and telling us that somehow there is something wrong with what we have done, may I just tell them that the committee report was tabled in this House on April 1—and that is not long ago—and that that was the position on April 1 of the delegated Members from the Liberal Party and from the New Democratic Party. To suggest for one moment that what we have done in this Budget with respect to capital gains tax is in any way not the opinion of this House is a misrepresentation of the worst kind.

The committee went on to recommend, if you will recall, that if it was not financially possible to do something in terms of the total abolition of capital gains tax, consideration ought to be given to a once in a lifetime exemption to farmers of a capital gain of up to $400,000 on farm land. The Minister of Finance, in his wisdom, saw the importance of that recommendation and said that $500,000 was appropriate. Indeed, this Budget allows for the immediate recognition of a capital gain tax exemption of up to a $500,000 with respect to farm land. It allows businesses, and particularly small businesses to which an exemption from capital gains tax is so important, to be able to benefit equally from the incentive which this capital gains tax assistance creates.

I would like now to go into the theory behind the removal of capital gains tax. I say to you, Mr. Speaker, that there is a vast difference between capital and income. Capital is something which we have acquired. Income is something which we have acquired. Income is something we earn when we do something in the nature of an adventure in trade. Capital is something we own. There really is only one form of capital which does not depreciate in the long run. A business or a building may go up in value because it is temporarily in a place where people want to rent it or own it. And some paintings, because of a shortage or the particular quality of a painting, may go up in value. But, generally speaking, everything created by man eventually becomes dust, and that includes buildings, cars, machinery, furniture and paintings. Indeed, everything ever created by man eventually becomes dust. Chattels, goods and things do not rise in value except by inflation and except if they specifically happen to be scarce, and then only for a short while.

The only thing that is permanently scarce in this world is land. It, of course, goes up in value as the number of people in the world increases along with the desire to own land, and because the land on this earth cannot be increased in amount. So land is the kind of capital which should be taxed, and we do tax capital in land. Every municipality in this country taxes capital on land on its assessed value. Every province makes

sure that land is taxed on its assessed value. We tax land on its assessed value not for the protection of the land but to do all sorts of things. The other day I received a tax bill on some farm property I own. About $400 of the $2,800 bill was for municipal services which would help the land. The other $2,400 was for schools. The land does not send anyone to school.

We have a tax on land because that is a proper capital tax. But there is no justification for capital taxes on other forms of capital. Since we have a tax on capital in land of 1 per cent or 2 per cent of the value of that land annually, surely to goodness, in the interests of justice, we have already affected those who own land. Therefore, there is really no justification for any tax on capital gains except, perhaps, that sometimes we allow people in the organization of their affairs to treat what should be income as capital.

May I point out to you, Sir, the situation of a grocer who happens to buy and sell oranges. There is no question that if he buys oranges by the crate and sells them by the dozen, it is a transaction in the nature of trade. Obviously the grocer is taxable on the profit on the oranges. Is there any reason why those who trade in stocks, houses, boats, cars, planes or whatever should not be taxed as traders? I say there is not. That is in the nature of trade and it should never be treated as a capital gain. Unfortunately, under our existing law it has been treated that way. Therefore, I propose that the Minister, when he is organizing his regulations and statutes to define what is income and what is capital gain, perhaps think about using the time test.

• (1550)

The suggestion I have made to the Minister of Finance (Mr. Wilson), and I intend to continue making it, is that when capital assets are sold before the end of the five year period that it be up to the taxpayer to prove it was really a capital gain. If you sell your house within a five-year period, you had better justify it; buying a bigger house or moving to another city, or something of that nature, not just turning it over to make a quick buck. On the other hand, after five years, it should be up to the Government to show that the transaction was in the nature of trade. I do not think there would be any problem with that. Most of these things are self-evident. It is important, if we are going to be fair, to make sure that transactions in the nature of trade not be disguised as capital gains. That is not the point of the removal of the capital gains tax.

Sir, removal of the capital gains tax will probably do more than any other measure to stimulate our economy. On the day of the budget speech I had an opportunity to slip out and chat briefly with a commentator from the CBC. He said that here is the day to do it, here is the day to go down to Cape Breton and start a new business. It will be tax free and look at the gain you can make. It is all tax free. Isn't that an incentive to do something? I said I had not thought of it, but maybe he and I ought to go down there together. But I say to you, Sir, that the opportunity to make a gain will encourage investment and create jobs. That is what we are here to do. The Province of Ontario was very anti-gambling for a long time, and then it got into lotteries. Lottery ticket sales today are several times in excess of the total betting on horse racing. Canadians are not afraid to invest; they want to take a chance, they want to buy something they think will give them a return of some kind. They want the sizzle and the go that tax-free capital gains will give them. They will put their money into venture after venture, and it is those ventures that will put our people back to work.

In reorganizing the capital system of our companies, it is essential that we have more money invested through equity and less through debt. One of the problems Canadian corporations face is that they are up to their ears in mortgages. What we offer here with capital gains tax relief is an incentive to corporations and businesses generally to issue more equity. This is because dividends are still taxed, and there is then an incentive for companies to plough their profits back into the treasury and build their equity even further. As long as the shares in the company can be traded, the retained earnings in effect create a larger share value, and that value can be realized tax free if capital gains taxes are removed. That fact alone will enable all sorts of investment to take place which would not otherwise be the case. It is that new investment that will change this country around. We cannot go on any longer the way we have. We must have a new way, and that new way is the way of free enterprise, and capital gains tax removal makes that possible.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Budget we are addressing today, the first Conservative Budget, is very clever, very cunning and very diabolical. There is much coming and going, pushing and shoving, pluses and minuses. There is a lot of shuffling about in this Budget, and I think it is so in order to confuse people. It is to give the appearance of something being done about everything. Then the Minister of Finance (Mr. Wilson) can say to the poor people that there is going to be a minimum tax on the rich. Unfortunately, the date and amount are unspecified. But the taxes, which affect all Canadians, and disproportionately affect poor Canadians because they spend more of their money on goods and services, start immediately, and the excise taxes start promptly. There is going to be a large tax on corporations. However, it is only for the short term. Yet the other taxes, the partial deindexing, the excise taxes, increased personal income taxes, all start immediately and continue indefinitely. There is going to be a $500,000 capital gains exemption, a new tax holiday and a shameful one.

Over the long term we can see that the slide which the Liberals started and which has been going on for a couple of decades is now being accelerated by the Conservatives, higher taxes on individuals, lower taxes on corporations. The estimates are that by 1990-91 there will be an increase of $4.1 billion in personal income tax, $2.6 billion in sales tax, and a reduction of $2.2 billion in taxes for corporations.

Lower and middle-income Canadians may be relieved that the Minister of Finance did not go on to eliminate or substan-

tially cut the old age pension and family allowance, but what we have here is much sneakier. It is an erosion. The amount being cut this year is not large, although it is still going to hurt a number of people. But the effect is cumulative. It goes on and on and on, year after year. Families are going to be paying more, their family allowance is going to be less. A person who is 50 years old now will receive $1,500 less by the time he or she retires 15 years from now than they would have prior to this Budget. A hundred dollars a year does not sound like very much, although it is a lot for some people, but it adds up year after year after and means that people who cannot afford it are going to be forced to pay more and a large number of people are going to be badly hurt.

Perhaps it is as important to comment on what is not in this Budget as what there is, that is, tax reform. We simply do not have tax equity here, and the kind of tax reform that the NDP raised throughout the election campaign and on which we got at least some positive response simply cannot be seen here. We see a surtax, a temporary one on high incomes, but note that 5 per cent of zero is still zero. If the loopholes which allow so many people in high income brackets to pay no taxes at all are not closed, this surtax is meaningless. It is, in fact, another incentive to use those loopholes.

• (1600)

All of these benefits for corporations and richer individuals are not tied to job creation. There is a notion of the trickle down theory in this Budget. That is, if you throw buckets of money at the big corporations and wealthier individuals, they will do something with the money and a certain amount of it will trickle down into job creation, some of it staying in the country. Undoubtedly some of it will trickle down in Canada and create jobs, but how much? Is this a responsible way in which to use the taxpayer's money? Taxes are collected from all Canadians, although disproportionately from lower and middle-income Canadians. Yet, they are being redistributed to those who are better off with the vain hope that some of it will come back. This is an irresponsible and immoral way to use the taxpayers' money.

In the fine print of the Budget there are provisions that up to 31 per cent of pension funds can now be put into foreign investments, whereas previously only 10 per cent could be so invested. Up to $28 billion of the $90 billion in pension funds currently being held in Canada could go into foreign investment. What will that do for job creation in Canada?

This is not a jobs Budget, nor is it one that will reduce the deficit. Although there is much talk about reducing the deficit, in fact this Budget only reduces the increase in the deficit. It is not an absolute decrease in the deficit which will continue to accumulate. The deficit will not decrease until Canadians are put back to work and are earning incomes and paying taxes rather than collecting unemployment insurance. The Minister of Finance had to admit that his own figures of last fall overestimated the revenues that would be generated. I expect he will find that he continues to be overly optimistic because the revenues will not come in while we have high unemployment and we will not get unemployment down when the priority is this fixation with the deficit rather than with job creation itself.

This is not a fair Budget, but is it tough? Unfortunately, it is for some people. It is certainly tough for those who will lose jobs directly through reductions in the Public Service and for those who will lose jobs indirectly, particularly in small businesses because purchasing power is going to be reduced by this Budget. The increase of sales tax and income tax along with the reduction in family allowance and old age pensions means that people will have less money to spend. Therefore, small companies which are at the margin will not get enough business. Estimates are that 50,000 people the year and 100,000 next year will lose their jobs as a result of the decline in purchasing power.

This is also a tough Budget for those concerned about international development. It is shameful that a country as rich as Canada should withdraw $50 million from official international development assistance. By digging into their pockets for famine relief Canadians showed that they cared. Yet an amount comparable to what they gave is being withdrawn by the Government from international development. There is no incentive or encouragement for Canadians to give generously when the Government is cutting back on its development assistance. Maurice Strong, a noted international expert on development aid, has stressed the need for international development now. The emergency is not over. Unless there is aid for development purposes, famine will continue. We must help to build self-sufficiency in these countries. This reduction in aid is a heartless measure.

This Budget is tough on pensioners. The President of the National Anti-Poverty Organisation has stressed the hardships that this will cause. To the financially secure, $100 a year does not sound like much, but to the elderly poor, any erosion of purchasing power cuts into life's necessities. It will increase poverty in the most vulnerable people, senior citizens, who will not be able to go out and find other sources of income. It is again the sneaky cumulative effect. It is not much now, but it is adding up.

The President of the Ontario Federation of Labour spoke about the heartlessness, futility and foolishness of this Budget. He said that it is not that the deficit is no problem, because it is, but it is not the only problem or even the most pressing. This Budget will, in the long run, end up boosting instead of cutting the debt. If the Government were serious about reducing the deficit it would reduce both unemployment and interest rates, two of the heaviest contributors to the national debt.

The capital gains tax exemption is one of the most flagrant parts of this Budget. It is an outrageous example of the Conservative Government's priorities. It is a $500,000 giveaway which will overwhelmingly go to the top 1 per cent of income earners. Canada is already very generous on capital gains. They were taxed at only half the rate of other income. When the Carter Commission on taxation recommended in 1967 that capital gains be taxed at the same rate as other income, there was a tremendous outcry from the financial

community. That recommendation was successfully brought down and halved. A compromise was made and capital gains were taxed at only half the rate.

This matter has been explored over the years. A Department of Finance study in 1980 pointed out that Canada taxes capital gains at a lower rate than do other industrialized countries. The study concludes that even full elimination of capital gains could not be expected to have any noticeable impact on total investment. The idea that this giveaway to the rich will result in more jobs and greater investment is belied by studies of the Department of Finance itself. Other countries with economies at least as successful as ours and with lower rates of unemployment have higher rates of capital gains taxation.

There is an impact on fairness, if not on stimulating the economy. The exemption of capital gains tax would leave Canada as the only industrialized country which permitted large amounts of wealth to be accumulated and passed through generations without any tax liability. Five hundred individuals with incomes of over $100,000 derive almost all of their income from capital gains. This is flagrantly unfair, and in the last election campaign the Conservatives promised to address it. Instead, they will continue the tax holiday for these people.

Let us now consider arts and culture.

[*Translation*]

I was looking forward to some provision in the Budget which would make life easier for the artistic community, not as a result of promises made by the Conservatives during the election campaign—they broke them all—but because of the strong opposition expressed by artists when budget cut-backs were announced in the November economic statement.

Admittedly, their protests were not a total loss—arts and culture are mentioned with some deference in this Budget.

There are even two tax reform proposals, but they concern unfortunately very few people. The purpose of the first one is to rectify a fiscal aberration which caused works of art to be treated just as manufactured goods for income tax purposes. It was scandalous. Artist Tony Onley had even threatened to burn his works on a beach in Vancouver. Thanks to this budget, Mr. Onley can now put away his matches and his works have been saved from destruction.

The second proposal will make it possible for artists to have deductible artistic donations just as we have deductible charitable donations. The artistic community are being asked to continue being the patrons of the arts. Although Canadian artists make up probably the least remunerated occupational group in this country, the government wants them to continue working without pay. We, on the contrary, were hoping for initiatives to raise their incomes and give them the protection of our social programs, such as Unemployment Insurance benefits and Pension Plans.

Well, the Sub-Committee on the Taxation of Visual and Performing Artists and Writers had put forward during the last Parliament 31 recommendations aimed at reducing the tax burden of Canadian artists. These recommendations had been supported by Progressive Conservative Party members while in the opposition. Now that they have an opportunity to follow up on those proposals, they have shelved the major recommendations.

This Budget contains nothing for musicians. Yet, the subcommittee recommended that all their expenses be deductible and that they be deemed to be self-employed because of the high expenses incurred in that profession.

Still nothing for the writers in spite of recommendations that their expenses for research and writing purposes be deductible.

Another recommendation that grants be considered as business income was ignored. This recommendation would have authorized the larger deductions which are absolutely necessary for people with a low income and substantial expenses.

For a performing artist, still nothing, neither for the deduction of expenses nor for their inclusion under the Unemployment Insurance Plan. Yet, these artists are often unemployed for rather long periods without being eligible for benefits, which would not be so bad if they were better paid, but they are not.

The third Budget proposal related to artists is that a task force be established to develop incentives for the private sector to support the arts. No one can be against measures to increase support for the arts, but the difficulties must be pointed out. First, such measures must not replace existing Government support. The Government even promised during the election campaign that its financial support would be increased according to the increase in the cost of living. These other incentives should be over and above Government support. Unfortunately, the present Minister of Communications (Mr. Masse) does not seem to be aware of those promises. He is banking on the possibility of an increase in private sector donations to justify the budgetary cut-backs. Obviously, a task force to look into a certain problem is not the answer. A task force does not put bread on the table.

• (1610)

[*English*]

The culture cut-backs are extremely disturbing. Since these are not new cut-backs in the Budget, the arts and culture community breathed a sigh of relief. However, the cut-backs continue and, for the first time in history, the Canada Council has less money to spend this year than the previous year. Although it suffered from inadequate increases in the past, it faces real hardship from a reduction.

The Budget is a severe disappointment for women. A number of promises were made to women in the course of the election campaign, including child care, credit arrangements and job training. These promises have not been fulfilled. The few measures that have been taken with respect to pensions for

women are woefully inadequate. While I am pleased that there is an end to discrimination on annuities, I point out that this had been recommended as far back as 1970 by the Royal Commission on the Status of Women in Canada. Until the Canada Pension Plan is improved and women can take part in that plan and receive adequate pensions, women will face difficulties with pensions. It is not enough merely to improve pensions in the private sector because half the women in the labour force do not benefit from pensions in the private sector.

These reforms are welcome only to those who are better off. They do not address the problems facing the vast majority of Canadians.

Let me conclude by simply pointing out the futility of the Budget. It will not reduce the deficit or create jobs. Small business will be adversely affected as a result of the loss of demand. We recommended a very different approach to get people back to work and make communities economically active again.

It is fundamentally a dishonest Budget and pretends to be what it is not. The Minister uses a combination of threat and fraud; threat that unless people bite the bullet there will be even more jobs to lose, and fraud that the rich have to be bought off by even greater giveaways to provide even a small number of jobs.

There is the illusion of fairness because some minor measures have been implemented. They are overturned by the more serious matters, which means that the rich will profit from this Budget while low and middle-income Canadians will be badly hurt.

We are seeing a massive redistribution of income in this country. It is being done in a sneaky manner, gradually, year by year. It represents a very serious betrayal of the Conservative election promises. It is a sad day when we see the true colours of the Conservative Party. I hope the population of Canada will not be fooled by the shuffling and will see where this Budget is really taking Canada.

Mr. Mazankowski: Mr. Speaker, will the Hon. Member explain to the House how she can rationalize her position in saying that this is an anti-small business Budget? All of the organizations representing small businesses herald the Budget as a very positive one for the small business sector, which is really one of the main engines of growth and economic opportunity in this country.

With respect to the application of the capital gains tax exemption, contrary to the Hon. Member's suggestion that it is a boon to the rich, it is considered in most corners as an excellent incentive to encourage individual entrepreneurs and families to engage in small business activites. It would be very similar to the family farm enterprise where families work together to create an investment in land, machinery and equipment that will become a retirement fund in later years.

Ms. McDonald: Mr. Speaker, a Budget that reduces purchasing power as significantly as does this Budget will be very harmful for small business which depends on the purchase of goods and services. The Budget takes money from the hands of families who buy food, services and other necessities.

The Budget is reducing the family allowance and old age pension while increasing taxes. This means that people will have less money to spend. How can businesses be pleased that their customers will not have as much money to spend on their businesses? I suggest it will hurt businesses.

How will people increase their purchases? The unemployed will not be making large purchases and the Budget will not reduce unemployment. There will be direct lay-offs as a result of the Budget and indirect lay-offs as small businesses are hurt by it. A Budget that reduces the purchasing power reduces business.

Mr. Mazankowski: Mr. Speaker, I am not sure what experience the Hon. Member has in running a small business, but when all the leading spokesmen for the small business sector in this country have heralded the Budget as very positive, particularly as it relates to the small business sector, how can the Hon. Member stand in the House and argue against it? What rationale can she use to challenge the statements of the respresentatives of the small business sector in this country?

● (1620)

Ms. McDonald: Mr. Speaker, the Minister has simply not addressed the point in question, which is, how do people become customers if they do not have money in their pockets with which to buy? If you reduce purchasing power, what are people going to spend? If people do not have money, how are they going to spend it? The Minister has not answered how people are going to spend money they do not have.

Mr. McMillan: Mr. Speaker, perhaps the Hon. Member could answer this question: is she saying that the small business sector is not happy with the Budget? Or is she saying that it is happy with the Budget but the small business sector does not know what it is talking about, that it is ignorant in its assessment?

Ms. McDonald: Mr. Speaker, I am simply pointing out one of the unhappy facts of life, that reducing purchasing power is going to hurt. I think small business will be very seriously hurt. The proof of the pudding is in the eating. Let us talk about it a year from now and see who is right, the Member or I.

Mr. McMillan: Mr. Speaker, I do not think the Hon. Member answered the question. It is pretty clear from all newspaper accounts and from public statements made by John Bulloch and others representing small business that universally there has been acclaim for the Budget from the small business sector. Is the Hon. Member denying that that is true, or is she saying it is true that the small business sector does not know what it is talking about?

Ms. McDonald: Mr. Speaker, it is not true that this Budget has been universally accepted. There has been some acceptance.

Some Hon. Members: Oh, oh!

Ms. McDonald: The John Bulloch example is one significant example. It is not the only one. I go back to my point that the proof of the pudding is in the eating. Let us see what happens. In the economic statement of last year, the Minister of Finance was wrong. He was wrong on his predictions of revenue, and I think he was wrong because people who do not have money people, who are out of work, are not spending. The money is not coming back. We have a Minister of Finance who has not been in the position for a year but his first mistakes are already beginning to show. I suspect this is going to be a very sadly mistaken Budget. There is not much point in arguing about it here. We will see what those results are.

Mr. McMillan: Mr. Speaker, would the Hon. Member rise to her feet and give the House, and through the House to the people of Canada, the name of one single leader of the business community who has attacked the Budget from the small business sector point of view? I ask her for the name of one person of the calibre of John Bulloch to whom I referred. Could she name one person who speaks for the business community and who is on record as attacking the Budget from the small business sector point of view, just one person, Mr. Speaker?

Ms. McDonald: Mr. Speaker, I would not be able to give the name of a small business person who has attacked the Budget.

Some Hon. Members: Hear, hear!

Ms. McDonald: My point remains that the Minister has not been able to answer the question: How are people going to spend if they do not have purchasing power? The time to renew this debate is when we get some of the results from this Budget. I think they will be extremely unhappy results. We can debate them on the evidence when we see how the Budget actually operates. I repeat that the predictions from the economic statement of last fall were wrong. People welcomed them in the fall, and they were wrong when they welcomed them last fall.

Mr. Stackhouse: Mr. Speaker, I would like to express appreciation for the Hon. Member's remarks—

Ms. Mitchell: Don't be patronizing.

Mr. Stackhouse: —expressing her concerns. I think we have all listened with benefit. I would like to thank her for the tone in which she expressed her views. She avoided some of the fabricated passion that many of her colleagues have demonstrated when speaking on the same subject.

However, I have to take issue with the Hon. Member on some of the substance of her address. I will take time, Mr. Speaker, to refer only to her references to the capital gains provision in the Budget, namely referring to it as a $500,000 giveaway. Where is the giveaway of half a million dollars? This would imply to someone who did not understand this Budget or did not understand the system of capital gains beforehand that somehow $500,000 would actually be given away.

We know, as the Hon. Member for Broadview Greenwood (Ms. McDonald) unintentionally admitted a few sentences later in the address, that the capital gains tax is imposed on only half of the capital gains to start with. We are now talking about a tax on $250,000 not $500,000. When we get down to the $250,000, it is not $250,000 that will be made this year because the provision involves a progressive initiation of the introduction of the capital gains tax exemption. What will we have this year? We will have exemption on only $20,000 in capital gains, namely, the tax that would be imposed on $10,000 of capital gains. Where is this half a million dollar giveaway which the Hon. Member is talking about? I think this is alarming people. I agree that, unintentionally, there has been a kind of scare tactic used. I would say unintentionally. Nonetheless it is a scare tactic that somehow this Government is giving the rich another half a million dollars when in fact we are offering an incentive for investors to do exactly what the Hon. Member should want, and I believe does want.

We have mentioned family farms and family businesses. What we are doing is trying to accomplish the objective which the Hon. Member for Mississauga South (Mr. Blenkarn) indicated, namely the need of private business to raise more capital through equity investment rather than going into debt. Small business needs that kind of assistance. I can take the Hon. Member to a constituent, the operator of a small business, who needs to expand, who is afraid to undertake more debt even at today's interest rates, but who would like to sell equity capital in his business. This provision will encourage individual investors and the Budget will encourage pension funds and other sources of capital supply. Just a half hour before listening to the Hon. Member I talked to an associate in Metro Toronto who told me that already pension funds are making provisions to enlarge portfolios through investment in small businesses. My friend in Scarborough will benefit.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. Would the Hon. Member for Broadview-Greenwood (Ms. McDonald) wish to reply?

Ms. McDonald: Yes, Mr. Speaker. I think my remarks are perfectly clear as to the nature of the capital gains exemption. I referred and stressed the cumulative nature of the giveaway. It begins small but it goes on year after year, after year. I think this is an extremely unfortunate matter. It is perfectly true that only half the capital gains are taxed right now, contrary, by the way, to the recommendations of the Carter Commission and contrary to the recommendations of many people who see this as being extremely unfair.

Let me also point out, with regard to the Member's second point, that the incentive to invest in small business for pension funds permits investment in foreign companies. We have, on the one hand, a good measure to encourage and invest in small businesses in Canada—

Mr. Stackhouse: Thank you.

Ms. McDonald: —on the other hand, it means Canadian business is going to lose other opportunities because money will flow out of the country. It is not an unmitigated good.

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I am very pleased to take part in this budget debate. For me it is a double pleasure because I am making my maiden speech in this historic Chamber.

Some Hon. Members: Hear, hear!

Mr. Gottselig: The Budget brought down on May 23 by the Hon. Minister of Finance (Mr. Wilson) is a continuation of the direction set out in his November 8, 1984, economic statement. It is a very clear signal to the Canadian people that we are a responsible Government and that we are prepared to make the tough economic decisions which are required to govern.

It is just over one year ago that I was seeking the nomination in my constituency and later fighting the election campaign. The clear message given to me by the people of my constituency was "give us less government. Stop forcing things on us like metrication and introducing new Crown corporations to compete with the private sector. Instead, get the economy moving". The Minister's budget will do just that. In addition, it will start to control that monster, the federal deficit.

I would like to thank the constituents of the Moose Jaw federal constituency for doing me the great honour of electing me as their Member of Parliament. I would also like to assure my constituents that it is an honour I do not take lightly, and I will continue to represent their concerns to the very best of my ability.

• (1630)

I should like to pay tribute to the former Hon. Member for Moose Jaw, Mr. Doug Neil. Mr. Neil was a Member of the House from 1972 until the last election. He served his constituency and Canada well during that time. This was particularly evident in the area of rail line abandonment and in his publication known as the Neil report. Many of the recommendations made in the report were adopted by the previous Government and will continue to serve as a guide in this vital area for some time to come.

The Moose Jaw federal constituency is located in south central Saskatchewan and is made up of people of all racial extractions and a wide variety of ethnic origins. While English is the mother tongue of most of the residents, we have people of other nationalities who are also keeping their cultures alive through their own groups. We have people from the British Isles, from many European countries such as the Ukraine, Germany, Russia and Poland and from Scandivanian and oriental countries. Many of these people are descendants of the original settlers who came to Canada seeking land and freedom. They were hardy individuals who adapted to the harsh environment and prospered. By helping each other, these people built the towns and cities and laid the framework of rural Saskatchewan as we know it today.

Moose Jaw is the focal point of the riding. It was known for many years as the friendly city. However, it has more recently been referred to as the band capital of North America. The City of Moose Jaw was incorporated in 1903, and there are some very interesting legends regarding the origin of its name. One legend has it that the course taken by the Moose Jaw River resembles the jawbone of a moose. Another has it that one of the early explorers, the Earl of Mulberry, repaired his ox-cart there with the jawbone of a moose. Another myth is that the early residents, some local Indians, used to winter in that area because the weather was much warmer, and they referred to it as Moosegaw, and of course the white man changed it to Moose Jaw.

Moose Jaw is a railway divisional point on the CP Moose Jaw division. It is the largest division in the system. It has 1,873 miles of track, and last year over 75,000 loaded cars moved out of that division. Most of these were destined for Thunder Bay with grain. However, there were also cars of oil, steel and potash. CP Rail employs approximately 700 people in the City of Moose Jaw. The Saskatchewan Technical Institute in Moose Jaw has been providing training for almost 30 years. The institute offers 34 business, engineering and industrial programs to over 5,000 students. In addition, it has an extension division which delivers programs throughout the province.

CFB Moose Jaw is adjacent to this city. Over 1,200 military personnel, as well as 300 civilian employees, provide the workforce to maintain the base. It is the busiest airport in Canada with either a take off or a landing every 45 seconds. With an annual payroll of over $21 million and a further $18 million worth of purchases in the area, it contributes greatly to the economy of Moose Jaw and district. CFB Moose Jaw is also the home of the Snowbirds, Canada's aerobatic air team. They perform at the Moose Jaw Air Show as well as at many other locations in Canada and the United States. The Moose Jaw Air Show attracts over 50,000 people each year.

The constituency of Moose Jaw covers a large rural area, roughly 10,000 square miles, and has a total population of 70,000 people. It runs north from Old Wives Lake in the south, to within 30 miles from the City of Saskatoon. Much of the west boundary is made up of the mighty South Saskatchewan River and Lake Diefenbaker. The area around the City of Moose Jaw has some of the finest farm land in the west. This area is known as the Regina Plains. It is known far and wide as being a top producer of high quality bread wheat. It takes in the towns of Pense, Belle Plaine and the area south to Drinkwater, Rouleau and Briercrest. West and south of Moose Jaw there are many areas of grassland where the mainstay of farmers and ranchers is beef. The Town of Caronport, west of Moose Jaw, has the Briercrest Bible College with a student enrolment of 793, most of whom reside on campus. These students come from all over Canada and the United States to take a Bible course prior to entering university and technical colleges. The east boundary runs up to Last Mountain Lake

with the Town of Simpson, south through Imperial, Holdfast and down to Lumsden, to within 10 miles of the capital City of Regina. The Trans-Canada Highway borders the City of Moose Jaw. Another important highway is No. 11 which runs from Regina to Saskatoon, through towns such as Craik, Davidson, which is known as the midway town, and Hanley.

Many of these towns and villages have annual summer events such as the Davidson Kinsmen Rodeo or the Central Butte Fair. However, the most widely known event in the province is the Moose Jaw Kinsmen International Band Festival, which is the largest band festival in North America. This three-day event, held annually on the May long weekend, celebrated its thirty-sixth anniversary this year and was the biggest and best ever. From a humble beginning with 12 bands, it has grown to over 125 bands with over 7,000 competing members. In addition, there were 25 choral groups and 15 field marching competitions. Bands were in attendance from Ontario to British Columbia, as well as many from the northern states. One band was in attendance from Switzerland.

Another well-known location in my constituency is the Gardiner Dam. This is one of the largest earth filled dams in the world. It is over 200 feet in height and stretches some three miles across the South Saskatchewan Valley. The lake formed by the dam is rightly named in honour of the late Right Hon. John Diefenbaker who had the foresight to commence construction of the dam in 1958 when he was Prime Minister. It was only after many years of work and study by many groups and individuals that the project finally became a reality. Much of the credit for the construction of the dam must also be given to the late Dr. Bill Tufts who practised medicine at Outlook for many years. Throughout the dustbowl years he recognized the need for irrigation and worked tirelessly for the project until it became a reality.

To give some idea of the importance of the dam, I should like to point out that approximately one half the irrigated acreage in Saskatchewan uses water either directly from Lake Diefenbaker itself or from adjoining water supply systems. The Town of Outlook where I make my home is known as the irrigation capital of Saskatchewan. It is the approximate geographical centre of this irrigation area. Irrigation has allowed farmers to grow a wide variety of new crops and to ensure that there will always be a good supply of fodder and grain for livestock feed even in years when we have severe drought, such as the one we experienced last summer.

In addition to irrigation, the dam is an important source of power for the province and recreation for many residents of the area. There are many provincial parks and cottage developments along the shores of Lake Diefenbaker. Water is also diverted into the Qu'Appelle River system which goes to Buffalo Pound Reservoir which in turn supplies water to the cities of Moose Jaw and Regina.

We have an abundance of migratory game birds throughout the constituency as well as good populations of white tail and mule deer which provide excellent hunting each fall.

The entire area has a solid agricultural base, and the people have become accustomed to the ups and downs of a farm economy that is influenced to such a large degree by weather. Lack of rain during the growing season is one of the most serious concerns of the residents of my constituency. We realize that we cannot control the weather. However, another concern had been growing in recent years about the uncaring federal Government. The fiscal mismanagement of the previous Liberal Government has greatly damaged the economy of Canada, and nowhere was this more evident than in the west.

The Liberal Party was unable to elect a representative from the area west of Winnipeg and, as a result, we had no one but a tired old Senator to speak for us at the decision-making level. We now have strong voices at this level as well as strong support on the back-benches. According to the media I am a back-bencher and far removed from the decision-making process. However, I do have a chance to put forth my ideas. I can assure my constituents that the Ministers of our Government listen and respond to our concerns.

We in the Conservative Party were elected to make a fundamental change in the style of government. This Budget will bring about that change in three vital areas. First, it will encourage the private initiative of individual Canadians and they, not the Government, will decide what is best. We must manage Government more effectively. We must cut waste and trim away the fat. By putting our own house in order, we will create a healthier and more effective private sector.

● (1640)

Finally, we must control the spiralling national debt. We all know that we cannot borrow our way out of this deficit. The Liberals tried that for too long—with disastrous results. We have only to look at our own operations, be they running a home, a farm or a business, to see that we cannot spend more than we take in. If we, as individual Canadians, spent one-third of our income to service our debt, we know only too well what the result would be.

This Budget was formulated by the Minister after the most extensive pre-budget consultations in history. We consulted with Canadians from all walks of life and from coast to coast. As a result, we have a Budget which reflects and addresses the concerns of all Canadians.

The main thrust of the Budget is to encourage the small business sector to expand and to create those permanent jobs which are required for all Canadians. The previous Government used a band-aid approach to create jobs through make-work programs—jobs that got people off the unemployment insurance rolls long enough to qualify them for unemployment insurance benefits again. That was no solution. It was a plan designed and administered by bureaucrats because the Government was bankrupt of ideas as well.

This Budget is responsible. It will be effective. Most of all, it is fair. As a Government, we have met the challenge of the 1980s head on. We have set a new course. We have reflected faith in the drive and the ingenuity of Canadians to seize the opportunities to invest in their own futures. We are saying clearly to entrepreneurial-spirited Canadians that, once more,

there will be rewards for risk taking. We will reward success rather than subsidize effort.

Last July, in Prince Albert, we promised that when we formed the Government we would remove the very unfair capital gains tax with respect to the sale of farm land. We did just that. However, we did not stop there. We also removed the capital gains tax for the small business sector in order that ordinary citizens would be free to do what they do best. We are proposing a lifetime capital gains exemption of $500,000 for individual Canadians. For farmers, this exemption will be available immediately. We have also retained the tax-free roll-over provision for farmers. We said that we would reduce the price of farm fuel. Last fall, we introduced measures to provide this reduction.

In addition to that, we dealt with other issues vital to the farm sector. For example, our Government has taken steps in the area of western grain transportation. We are in the process of removing the very unfair volume cap of 31.5 million tonnes, which acts as a disincentive to increased production. We have preserved a number of rail lines and have reopened one in Saskatchewan which had been shut down.

We have amended the Western Grain Stabilization Act in order to put badly needed funds into the hands of producers prior to the seeding of the 1985 crop. We have made important changes to the Farm Credit Corporation Act by reducing the interest rate for over 5,000 producers, as well as introducing a shared risk mortgage program. We have allowed dual labelling in order that farmers, once again, will be able to understand the directions for the proper application of farm chemicals.

We have changed the attitude of the Department of National Revenue in order that taxpayers can be treated fairly once again. We are in the process of establishing a national voluntary tripartite red meat stabilization program.

The list of our achievements goes on and on—all of this in the short space of time since we formed the Government.

Controlling the national debt is a matter of great concern to all Canadians. It is important that Canadians understand the magnitude of the deficit and debt problem and why it poses a serious threat to our ability to achieve sustained economic growth.

The public debt is simply the sum of all past deficits. It took 100 years to accumulate a debt of $18 billion. Now, less than two decades later, the debt is approaching $200 billion. This is the vicious circle in which we now find ourselves. At some point, we must begin to pay the bills for current services and not pass them on to our children.

With this Budget, and through the actions taken in November, we have reduced every area of government spending. To spread the burden of expenditure reduction fairly, the Government believes it is fair to limit the growth of transfers to provinces as well. I said limit the growth—not reduce it.

The Government can save $2 billion by the end of the decade with no absolute reduction in federal transfers. Even after this adjustment, federal transfers to provincial Governments will grow significantly over the balance of this decade. In 1990-91, this would represent about the same share of total program expenditures as they do today.

I am sure we have all seen newspaper reports which state that the Government is obsessed with the deficit. That is simply not true. We are obsesed with jobs—good, satisfying and durable jobs for Canadians. The Minister of Finance said it himself. If he believed higher deficits and a rapidly rising debt would help create jobs, then he would gladly have increased the deficit. That approach has not worked in the past and it will not work now. If high deficits and high debt created employment, then there would not be one person out of work in this country.

This Budget is about equity and fairness, private initiative and enterprise, in an environment of economic, social and cultural progress. Above all, the Budget is about jobs. It realistically tackles the problems as they exist and how the Government found them on taking office last September. The Budget is not preoccupied with the deficit; instead, it recognizes the importance of controlling our debt before it ties our hands and stops us from taking the necessary steps for Canada.

The Government has taken its mandate for change and translated it into an agenda of action. We have recognized that individual initiative provides the economic strength of Canada. This Budget builds on that strength.

Mr. Deputy Speaker: Questions and comments? The Minister of Transport (Mr. Mazankowski).

Mr. Mazankowski: Mr. Speaker, first, I would like to congratulate the Hon. Member for Moose Jaw (Mr. Gottselig) on his maiden speech. It was an excellent speech which outlined the issues affecting his riding. In effect, it was a report card of some of the measures this Government has taken since it was sworn into office.

The Hon. Member made reference to the issue of capital gains. I know it was a prominent issue in the election campaign. Also, I know that he debated it vigorously on the campaign trail. Given the Hon. Member's knowledge, and for the benefit of the Members of the House, could he give us his impressions of the impact the capital gains provision in this Budget will have on the farming community which he represents? In replying to the question, could he enlighten us with respect to the position taken by his NDP opponent during the election campaign, having regard to the fact that the NDP in the House has been taking such violent exception to the capital gains provision which was included in the May 23 Budget? What was the position of his NDP opponent with respect to capital gains during the course of the election campaign?

Mr. Gottselig: Mr. Speaker, I would like to thank the Minister of Transport for his comments. As the Minister has mentioned, the issue of capital gains was certainly an important issue raised during the election campaign. The removal of the capital gains provision will have a long-lasting effect on the West. Farmers will now be able to sell their farms without

worrying about capital gains. It will mean that the generations can move as they should in transferring their land. Retiring farmers will know what they have to deal with when they sell their land.

In addition, the business sector will be able to move and thrive once again. My New Democratic Party opponent in the last federal election campaign also spoke about removing capital gains. Members of the New Democratic Party change their tunes quite often, so I suppose that that would depend on what day it is.

• (1650)

Mr. de Jong: Mr. Speaker, I think the statement made by the Minister was somewhat misleading. As I stated in my remarks on the Budget, this Party has always supported the removal of capital gains taxes on farms. However, we take exception to the broad scope of the legislation. We take exception to the fact that people who speculate on condominiums in Florida or on stocks can have a $500,000 tax holiday.

I would like to ask a question of the Hon. Member. He represents the riding of Moose Jaw which is right next to my riding. I know that he is as concerned as we in Regina are about getting better water. The Hon. Member mentioned that even though he is considered a back-bencher, he does exert some influence on the decision-making process. Therefore, I wonder if the Hon. Member could enlighten us on his progress in convincing the Government that it should move immediately to help finance, along with the Conservative Government of Saskatchewan, a joint venture that would allow for the buidling of a pipeline from Diefenbaker Lake so that the people of Moose Jaw, Regina and the surrounding areas could have good, safe, clean water. Perhaps the Hon. Member could report to us on the progress he is making in convincing the Government, of which he is a member, to do that.

Mr. Gottselig: Mr. Speaker, the issue of a pipeline has been debated many times in Regina and Moose Jaw. There is a new water treatment plant scheduled to open fairly soon that will greatly improve the quality of water in that area. The matter of a pipeline or an open ditch will be debated for some time to come. I can assure the Hon. Member that I am certainly taking a positive stand on this and I have mentioned it and other concerns of the constituency a number of times. I am expressing the concerns of my constituents from Moose Jaw and surrounding districts and I am doing so as a member of a Government that is very responsive to the needs of the West as well as the needs of all other areas of Canada.

Mr. de Jong: Mr. Speaker, I am aware that the Hon. Member represents a large number of retired people who live in the City of Moose Jaw. I wonder what he will say to his retired constituents when they find out that they will be receiving approximately $100 less from their Old Age Security this year and that by 1990 a couple will receive some $1,000 less per year in Old Age Security. How will he explain that to his constituents?

Mr. Gottselig: Mr. Speaker, the matter to which the Hon. Member refers should be put in the proper perspective. It works out to about 27 cents a day. I think that senior citizens are quite prepared to pay 27 cents a day in order to preserve what they have now and to have a country with a controlled deficit so that their grandchildren and their grandchildren's children will not have to pay that tax share.

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I represent the constituency of Swift Current-Maple Creek, a constituency which shares some 55 miles of boundary with that of the Hon. Member for Moose Jaw (Mr. Gottselig). On behalf of my constituents I want to thank the Hon. Member for his comments. Both the Hon. Member and his constituents are very much appreciated by my constituents.

I know that the Hon. Member is a producer. He has a farm that is a going concern and, therefore, a number of the matters which were raised in the Budget are of very real concern both to the Hon. Member and to his constituents. Some concerns have been raised about the possibility of increases in fuel taxes. I wonder if the Hon. Member could enlarge on that matter from the perspective of the producer.

Mr. Gottselig: Mr. Speaker, there is talk of an increase in fuel prices effective September 3. We are going to have a reduction in the price of fuel of .7 cents per litre on June 1, and the increase on September 3 will supposedly be two cents per litre. Therefore, the net increase will be 1.3 cents. As we are moving to world prices and with the surplus on a world level, I expect that by September the price will be much lower than that because of the supply and demand situation.

I think farmers realize that they received a reduction of 4.8 cents per litre as a result of the actions taken last fall. We are going to institute this increase, if it is in fact an increase, on September 3 so that dry land farmers will have the benefit of buying fuel for this growing season at the lower price.

Mr. Blenkarn: Mr. Speaker, the Hon. Member will recall that he was a member of the Finance, Trade and Economic Affairs Committee and participated in the standing committee's study into tax issues in agriculture, capital gains tax with reference to agriculture, and indeed other matters. He will recall that the committee's unanimous recommendation was that the Minister of Finance (Mr. Wilson) consider the advisability of abolishing the taxation of capital gains in general. Did the Hon. Member not find that the Hon. Member for Prince Albert (Mr. Hovdebo) and the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), who were also members of that committee, agreed to that recommendation?

Mr. Gottselig: Mr. Speaker, as a matter of fact, the Hon. Member for Mississauga South (Mr. Blenkarn) is correct. We had all-Party representation on that committee. Although I did not attend every meeting, each meeting that I attended was attended by a member of each Party, and each member of each Party rose to say how we must eliminate capital gains tax from farm land. A unanimous recommendation came from that committee.

Mr. Mazankowski: But Lynn McDonald doesn't agree with that.

Mr. Gottselig: Then she must not agree with what other members of her Party have said. I support fully the recommendation made by that committee. I was happy to be a part of it and to put my views forth. Once again, that indicates that the Minister has responded to our concerns. There is no doubt that this is a responsible Government.

Mr. de Jong: Mr. Speaker, I understand as well that that committee made unanimous recommendations for an agri-bond issue and for changes in the taxation system as it affects part-time farmers. I wonder if the Hon. Member is also in favour of those recommendations and if he is disappointed that he did not find them in the Minister's Budget.

Mr. Gottselig: Mr. Speaker, I would like to thank the Hon. Member for Regina East (Mr. de Jong) for raising that point. The Minister of Finance was present at the first meeting of that committee. He told us all that he would do all of these things but that within the budget restraints with which we are faced, we may not be able to do them all at one time. He asked us to priorize the issues and to tell him which ones were number one, number two and number three. We did that. All members of that committee agreed that the single most important issue was the removal of capital gains taxes from farm land. We did that, and we gave small business people a break as well. All Canadians will now have $500,000 available to them free from capital gains taxes.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I would like to congratulate the Hon. Member for Moose Jaw (Mr. Gottselig) on his maiden speech in the House and on the way he handled himself during the question and comment period. As I recall, I don't think I was as secure on my feet. We didn't have any question and answer period when I first came to the House. That was a long time ago, as the Minister of Transport (Mr. Mazankowski) will remember. But the Hon. Member did very well. I did not agree with everything he said, but he said it very well.

• (1700)

I would like to talk about the Budget from a different perspective. I would like to address the Budget from the point of view of the impact I see on the Atlantic area. When my colleague from Kamloops, British Columbia, spoke the other day, he talked about the trickle down theory. He said the Government was hoping that some benefits in terms of jobs and revenues would trickle down. He used the analogy of the horse. He said that if you stuff enough oats into the mouth of a horse so that it has difficulty digesting them, possibly some of the oats will trickle down for the birds at the end of the process. That was an interesting western analogy. But the analogy I like and apply to the Altantic is one originated by my colleague, Don Jamieson, a former Hon. Member of this House. That was the analogy of a new symbol for Canada, taking into account the regional realities of this country. He said that Canada really needs a new symbol. There should be a cow on the flag of Canada. She is feeding in the West, they are milking her in the centre, and we know what she is doing to us in the Atlantic provinces. That is exactly what is happening with this Budget. This Budget, as I see it, will cripple the economy of the Atlantic area. It is a crippling blow, and I say that in all sincerity from my perspective. I hope that the gentlemen on the other side of the House are listening. The main fact is—if this is a gamble on the private sector—that the private sector in the Atlantic area is not as strong as elsewhere in the country. For example, in the four provinces, close to 80 per cent of the gross provincial product is Government and 20 per cent is the private sector, as opposed to something like 35 per cent from Government in other parts of the country.

Mr. Mazankowski: I am sorry, I have to leave.

Mr. Rompkey: I am also sorry the Minister of Transport is leaving because I was hoping he would listen to this. However, I want to tell his colleagues that the main fact to recognize is that in the Atlantic area the private sector is not as strong as elsewhere in the country. If we put all the onus on the private sector, then I think we will have a great deal of difficulty, indeed. We are very heavily dependent on fisheries, on transport and on many other government Departments. If there are cut-backs in those Departments, then we have an impact on the Atlantic area. If, at the same time, the private sector is not growing as quickly as in other parts of the country, then we will have negative growth in the Atlantic area.

Our caucus heard the other day from the Atlantic provinces economic council. It has that fear as a result of its analysis and upon talking to its members. We are going to do some computer analysis, Mr. Speaker, to see if we can determine exactly what the effect is going to be, but we are afraid that the effect on the Atlantic area is going to be negative.

For example, going back to last fall, we lost $40 million a year from the fisheries budget. Another $25 million is chopped from the fisheries by the Minister of Finance in his Budget. Those funds go to build wharves, breakwaters, haul-outs and fish plants and to put in place the facilities our fishermen need. Our provinces, as you can appreciate, Mr. Speaker, are very heavily dependent upon the fisheries. In addition to that, wharfage and dredging fees will be increased. The Budget talks about rationalization. I am afraid of that word because it translates to me into a loss of jobs and a loss of business activity.

The Government needs to have within its Budget process not only a provision for making sure that the private sector is helping this country—laudable as that objective might be—but it needs to have a concern for people and, most important of all, an understanding of regional differences. There has to be an appreciation that regions in this country are different. If a policy is brought in across the board, then it has to impact negatively on those regions which are least able to bear the burden.

For example, there is a cut in the budget of the Department of Transport of $75 million. How is that going to be trans-

lated? We don't know. We have to ask questions and we will be asking questions as to exactly what areas those cuts will affect. Will they affect CN Marine? How many boats are going to go? How many ferries are going to be lost? You can appreciate, Mr. Speaker, that the only way to get to Prince Edward Island or Newfoundland is by ferry, if one is travelling by surface. If there are changes in those coastal services in terms of boats or in terms of rates, then there will be an impact on that area. Everything we use and most of what we eat in the Atlantic area is imported from elsewhere. We are an economy which is a main customer of central Canada, and those things have an impact on us.

With respect to tourism, for example, if the gasoline tax is raised or if the price of liquor is increased, it will have, it seems to me, a generative impact on tourism which, I believe, is a sunrise industry as opposed to a sunset industry in the Altantic area. We have lost the PIP grants offshore, the grants we depended upon to do the kind of drilling which was necessary in order to determine exactly what resources were there under the sea. They will be replaced perhaps. We don't know what is to come. But we know we had them and we made use of them. We discovered and proved up the oil which was there. More drilling needs to be done. We are not yet at the end of that process. The full field of oil off the Altantic coast has not yet been discovered and we will need incentive to further prove exactly what oil is there.

I recognize that there will be no diminution of transfer payments, but there will be a reduction as compared to what they would have been by 1990 because the Minister tells us we are going to lose $2 billion. So the Atlantic provinces are not going to get as much as they would have got. They are going to get more, yes, year over year, but not as much as they would have got. There will be a net reduction in 1990.

If we go back, Mr. Speaker, to the point I made earlier, that we in the Altantic provinces are dependent on government programs and on transfer payments—like it or not, that's the reality—and if we accept that reality, then we can understand the effect that any decrease in transfer payments is going to have. For example, in the Province of Newfoundland, between 50 per cent and 60 per cent of the budget of that particular province comes from the Government of Canada. So if the economy of Newfoundland is over 80 per cent dependent on government programs, then you can see, Mr. Speaker, the effect the Budget is going to have on us.

We are going to lose 15,000 people in the civil service. Where are those jobs going to be cut? How many will be cut in the Altantic provinces? I don't know. But they will certainly add to the toll of the unemployed which is already the highest of anywhere in the country. We have close to 50 per cent unemployment among those young people who are eligible to work, and that is a tragedy. These are some of the cuts.

What else is in the Budget that will have a negative impact on the Atlantic area? The sales taxes will increase. The gasoline and aviation fuel has been increased. All of those things are going to drive up costs in the Altantic area, particularly in the North. If we consider Labrador, for example, the only way to get in and out of there, particularly during the winter months, is by air. Already it is paying the highest air costs, not just for passengers, but for freight, of anywhere in the country. This is going to raise the costs even more. It is going to have a damaging effect on the economy in those areas. Consumers in those areas, who are already going to pay more—as will all consumers across Canada—will pay an even greater amount in areas which are rural, which are distant, and which are northern.

• (1710)

Then I could mention the income tax increase. So there is going to be a double whammy; a right-cross in cutting government programs, and a stiff upper cut through increased taxes. Both of these things, I believe, along with many other measures, are going to have a negative impact on the Atlantic area. Yet all the emphasis is placed and all hope is pinned on the private sector.

With regard to the transfer payments, I read in *The Ottawa Citizen* that the Deputy Prime Minister (Mr. Nielsen) is undertaking a sweeping review of federal programs and is recommending other cuts and changes which are bound to make the provinces hurt. For example, the federal Government wants to leave the provision of tourism facilities solely to the private sector and the provinces, ending its partial funding under existing economic and regional development agreements. Whether that is true or not, I do not know, but the Minister of State for Tourism (Mr. McMillan) is here and maybe he can tell us whether the Government of Canada will continue with the existing policy or whether that sector will be dependent more and more on the private sector.

The article says also that the Deputy Prime Minister wants the Government to reduce subsidies for coastal shipping and ferries operated by CN Marine on the East Coast. These things worry not only me, Mr. Speaker, they worry the Minister of Justice (Mr. Crosbie). As I pointed out, the other day he went to the Atlantic Provinces and was less than enthusiastic about this Budget. Reading from *The Evening Telegram* of May 25, the Minister had this to say:

> Justice Minister John Crosbie says that if the federal budget has any negative effects on areas like Newfoundland, Ottawa will take measures to deal with them.

There is a direct quote which says:

> If it turns out that in any of the approaches taken in this Budget there is any possibility of any damage to regionally deprived areas, then there will be changes made to deal with that—

The Minister was not going down there with a glad heart to defend the Budget. Apart from being an intelligent and witty man, the Minister of Justice is a forthright man. What he is saying here is what he knew to be correct and what I find everyone in the Atlantic Provinces knows to be correct. He went on to say, referring to the private sector:

> If they can't do it, if they can't produce the jobs and the economic growth, then we won't hesitate to go in a different direction.
>
> If they don't perform, then big brother will have to be given the job back again—

Well, there is an underlying assumption that it is not going to work in the Atlantic area. The article goes on to say the followship:

He admitted the private sector in the Atlantic area is weaker than other parts of the country and said there will have to more government support in the Atlantic region.

Crosbie said he spends a lot of his time in Ottawa ensuring that support is forthcoming.

The Minister of Finance (Mr. Wilson) has cut government programs and government support in that area and depends on the private sector which both I and the Minister of Justice have said is weaker than that in other parts of the country. We may not like it, but that is the reality. Nor is it just the Minister of Justice who is saying that. The St. John's Board of Trade, which is not exactly a left wing organization, says, through its President:

I didn't see sufficient job creation activity that would do much for Newfoundland's high unemployment rate.

He said there were insufficient incentives for the housing and construction industry. He is also concerned about the phase-out of the Petroleum Incentives Program because the federal Government did not announce something to replace it. He says the board will encourage the Government to bring in other tax incentives to encourage oil companies to do exploration along the coast. Well, what about those tax incentives? The tax incentives were given to Cape Breton and maybe they should be extended elsewhere in the Atlantic Provinces, but I am not sure that the tax incentives are the right way to go because you can only get tax incentives when you start to make something. What we need in the Atlantic area, in addition to improved infrastructure, is up-front grants to start businesses going. Yes, you can bring in a multinational and if it has made profit elsewhere it can invest in the Atlantic Provinces and maybe create some jobs. But a local small firm that does not have that kind of profit, or an entrepreneur who wants to start, needs the money up-front and cannot wait until he gets his profit and tax write-downs. So I think a different approach is needed in Atlantic Canada, bearing in mind the underdeveloped infrastructure and the weakness in the private sector.

The Community Services Council of Newfoundland says that the assumption of the federal Minister that by providing private sector incentives, everyone will join in the entrepreneurial spirit, is less likely to hold true in Newfoundland than for a manufacturing economy such as it is in Ontario. That is exactly the point I make. You cannot see all regions of the country as the same. When you have a Budget which assumes that everyone is equal, then it has a negative effect on some people. It may have a positive effect on others, sure; I believe that John Bulloch says this is good for small business. He is a credible speaker for the small business community in Canada. He represents some people in my riding as well. But I believe he was speaking nationally. He was not speaking particularly for the area I want to talk about today. The President of the Chamber of Commerce in Grand Falls, which is a rural area representing a lot of small businesses, had this to say:

—Chamber members are extremely concerned that the federal Government has opted to go the route it has, that being taking such a gamble with business.

In their view the cards are stacked against this area of the nation. It is a workable formula for larger businesses and in places like Central Canada. Noted is the fact that the smaller businesses such as those to be found in Newfoundland have had to rely on Government grants—

Local business just doesn't have the wherewithal to expand and create jobs as hoped by Mr. Wilson.

Even the Premier of Newfoundland, while he said as much as he could say positively about the Budget, that it seems to represent a legitimate attempt to cope with the federal Government's financial problems and to assist economic growth through the private sector, went on to say that:

It has some negative impacts on an economy such as Newfoundland's and we will enter ongoing discussions with the federal government to ensure that proper attention is paid to overcoming regional disparities.

He is concerned about the effect any decrease in transfer payments might have. As well, he suggested that the tax increases will hurt the consumers who already have low levels of disposable income. He feels Newfoundland should be given special treatment as a province with an extremely low economic base, high unemployment and increasing cost of living.

That is the point I am making and the point I want to get across to Members on the benches opposite. You have to be flexible. In answer to my question the other day, the Minister of Finance used the word "flexibility". I encourage him to be flexible and not wait for another Budget or another four years, because we will not be able to wait. Every spokesman I have heard in the Atlantic Provinces has said the same thing. Unless changes are made, there is going to be a drastic and negative impact on our economy which we will not be able to overcome for a long, long time.

Mr. McMillan: Mr. Speaker, I want to congratulate the Hon. Member. As an Atlantic Canadian, I am always heartened when even a member of the Opposition marshals his considerable eloquence on behalf of the people of the Atlantic Provinces. However, I find that there is a tendency among opposition members from Newfoundland to suffer from an inverse relationship between their eloquence on the one hand and the validity of their arguments on the other. Nowhere is that more true than with respect to the Hon. Member's comments on tourism. I want to assure him now, since he invited me to do so, that his concerns with respect to the Deputy Prime Minister's task force are not founded. He can look forward to many years of active federal government involvement in subsidiary agreements under ERDA in the tourism field.

● (1720)

I have two questions. The first is with regard to his remarks on the alcohol tax. He mentioned, rigthly, that when federal taxes and other taxes on alcohol rise, the tourism industry is affected, usually adversely. However, the implication was that in the Budget brought down by the Minister of Finance (Mr. Wilson) on May 23, the relevant provision on alcohol taxes would hurt the tourism industry. If it were not for the Budget, the federal excise tax on alcohol would go up 4 per cent

because the relevant tax is tied to the Consumer Price Index. There is an automatic increase in the federal tax on alcohol as the CPI increases. By deindexing the federal tax on alcohol, as contemplated by the Budget, instead of that tax going up by 4 per cent this year it will be capped at only 2 per cent above the current level. Therefore, rather than hurting the tourism industry, the relevant provision will help it. Is he aware of that fact?

The Member stated that the Budget is going to slash equalization payments to the Atlantic provinces. The Budget makes no such provision. It simply reduces the rate of increase in equalization payments to the Atlantic provinces and other provinces. It does not reduce the equalization payments. Indeed, in each fiscal year up to and including 1990 those equalization payments will actually increase rather than be reduced, albeit at a slower rate of increase. Is he aware of the two points to which I made reference?

Mr. Rompkey: I thank the Minister for his comments, Mr. Speaker. With regard to his last point I would refer him to *Hansard*. I thought I was very clear in saying that I understood that there would be no reduction in transfer payments but that there would be an over-all loss from what the transfer payments would have been. The Minister of Finance said very clearly that there would be $2 billion less in transfer payments by 1990. They will go up, but by less than they would have. I thought I made it quite clear that I realized they were not going to be decreased.

With regard to liquor, I am pleased that the Minister explained about the cap. I would point out to him that, although the Government raised taxes in Newfoundland, taxes on liquor were put in abeyance for tourists only. If the same measure were taken federally, it would further help the tourism industry. Such a measure has been suggested over the years by groups and associations which are concerned with that particular industry. If he has gone so far as to put a cap on taxes, would he suggest to the Government that it go even further and put taxes for tourists in abeyance in order to bring revenue into the country? I believe, as I think he does, that that is a sunrise industry. There is money to be made in small business through tourism in this country if measures like that are taken.

Mr. Binns: Mr. Speaker, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) raised a number of concerns during his remarks this afternoon. I would like to speak about the other side of the issues that he commented on. He spoke about the fishery in the Atlantic area. I believe he failed to remember some very important things that have happened in recent weeks.

For example, the Minister of Employment and Immigration (Miss MacDonald) recently extended UI benefits to ice-bound fishermen in Newfoundland to ensure that their livelihood would not be lost when they could not get out to the fishing grounds. In the Bill which was recently introduced, the Minister extended the variable entrance requirement for another 19 months. Untill the end of December, 1986 the areas of the country which are hard-pressed in terms of jobs will be eligible for unemployment insurance with as little as 10 weeks of seasonal employment. The Minister also took steps to freeze premiums for employers during the next period of time so that employers and employees would not be unduly affected. This is particularly important to the fishery.

In looking at the Budget commitments made by the Government to the fishery in Atlantic Canada, I notice that our Government has honoured the commitments of a restructuring agreement for companies like Fisheries Products International and National Sea Products, and in fact something like $138 million is being spent up until March 31, 1985. In looking at what the Government has done for the fishery in Atlantic Canada I need only look at my own Province of Prince Edward Island. The new Minister has given us the appropriate allocation of things we had asked for for years. For the first time we have been let into the Atlantic snow crab fishery. Prince Edward Island has been asking for a part of that resource for many years but was denied it by the Hon. Member's Government. Our new Minister had the foresight and wisdom to know that this resource should be shared in Atlantic Canada. He has given us an opportunity to harvest that resource.

Only several months before the last election, the former Finance Minister of the Liberal Government went so far as to say that the inshore fishery in Atlantic Canada was obsolete and should perhaps be done away with. It is no wonder that Atlantic fishermen decided it was time to make the Government obsolete and turned to a new Government to tackle the problems. Our Government is doing that with the present Budget and the initiatives it has undertaken in the last few months.

The Hon. Member suggested that we might be losing ferries from our transportation system in Atlantic Canada. Nothing could be further from the truth. The Minister of Transport (Mr. Mazankowski) is currently looking at the possibility of constructing two new vessels to serve the Wood Islands-Pictou run between Nova Scotia and Prince Edward Island. That would, of course, be a great asset to us. Through the Department of Regional Industrial Expansion the federal Government is also considering the possibility of constructing a causeway from New Brunswick to Prince Edward Island.

The Member mentioned concerns about the oil industry and said that we should be providing incentives. However, he forgot to mention the Atlantic Accord. What greater agreement than the Atlantic Accord has been signed between Atlantic Canada and the federal Government in recent times? We also met with the Atlantic Provinces Economic Council this week and were told that it was pleased with this Budget because Atlantic Canada is made up of small businessmen, farmers, fishermen, tourist operators, loggers, foresters, and so on. Those are the people who are being given the opportunity to unleash resources and create jobs and investment in Atlantic Canada. If the Hon. Member took those things into account, he would have to agree that this Budget will be great for Atlantic Canada.

Mr. Rompkey: Mr. Speaker, nothing could be further from the truth. This Budget will have the most serious adverse effect of any economic measure in recent times. It will set the Atlantic Provinces back 20 years. The Government does not have any regional development policy such as has been put in place over the last 20 years in this country. That bias does not exist in this Budget.

I will deal with the specific points starting with the increase in unemployment insurance benefits for fishermen who were trapped by ice. I raised that issue at least twice on the floor of the House of Commons before the Minister eventually announced what I think was too little too late. I was pleased that she extended the variable entrance requirement. She should have made it permanent. The Minister knows that there is no way you can stipulate more than ten weeks in certain parts of the country to make fishermen qualify for unemployment insurance. It was a good idea to extend it for 19 months, but I would like to have seen it extended for 19 years.

• (1730)

With regard to the Government's commitments to the fishery, it is on the record, and the Hon. Member must know it, that $40 million was cut from the fisheries budget in the fall and then a further $25 was cut from the fisheries budget. That will have a negative impact on the Atlantic area.

The Hon. Member talks about the inshore fishery and how the people of Atlantic Canada dealt with this Party as a result of our treatment of the inshore fishery. In Newfoundland, we won 42 per cent of the popular vote and returned three Liberal Members to the House of Commons. That is not a bad record anywhere in the country. That is what the inshore fishermen think of our policy. Indeed, a very strong constituency of ours is among the inshore fishermen.

With regard to APEC, it is on the record and has issued press releases. What the council is saying is a matter of public record. I do not find any group in Atlantic Canada that will disagree that this Budget will have a serious impact on our economy over the next little while.

Mr. Deputy Speaker: Resuming debate.

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, it is a privilege to join in this debate today, especially when our Government's first Budget is emphasizing our fundamental belief that a strong, healthy and unfettered private sector will bring about economic renewal.

From coast to coast, Canadians have told us that they agree with our initiative. They are willing and able to generate new investment, new business activity and new employment. However, they also told us that they need an environment free of unnecessary government intervention; they need greater access to financial resources for expansion and they need confidence that their hard work will lead to a better life today, tomorrow and every day after.

Moreover, they must believe that their successes will be adequately rewarded. That is why our budget proposals emphasize the need for individual initiative and private sector innovation. They must be supported by responsible financial and economic policies that will provide a durable framework for growth.

We have issued a challenge to the thinkers, doers and innovators in the private sector to help us create the jobs that Canadians so badly need. In order to respond to this challenge effectively, an atmosphere of opportunity and stability must exist. Since September 4, the Government has been assisting in creating this environment.

There has always been a shortage of start-up capital to help entrepreneurs with their ideas and putting their ideas into real businesses. Our work with Bill C-23, an Act to amend the Small Businesses Loans Act, guaranteed the continuation of an important source of small business financing.

The life of the Act was extended to March 31, 1990. This longer term established a stable framework for the lenders and the borrowers who use this popular program. This initiative did not increase the size, the role or the power of the Government. Furthermore, our amendment to the Small Businesses Loans Act enhanced both opportunity and stability within the private sector. This is totally consistent with the theme set out in the new Budget.

A further initiative is our work to replace the Foreign Investment Review Agency by Investment Canada. Our message is clear: Canada is open for business again. The Government of Canada is there to assist, not harass, the private sector in creating the new wealth and new jobs that Canada needs.

Historically, the Canadian financial markets have been equity poor. Investment Canada is designed to improve the investment climate and to increase foreign direct investment. We are attempting to create an environment of stability and opportunity, and the injection of new foreign capital will result in new jobs.

Today's reality is that government in Canada has become much too big. It intrudes in the market-place. It inhibits and distorts entrepreneurial activity by sending out false signals to investors. Bill C-15 will reduce government intervention in the economy, an action which is consistent with one of the main objectives set out in the new Budget.

The first Budget of the new Progressive Conservative Government faces head-on the two great problems facing our country—the vicious circle of high unemployment and our spiralling national debt. High deficits constrain our ability to create jobs. High unemployment, in turn, causes even higher deficits. The Budget proposes realistic, fair and effective action to break this vicious circle.

It is centred around three fundamental ideas. First, the Government has become too big. It has become part of the problem instead of being part of the solution. That is why we have been combing Government for waste and inefficiency since September and our efforts are starting to pay off.

We will be lowering government overhead, rationalizing and improving government programs and selling off Crown corporations which do not serve an essential public policy purpose.

The civil service will be reduced and public sector pensions put on a sounder footing. The search is still on to ensure that we provide maximum value for tax dollars.

Second, future Governments will not be able to support growth and jobs and provide all the services we want if we do not get control of our financial affairs. It is important that Canadians understand the magnitude of our deficit and debt problem and why it poses serious risks to our ability to achieve sustained economic growth.

The public debt is simply the sum of all the past deficits. It took 100 years to accumulate a debt of $18 billion. Now, less than two decades later, the debt is approaching $200 billion and doubling every five years.

Like any borrower, the Canadian Government pays interest on this debt. Like any borrower, the Government has been affected by interest rates. Interest charges have risen from approximately $8 billion per year in the late 1970s to $22 billion last year. When compared to a business situation, it is quite obvious that a borrower such as the Government of Canada, with assets of only approximately $40 billion, is in a situation in which most businesses would be refused loans by lenders. The Government will soon be facing that situation as well if we do not take proper steps to alleviate the problem and eventually solve it. These interest charges have become the fastest growing component of our government expenditures.

Unlike most people, the Government has been borrowing additional funds to pay the interest on past debt. That is why our debt is spiralling out of sight. If we do not show the resolve to deal with this problem, the inevitable result will be paralysis of the Government of Canada.

● (1740)

Third, this Government wants to encourage private initiative. The new capital gains tax exemption challenges Canadians by rewarding success and not subsidizing effort. It will encourage Canadians to invest a part of their savings in new ventures. It will allow the rewards to be enjoyed by the risk takers. We are not asking that every Canadian drain his or her savings account to purchase speculative stocks. Each investor has a different perception of risk and what his or her objectives and goals are for investment. However, the prospect of greater after-tax returns will inevitably shift savings to job creating investments.

The new proposals grant individual Canadians a lifetime capital gains exemption of a half million dollars. The lifetime exemption limit will be phased in over six years beginning with a $20,000 exemption for total capital gains this year, rising to $50,000 next year. It will go up until it reaches an exemption of $500,000. All capital property will qualify for the exemption.

Some earlier speakers have suggested that only 4 per cent of Canadians stand to have capital gains. I believe this is perhaps part of a misconception that some people may have. Many low income earners have capital assets. Many could consider the purchase of capital assets, whether through an investment vehicle such as a mutual fund, through a stock broker purchasing stocks listed on a stock exchange, or perhaps in the form of a cottage or a boat. These are assets which in some cases, over a long period of time, will appreciate and result in capital gains. Whether it is $5,000, $10,000 or $20,000, these are assets already unduly taxed. This tax is a fair tax which will encourage people to invest in situations not only where the risk is relatively low, but perhaps where risk is relatively high, and we have had trouble attracting equity capital in the past.

In the United States, because of favourable capital gains tax, many blue collar workers have seen fit to increase investment in shares of companies they work for and in other shares. The same initiative, I am sure, will be taken by many of our blue collar workers. They will realize that we need more equity capital if we are going to help create those jobs which we so badly need.

The capital gains tax, allowing immediately $500,000 in exemptions for the farm community, recognizes that farmers have traditionally invested a high proportion of their income back into their farms to build up assets which, hopefully, some day they will be able to sell. This sale will provide the funds required for their pension and adequate retirement. It was not too long ago I was speaking with a farmer in my community who had to sell his farm because of health reasons. He made the best deal he possibly could. He took a down-payment and paid off some of the debts he had, but he still had some debts left. After all the paper work had been pretty well done, the tax department came along and levied a capital gains tax on him. This is a capital gains tax which he cannot finance at a bank, a capital gains tax which is jeopardizing what could be a reasonable retirement income from a mortgage that he has. This very unfair tax in a situation like this and many other situations will be terminated and replaced by an incentive which is not only fairer—

I see, Mr. Speaker, that my time has come to an end. I assume I will have a few minutes tomorrow.

Mr. Deputy Speaker: Yes.

Order. It being 5:45 p.m., it is my duty to interrupt the proceedings pursuant to Standing Order 64(7) and put forthwith the question necessary to dispose of the amendment now before the House. The question is the following one. Mr. Johnston, seconded by Mr. Turner (Vancouver Quadra), moved:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House condemns the Government for its betrayal of the trust of the Canadian people by producing a budget that destroys jobs, that offers neither help nor hope to the working poor and the unemployed, that brutalizes the middle class, that imposes massive and unfair tax increases on middle and lower income Canadians and that is devastating to the economically disadvantaged regions of the country."

All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(Division No. 28)

YEAS

Messrs.

Althouse
Axworthy
Benjamin
Berger
Blaikie
Boudria
Broadbent
Cassidy
Deans
de Corneille
de Jong
Dingwall
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault
(Saint-Jacques)
Heap
Isabelle
Jewett (Ms.)
Johnston
(Saint-Henri-Westmount)
Keeper
Langdon
Malépart
Manly
Marchi
McCurdy
Mitchell (Ms.)
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Robichaud
Rodriguez
Rompkey
Rossi
Turner
(Vancouver Quadra)
Waddell
Young—47.

NAYS

Messrs.

Andre
Bernier
Binns
Blenkarn
Bourgault (Mrs.)
Cardiff
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Clark
(Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crouse
Darling
Daubney
Della Noce
Desjardins
Dick
Domm
Duplessis
(Mrs.)
Ellis
Fennell
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gass
Gervais
Gottselig
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Halliday
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hicks
Holtmann
Horner
Howie
Jacques
(Mrs.)
James
Jardine
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Jourdenais
Kempling
Kilgour
King
Landry (Mrs.)
Lanthier
La Salle
Layton
Leblanc
Lewis
MacDougall
(Timiskaming)
Mailly (Mrs.)
Malone
Mantha
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Pennock
Pietz
Plourde
Porter
Price
Ravis
Redway
Reimer
St-Julien
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Siddon
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Warner
Wenman
Wilson
(Swift Current-
Maple Creek)
Winegard
Wise
Witer—128.

Mr. Deputy Speaker: I declare the amendment lost.

It being 6.12 p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Friday, May 31, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE BUDGET

REPORTED COMMENT BY MINISTER OF FINANCE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, yesterday the Minister of Finance (Mr. Wilson) told us that "Canada has an acute shortage of rich people".

[*Translation*]

Now that is a very shrewd observation on the part of our Minister and you know, Mr. Speaker, my constituents in Saint-Henri have been fully aware of that problem for many years. There is a lack of wealth and they would like to lend a hand to the Minister in his quest for rich people.

[*English*]

I have had calls from numerous Canadians this morning anxious to respond to this crisis and fill this shortage. The first one asked: Where do we line up? Another asked me whether rich people could not be imported. A third said perhaps they can be cloned from Bay Street. Another inquired whether they are really an endangered species which needs protection. Another caller suggested the creation of SPERP, a Society for the Protection of Endangered Rich People. Another one asked, and it is a legitimate question, whether the Prime Minister's patronage appointments would not go some way to offsetting this problem. Still another said—

[*Translation*]

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

* * *

[*English*]

FINANCE

TAX MEASURES APPLICABLE TO THE RICH

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) said, we now know that we do not have enough rich people. Because of this we certainly would not want to tax the few we have. We want to make sure, through the budgetary process, that those among that elite few will be given the opportunity to enrich their position further. Heaven forbid that we should ask them to contribute their share. Heaven forbid that we should even ask them to pay tax at all in some cases. After all, a country without a large number of rich people is hardly worth living in, is it?

I have to say to you, Mr. Speaker, that we seem able to tax the poor. We can tax the elderly, as you may have noticed. We can tax consumers until it hurts. We can tax families who work every day for a living, struggling to make ends meet. We can tax the middle income and low income earners, but we cannot tax the rich because we do not have enough of them. Therefore it is a good idea just to leave them alone and let them accumulate their wealth. In fact, encourage them by a series of tax measures not only to accumulate wealth but to accumulate upon the accumulation. If we do not have enough rich people, that surely must be a terrible thing.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member.

* * *

[*Translation*]

THE ECONOMY

JOB CREATION—ROLE OF PRIVATE SECTOR

Mrs. Suzanne Duplessis (Louis-Hébert): In my riding yesterday, Mr. Speaker, I attended a press conference given by the Chamber of Commerce of Sainte-Foy. Management personnel made public the Delta project concerning the development of local high technology industries, and I saw further evidence of the fact that the private sector wants to get in on the economic recovery. From now on, the private sector will be the driving force to stimulate the economy and create jobs.

The project unveiled yesterday has to do with the establishment of an industrial incubator. As we know, the incubator takes an entrepreneurship approach to economic development, and its main objective is to promote the creation of new and sound businesses and the creation of permanent employment. It also makes it easier for researchers and entrepreneurs to operate in surroundings conducive to good business and co-operation.

By putting emphasis on the development of local high technology companies, a centre of incubation for new businesses will also confirm and stress the vocation of the recently established Sainte-Foy-Quebec City technological park. Its role is to support the tremendous efforts made by the cities of

Sainte-Foy and Quebec, the private sector, both levels of Government and various organizations.

By advocating such a wide-scale project in our region, the Chamber of Commerce of Sainte-Foy shows that it is anxious to contribute to the development of a challenging community project.

* * *

INTERNATIONAL CHILDREN'S YEAR

PROGRESS ACHIEVED OVER FOUR YEARS

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, this year we are celebrating the fifth anniversary of the International Year of the Child.

On February 11 of this year, the Minister of National Health and Welfare (Mr. Epp) answered a question on the *Order Paper* about the status of the work of the Secretariat responsible for examining the progress made following the recommendations resulting from the International Year of the Child.

We were informed that the Secretariat had received responses from the 47 federal departments and agencies affected by the recommendations of the Canadian Commission for the International Year of the Child.

We are still waiting for a report on these activities. Incidentally, our Ambassador to the United Nations, the Hon. Stephen Lewis, will be the guest speaker this afternoon at the Canadian Council for Children and Youth.

The House will recall, Mr. Speaker, that there is still much to be done in the way of protecting our children's rights. According to one report published in this country, one child out of five in Canada is now living in poverty. The Government must take a position on this very serious problem and it has a duty to take any steps that are necessary to assist and protect our children.

* * *

• (1110)

[*English*]

THE ECONOMY

GOVERNMENT POSITION ON FOREIGN TAKEOVERS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, yesterday I released a balance sheet on the Canadianization record of the Government. Decima Research showed in September that 85 per cent of Canadians want more Canadianization of our economy. However, this balance sheet shows an abysmal record since September. It includes a warm welcome of the foreign takeover of Mitel, plans to change the CDC that will end its Canadianization function, lack of action on Canadian content laws in the auto industry, and a series of decisions in which FIRA failed to act to protect Canadian workers.

There are now five cases on which the Government can improve its record, and I challenge it to do so. It can help White Farm Equipment in Brantford, block two foreign publishing takeovers to allow Canadians to buy them, let workers buy out Canadian Porcelain in Hamilton, and block the rumoured sale of de Havilland to Boeing.

The Government says Canada is open for business, but its actions make Canada open for surrender. I call on the Government to reverse its sorry record.

* * *

INDUSTRY

NORTHERN TELECOM LIMITED—RESEARCH AND DEVELOPMENT EXPENDITURES

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, Northern Telecom Limited, located in Nepean-Carleton, is the second largest designer and manufacturer of telecommunications equipment in North America and is a significant supplier of integrated office systems. The Canadian-based corporation sells and services equipment in more than 90 countries, through an organization of 47,000 employees. Bell Northern Research, also in Nepean-Carleton, is 70 per cent owned by Northern Telecom and 30 per cent owned by Bell Canada. It is Canada's largest private industrial research and development company.

Northern Telecom was the first company to offer a complete line of fully digital telecommunication products with the DMS-100 family. It was the first to produce a fully digital private branch exchange and the largest selling PBX in the world. More recently, it was the first to produce the Meridian line of fully integrated voice and data office systems.

Yesterday in Nepean-Carleton the Minister of State for Science and Technology (Mr. Siddon) officially opened Bell Northern's $37 million Lab 3, designed to house more than 1,900 engineers, technologists, managers, and support staff. At the official opening the Chairman of the Board of Northern Telecom indicated that the company spent $1.3 billion on research and development in the past five years. More important, he announced that Northern Telecom would be spending $4 billion on research and development over the next five years. Mr. Speaker, think of what that will mean for innovation, for jobs, for exports, and for new wealth.

Northern Telecom is confidence—

[*Translation*]

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

SOCIAL SECURITY

QUESTIONS ASKED BY THE ELDERLY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the elderly in my riding and across Canada have asked me to ask the Prime Minister (Mr. Mulroney) why he decided to cut $50 a month from their incomes in 1990 and waste $56 million on changing the colour of our soldiers' uniforms. They also wanted me to ask the Prime Minister why he is making those cuts and sending 1,000 soldiers more to spend $100 million per year in Lahr, Germany. They asked me why the elderly have to put up with cuts in their Old Age Security pension while the Prime Minister spends half a million on parties like the one held in Quebec City.

The elderly have asked me why the Prime Minister did not worry about the deficit when he gave away $95 million to a bank in Western Canada. The elderly asked me why the Prime Minister did not worry about the deficit when he signed an agreement that will give the oil multinationals a present of $2.5 billion. They want to know why the Prime Minister is asking the elderly to make sacrifices so the rich can get richer.

Finally, Mr. Speaker, the elderly have asked me why the Prime Minister and the Minister of Finance (Mr. Wilson) are asking senior citizens to give up $50 a month to send a present of $125,000 to well-off Canadians.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

CHANGES SUGGESTED

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, there seems to be an acute shortage of Tories in the House today, certainly of Ministers. The Budget is a travesty. It is worse than a crime; everyone now knows it is a blunder. Certainly all Members of the House know it. Yet the Ministers and backbenchers are out trying to sell this can of worms to the Canadian public, and they will not buy it.

I appeal to the good sense of the Deputy Prime Minister when I suggest to him that we get Members back in the House and back to the drawing board to correct the obvious injustices in the Budget before we rise at the end of June.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I did not hear a question in that statement but, if you will permit me, I will reply with a statement.

The Hon. Member knows from sitting on this side, and now sitting on that side, that Members of Parliament have many other responsibilities that they must fulfil, both throughout the country and in committees. I simply ask you, Mr. Speaker, to compare the ranks over there which are quite thin. I do not see his Leader, his House leader, or a few others.

Mr. Johnston: He knows that his Members are out on the road trying to sell this can of worms.

APPEAL FOR ATTENDANCE OF MEMBERS IN CHAMBER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister of State for Finance has been spouting the Party line. We want Members of the Conservative Party to think about the Budget and the fact that a senior citizen living in Montreal will be more than $4,000 below the poverty line by the year 1990 under the Budget. I appeal to the good judgment and sense of the Deputy Prime Minister to bring Members back to the House and to the drawing board, at least to correct that injustice before Parliament rises at the end of June.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, Members on the government side are doing precisely the same thing as Members on the Liberal side.

However, let us look at it in a positive light for a moment. Real output in the Canadian economy, as measured by constant dollar gross national expenditure, grew by 0.9 per cent during the first quarter of 1985. Members opposite have been told, and know, that interest rates have dropped by three percentage points since we took office. They know that 150,000 jobs were created immediately following the November 8 statement, and that the number of jobs since the time that the Government has changed has increased some 350,000. That would not have happened if he were still sitting on this side and that honourable bunch over there were still in office.

* * *

SOCIAL SECURITY

REQUEST THAT GUARANTEED INCOME SUPPLEMENT BE DOUBLE INDEXED

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, we seem to have trouble having a meeting of minds during the Question Period. I will direct my supplementary question to the Minister of State for Finance. The *Gazette* referred to the Budget's provisions on deindexation as an inhuman course. Will she at least recommend to the Minister that the guaranteed income supplement be double indexed as it was when our Government introduced the six and five restraint program, in order to protect those people living at and below the poverty line who will lose up to $4,000 of purchasing power by the year 1990 as a result of the Budget?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would remind the Hon. Member that it was our Party that increased the GIS in 1979. The reason for all the smoke and mirrors and talk about deindexing while the opposi-

tion Party was in Government was that it allowed inflation to get so far out of control that senior citizens could not live with it.

* * *

● (1120)

[*Translation*]

THE BUDGET

CAPITAL GAINS TAX—IMPACT ON SMALL AND MEDIUM SIZED BUSINESSES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, after the Budget was brought down, that same evening the Leader of the Official Opposition expressed his doubts about the impact the capital gains tax exemption would have on investment in small- and medium-sized businesses and job creation. Yesterday, three different groups of experts confirmed his apprehensions and maintained that this bonanza for the wealthy would encourage speculation in real estate, discourage small investors who create jobs and reduce the Government's revenue.

I shall, if I may, direct my question to the President of the Treasury Board, in the absence of the Minister of Finance and the Prime Minister. Considering this unanimity among experts from the private sector and the academic world, does the Government intend to reverse its decision and immediately close the door on this tax break for the wealthy and restrict it to capital gains as a result of investing in small- and medium-sized businesses that would create new jobs, but only in Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think the Hon. Member for Laval-des-Rapides is well acquainted with the Government's position. In fact, it is a position that he himself has held for quite a long time. De-indexing—

Some Hon. Members: Oh, oh!

Mr. de Cotret: Mr. Speaker, I am not getting a chance to reply. Give me a break for two minutes. You might learn something. You have not even read the Budget.

Mr. Speaker, the measures in this Budget... this is a job-creation Budget, a Budget that has confidence in Canadians. It is a Budget that restores confidence, that is finally telling Canadians: Listen, our Government does not intend to intervene in the daily decision-making of every Canadian. We will give you the room to manoeuver, which is only fair, since according to the statistics it is clear that the vast majority of jobs have been created by small- and medium-sized businesses. And the measures in the Budget are going to encourage small- and medium-sized businesses to create more jobs.

TAX INCREASES—IMPACT ON SMALL AND MEDIUM SIZED BUSINESSES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the attitude of the President of the Treasury Board is very disappointing. I am not referring only to the concern expressed by the Official Opposition, but also to the advice made public by academic and private sector experts.

Still concerning small- and medium-sized companies—and again, Mr. Speaker, I am not referring to my own observations—the President of the Treasury Board must have read newspaper reports about a panel of tax experts, lawyers and accountants who stated that the capital gains tax exemption was not going to do anything at all for small businesses.

Here is my question. Does the Government not agree that such a huge tax increase will deprive Canadians of the purchasing power they need to buy goods and services offered by small companies, and that by reducing the purchasing power of Canadians, small- and medium-sized businesses in turn find themselves short of investment funds because they no longer have a market for their products?

Hon. Robert de Cotret (President of the Treasury Board): That, Mr. Speaker, is the same argument we heard throughout the debate after my colleague made his economic statement last November 8. They kept saying: It is terrible! We cannot believe what is happening! It will throw hundreds of thousands of people out of work! But let us have a look at the figures: since this Government came into office, more than 200,000 new jobs were created. This Government has done more for economic recovery since it assured power than the previous administration did in a number of years.

That is just an argument. I know all about economic models!

Some Hon. Members: Order!

Mr. de Cotret: Listen, I know all about economic models. The facts are there. If you want to question the figures released by Statistics Canada, go ahead. In my opinion, it does an outstanding job. We have created more than 200,000 jobs, and there will be more new jobs as a result of the measures we have just announced.

* * *

[*English*]

PENSIONS

INDEXATION—EFFECT OF BUDGET

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government has been conveying to the House the reaction on the pension proposals that it has obtained, either when the Minister of Finance goes to the Albany Club in Toronto or the Prime Minister attends a black tie dinner at the Toronto Club.

I have a copy of a telegram that was sent to the Minister of Finance yesterday about which I would like to question the

Deputy Prime Minister. The telegram comes from the President of the National Pensioners and Senior Citizens Association of Canada. It reads as follows:

The National Pensioners and Senior Citizens Federation representing more than 400,000 Canadians strongly protest recent budget proposals to reduce the income of our elderly by restricting indexing protection of federal pensions and income tax exemptions. This violates the often repeated promises of Prime Minister Mulroney and constitutes a transfer of funds from the elderly to fulfil budget promises to the business community.

• (1125)

My question to the Minister arising from this concerns a particular pensioner. Does the Government realize that the pensioner particularly hurt is the man or woman who grew up during the Depression, lived through, or fought in, the Second World War, was expecting to obtain a full and adequate pension in five years, and instead will have his or her pension reduced by $600? Is that the Government's concept of justice?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I always like the assumption of the Leader of the NDP that he has some kind of monopoly on morality.

Mr. Broadbent: No monopoly.

Mrs. McDougall: It was this Government which increased the GIS in 1979. It was this Government which extended the spouse's allowance last fall. It is this Government that is attempting to keep inflation under control, which is the best thing we can do for senior citizens. By keeping inflation under control, the costs of everything they buy will be lower than they would be otherwise.

Mr. Axworthy: Then why did you raise the sales tax?

Mrs. McDougall: We have kept senior citizens at the forefront of our minds in planning this. We have looked after the ones at the lowest income level. We will continue to do that. We have made that commitment and we have done it, and we will carry on doing it.

CAPITAL GAINS TAX EXEMPTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, all Canadians know that the Government is hacking away at pensions like no other Government in the past history of the country; that is what Canadians know.

My supplementary question concerns the extraordinarily insensitive statement of the Minister of Finance yesterday when he said: "There aren't enough rich in Canada". Is this why the Government, in its own budget forecasting document which it tried to keep secret, revealed that within five years Canadian pensioners would be losing $1.6 billion, and at the same time the rich in Canada would be gaining because of the scandalous introduction of the new capital gains tax provision, $1.3 billion? We do not have enough rich, according to the Minister of Finance. Is this why the Government plans to take money from the pensioners to give to the rich?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, Hon. Members of the NDP have been calling, for a long time, for a minimum tax. We have committed ourselves to doing that in the Budget. They may have missed that.

Some Hon. Members: Oh, oh!

Mrs. McDougall: I know that boys will be boys, but they might actually want to hear the answer.

NDP Members, in their rather bemuddled economics, think that a minimum tax will solve the deficit problem. A minimum tax will not solve the deficit problem because of the debt which had been built up over the last 10 years by the Official Opposition Party. We could go into that further, if they would like to, but senior citizens know about debt. They know that it is a bad thing. They know that young people need jobs, and that the measures which we have brought in will produce those jobs. They also know that we cannot go on building up debt forever. Even the economics professor who sits on the other side of the House has said that we cannot go on with deficit financing forever.

REQUEST FOR CHANGES TO BUDGET

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will tell the Minister and the Government, which make much about consultation, that 400,000 Canadian pensioners think the Government is wrong. Do you get that clearly? They are saying that you are wrong. I say to the Minister that if they had brought in a minimum tax this year, the way they are imposing a burden on pensioners and a tax increase on ordinary Canadians this year, they would have received an additional $400 million which they could be using to help pensioners, instead of taking away more money from them.

Since the Conservatives are going out all across the country this weekend, they will hear some interesting things if they talk to ordinary Canadians, not those in the Albany Club, but those in senior citizens' homes and in little communities. Will they be prepared to change their Budget and restore indexation to Canadian pensioners?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we made our stand very clear in the Budget on modifying indexation. It is in the Budget. It is a policy to which we are committed. Our conversations with Canadians have included discussions with respect to fairness, equity, balance, and the need for the Government to reduce its debt. We have conversations with people; we do not shout at them.

• (1130)

Mr. Broadbent: Girls will be girls.

REQUEST FOR COMMITTEE REFERRAL

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Deputy Prime Minister. If the Minister really

believes that Canada's senior citizens who live below the poverty line should share in the burden of deficit reduction, will he not test his Government's convictions by referring the deindexation proposal to the Standing Committee on Health, Welfare and Social Affairs in order that Canadians 65 years of age and over can tell the Government firsthand that they want the decision to deindex reversed?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, if you read carefully the Budget papers tabled by my colleague the Minister of Finance last week, it is quite clear that no senior citizens in Canada and no beneficiary of any social program in this country will receive less than formerly. On the contrary, some increases are still provided for in the budget. Any attempt to interpret our Budget as an attack against older and poorer citizens is an absolute misrepresentation of papers introduced—

An Hon. Member: Oh, oh!

Mr. de Cotret: Wait a minute! It is a misrepresentation of papers tabled by my colleague.

[*English*]

REQUEST THAT STUDY BE COMMISSIONED

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the definition of the poverty line supplied by Statistics Canada is fully tied to the CPI. As a result of deindexation, thousands of Canadian seniors who find themselves above the poverty line today will find themselves below the poverty line by the year 1990-91. Will the Government do the honourable thing, and commission and table in the House a study to show how many thousands of Canadians will be affected and pushed below the poverty line as a result of the Government's decision to deindex?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first, the GIS remains fully indexed. Second, there were no measures with respect to deindexation introduced in the Budget. We placed a cap on the level of indexation in a way which would—

Mr. Guilbault (Saint-Jacques): Is this a new Budget?

Mr. de Cotret: No. You have not read the actual Budget; that is your problem.

Through the Budget presented last week we have said we will protect Canadians at any rate of inflation above 3 per cent—and we will protect them fully. The GIS is totally protected.

There is no question of trying to solve the fiscal mess which we inherited from the Hon. Member's Government, on the backs of poor Canadians.

POSITION OF PENSIONERS

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Deputy Prime Minister. The Prime Minister was reported to have said yesterday in Toronto that he wanted to reward those Canadians who get up half an hour earlier. Is the Government saying to retired Canadians, who worked hard all their lives to provide the benefits we now enjoy, that they did not work hard enough while they were working, and if they got up half an hour earlier today then the Government would restore the financial security it is proposing to take away from them?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is not usual for the Hon. Member opposite to distort either numbers or facts, from my observation of him in the House of Commons over the years.

Mr. Deans: That is unfair.

Mr. Nielsen: I do not see how such a compliment can be unfair, Mr. Speaker. What is unfair is that the Hon. Member's colleagues do not follow his shining example in getting their facts straight.

What the Budget is all about is putting people back to work. Since when has the NDP been against the creation of jobs?

EXISTENCE OF POLL QUERIED

Mr. Neil Young (Beaches): Mr. Speaker, if the statement is inaccurate, then the Minister can blame *The Toronto Star*, since that is where it was printed.

Some Hon. Members: Oh, oh!

Mr. Young: Will the Deputy Prime Minister confirm to the Members of the House that the Government has in its possession the results of a poll which clearly indicate that the overwhelming majority of Canadians do not support the Government's move to deindex old age pensions?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can assure the Hon. Member that, to my knowledge, no such poll exists.

* * *

[*Translation*]

THE BUDGET

REQUEST FOR IDENTIFICATION OF GROUPS WHO RECOMMENDED 3 PER CENT DEINDEXATION FOR ELDERLY POOR

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the President of the Treasury Board. Yesterday, I had a chance to talk to the President of the Association québécoise des retraités et des préretraités au Québec, and I can assure the Members of this House that they are not very happy, and that at the first senior

citizens' "Salon" to be held in Montreal, a petition will be circulated, condemning the Government for having failed to meet its commitments.

Mr. Speaker, could the President of the Treasury Board explain to the House why the Prime Minister admitted that he failed to meet the commitments made to senior citizens during the election campaign? In its January consultation paper, the Government made a formal and solemn commitment, through the Minister of National Health and Welfare, who is the official spokesman, according to the Prime Minister, not to apply any savings to a reduction of the deficit, and the purpose of the consultation exercise was to improve the situation of those most in need.

I have here the paper released by the Standing Committee on Health, Welfare and Social Affairs, on which Conservative Members... 92 groups appeared before the Committee. Could the Minister identify those groups which recommended that the Government cut indexing by 3 per cent for the elderly who are most in need in Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first of all I want to thank the Hon. Member for Montreal-Sainte-Marie. He has been promising me a question and I want to thank him for his good intentions. I simply want to repeat that if the Hon. Member had taken the trouble to read the Budget in detail, he would have realized that one of our major considerations throughout has been to avoid making the neediest in our society bear the brunt of the enormous deficit we inherited from the previous Government. And that is why we have exempted certain groups, especially among the elderly, from any measures that might reduce their purchasing power. I also would like to point out, once again, that no one in Canada, either among our elderly or among those Canadians receiving family allowance benefits, will receive a monthly cheque that is lower than the one he or she is receiving at the present time.

REQUEST FOR DETAILS CONCERNING PENALIZED ELDERLY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to tell the President of the Treasury Board that I did read the Budget. Unlike him, however, I went to see elderly people who feel the impact of the Budget every day. Perhaps I ought to warn him that next time he goes back to his riding people will remind him about the $50 monthly income increase they will not get and point out to him that the child tax credit is no longer fully indexed as it was when the Liberals were in office.

I would like to ask the President of the Treasury Board if he can explain to elderly Canadians and families that will be penalized by the Budget why he chose to deprive them when he wasted $56 million only to change the colour of military uniforms? Why do you ask the elderly to pay for that?

Hon. Robert de Cotret (President of the Treasury Board): Obviously, Mr. Speaker, my colleague is confused and has got his files mixed up.

But still there is a question to which I would like to give a direct answer. Nobody is going to be penalized to the tune of $50. After reading the Budget, it is absolutely misleading to claim that somebody is going to be penalized. On the contrary, I repeat that the Budget makes it clear that not a single elderly Canadian will suffer from loss of income. Making such a statement in public is an attempt to mislead Canadians and elderly people in this country. I can say that my constituents are fully aware of the Budget provisions and they know their monthly cheques will not be reduced.

[*English*]

SASKATCHEWAN SENIOR CITIZENS' ORGANIZATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of State (Finance). It is a question with respect to consultation prior to the Budget. In the week of May 13-17, six representatives from the official Saskatchewan seniors organization called "Action Now" spent a week lobbying in Ottawa. They tried to see the Minister of Finance, but his door was closed. They tried to see Saskatchewan Cabinet Ministers, but they could not get by their doors. They even tried to see Saskatchewan P.C. MPs, but they could not get by their doors.

• (1140)

Why were Conservative Members of Parliament scared to meet with the Saskatchewan senior citizens' organization? Why would the Minister of Finance, the Minister of State for Finance, or anyone, including the Minister of Transport, not meet with that group which represents the official organization of Saskatchewan senior citizens? What does consultation mean, if they would not meet with that group?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have been involved in a volunteer capacity with senior citizens all my life and I have never once refused to meet with a senior citizens' group from anywhere. Perhaps that was the week I was in Saskatchewan.

I would like to tell the Hon. Member that in the consultations which I undertook throughout the winter months with many groups, including senior citizens, people who were interested in children and youth, and cultural groups, I always closed with one question: If there was one thing which we could do for the people of Canada what would it be? Every one of those people said the same thing. They told us to look after those who need it most. That is what we have done with the GIS. We have looked after the people who need help the most.

ORGANIZATION'S ANNUAL CONVENTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, as the Minister of Finance is not here this morning I want an answer from the Minister who is responsible saying why the

official organization of Saskatchewan senior citizens was not able to meet with a Saskatchewan Minister, Saskatchewan MPs, or the Minister herself. Why did that happen?

Because they wandered the hallways for five days to no avail, will the Minister now make a commitment with respect to the annual convention of the organization, which takes place next Monday and Tuesday in Moose Jaw, to send a member of the Cabinet to Moose Jaw to consult with the senior citizens of Saskatchewan? Will she make that commitment here and now? I want to know this morning.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am sure I know who will be at the convention. I am sure it will be the Hon. Member, who will spread fear and scare tactics, as his Party has been shouting and doing since this discussion began.

When he is talking to them, will he talk to them about the other things which are important in the Budget, such as the need to keep inflation down and the jobs which will be created? We do not want another Depression such as that through which many of those people lived. The seniors will understand that. He should go and talk to them and explain what the whole Budget is about, not just one part of it. He should not use any more scare tactics.

* * *

EXTERNAL AID

FAMINE RELIEF—EXTENSION OF MANDATE OF HON. DAVID MACDONALD

Mr. William C. Winegard (Guelph): Mr. Speaker, during the last several months Canadians have responded with great generosity to the famine in Ethiopia and in other parts of Africa. The response has come from Canadians, young and old.

In its response to the MacDonald Report, the Standing Committee on External Affairs and National Defence recommended that the mandate of Mr. MacDonald be renewed so that the aid program could continue at maximum efficiency. I would like to ask the Minister for External Relations whether anything has happened with respect to that particular recommendation?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, the question put by the chairman of the Standing Committee gives me the opportunity to thank him and the members of his committee for their excellent work and his quick reply to the report of our co-ordinator, Mr. MacDonald.

I am pleased to advise the House this morning that I have decided to extend the terms of reference of the co-ordinator, David MacDonald, until the end of December 1985 with three additional months to submit his recommendations and reports.

I have also made available to him a $18 million fund for rehabilitation projects developed by non-governmental organizations.

If I may, Mr. Speaker, I would also like to thank Canadians for their generosity and invite them to continue to support us.

* * *

[*English*]

THE BUDGET

EFFECT ON ATLANTIC PROVINCES

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. In reply to a question yesterday the Minister spoke of the Chairman of the Atlantic Provinces Economic Council. The Minister said:

> He is most supportive of the budgetary measures—

That is absolutely and completely untrue. We met with the Atlantic Provinces Economic Council, and its representatives agreed, as they stated publicly in their press releases, that because of the economy of the Atlantic provinces—the Gross Provincial Product is only 20 per cent in the private sector—the Budget will have an absolutely disastrous effect on the Atlantic area.

As our champion in Cabinet—there is no one on that side who will speak for the Atlantic; he is all that we have—will he now withdraw what he said? Will he come clean with the House and with the people in Atlantic Canada and admit that the Budget will have disastrous consequences for Atlantic Canada? Will he propose special measures to promote growth in that area?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I certainly would not want to withdraw something which is true. I would go further to say that, if the Hon. Member would present the Budget fairly to his area, he would be able to translate to his constituents and others the fact that it is an approach which, hopefully, will reduce the unemployment level which has plagued that area so unfortunately. It is an unemployment level which, under the previous Government, in the 15 years it was in power, jumped from slightly below 5 per cent to, in some cases, over 20 per cent. What an indictment of the Party which he now represents!

ATLANTIC PROVINCES ECONOMIC COUNCIL—MINISTER'S STATEMENT

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, we have heard that Tory times are hard times, but I never believed it until now. Not only are they hard times, but we are seeing a callous and uncaring attitude, and insensitivity, and dishonesty is patent. I will give the Minister one more chance to withdraw what he said yesterday and to admit that the Atlantic Provinces Economic Council, and every major spokesman—the Premier of Newfoundland on

through—have said that the Budget will have disastrous consequences for that economy because the private sector is weaker than in other parts of the country. Will the Minister withdraw what he said yesterday? Will he say that he was wrong? Will he bring in special budgetary measures to improve the economy in Atlantic Canada?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, unfortunately the Hon. Member was not at the meeting of the Standing Committee on Regional Development last night. If he had been, many of the doubts which he seems to have, would undoubtedly have been settled.

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INDIAN AFFAIRS

EFFECT OF BUDGET ON NATIVE PEOPLES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of State for Finance. On May 10 the Prime Minister said that his Government would never do anything which would be a hindrance to native and aboriginal peoples. But the Minister should know that Indian people already suffer from the highest poverty rates in Canada. They depend twice as much on government programs, such as Old Age Security. Why has the Government gone back on the word of the Prime Minister and reduced the purchasing power of senior Indian people by $100 next year, $200 the following year, and so on in a cumulative manner, so that Indian people will be trapped in a cycle of poverty forever?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, native people will benefit from the positive measures in the Budget, the same as will other people. They will benefit from the job-training programs.

Mr. Broadbent: Capital gains is great! Boys will be boys!

Mr. Deputy Speaker: Order, please.

Mrs. McDougall: There are positive measures in the Budget for native people, as there are for others. One of the problems in the native population, as the Hon. Member knows—and I appreciate his question—is lack of jobs. The types of job-training programs which the Government has come up with, and the kind of job creation which will come out of the Budget, as it did from the economic statement, will benefit native people as well as other Canadians. We are very sensitive to those issues, as the Hon. Member well knows.

REQUEST THAT PENSIONS BE FULLY INDEXED

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to direct my supplementary question to the same Minister. The jobs have not yet materialized. We will wait a long time before we see jobs materialize in Indian communities. In the meantime, the seniors are suffering.

Considering the poverty of Indian people, will the Government reverse its policy of deindexing and cutting the purchasing power of Indian seniors, and commit itself to full indexation so that in 1990 an Indian senior on Old Age Security will be able to buy the same basket of groceries that he can buy in 1985?

• (1150)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, with the long-term programs we have started to put in place, and the improvement already—already, Mr. Speaker—in the number of jobs which have been created, and the amount of investment which is going on in western Canada, which does have something to do with job opportunities for natives, we will see Indian people and native people much better off by the year 1990, as we will see all Canadians better off by then.

* * *

[*Translation*]

VIA RAIL

FARE INCREASES—THE ELDERLY—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of State (Transport).

Yesterday, in committee, VIA Rail officials confirmed that a fare increase would be needed to make up for the cuts in the Wilson Budget. They referred to increases ranging from 30 to 65 per cent. Will the Minister of State now assure this House that the elderly at least, who travel by train to a very large extent, will not be imposed a fare increase on top of what has already been inflicted on them by the Wilson Budget?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I would like to reply to the Hon. Member for Papineau. Concerning the assessment of cost increases, allow me to be somewhat skeptical. It is not possible in my view at such short notice and in such a fuzzy way to claim there will be a 30, 40 or 50 per cent increase. Although it is quite possible that fares may be increased, this could also have occurred independently of the Budget as tabled, in the sense that we are subsidizing that corporation to the tune of $400 million, and I am referring to former statements made by the Hon. Minister of Transport or myself in which we indicated that VIA Rail should strive for a better performance, if not for operating self-sufficiency.

As to the suggestion made by the Hon. Member concerning senior citizens, I am taking note of it. We cannot tell VIA Rail how to go about increasing its fares. But it would be relevant, wise and logical in my view to have some consideration for our senior citizens, the handicapped and other groups of people.

Oral Questions

TRANSPORT

HORNER REPORT—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, I have a supplementary.

The Minister of Transport has received the report from the task force headed by Mr. Horner. Will the Minister of State assure Hon. Members that the report will be tabled in this House within the shortest time frame possible, as hoped for by train users who want the report to be made public as soon as possible?

Also, will the Minister take note of the representations that have been made for a freeze on any fare increase until VIA Rail has received the passenger cars that have not yet been delivered but should soon be? In other words, no fare increase until VIA Rail can offer its passengers clean and modern trains?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I would not dare say that we are going to insist on the company's refraining from increasing its fares, since there are technical factors involved. And I would hate to see the Hon. Member in a year from now having to blame me for having compelled the company to increase its deficit. Definitely, in that context, we are going to make sure that is done within the most reasonable period of time. For the information of the Hon. Member for Papineau, the same answer would apply to the question of tabling the Horner report. As soon as it is available and its contents are accessible, I believe it will be submitted to this House.

* * *

[*English*]

MULTICULTURALISM

GOVERNMENT PROGRAMS

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. This weekend marks the end of this year's Folk Art Festival in the City of St. Catharines. The festival, which is in its seventeenth year, brought together 35 different ethnic groups from the Niagara region, and is the largest folk art festival in southern Ontario. In view of this successful folk art festival, and in view of the Minister's recent successful multicultural convention in western Canada, could the Minister tell the House what further programs he intends to initiate to promote the cause of multiculturalism?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I would like to thank the Hon. Member for the question, and congratulate him and the associations involved in the very successful festival which has been held. It is the kind of festival we can all be proud of as Canadians.

The first ever federal-provincial conference on multiculturalism was successful because it brought the two levels of government, federal and provincial, together for the first time ever to discuss this very important issue. That in itself is a major step. What we will be doing now, and our thrust over the next few months, is to take a very hard look at multiculturalism in the business sector and how the two could be combined. We will be making a major effort in terms of race relations, working with governmental and non-governmental organizations—

Mr. Axworthy: Order.

Mr. Murta: —to make sure that there is more sensitivity in this country and, goodness knows, we need it.

* * *

[*Translation*]

PENSIONS

DEINDEXATION—GOVERNMENT POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Oral Question Period could perhaps be extended, since there are no Ministers in the House.

My question is for the Acting Prime Minister. This partial deindexation of pensions is unfair. It goes against the promise made to pensioners and has been strongly criticized. When will the Government be willing to admit its mistake in introducing this measure and when will it reverse its position on the deindexation of pensions?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, my hon. friend refers to deindexation. There is no such thing. There is a limit, an established rate so that all Canadians who now receive payments from the Federal Government will have their cheques fully indexed if the consumer price index rises over 3 per cent. There is no deindexation at all.

I would also like to tell my hon. friend that there is absolutely no danger that any recipient of benefits under our social programs will get less than at present.

Mr. Keeper: The Progressive Conservatives give the same reply to this question as the Liberals when they were in power.

An Hon. Member: It is the same!

INQUIRY WHEN PENSIONERS WILL BE TREATED IN FAIR MANNER

Mr. Cyril Keeper (Winnipeg North Centre): I have a supplementary, Mr. Speaker.

When will the Government realize that it cannot treat unfairly the pensioners of this country and when will it truly break with the past and treat our pensioners fairly?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Budget treats all groups in our society fairly, honestly and honourably. I can assure you that, as for me, I am not ashamed to trust the Canadian people. You, on the other side, may be ashamed to say that you trust the Canadian people. We inherited a problem from a financially irresponsible Government which accumulated an incredible debt of over $38 billion a year. This could no longer be tolerated. We took fair measures for all Canadians and they are responding very well to our appeal. Mr. Speaker, what we have done has been done fairly.

* * *

[*English*]

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—OFFER OF CONTRACTS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. Reported in the Winnipeg newspaper this morning was a confirmed statement by the Secretary of State for External Affairs that the U.S. Defence Department is now free to offer contracts to Canadian companies under the SDI research program. This makes a total sham and mockery of statements made in this House that there would be no such involvement until a direct policy decision has been made by the Government and reviewed by this Parliament and by the Canadian people.

Is the Deputy Prime Minister prepared to repudiate that stand and clearly indicate to the U.S. Department of Defence that no contract should be offered to Canadian companies until there has been a very clear policy decision on the part of the Government on whether Canadian companies should be involved in any way, shape, or form?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry certainly takes a quantum leap with that question. What he is asking the Government to do, if I understand him correctly, is to put a total ban on any trading relationships, particularly in the research and high tech area, between Canadian companies and the United States in connection with its SDI program. He should, I would think, have been cognizant of the fact that when he was sitting on this side in government, some of those very contracts were entered into between Canadian and U.S. companies to do the precise kind of work he is talking about now.

● (1200)

There never has been any impediment or barrier to Canadian companies entering into contractual relationships with firms in the U.S., the U.K., Japan, or anywhere else for that matter. If I have interpreted his question wrongly, then my answer will have to be amended. But if that is what he intended, I would think it would be a terrible impediment to place in the way of the free enterprise system in this country and on Canadian companies.

Mr. Deputy Speaker: A very short supplementary.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, that is an incredibly convoluted answer. We in this House have debated, time and again, whether Canadians should be involved in star wars research, and the Minister has now openly admitted that Canadian companies can be involved.

Is the Government clearly going to indicate there should be no research involvement in SDI related subjects until the Government has made a clear decision to have it debated in Parliament? For goodness sake, will you make up your minds and be clear for the Canadian people on what you are all about on this very vital issue?

Mr. Stevens: You are the only one that is confused.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): It is the Hon. Member who should make up his mind, Sir, because it was him who was a member of a Government sitting here—

An Hon. Member: "He".

Mr. Nielsen: He, sorry; you are quite right. It was he who was sitting as a member of a Government on this side when contracts were entered into by at least two and, I think, three universities with U.S. firms in the laser and optics fields. Now he is saying that that was some kind of wrong decision.

Some Hon. Members: You're right.

Mr. Fulton: Lloyd signed the contract.

Mr. Nielsen: We know that the Government has in place—I hear the NDP saying that is wrong, that Canadian businesses—

Some Hon. Members: No.

Mr. Broadbent: We are saying that you are right.

Mr. Nielsen: —should not be in the area of high tech or any of these futuristic businesses.

Mr. Blackburn (Brant): We said you are right.

Mr. Nielsen: I think that is a shameful attitude to be taking.

With respect to the process, the Hon. Member knows we have set up a process whereby we expect to obtain the hard facts upon which to base a value judgment on whether or not the Canadian Government is going to become involved in any way with the United States SDI program. We expect a report in due course, a decision will be made, and he will be aware of it in the normal course of events.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Barry Moore (Pontiac-Gatineau-Labelle): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Veterans Affairs in both official languages.

* * *

PETITIONS

CAPITAL PUNISHMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of people in my riding who are concerned about the possible reinstatement of capital punishment. They petition Parliament for the continued abolition of capital punishment and ask that there be no free vote on that issue.

CARTWRIGHT COAST GUARD STATION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have the honour to present a petition from the people of Cartwright in my constituency. They protest the movement of the Coast Guard station from Cartwright to be located elsewhere. This facility has served that community well. It is not only a source of protection but also a source of employment, and they request that the station be retained in the community of Cartwright.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 328.

[*Text*]

SMALL BUSINESSES LOANS ACT

Question No. 328—**Mr. Gagliano:**

Did the Minister of State (Small Businesses) go on a consultation tour with respect to Bill C-23, an Act to amend the Small Businesses Loans Act and, if so (a) who accompanied him (b) who participated in the different cities (c) what was the total cost of the tour?

Hon. André Bissonnette (Minister of State (Small Businesses)): There was no consultation tour specifically with respect to Bill C-23, an Act to amend the Small Businesses Loans Act. However, discussions were held prior to its introduction in Parliament, and during the consultation process on small business.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, May 30, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, on May 23 my colleague, the Minister of Finance (Mr. Wilson) presented his Budget to the House of Commons. This is the most comprehensive statement of the Progressive Conservative Government's principles and policies to date. It has taken the mandate for change which we received from the voters last September and translated into an agenda of action. This has been accomplished through a commitment to consultation and through listening to the concerns of Canadians. The message has come to us loud and clear: Canadians want jobs and economic renewal. They want a rejuvenated private sector where success is rewarded instead of effort subsidized. Canadians want a Government that is more efficient and less wasteful of taxpayer's money. They want the spectre of our huge and growing national debt to be dealt with effectively. This Budget has centred around those themes and taken decisive action on the difficult issues of the day, issues which the previous Government chose to ignore. It has done this with measures which are realistic, effective and fair. The Budget is a document that is truly national in scope.

Today I would like to tell you of its importance from an Atlantic Provinces perspective. We all know what our probelms have been for the last 50 years. We need real, productive, satisfying jobs rather than government make-work projects. We have seen the wealth of our reserves tapped, but the profits ended up somewhere else. We have seen our youth move west and south looking for opportunities. We have had to fight with a Government in Ottawa which thought it knew more about what we needed than we did. The new Progressive Conservative Government's change in attitude came almost

immediately. The Atlantic Energy Accord signalled a new day for Newfoundland and for all the Atlantic Provinces. The benefits from our resources will stay at home where they belong. The Budget recognizes this need for self-reliance and private initiative.

For budding entrepreneurs, assisting small business starving for capital, there is the personal lifetime capital gains tax exemption of $500,000. This will be phased in over five years beginning with a $20,000 exemption in 1985. This change will allow small businessmen to reap the rewards of their achievement when they sell their business. In recognition of the special circumstances of the agricultural community, farmers will be allowed the full $500,000 personal lifetime exemption immediately.

Capital will also be made more available by changes to the investment rules for pension funds. Large funds will be encouraged to invest in Canadian enterprise through special small business investment corporations and small business investment limited partnerships. RRSP funds will be eligible to invest in private Canadian corporations with which they deal at arm's length. These measures will allow Canadians and not the Government to decide where to put their money and how to create wealth, economic activity, and, most important, jobs.

The small business bond program has been extended for two years. This will allow farmers and business people to obtain lower cost capital through financial institutions. Special venture capital funds administered by labour groups will be enlarged to invest in small businesses as well. These measures and many others will aid the private sector in Atlantic Canada to grow and flourish. Regional development funding will continue, of course, but we have clearly placed the emphasis on private initiative and local decision-making.

We have also taken some fundamental steps to put the Government's own house in order. In this Budget the Government has set itself the goal of eliminating the obstacles to economic renewal posed by waste and inefficiency in Government itself. During the past few months many Canadians told us that they are willing to share the burden of deficit reduction if the Government would first put its own house in order; if it pulls out of wasteful and ineffective programs and allows the private sector to get on with the job of economic renewal. The actions that we are taking with this Budget prove our commitment to do just that. The Budget contains measures that will result in more efficient, effective, and responsive Government.

● (1210)

Last November, only six weeks after taking office, the Government took action to cut its expenditures by $4.2 billion. Since then the Government has been looking at other ways to increase efficiency by cutting out unproductive programs, reducing overlap, and introducing cost recovery measures. A number of internal management initiatives to recover costs, streamline Government, and reduce expenditures have been taken in the Budget.

In addition, the Government has identified the programs and policies where further significant savings can be realized. The task force chaired by the Deputy Prime Minister (Mr. Nielsen) has carried out a comprehensive examination of government programs, the results of which are reflected in the measures we have announced in the Budget. The work of these joint private and public sector committees will continue to improve the management of government programs and services.

The Budget also sets out a number of additional internal measures that the Government is taking to tighten its own belt and increase the effectiveness with which taxpayers' money is spent. For example, the Public Service pension plan will be put on a fully funded basis with no taxpayer subsidy. The guarantee of full indexation of MPs' and Senators' pensions will be ended by January 1, 1986. An aggressive program is being put into place to improve the Government's management of its cash and to dispose of property that it no longer needs. The size of the federal Public Service will be reduced by 15,000 positions over the next six years and there will be no compensation for inflation in the Government's operating and capital budgets. As a result of these measures, and those taken in November, the Government will save more than $2 billion this year and that figure will grow to over $3 billion by 1990.

Some of these measures will have an impact on Atlantic Canada, but there is a hard reality which we must face. Unless the Government takes action to reduce the deficit and control the debt spiral, its ability to provide essential programs and services will be threatened. Care must be taken to balance these expenditure reductions with tax increases for people and corporations that can afford to pay them. The Budget has struck a careful balance which is realistic and fair while taking effective action on many fronts.

The special nature of the economy of Atlantic Canada is recognized in the budget package. The variable entrance requirement for unemployment insurance has been extended. This will allow many Maritimers to continue to qualify for benefits that they need because of the seasonal nature of their industries. The Budget also announced a major review of the unemployment insurance program. The objective is to improve and simplify the system to make it fairer and more responsive to the labour market. Let me emphasize that we are not undertaking this review with the objective of reducing federal contributions to the unemployed in the country.

At the Regina First Ministers' Conference, the Minister of Employment and Immigration (Miss MacDonald) announced a new and innovative approach to training and job creation based on greater private sector and local participation. This approach was unanimously endorsed by provincial Governments and has received broad support from private sector and community groups across the country. We have allocated $900 million to these programs this year. Agreements are now being negotiated so that they can be implemented as quickly as possible. For 1986-87 the Government will allocate $900 million to these programs. This commitment now will be of great help to those designing and implementing those programs. It

should help get them off the ground and operating more quickly. This means better and more effective job-creation and training programs in the future.

Federal funds will go to projects developed in local communities that have a purpose and a future. This symbolizes our approach to government management and debt control. We realize that we must begin by putting our own house in order. We also made sure that all parts of Canadian society pay their fair share. The Budget includes a number of actions that will be taken now to ensure greater fairness in the tax system.

For example, a minimum tax will be imposed on upper income Canadians in time for the 1986 taxation year. There will be a temporary deficit reduction surtax on high income Canadians and large corporations and a tax on the capital of large banks and trust companies. There are amendments which prevent taxpayers from avoiding tax by splitting income through the use of loans to spouses and children. There will be further amendments to the Income Tax Act which better meet the needs of disabled Canadians. There has been an elimination of tax shelters involving property such as yachts, recreational vehicles, hotels, and nursing homes.

Equally important, Mr. Speaker, is how the Government collects taxes. The Budget also includes a number of measures to achieve fair tax administration consistent with the Canadian Charter of Rights and Freedoms. For example, we have extension of the "innocent until proven guilty" concept to cases involving sales and excise taxes under the Excise Tax Act. There are clear limits to Revenue Canada's powers of search and seizure, and limits on the Government's authority to make retroactive income tax regulations. These changes will make the tax system fair and responsive to the needs of all Canadians.

The Budget further recognizes that reducing the deficit and controlling the national debt is in everyone's interest. As the Prime Minister (Mr. Mulroney) said, cutting the deficit and reducing unemployment are not mutually exclusive. They are two aspects of the same challenge—building economic renewal and Canadian competitiveness. These problems are a vicious circle, Mr. Speaker. High deficits constrain our ability to create jobs. High unemployment, in turn, causes even higher deficits. The Budget proposes realistic, fair, and effective actions to break this vicious circle. It is centered on the three fundamental strategies that I outlined earlier.

The first is that the Government wants to encourage private initiative. We want Canadians, not politicians and bureaucrats, to control their own destiny and the future of the country. We want Canadians to invest in their own future. Second, the Government has become too big. It has become part of the problem instead of part of the solution. That is why we have been combing Government for waste and inefficiency since September. Our efforts are starting to pay off. The third key idea in the Budget is simply that future Governments will not be able to support growth and jobs and to provide all the services we want if we do not take control of our financial affairs.

The public debt is simply the sum of all past deficits. It took 100 years to accumulate a debt of $18 billion. Now, less than two decades later, the debt is approaching $200 billion and is doubling every five years. Our debt is spiralling out of sight. If we do not show the resolve to deal with this problem, the inevitable result will be paralysis of the Government of Canada. In such a situation Atlantic Canadians would pay the highest price. If this paralysis were allowed to set in, we could not do the things we must do to promote growth and jobs in the Maritimes. That is why the Budget takes action to reduce the deficit over the medium term, not so fast that the recovery is threatened, but not too slow to stop the build-up of debt.

As all Members of the House know, Mr. Speaker, the Government of Canada announced in its Budget that funding of the heavy water plants in Port Hawkesbury and Glace Bay would be discontinued. This decision had been recommended to the Government of Canada for several years. In 1985, the Government of Canada found itself in such adverse financial circumstances that funding of these operations could not be continued.

There will be consequential hardships for the employees of these plants. It is for this reason that the Government of Canada has directed AECL to present a fair and generous settlement package to the employees of these plants. The Prime Minister repeated that commitment this week in this Chamber. Although the exact terms of this package are not yet clear to the workers, I am confident that the workers at these plants will be satisfied when a fair and equitable settlement is agreed upon.

We must now move on with the job of creating new employment in northeastern Nova Scotia, not only for workers laid off from these plants, but also for the hundreds of others who have been unemployed for some time. We recognize that it is time for the Government of Canada to address the unemployment problem with a view to solving it. No previous administration has shown the present Government's commitment to creating employment.

• (1220)

The Cape Breton tax credit makes northeastern Nova Scotia the most attractive place in Canada to invest from a federal tax point of view. The visit of the Minister of Regional Industrial Expansion (Mr. Stevens) to Cape Breton on Friday, the day after the Budget, highlights the Government's commitment to northeastern Nova Scotia.

This Budget has looked realistically at the problems of Atlantic Canadians and of all Canada and has taken effective action to solve them. It is a Budget built on our strong belief in the ability of Canadians and on the strength of this country. The Budget builds on this strength.

Mr. Nicholson: Mr. Speaker, I want to congratulate the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) on the content and delivery of his speech to the House of Commons.

I was particularly interested in his comments concerning the deficit and unemployment. He made the point that those two subjects, although not mutually exclusive, in fact seemed to be very interdependent. Would he comment on the response that he has received from his constituents with respect to the Budget and its thrust? Is there a growing awareness in his part of the country, as I believe there is in mine, that we cannot solve one problem without the other? In other words, we cannot continue to let the national deficit rise and at the same time hope to create employment.

Inasmuch as the Budget contains tax incentives for his part of the country, I would be particularly interested to know what initial reaction he has received in that respect. I know that he keeps very close contact with his constituents and the people of that part of the country. What is their initial response on both those issues?

Mr. O'Neil: Mr. Speaker, first I would say to the Hon. Member that we, like all Canadians, having gone through a period of spiralling deficit and high unemployment, realize that deficit spending does not necessarily result in job creation. I believe that the proof is here today.

We have gone through the other scenario and my constituents realize, as do all Canadians, that with approximately one-third of their tax dollars paying interest and servicing the national debt, the Government's flexibility with respect to introducing new programs and creating jobs in any area of the country is severely restricted.

With respect to the tax incentives, my constituents are very hopeful that this incentive package will attract new industry. I was very pleased to learn from the Minister of Regional Industrial Expansion last evening during the committee meetings that he has had eight to ten inquiries from business people and entrepreneurs who are interested in taking advantage of this additional incentive to locate and create jobs in northeastern Nova Scotia. We are very hopeful, Mr. Speaker.

Mr. Ouellet: Mr. Speaker, the Hon. Member is certainly aware of the Department of Transport's closure of the Eddy Point Traffic Centre in his area. Does he support this decision, which has apparently been made by reason of cost effectiveness? The decision has been appealed. There are a number of organizations and individuals who are very concerned about that cost effectiveness concept being applied to the safety of human lives and the protection of the environment.

Is the Hon. Member going to join forces with those who want the reopening of the Eddy Point Traffic Centre, or would he prefer to approve the unilateral decision of the Minister of Transport (Mr. Mazankowski) which has created much uneasiness, dissatisfaction and apprehension in his riding?

Mr. O'Neil: Mr. Speaker, first, I shared the concern of my constituents upon the announcement of a decision to close down the Eddy Point Traffic Centre. I put the case very aggressively to the Minister of Transport on behalf of continuing the operation.

However, it is not solely a question of cost effectiveness. There are other factors that come into play. The Hon. Member will know that one of the primary incentives for establishing this traffic centre was the existence of an operative oil refinery at the Strait of Canso. That refinery closed down several years ago under the previous administration.

I would say at this time that were it not for the very severe financial situation of the Government and the irresponsible spending of the previous administration, and had we not inherited such a massive deficit, we would have the revenue not only to fund and continue an operation such as the one at Eddy Point but to create many more Eddy Points, expand safety programs and address all the environmental concerns we have.

Mr. Ouellet: Mr. Speaker, I see quite clearly from the answer that the Hon. Member is ready to approve a Budget that gives millions of dollars to multinationals. He is approving the additional two cents a litre on gas that will be a bonanza for American multinational companies. He is also saying that he is ready to accept the Government's penalizing the poor and those who live in remote areas, including people in his riding, in order to satisfy the multinationals.

Mr. O'Neil: Mr. Speaker, I suggest to the Hon. Member that the greatest penalty that has been inflicted upon my constituents has been the gross unemployment they have incurred over the last number of decades under his administration.

Let me tell the Hon. Member that this Budget introduced a Cape Breton tax credit. It is that tax credit that we identify as the hope that jobs will be brought to the area, jobs that have been denied to my constituents for decades, and not by a Conservative Government. It is a new incentive and there will be jobs.

Mr. Rompkey: Mr. Speaker, I want to welcome the Hon. Member to the House as an Atlantic brother. However, I want to ask him some questions about some matters he raised in his speech.

First, with respect to the tax incentives, does he really believe that a tax incentive in the Atlantic area where the private sector is already weak, not to mention below capacity, will be of any value? Indeed, there has been and at present there is a tax incentive program in place. It is a 50 per cent tax relief for businesses setting up in the area. The problem is that in order to get tax relief one must have a profit. You have to make money in order to pay taxes. Entrepreneurs and small businessmen who want to establish businesses in the Atlantic regions need something up front. They cannot wait until they get into business and begin making money.

● (1230)

Would the Hon. Member not think it would be a better idea if the Government were to take a position that it was going to build up infrastructure in the Atlantic area, which is weak, and if the Government were to provide up-front money for

businesses wanting to start up in the Atlantic area rather than extending a tax incentive which, I submit, as the record will show, has already been in place and has not been effective?

Second, the Hon. Member talks about the impact of the Budget on the Atlantic area. I think all of us from the Atlantic area have a responsibility to put the case of our people and the case of the Atlantic Provinces was put, it seems to me, by the Atlantic Provinces Economic Council. It stated that in the Atlantic area 80 per cent of the gross provincial product comes from government sources, only 20 per cent from the private sector, compared to 55 per cent from the private sector in other parts of Canada. In other words, the important point is that the economy of the Atlantic area is more dependent than any other area of Canada on government spending. When you cut government spending and increase taxes you have a negative impact on a weak economy where the private sector is unable to respond.

I wanted to put those cases to the Hon. Member. Does he agree or disagree with them? If he agrees, would he take that position in his caucus with Cabinet and would he try to help all of us from the Atlantic area who want to see a fair deal made for our people?

Mr. O'Neil: Mr. Speaker, first I would say that the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) does not understand the tax credit of which I spoke earlier. The tax credit is designed to attract business to the area. It is not only designed for the businesses and the entrepreneurs already there. There are people in other parts of Canada and in other parts of the world whom we are enticing to northeastern Nova Scotia and to Nova Scotia to create employment.

When the Hon. Member talks about the Atlantic Provinces Economic Council and its statistics about dependence upon the government coffers, he is identifying the greatest failing of the previous administration, that is, its failure to develop a private and independent private sector in Atlantic Canada. That is what we are seeking and what we are going to accomplish, Mr. Speaker.

The Acting Speaker (Mr. Paproski): On that note, questions and comments are now terminated.

I would like to recognize the next speaker, the Hon. Member for Windsor-Walkerville (Mr. McCurdy).

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it is not especially surprising to find the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil) being seduced by the Budget of his Party and seeking to find all means available to adapt it, in terms of his local riding, in the most attractive of terms even in the face of the facts that have been repeatedly revealed to him.

This Budget oozed in on the soothingly silken yet not really sincere promises of the Prime Minister (Mr. Mulroney) that fairness would be assured to all. It is packaged in pounds of paper camouflage, partial data and hidden facts. It was so seductively wrapped that, in addition to the Hon. Member for Cape Breton Highlands-Canso, it fooled many of the rest of us. It did not appear to initiate a new era but at least it seemed to avoid serious mistakes, and it did contain some elements attractive to many of us, such as the beginning of pension reform, the making available of our RRSP in pension funds for small business investment, labour-operated venture capital funds, and some slight redistribution of child benefits to low income families.

On closer examination, the Budget turns out to be machiavellian in its deviousness and unscrupulous in its results.

This Budget turned out not to mark a new era but to repeat old errors. It was the Hon. Member for St. John's West (Mr. Crosbie) who, when he characterized the last Lalonde Budget, equally characterized this one. It is like a beached dead fish, all shiny on the outside, but give it a poke and there is nothing but rot on the inside. If there is doubt about the similarity of this Budget to the last Lalonde Budget, we should recall the unintentional but nevertheless enthusiastic acknowledgement of that fact by Members opposite when the Lalonde Budget was read to them by my colleague. They responded to it with reflex enthusiasm and with reactionary rhetoric that characterized that Budget as well as this one. But it is not just the rhetoric that is the same, so is the substance. It is the same substance which led the Hon. Member for Kingston and the Islands (Miss MacDonald) to condemn benefits to the wealthy at the expense of the poor. It is the same substance that drew scorn, again from the Hon. Member for St. John's West, in its failure to deal with consumer demand. It is the same substance which the Hon. Member for Joliette (Mr. La Salle) savaged for failing to address the aspirations of youth and for failing to create employment.

We could rebut this Budget quite effectively with speeches made by government Members when they were in opposition. We remember that the Prime Minister said that Canadians are over-taxed and that he did not favour higher personal taxes to reduce the deficit. We remember the Tories promised once more to index the OAS to the cost of living on a quarterly basis. When our ears reject as background noise the empty Tories' slogan of jobs, jobs, jobs, we recall again the words of the Hon. Member for St. John's West that "the people see a Government ripe with dishonesty and they make all politicians seem the same".

This Budget causes us all, and should cause us all, embarrassment. Look at the benefits to small business, Mr. Speaker. My God, this is supposed to be the pet constituency of the Party in government. Stimulation of small business was supposed to produce jobs. New rules would provide equity financing for small business from RRSPs and pension funds. Economists are already beginning to question whether these funds will be diverted to equity, risky investment, as compared to the secure investment that in the past has characterized the placing of such funds. On the other hand, we see the three-fold increase in foreign holdings allowed which could see billions of dollars leaving this country rather than being invested here.

The $500,000 capital gains exemption is unlikely to help either. We can already see evidence for a thousand budding Mort Schulmans quick and ready to invest in real estate, precious gems, gold, art, and antiques. There is no particular inducement whatever to invest in any useful job-creating enterprises or even in our country.

There is no other inducement to help except patriotism, and that has not so far characterized the kind of investor which the $500,000 exemption has benefited.

Sure, the research and development tax credit for small business may help. The release from the surtax being imposed on large corporations may help. Perhaps the most significant step for smali business is the fact that $7.6 billion will be removed from the hands of consumers in 1986. I ask you, Mr. Speaker, will that condition induce small business people or anybody else to rush out and invest when so much buying power is taken away from them? Of course, the money is being taken out of the hands of the consumers, at least in part to benefit the wealthy and the oil companies, mostly foreign-owned, which are the most clear beneficiaries of this Budget. The benefits to small business are left to fate, but there is certainty with respect to the oil companies.

There is no direct attack on deficits—which has resulted in weak economic conditions and unemployment, whether that attack has been in West Germany, Great Britain, or British Columbia—that has been successful in achieving its end. It was not successful when it was done by MacEachen or Lalonde. It will not be successful when it is done by the present Minister of Finance (Mr. Wilson). The pattern of the attack on the deficit is always the same. Use the poor, use the elderly, use lower middle-income people and the unemployed as cannon fodder in the war on the deficit.

The PC attack on the deficit is a little less blunt. It is more like a guerilla war with hit and run attacks, so that at first the wounds are slight and the long-term effects deliberately obscured. Next year the last of personal income reductions will amount to a mere $80 million. By 1990, $695 million will be taken in the form of loss of income tax reductions. The change in the child tax credit is a subtle one. There is no loss, and the implication of some gains in 1986. However, by 1992, $235 million will be taken from the hands of low and middle-income people.

• (1240)

The loss of the indexation of pensions is another sneaky one, but we are catching on. Old age pensioners and senior citizens across the country are beginning to realize that $35 million in 1986 will grow to $2 billion in 1990. Sales and excise tax increases of $250 million now will grow to nearly $3 billion by 1990.

In terms of ordinary Canadian families, they will experience in that period a 30 per cent increase in income tax. On average, old age pensioners will lose $680 per year, for an approximate total loss of $2,200 by 1990. At a time when the National Council on Welfare indicates that the number of poor people has increased by 660,000 over a two-year period, we witness a continued massive transfer of wealth from the poor to the wealthy and from individual taxpayers to corporations. However, I understand that just yesterday the Minister of Finance said that we just do not have enough rich people. He also told us that pensioners were knocking down the door in an orgy of self-sacrifice in order to attack the deficit, and that senior citizens were telling him that they know there will be some small sacrifice but that they thought the Government was on the right track. Well, 400,000 members of The National Pensioners and Senior Citizens Federation, 8,000 members of the Association of Jewish Seniors, 10,000 members of Canadian Pensioners Concerned Inc. of Ontario, and 300,000 members of The United Senior Citizens of Ontario do not agree.

It is a mystery why the rich have not been given an opportunity to exhibit their patriotic zeal. Surely the immediate imposition of a minimum tax would have sent them into an orgy of delight. Instead, we receive this curious document indicating a minimum tax for Canada. What an amazing document it is! After some fast footwork we realize that there are only about 4,000 rich people, and that it is such a complicated matter to tax them that it is too much bother. Come on, give us a break!

The Tories promised to reduce the deficit. They have not done very much and will not do very much because as the rate of unemployment continues to increase, as purchasing power continues to be eroded and as social payments continue to increase, it is a race in which we cannot catch up. They are taking the wrong approach. They make the assumption that the deficit is the cause of our economic problems rather than the result.

What we need are increased jobs, but there is not a word about jobs in the Budget. I understand that the Minister of Finance said in Toronto the other day that perhaps they would create about 500,000 jobs. A careful examination of the Budget reveals nothing in terms of parameters, terms of reference or imposed mechanisms to achieve that end, with the possible exception that there very well may be 500,000 new jobs for accountants as they find ways to ensure that those who already have money will have more. It has always been beyond my understanding how it is possible to justify the opposition of a capital gains tax, while the work of ordinary labourers has always been considered to be taxable, whether it be physical or mental work. There is no thought of the depreciation of the body, nothing of the sort. The basic thesis, totally unquestioned by anyone on the other side of the House, is that if one has money, one deserves to get more money, that every encouragement should be offered, and to hell with the rest of the population which does not have those benefits.

An Hon. Member: Unparliamentary language.

Mr. Benjamin: No, it ain't.

Mr. McCurdy: Then I withdraw the word "hell".

Mr. Benjamin: Don't do that; it is hell.

Mr. McCurdy: However, Canadians still have deep suspicions about the motives of those who would make that argument.

I should like to refer to what members of the New Democratic Party would have done. We would have declared that a goal should be established year by year for the reduction of unemployment and for the production of jobs. Our Party did not play games with consultation. It consulted across the land. The answer it received from Canadians was that cutting the deficit was not the goal. They had a greater economic appreciation of the significance of deficits and they knew that if jobs were created, a deficit reduction would follow because it is occasioned by unemployment. What we would have done in some respects is similar to what the Conservatives have proposed. Indeed we would have offered stimulus to small business. We would have proposed, as did the Budget, that RRSP and pension funds be made available to small businesses. However, no one on our side would have been foolish enough to take money away from the people upon whom we depend most to purchase from small businesses.

Mr. Manly: The consumer.

Mr. McCurdy: Yes, the consumer. We would have initiated tax reform to put money in the hands of consumers and in the hands of the unemployed. Indeed, even large corporations would have benefited from tax measures, if those corporations had undertaken to commit themselves to job production and other steps in the interests of the Canadian economy.

Increased consumer demand would have increased investment, jobs and revenues, and would have decreased social expenditures and the deficit. Of course this would take time, so we would have made an immediate investment intended to accomplish economic and social ends. Direct job creation would have more immediate effects and, in the long run, would contribute to economic growth. In forestry, fisheries, agriculture and energy we would have created, by the investment of some $800 million, a great many jobs over a five-year period, perhaps as many as 400,000.

Our municipalities are falling apart—roads are decaying, water is polluted, basements are flooded. There are various kinds of immediate physical and infrastructural changes which are necessary. They have been documented by the Federation of Canadian Municipalities which recommended that $1.2 billion be spent each year to take care of the needs of the municipalities, at a cost of $450 million per year on the part of the federal Government, and would have created 40,000 jobs per year.

Housing is a national disgrace. It is made worse now by the fact that a key area of capital investment, by virtue of the capital gains tax exemption, will be in real estate. It will likely spur a degree of real estate speculation the likes of which we have not seen for many years. It will increase the cost of housing for ordinary Canadians. We would have recommended an increase in expenditures on social housing of $500 million, supplying 50,000 units and creating 66,000 new jobs in the construction industry where unemployment is very severe.

We have received pleas from across the country for opportunities to take control of economic growth at the local community level. We would have committed $850 million to community initiative funds for new co-operatives, community development corporations and small businesses, to give opportunities to local communities to create jobs and to take advantage of the resources and talents at the local level. Instead of taking $2 billion out of the hands of the provinces, we would have ensured that expenditures on education and social services would have continued. New revenues would have been brought about through the implementation of a minimum tax, a more progressive income tax and through changes in corporate taxes and lesser expenditures as a result of a decreased requirement for social measures.

• (1250)

Before I close, I wish to take notice of two issues of particular concern to me. I am the youth critic for my Party. In none of the pounds of literature is there anything which addresses the needs of youth, who now have a 17 per cent unemployment rate. The only reference in this area is to some streamlining of employment centres in universities and a cut of $78 million from training programs.

In Windsor, where we are awaiting government action on quotas, on Canadian content, we are further burdened by an increase in the sales tax which, no doubt, will decrease the sales of automobiles, not to mention a 2-cent increase on gasoline, which will not help either.

There is not only that to consider, Mr. Speaker. Windsor is, essentially, a one-industry town which has a future in tourism. We have been told that the federal Government will no longer be involved in ERDAs involving federal funding of tourism at a time when it is critical for job creation in Windsor.

This is not a Budget which is fair. This is not a Budget which creates jobs. This is not a Budget which will knock down the deficit, since it is a foolishly designed approach to that end. This is a Budget which will leave us waiting another year for what the Canadian people want—economic growth based on job creation.

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Selkirk-Interlake (Mr. Holtmann).

Mr. Holtmann: Mr. Speaker, I would like to ask the Hon. Member what his ideas are with respect to the area of job creation. The last administration pumped in billions of dollars with respect to this area but unemployment continued to rise. The Hon. Member opposite has said that we should place $500 million in this area and another billion dollars in that area. He thinks that will create jobs. It did not do so in the past. All of a sudden, the dreamer and schemer opposite supposes it will work now. On what basis does he make the claim that jobs can be created by throwing funds into these different municipalities? How will this create jobs when it did not create them before? I would like him to comment on that.

Mr. McCurdy: Mr. Speaker, I am a microbiologist. I really am not qualified to give lessons in economics.

Some Hon. Members: Hear, hear!

Mr. McCurdy: However, I can read. I want to assume that the Government and its members are engaged in the type of consultation about which they talk so much. The Federation of Canadian Municipalities has provided for our benefit a detailed examination of the serious needs of the municipalities in the country. These are severe needs which must be met.

I agree with the Hon. Member opposite when he says that the short-term measures in which the last Government engaged were undesirable and useless. What we are talking about is job creation through meeting serious economic needs. If he is not aware of this, then he can come to my office and I will give him a copy of the report from the federation. He will then understand how jobs can be created in the public sector.

Mr. Kilgour: Mr. Speaker, we are faced with a $200 billion debt at this time. That works out to some $8,000 to $9,000 for every man, woman and child in this country. How would the Hon. Member opposite deal with this problem?

It seems to me that everything the Hon. Member has been calling for was tried by the Mitterrand Government in France after 1981. In that country there was massive nationalization and spending. Some 50,000 new public servants were added to the Government's payroll. As the Hon. Member well knows, the French franc has been devalued three times. Bankruptcies have increased in France, as has unemployment. The policies which the Hon. Member seems to be advocating have been a total failure in France. That country has reversed almost all of them. Will he speak to those matters?

Mr. McCurdy: Mr. Speaker, the Thatcher Government attacked the British deficit. The Governments of West Germany and British Columbia attacked their deficits. To what end? To create unemployment. In fact, in the final analysis, it discouraged investment.

The President of the United States, however, in his supply side rhetoric, did not attack the deficit. He built up the deficit. I am not suggesting there should be increased investment in Canada with respect to the area of defence. However, the fact of the matter is that government expenditures in the United States have created jobs. That has been the most effective attack on the problem of unemployment.

I suggest to the Hon. Member opposite that he look at the Swedes. Then, perhaps, he would learn the lesson of how a country of similar size with similar problems has dealt with the problem of unemployment and economic growth in all its elements in a far more effective way than this Budget attempts to do.

Mr. Fraleigh: Mr. Speaker, I have some comments to make. I hope I will be allowed the use of the word with which the Hon. Member opposite seems to be obsessed, that is, the word "orgies". The only orgy I can see coming out of his proposals will be with respect to a massive increase in the deficit. If a massive increase in the deficit would have worked, then we would not have any unemployment in the country.

Some Hon. Members: Hear, hear!

Mr. Fraleigh: The Hon. Member admits he is a biologist, or something or other. I refer to those people as being academics who have no idea of what makes the country tick. If they want to find out what makes the country tick, then they should get out and talk to the small businessmen and the farmers in the country who create the jobs and wealth on which the rest of us survive. I hope that he will urge his western counterparts who represent rural ridings to return to their ridings and tell the farmers and small businessmen there what a tremendous rip-off the capital gains tax exemption is. I urge the Hon. Member to do that. I urge each and every one of the Members opposite to carry that message back to their western ridings. Tell the farmers that, because they will receive a tax break on something they have worked hard for all their lives, it is a rip-off.

Mr. McCurdy: Mr. Speaker, I am surprised to hear such a spurious and *ad hominem* argument. Am I supposed to be incapable of being effective in representing my constituency simply because I am a biologist? I do not know what the Hon. Member opposite is; but I am sure 90 per cent of the subjects debated in the House are not closed to his intelligent consideration because he is not those 90 things. That is simply ridiculous.

I have talked to small business people and they do not see how it is possible for them to be successful—

The Acting Speaker (Mr. Paproski): I regret to advise the Hon. Member that his allotted time has expired.

As a humble and ordinary Canadian who is sitting in the chair today, may I take the opportunity to congratulate a hometown team which has won a great Stanley Cup. I feel another dynasty has started in Edmonton.

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

At 1.00 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock, I believe that the period for questions and comments had terminated. I will now recognize the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to rise, as so many Members of this House have done, to speak to the Budget of the Minister of Finance (Mr. Wilson) and the Right Hon.

Prime Minister (Mr. Mulroney). I would like to consider, in an objective and positive manner, what this Budget holds in store for our senior citizens. I do not think anyone will be surprised to hear I was very disappointed when the Minister of Finance and the Prime Minister decided to maintain in the Budget the discrimination against the elderly, especially women, who are single, separated or divorced.

I believed and hoped that at least the Minister of Finance, following consultations, petitions and meetings of the Parliamentary Committee, where all groups were unanimous in asking the Government to extend the spouse's allowance to all persons living alone, whether they were single, separated or divorced . . . Mr. Speaker, I wonder whether the Minister of Finance has a heart or a bank vault, because he has failed to understand what the point is and has maintained discrimination against the elderly who are single, separated or divorced. I hope there is still a possibility changes can be made when the Bill is considered in committee. I hope the Minister and the Prime Minister realize that if the Bill is not amended, in every riding in Canda, individuals between the ages of 60 and 64 who are in need and living below the poverty line will not be eligible just because they are single, separated or divorced.

Mr. Speaker, let us take a look at what the Minister of Finance and the Prime Minister have decided to do about our elderly. During the election campaign, in Sherbrooke in the Province of Quebec, we received a solemn commitment and the Prime Minister's word of honour, on July 26, when he told the Canadian people, followed by all his Conservative Members and candidates, that if he was elected, he would restore full indexation for Old Age Security pensions. Who would doubt the word of a Prime Minister? Even I said: Bravo! I think he is sincere, I think he is honest. Like all people across this country, I took the Prime Minister at his word. Mr. Speaker, a little later, in January, in a consultation paper tabled by the Minister of National Health and Welfare (Mr. Epp) in the House, and announced at a press conference to the entire public here again, on behalf of the Government, on behalf of the Prime Minister there was solemn commitment that consultation and restructuring of social programs would have the result of improving the situation of the neediest in our society. Even then, Mr. Speaker, I believed that the Minister of National Health and Welfare would keep his word.

As the Prime Minister has said in reply to my questions, the Parliamentary Secretary speaks in his own name and not on behalf of the Government. He told us where we stand. The only two persons in this House who speak for the Government about social programs are the Minister of Finance and the Minister of National Health and Welfare. Everyone, including myself, the entire population and all Members of Parliament, whether they are New Democrats, Conservatives or Liberals, believed in that document. It is written in black and white in paragraph 3: "Any savings which may result from program changes will not be applied to a reduction of the deficit."

Who could question the word of honest people? No one! Everyone believed in the promise and the commitment made by the Prime Minister during the election campaign and the commitment made in his name by the Minister of National Health and Welfare, who said on page 9 of the discussion paper: "Changes in these programs which may result from this review should improve—and I emphasize the word "improve—benefits for those most in need."

Mr. Speaker, it is important that I repeat this for the information of all Members of this House and the general public listening to us: "Changes in these programs which may result from this review should improve—and I did say "improve"—"benefits for those most in need."

That is the second commitment made by the Government. I can honestly say that, following publication of this discussion paper, the Hon. Member for Gaspé (Mr. Marin), myself and other Members of this House head in committee 92 groups representing senior citizens and Canadian families, who also trusted the Prime Minister and the Government. Those people took the trouble to come here. They are people who often do voluntary work in addition to raising their families. They are middle-aged people who came from Western Canada, Vancouver, the Maritimes, Quebec and Ontario with confidence, and I believe that the word "confidence" is very important for the population, they came to say to the Prime Minister, to the Government, to the Minister of Finance, to the Minister of National Health and Welfare: "Here are the recommendations to improve benefits for those most in need, which you requested in your discussion paper."

• (1410)

All groups recommended improvements to the child tax credit in order to help low and middle income families, all groups believed that, as promised in the discussion paper, there would be no immediate changes affecting senior citizens. The Government had promised to set up another task force. During the election campaign, the Prime Minister made a solemn commitment in Sherbrooke to consult senior citizens before making any changes.

Mr. Speaker, what do we find in the Mulroney-Wilson Budget? What do we find in this document which affects our senior citizens? Contrary to what the Prime Minister, the Minister of Finance and the Minister of National Health and Welfare had promised, not only there is no improvement for our senior citizens, but their purchasing power is reduced and their income will increase at a lower rate.

What happened, Mr. Speaker, is that, contrary to what the Mulroney, Wilson and Epp trio had formally and solemnly promised in this House, senior citizens will face a 3 per cent decrease in the indexation of their income.

Remember all the fuss about universality! The Prime Minister was the first one to say that bank presidents did not really need allowances. But bank presidents have remained untouch-

able. The Government went as far as penalizing 1.3 million elderly Canadians who get the guaranteed income supplement, 60 per cent of whom live below the poverty line as it is. So much for the promises and commitments of that trio.

Let us consider together who are those senior citizens who will be shortchanged as of next January. I recall that the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand) said that a $100 reduction spread over a number of weeks does not amount to very much. It may not be very much for a well-heeled Member of Parliament, but it is quite a lot of money for someone whose only income is the old age security pension. The prospect of a $10 monthly income drop next year can be quite depressing for that person.

I wish Members on the other side, the Prime Minister, the Minister of National Health and Welfare or the Minister of Finance would tell us just how elderly persons can cut expenses. What can they do without? The steak they can afford to buy once a week? Will they cut $10 a month off their meagre entertainment budget for that outing with the local Golden Age Club? Should they stop buying newspapers? Will they stop living because their income has gone down? Not only did the Conservative Government cut old age security pensions, it even imposed a hidden tax on essential services. Who is the smart and intelligent Government Member who suggested that a bar of soap is not essential and should be taxed? Mr. Speaker, who is the genius who said that toothpaste is not essential? Tax it! Who in that Party made the bright suggestion that shampoo is not important, let us tax it? Not satisfied with reducing the purchasing power of elderly Canadians through a 3 per cent cut in future old age security pension increases, they turn around and shamelessly increase inflation by 1 or 2 per cent. This Government has said: "We will arrange it so that everybody will be taxed. We will see that inflation is increased. Inflation will increase by 2 per cent because of the Wilson, Mulroney and Epp decisions. But that will be absorbed by the people because the first 3 per cent, are not to be given to you."

Mr. Speaker, this is unheard of. Even the Secretary of State for External Affairs (Mr. Clark), the former Prime Minister, would not have accepted that, because he was in Government in 1979. Even the Minister of Justice (Mr. Crosbie), who was then Minister of Finance, would not have had the gall to do something like that to his fellow citizens. And even the Minister of Indian Affairs and Northern Development (Mr. Crombie), who was then Minister of Health, would not have dared do anything like that, Mr. Speaker. Those three guys have betrayed the people. And this has not been said by Liberals. Those commitments are written in black and white.

Mr. Speaker, if the Government does not change that, I can imagine what will happen to the Conservative Members when they go back to their constituencies; their senior citizens will tell them: "Mr. or Mrs. M.P., you will have to dig for votes comes the next election." The Members will answer: "We need you people 65 or 68 years old". But the senior citizens will ask them this: "Where were you when the Budget was brought down, when your Government in its Budget denied me the spouse's allowance because I was separated? And now you have the gall to come and see us? Go your way, Sir, go away Madam! You were not there when we needed you."

• (1420)

Senior citizens as a group have the poorest organization in Canada. Next to them are the families. We saw a report on television saying that the big corporations', the multinational corporations' lobbyists are spending millions of dollars to keep a bunch of suckers around Parliament to live off Members of Parliament and get contracts. But is there one group of senior citizens in Canada who can afford to organize itself, to come over here and make representations on the assistance they need? They are not looking for million-dollar contracts like the one the Minister of Finance's brother will be getting without tender. They want to get and keep getting their little cheques each month, Mr. Speaker. Let us see who those people are, whom the Progressive Conservative Government wants to penalize starting in 1986. Those people have known the hard years. They have lived through the great depression. They are the mothers and fathers of all of us here, the people who made every sacrifice to send us through school at a time when education was not free. It is our fathers and mothers who had to foot the bill when we were ill and there was no Medicare. In my own riding, there are now senior citizens who, as parents long ago, had to agree to abide by the provisions of the Lacombe Act, because they could not pay the doctor's bills for their sick children. I think that most of us have experienced this in our own respective ridings and regions. And now the Minister of Finance, who associates with the pick of the crop of big business, is trying to con us into believing that he has consulted and told these senior citizens: "You should sacrifice a little, for you would not want the Mulroney or Wilson kids who are so pampered to pay our debts later on, would you?"

The Acting Speaker (Mr. Paproski): Order, please!

Mr. Malépart: Mr. Speaker, the children of the Prime Minister or the Minister of Finance do not want us to leave any unpaid debts. I have a heart, Mr. Speaker, and several other hon. members have hearts too, I am sure. I would not want my mother . . . Is the Parliamentary Secretary to the Minister of Finance saying that he will ask his own mother to add these new sacrifices on top of all those she has already made for him? If he is against that, and if he has any guts as a Parliamentary Secretary, he will stand up in his caucus and say: "I refuse to ask my father and mother to make any more sacrifices and I strongly urge you, Mr. Minister of Finance, to reverse your decision and maintain full indexation of the Old Age Security pensions at least for needy senior citizens who are living below the poverty line."

Now that I have described for you the older people the government is viciously attacking, Mr. Speaker, let us consider now the families, especially those with dependent children. All those groups who came here were seeking improvements, Mr. Speaker. I realize that I am running out of time, and I have still so much to say. We have reached a point in Canada, and it is not up to Parliamentarians to decide whether married couples can continue living together. Problems can and do occur, and even Parliamentarians are not exempt from that. There is an increase in the number of single parent families. The Hon. Member for Gatineau (Mrs. Mailly) is certainly aware that women most of the time are left with the financial burden of raising the children.

In the area of family allowances and children tax credits the purpose of which is to help poor families which, according to the most recent statistics, are on the rise in Canada—

The same government decides to index the child tax credit beyond 3 percent. Not only does it de-index basic family allowances up to 3 percent, but the supplement it grants them to make both ends meet is reduced by 3 percent, Mr. Speaker. That is the result of this government's decision.

Mr. Speaker, I am ready to trust once more this Government and its Progressive Conservative members, because I believe they will think it over in their caucus. The word of the Prime Minister may still mean something because it is written. The word and honour of the Minister of Finance mean something and the honour of the Minister of National Health and Welfare may still have some meaning in these written documents. But let us see who will benefit from this budget. Oil multinationals will get $2.5 billion, and there is a giveaway of $125,000 for the wealthiest people who want to speculate in this area.

Mr. Speaker, I had a lot more to say but you have just indicated to me that my time has expired. I am sorry, but I wished to say a lot more than that.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, since the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is referring to his mother—and mine, because they are probably the same age—I should like to remind him what happened during our brief stint in office in 1979. We introduced a bill to assist widows and widowers, providing an allowance for spouses between 60 and 65 years of age, the spouse's allowance. The Minister of National Health and Welfare succeeded in having that bill passed by this House but unfortunately it was part of the budget on which the government was defeated. Thus, spouses were deprived of that assistance. Eventually, Mr. MacEachen restored that measure and today, those who were members of his government are trying to say that it was a Liberal measure. It is entirely false.

Secondly, we increased the price of gas in our budget because we had to face a substantial deficit causing punitive inflation not only for senior citizens but for all Canadians. What did they do, Mr. Speaker? They rejected the budget because it was awful to ask for such an increase. They then proceeded to tax heating fuel, which we had not done in our budget, and that tax was very harmful to old people. Since he is referring to our mothers, I would like to ask him a question. Today I met university women between 40 and 50 years of age. They are not rich because they probably paid their own fees and stayed at home to raise their children. Do you know what they told me? Well done, Mrs. Mailly. Your government understands that I do not want to be dependent on my children. I would like the economy to allow me to save and look after myself when I retire. They told me: "Well done, Mrs. Mailly, because I do not want to be dependent on the State, I do not want to live in a nursing home, I want to look after myself, I am a responsible and proud individual". You should not forget that when you criticize the steps taken to promote the creation of jobs.

I would also like to tell the Hon. Member about a retired gentleman of my constituency, Mr. Tassé, who has a $17,000 income per year. He is not rich. He sent back to me his pension cheque for May telling me precisely what those ladies told me today. He said: "Mrs. Mailly, I do not want the deficit to increase because the Liberals are doing the same thing they did in 1979, frightening the elderly and the poor. What they say is wrong. I want you to remain determined to control inflation and create jobs for our grandchildren. So Mr. Tassé sent me his cheque and he invited Mr. Pierre-Elliott Trudeau who is now retired and very rich as well as all the Liberal ministers and senators who are retired to do exactly the same thing.

Mr. Guilbault (Saint-Jacques): Order!

Mrs. Mailly: Finally, Mr. Speaker, I should like the Hon. Member to explain to us how he can complain about this so-called enormous cut now that inflation is a mere 3.9 per cent, while he voted in favour of limiting indexation to 6 and 5 per cent at the time his party was in power and inflation was rampant at 12 per cent?

• (1430)

Mr. Malépart: Mr. Speaker, I am sure the Minister in front of me was raised as a rich kid who rejoiced whenever the poor suffered.

Mr. Speaker, the show the Hon. Member for Gatineau has just put on clearly indicates that when she talks . . . I beg your pardon . . . when she pontificates—

Mr. Masse: Ouch! That really hurts!

[*English*]

Mr. Siddon: Mr. Speaker, I rise on a point of order. I just want to assure the Hon. Member that as a prairie boy growing up in Alberta with five brothers and sisters I was supported by a father who cut hair for a living.

[*Translation*]

Mr. Malépart: Mr. Speaker, the Hon. Member gives me as an example the retired fellow with a $17,000 income. Do you know how much an individual who relies on the guaranteed income supplement gets?

Mrs. Mailly: It is entirely indexed.

Mr. Malépart: Do you know how much that person gets: $7000 a year. Do you know how a couple receiving $10,000 can manage? With an additional $7000, you can save and give some away. I am referring to poor people. There are 1,300,000 of them, Mr. Speaker. The Hon. Member for Gatineau understands nothing. She should read the budget over again. When she speaks about those ladies who attended the university I agree, but her government, instead of changing the colour of the soldiers' uniform and wasting $100 million per year to send troops to Lahr in Germany, should keep that money to reduce the deficit. Instead of joining the star war, the government should launch a fight against unemployment. The Hon. Member for Gatineau was not honest enough to say so. The Prime Minister wasted half a million to give a Tory party for Mr. Reagan. He should have saved it rather than pay, as Mrs. Michèle Tremblay from the *Journal de Montréal* pointed out, $1000 a minute to act hypocritically at the economic summit convening groups to do afterwards exactly the contrary and let our national Kid Camera appear in the limelight.

Mr. Speaker, I thought that the Tory members . . . I thought that the Minister of Finance was the only one to have a safe instead of a heart but I realize that there are others like him in his party. I realize that some among them, as the minister has just mentioned, were raised in poverty. They have long forgotten it. He has forgotten that others need him. He forgets that some older citizens made sacrifices to allow him to become what he is today. However, he is not ready to let those people take advantage today of the wealth which he and his children are enjoying.

[*English*]

Mr. Redway: Mr. Speaker, I was very interested in listening to the comments of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) with respect to old age pensions and allowances for people between the ages of 60 and 65. I was very interested to hear what he had to say today and since November when the House reconvened. While listening to his comments it struck me that he is certainly a great advocate for senior citizens. I thought that perhaps he is now taking the place of the dean of the House, Mr. Stanley Knowles, in that regard. It struck me that he must have had some very interesting things to say about senior citizens in the past. I was sure that in the time that he has spent in the House his speeches must have been constantly and continuously emphasizing the plight of senior citizens. I was sure that every time he rose to speak he must have had something to say about senior citizens.

I looked back at some of the things which the Hon. Member had to say in the past. I brought with me today the index of the Debates of the House of Commons of 1983-84. I see that under the heading, Mr. Jean-Claude Malépart, Liberal Member for Montreal-Sainte-Marie, there is not a very long list. He made comments on the Canada Mortgage and Housing Corporation, government buildings and interest rates. He presented a report on labour, manpower and immigration from the Standing Committee on Labour, Manpower and Immigration. He made a statement under Standing Order 21 on medicare. He made a comment on the National Housing Act and on the Residential Rehabilitation Assistance Program. Nowhere in that list did I see any reference to pensions, spousal allowances, or anything of that sort. I was rather surprised in light of the fact that he now seems to be such an advocate of those issues.

This afternoon the Hon. Member said that very shortly the people of Canada will be asking all of us where we were when this Budget was passed. Mr. Speaker, where was the Hon. Member when his Government, of which he was a Parliamentary Secretary, dealt with the deindexing of old age pensions down to 6 and 5 per cent when inflation was 12 per cent, and when there were no dealings with spousal allowances or allowances of any kind for people between the ages of 60 and 65?

The Acting Speaker (Mr. Paproski): I am sorry, the time for questions and comments has expired. I will give the Hon. Member 30 seconds.

[*Translation*]

Mr. Malépart: Mr. Speaker, with the consent—

The Acting Speaker (Mr. Paproski): I am sorry—

Mr. Malépart: Mr. Speaker, with the unanimous consent of the House, may I be allowed to answer?

On a question of privilege, Mr. Speaker . . . It is unfortunate that conservative members should play politics on "the backs" of senior citizens.

Mr. Speaker, in closing, I would like to say that even with the 6 and 5 policy pensions were fully indexed in the case of the most destitute among senior citizens those who received the guaranteed income supplement, which does not happen with the present government, Mr. Speaker, the Liberal government had agreed to the full indexation of the supplement and of the basic pension to make up for the loss. I would ask the member to withdraw his remarks concerning me. What he said is false; he is a liar.

Mr. Lanthier: It is not true! Order, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Paproski): Before I recognize the point of order, I think I heard something from the Hon. Member which should not be said in the House. I hope that the Hon. Member will retract that statement.

[*Translation*]

Mr. Malépart: Mr. Speaker, I will withdraw my remarks if the Conservative Member who has just spoken on the 6 and 5 program agrees to tell the truth.

An Hon. Member: Do not start all over again your little game of the other day!

Mr. Malépart: The House of Commons is a place where truth must be spoken and not—

[*English*]

The Acting Speaker (Mr. Paproski): No, the Hon. Member knows that we should not use words like that in this Chamber. The Hon. Member realizes that he has done this once before in this session. We realize that in the heat of battle people sometimes say things they should not say, but I hope the Hon. Member will retract the statement. Let us leave it at that.

[*Translation*]

Mr. Malépart: Mr. Speaker, I do not think you got the point. I said that I would agree to withdraw my remarks, if the member would do the same. However, even if he does not do so, I will withdraw my comments.

[*English*]

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I am happy to rise in the Chamber this afternoon on behalf of the residents of Nepean-Carleton to offer an analysis of our current Budget and to participate in the debate on it. This is a Budget of opportunity, change, redirection, innovation, and hope. This is a Budget which the Canadian population has been waiting for. It comes at a time when our unemployment rates are falling but are still unnecessarily high. It comes at a time when interest rates are lower than they have been in many years. It comes at a time when mortgage rates are falling.

• (1440)

We must consider the Budget as a whole. I suggest it is unfair to isolate parts of the Budget because it has far reaching measures that affect every segment of society and business. It is a fair and balanced Budget which must be considered in its entirety.

The two thrusts of the Budget are to reduce unemployment and to tackle our over growing deficit. It will attempt to reduce our deficit by approximately $4 billion next year and $8 billion the following year. It is a noble attempt to address a great malaise in Canada.

In many ways my riding of Nepean-Carleton is a microcosm of Canada. It has a population of approximately 122,000 people and is a community with an agricultural base, small business base, high-tech base and a public sector base. There are approximately 1,100 operating farms in my riding, one-third of which are associated with the beef industry, approximately a quarter with the dairy industry, and others run by pork producers, poultry producers and cash croppers.

The small business community is far-reaching, as is the high-tech community. In my riding lies the high technology centre of Canada. Nepean-Carleton is a microcosm of a country which is dependent upon jobs in the small business community.

Nepean-Carleton was originally an agricultural community. As Ottawa grew, it took on the form of a bedroom or urban riding where people resided but worked in the metropolitan area. That dimension of the riding has changed in the recent years to the point where yesterday, at the opening of the Bell Northern Laboratories in the City of Nepean, the Mayor indicated that in the City of Nepean alone there were 30,000 jobs created. Nepean-Carleton leads the nation in some aspects and is a self-contained, self-producing, proud and dynamically growing community that is a microcosm of the country.

The total workforce in my riding is 70,000, 30,000 of whom are women. The riding has had great representation over the years. At one time, Sir John A. Macdonald represented Nepean-Carleton. Others to follow were Bracken, Drew, Bell and Baker. They were great men who have contributed to the nobleness and productivity of the House.

I became involved in a very competitive nomination and election campaign in 1984. During those campaigns, I consistently emphasized four issues, not only with people in my Party but with the constituents of Nepean-Carleton. I stressed the importance of the farm community and the farm family as a basic unit in Canadian society. I recognized that Canada could be a superpower in agriculture with tremendous opportunities to produce far more food, given the right opportunities and incentives. This would not only help to raise the standard of living of Canadians but would also help others around the world.

I also recognized the importance of the small business community in that process. Small business in Canada is really big business. When one takes into account the family and corporate farm in that milieu, at least two-thirds of the workforce in Canada and two out of every three jobs created in Canada are from the small business community.

I also recognized the importance of research and development which is as crucial to my constituency as it is to the rest of Canada. The high-tech industry could be a tremendous economic innovator and creator of jobs.

Yesterday, when I attended the opening of the Bell Northern Laboratories in my riding with the Minister of State for Science and Technology (Mr. Siddon) and other members, the President of Northern Telecom announced that his company will be spending $5 billion on research and development during the next five years. The President and his company know the

importance of research and development for innovating our way into international markets.

At the same time, I also recognized the importance of a strong, viable and responsible civil service to help the Government and the nation develop and grow.

In his Budget speech, the Minister of Finance (Mr. Wilson) said:

> In these three areas—small business, research and development and energy—the government has clearly identified the components of economic growth most likely to result in the greatest and fastest response.

You can understand my belief in the importance of those words to people in my riding. Let us study the Budget in more detail to find those measures which relate to the small business community. First, there is the capital gains initiative of a $500,000 once in a lifetime deduction to be introduced generally in Canada over a number of years but starting immediately for the farm community. That is a tremendous economic multiplier. For example, the number of new businesses that were created in the United States a few years ago as a result of a similar measure was overwhelming. We fully expect that to happen in Canada.

Second, the small business bond program will be extended for another two years to the beginning of 1988. Farmers and small business people can finance up to $500,000 at interest rates several points below the market value. One can imagine the benefits of that program for the farmer, small business person and the high-tech innovator.

The small business community is exempt from the 5 per cent corporate surcharge that is being levied on big business. Pension funds will be relaxed to allow those moneys to be invested as equity capital in small- and medium-sized businesses. Although it is difficult to predict how much will be available at this time, consider the benefits from the estimated $2 billion or $3 billion that will come on stream in the next four to eight months.

The Budget also provides for a freeze on unemployment insurance rates through 1986, which indicates to the farm community and small business community, which face difficulty with these deductions, that they will not be faced with an increase in unemployment insurance rates for the next 20 months. Furthermore, the small business community will note that there will be a thorough and fair review of the unemployment insurance program in order to ensure fairness and equity.

● (1450)

As well, there are many things relating to pension reform in the Budget that dramatically affect the small business community, especially the self-employed person. Over the next five or six years they can increase investments in retirement programs from $5,500 to $15,000 annually. Think of how that will allow the small business person, who cannot rely on a company pension, to build up his or her equity and to have some protection for himself and his spouse when the time comes to lay down the work mantle and enter into the senior years.

There is an array of very delightful measures that are associated with small businesses that will help them to become the innovators and big business in the days ahead.

Let me quote a few things about this Budget that I have run across recently. Marcel Côté, an economist with Radio-Canada, said:

> This is a Budget which is not as tough as we had anticipated, it is quite skillful over all, I think it is fair.

John Bulloch of the Canadian Federation of Independent Business said:

> This Budget is a small business blockbuster.

In some private conversations I have had with Mr. Bulloch recently he has indicated that the small business community in Canada in the first half of this year will create at least 200,000 new jobs. When you superimpose on that the new flood of investment money, think what will really happen, Sir.

Geoffrey Hale, speaking on behalf of the Canadian Organization of Small Business, said:

> The most encouraging Budget in the past ten years. Mr. Wilson has acted in a number of ways to get individuals greater control of the spending and saving of their money. The changes have been approached with the maximum of common sense.

The small business community across Canada and in Nepean-Carleton very much welcome the initiatives in our Budget.

Can I take us back to July and August of last year when we were in the midst of an election campaign, Mr. Speaker? This is what we said then about the small business community:

> As a vital part of our economy in every community in Canada, our 750,000 small businesses create half of all new jobs in the private sector. We are committed to reducing the barriers facing small businesses and providing them with as much support as possible through: reducing the burden of excessive regulations and reporting requirements with which small businesses have to cope.

We have met that commitment, Sir. We also said:

> Reviewing Government purchasing policies to ensure small businesses obtain a fairer share of Government business.

We have met that. The Minister of Supply and Services (Mr. Andre) has enunciated across the country how businesses and suppliers can participate in government purchasing.

> Third, we promised to reduce the level of taxation facing small businesses and the complexity of the tax system with which they must cope. We have responded to that. Our Minister of National Revenue (Mr. Beatty) has been very enlightening with the small business community.

Finally, we said, "We will do everything in our power to improve the economic climate to reduce interest rates and stimulate investment in the small business community". Point after point in the short life of this Government we have worked to improve health and innovation, and to increase the productivity of the small business community in Canada.

I can identify with those facets of the Budget in a remarkable way. They are important to Nepean-Carleton. I wanted to go on and say a great deal about research and development but I see I have used up my time.

So much of what applies to the small business community also applies to research and development. The capital gains

aspect, the small business loan and the pension fund diversion are all important to research and development in freeing up funds for that purpose. Equally important is the initiative to refund 100 per cent of the tax credit which is earned on the first $2 million of research and development. Furthermore, we have broadened the definition of research and development so that it is a much more realistic definition and identification of what research and development are in Canada.

I have gone through the effects of our campaign initiatives on the small business community, I could equally well do that with our commitments to research and development. The Minister of State for Science and Technology tabled some remarkable information about Canada's potential to increase its endeavour in research and development with the Standing Committee on Miscellaneous Estimates yesterday morning. It was a remarkable document, one that strongly suggests we can meet as a Government our commitment of 2 per cent to 2.5 per cent investment in research and development in Canada in four to five years' time.

From the standpoint of a constituent in Nepan-Carleton, the emphasis in this Budget on agriculture, on research and development, and on helping the small business community, our real engine of growth in Canada, shows it to be a Budget with which I can identify, worth which Canadians are generally happy, and a Budget for which Canadians have been waiting. It is a Budget of opportunity. I hope this House will endorse it with enthusiasm.

Mr. Manly: Mr. Speaker, I was interested to hear the Hon. Member for Nepean-Carleton (Mr. Tupper) say it would be unfair to isolate a part of the Budget and to look at it by itself. I do not think the Opposition has been doing that. Rather, we have been focusing on one particular part of the Budget and looking at it in relation to what other parts of the Budget have been doing. We have been focusing on the fact that this Budget, by deindexing seniors' pensions, by deindexing the first 3 per cent of Old Age Security, is robbing seniors. They will lose $100 next year and more than $200 the following year, for a total of $6.6 billion at the end of five years. That is on what we have been focusing on. We question the fairness of that when we compare it to the fact that oil companies will get $950 million through the removal and the phasing out of the PGRT.

We question the value of this Budget. The Government says it is a Budget of opportunity and one that will create jobs, but the Government will be losing some $1 million a year by making capital gains exempt from taxation up to a total of half a million dollars per person.

A representative from Coopers, Lybrand said how surprised he was by the wide open tax exemption given under this section rather than focusing specifically on some kind of venture that would create jobs. John Bossons from the Institute for Policy Analysis pointed out that the removal of the capital gains tax will result in real estate speculation. It will not result in increased jobs. In fact, it will result in the transfer of money from high risk venture or start-up businesses into real estate speculation.

• (1500)

What does the Hon. Member consider to be fair about a Budget which takes some $6.6 billion from senior citizens in the next five years and gives it to oil companies and real estate speculators? What does he think is in the Budget to create jobs? There is opportunity for people with money to speculate, but I do not see any opportunity for ordinary Canadians. I would like the Hon. Member to account for that.

Mr. Tupper: Mr. Speaker, I would be pleased to respond, and I welcome the opportunity to do so. I understand what the Hon. Member is speaking about, but I am not sure that he listened carefully to the introductory part of my remarks. I tried to share with him my feeling that the Budget extended out to every person and to every home across Canada, and that in that sense I felt it was fair.

If I can be somewhat personal, my father is a retired, very senior person who resides in Nova Scotia. Over the weekend I telephoned him in particular to obtain his reaction to the Budget. I wanted his feeling on how he thought it would affect him, and I was also interested in the reaction in Nova Scotia about the heavy water plants. He said to me: "Bill, I don't know very much about heavy water plants, but I know that they should have been closed a long time ago". He said that it would have been cheaper for Canadian taxpayers to have given every employee in those two heavy water plants a pension and to put the matter to rest. I said: "Dad, what about yourself?" It was on Sunday night, and he said: "Bill, I can live with it".

Some senior citizens have telephoned me in a moment of annoyance or of concern, but when I have had a chance to share with them the problems in the Canadian economic and social fabric, they indicate that they are willing in 1985, and as it grows into 1986, to give up a small amount so that Canada tomorrow will be a better place for their grandchildren and for our children.

Mr. Johnston: Mr. Speaker, I would like to return to two points in particular. First, the Hon. Member for Nepean-Carleton (Mr. Tupper) did not answer the question put to him with respect of the effect of these capital gains incentives. We learned that his father was happy with the Budget, but I should like to say to him that there are many people in my riding receiving the Guaranteed Income Supplement, particularly those in the Saint-Henri portion of the riding, who now know that their purchasing power will be eroded. They now live under the poverty line as defined by Statistics Canada and now know that they will lose at least $50 or $60 per month by 1990. I know the amount is debatable because it is difficult to calculate. However, I find it difficult to believe that they will be happy. Has the Hon. Member spoken with people in his riding who are on the Guaranteed Income Supplement? Has he asked them whether they are prepared to sacrifice that amount of purchasing power in order to reduce the federal deficit? That is my first question.

I have a second question for the Hon. Member. He talked about the investment climate and made reference to the tax changes. We would all like to see more investment in the small

business sector, but the capital gains exemption, the way in which it is drafted, allows the Hon. Member for Nepean-Carleton to make a decision as to whether he would invest in a piece of real estate or in a small business here in Canada, perhaps in the Ottawa area, or in the State of Massachusetts. If the same benefit accrues, surely the investment, whether it is Florida real estate, Massachusetts real estate of whatever, will be attractive to him. Would he not consider making representations to his Minister to ensure that if he insists upon continuing in the vein of accepting capital gains within the $500,000 range, that money at least goes into the Canadian small- and medium-sized business sector, not into real estate speculation, as suggested by economists, not into yachts, Florida real estate or condominiums outside the country? Would he at least do that? Would that not be an appropriate role for him to play as a concerned and intelligent Member on the government back-benches?

Mr. Tupper: Mr. Speaker, I thank my Liberal colleague for the compliment of being a concerned and intelligent back-bencher. I am proud to be part of this House and to be part of the process of allowing Canada to grow and develop. I hope the atmosphere in this House will be one of team-work, problem solving and going forward together.

The small business community in my riding talks about investing at home. It talks about investing down the street, in our industrial parks. It does not talk about investing in Massachusetts, about yachts or recreational vehicles. It talks about Canada, Canadians and their families.

In an attempt to answer part of the Hon. Member's other question, I receive concerned telephone calls from senior residents in my riding. I do not hide that fact. I use the opportunity to chat with them and to share with them the various problems. I ask them what will happen if we do not attack the deficit or where we will be in five years' time. We will be bankrupt. There is not a senior citizen out there who wants that to be the heritage of their children or their grandchildren.

Mr. Siddon: Mr. Speaker, I commend the Hon. Member for Nepean-Carleton (Mr. Tupper) for the outstanding manner in which he is following in the footsteps of his predecessor, who was an eminent Member of the House and whom we all respected greatly.

I want to say by way of observation that some years before entering into public life I acquired a piece of property in the United States, not far south of the border. I intend to sell that piece of property because I think I should bring the money home to Canada where it will do a much better job for the benefit of Canadians, industry and enterprise. The reason I was not prepared to sell my property previously was because of the repressive capital gains legislation brought in by the Liberal Government in 1971, legislation which has hung as a millstone around the neck of the country, in terms of attracting investment and encouraging economic growth.

In response to the comments of my hon. colleague, I would point to the decision by Northern-Telecom to invest $4 billion into the Bell Northern Research Laboratory, Phase III. This represents the confidence which that corporation places in this country. Could the Hon. Member relate the some 10,000 person-years of new jobs which that facility represents—and they are over and above its previous investment in research and development—to the present unemployment rate in his riding? There will be 2,000 new jobs per year arising from this investment. Would the Hon. Member comment on how important this will be?

• (1510)

Mr. Tupper: Bell-Northern and Northern Telecommunications, of course, is one of the most significant tandem research, development and production high-technology teams in existence in Canada today. Over the past four years, they have invested about $1.5 billion in research and development. With about 40,000 employees—

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that questions and comments are now terminated.

I wish to recognize the next speaker, the Hon. Member for La Prairie (Mr. Jourdenais).

[*Translation*]

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I must say, quite frankly, that ever since 5 p.m. on Thursday May 23, I have been absolutely bursting with enthusiasm. That day, at 4.30 p.m., the Minister of Finance (Mr. Wilson) finally decided to do what no politician had done before, which is to act. Before that day, the word deficit sent shivers up and down my spine, as it does even now, but I can say now: We have a handle on it, things are going to start moving. After all, it is the Progressive Conservatives, not the Liberals. Mr. Speaker, since May 23 I have been terribly excited. Whenever I meet people, in my riding or elsewhere, they are talking about the Budget. I have yet to meet a single person, except for the Opposition, of course, who is against the Budget. Everyone is saying it was high time we chopped Government spending, it was high time we stopped Government waste, and I for one am proud to be a Progressive Conservative.

Mr. Speaker, I am sure my dear Liberal friends are going to say: O.K., but what about jobs? Believe me, if we cannot get jobs by reducing the deficit, they certainly did not get any by increasing it, because at the rate their deficit was going, we would have had minus zero jobs and minus zero unemployment insurance. The unemployment rate was at 10, 11 or 12 per cent and varied from time to time because to get the rate to go down a mere fraction, they would send three people out to work and that would do the trick. That is exactly what they have been doing during the last 18 years.

Upon analyzing the Budget of the Minister of Finance, we see that for once, a Government has had the good sense to stop minding other people's business and let small business take over. I thought there were only half a million small companies, but during the debate on the Budget, I heard, and I did not

know this there are 700,000 small companies, 700,000 companies that could be helped, but not like the Liberals used to do. They would say: Here, take $200,000, shut up and work. You don't need ideas or enthusiasm. Spend the money, there is more where that came from. Now this Government is saying: We will help you but you will have to show what you can do. Which reminds me, I had a terrific argument last week with a Liberal, and I told him: When you went to school, they gave you a gold star if you got good marks on your test. But under the Liberals during the last 18 years, people were given gold stars before, not after. That does not make sense. They seem to be pretty intelligent people and they are supposed to be very able and some of them are economists, teachers, lawyers, in fact, people from every walk of life. They are supposed to be intelligent, but as soon as they get to Parliament, that's it!

I can tell you, quite honestly, I am a small businessman from a region that is as big as Saint-Henri and Point Saint Charles. I always hear the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) saying: My people in Saint-Henri, but he is really only concerned about the people on the other side of the hill. They are going to be as pleased as Punch. And we did not do what he said, which was we ought to tax businessmen. I think he would have to shell out his whole Member's salary if we decided to tax him, because he comes from the top of the hill!

I have been a Conservative since I was 18, which means that I was fighting against arrogance all that time. I have heard people indulging in petty politics since the age of 18. I see some Members rising now, and in fact, one Member rose earlier and said: Enough petty politics! It is not true, I did not speak four times. I have risen in the House three times in four years. That is what is happening to him. I have been waiting for this opportunity for a long time, for weeks and months. And finally the Budget came and now i am going to say what I think of the previous Government. There was one of them, I think his name was Trudeau. Trudeau was the leader. Today people tell me that I am lucky because I can talk to Brian. We do not say Mr. Mulroney, we do not say Mr. Prime Minister, we say Brian. That is what the Progressive Conservative Party is all about, that is why we have a Budget which will help the people in my riding, as it will those in Saint-Henri and Westmount, believe me.

When I came here I decided I would sit on several committees because I really wanted to work, 24 hours a day, seven days a week, and 30 or 31 days a month. I recall a minor incident that hurt and upset me. One evening I attended a sitting of the Committee on Regional Economic Expansion where we were discussing those programs and how the famous Liberal system of patronage hand-outs worked. We were listening ot the explanations, then all of a sudden we were interrupted by a man who came in, a Quebec Minister of Expansion who looked at us and said: I must tell you, I have just managed to obtain more, and I was able to make myself better understood in two hours than I ever could in six years with the Liberal Party. That is harmony, that is understanding, that is the Progressive Conservative Party.

Since September, or in fact since November we have begun to show how Government should be run. There have been many changes in immigration, new employment and training programs, and there are more to come. Believe me, I will make sure that unwarranted hand-outs are a thing of the past. We have launched quite a few regional economic expansion projects and awarded contracts in energy and resources from one end of the country to the other, and we did not even have a Budget. It is fantastic! Well, we have a Budget now, so just watch out, there will be lots of jobs because we have just told businessmen: Go ahead, we will not lead you by the hand, we will stay out of your business, we will give you tax credits. People will get down to work and invest their extra earnings in Pointe-Saint-Charles, Saint-Henri and La Prairie instead of buying boats, going down to Florida or travelling through foreign countries.

The Minister of State for Science and Technology (Mr. Siddon) said earlier that he was going to sell a property he has in the United States. Let me tell you that the Progressive Conservative Government is honest and open, and it will stand as an example for other people. Lots of people own a business or a building, or have something they could sell to make a capital gain. I am sure my colleague from Saint-Henri-Westmount has had 15 or 20 offers to sell his business under the table so he would not have to pay the capital gains tax—better to keep the money for himself. I am sure this sort of thing has happened. I have businesses, I have industries. Well, a business rather than an industry. I own commercial buildings and I have had offers not so long ago, but I said to myself: Just a minute, things are going to change. Everything will be in the open, you will be able to act honestly, and then you can invest your money and create jobs. That is what I have decided to do.

What I like about this Budget is that it will help small businesses, the corner stone of our economy. We are going to tell the businessman: Help yourself, then we will help you. The Liberals did as they would have done with a six-month old child. You hold his hand when he starts to walk. When the child is 10 years old, he is still being held by the hand. At 15, he is still being held by the hand, but he has become an invalid and he no longer wants to help himself. That is when businesses go bankrupt, like Maislin did. It is exactly the same situation. Maislin Transport on Newman Boulevard got $5 million, my friend, so that they could spend it.

• (1520)

When I look at the deficit, being a businessman, I ask myself how intelligent people in Parliament could have decided to stay in the red, as we, business people, would say. To show a deficit is to be in the red. They would have gone on being in the red. If we had a company as large as the Government, I

can assure you that not one businessman, not one financier, not one bank, and certainly not the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), would be willing to lend it any money. You can bet on it no one would want to.

You know, some will say, and it is unfortunate that he is no longer here, the Hon. Member for . . . I am sorry, but I cannot say that. I no longer call him "the Hon. Member for Montreal-Sainte-Marie" but the champion of old age pensions that he failed to defend when his Party was in power. It is unfortunate that he is not in the House because I would have liked to tell him something. I am sorry, Mr. Speaker, but we are not supposed to say that someone is not in the House. He was here earlier. He had promised that he would listen to me. I hope that he is watching on television. Some have said that, by deindexing the old age security pensions, we would take $50 or $100 away from senior citizens. Astronomical figures have been mentioned. People are being scared, and it is exactly what happened in Quebec in 1976 with Brinks, for those who remember, and there also had been an election at the time. I must say that I really like senior citizens. In my constituency, there are 31 or 32 senior citizens' organizations. I take care of them, but there are about 12,000, 15,000, 18,000 or 20,000 young people whom I do not want to put into debt, children who have not even started to walk yet. My grandson, who is 2 years old, already has a $24,000 debt, and because of whom? Because of the former Liberal Government. Believe me, I have nothing against the elderly, because they have built Canada and they have helped us. If they worked hard during their lifetime, they will understand. They will not let themselves be deceived by the free spenders in the New Democratic Party, those charitable people who play Santa Claus. They do not even have any money and they want to give it away. For their part, the Liberals say: "It is dangerous, you will not get it. You will not be able to buy a pound of butter. You will not be able to buy such and such a thing." As recently as yesterday, I saw a Liberal Member eating chocolate even though it is now taxable. She did not care about her grandfather and grandmother. She did the same thing.

I could go on the whole afternoon. Believe me, I like it, because all this has to come out. I have been waiting for a long time to say these things. I could speak about the famous grants. Apparently, that is not what caused the deficit to increase. Apparently, they created one-, two- or three-week jobs. That is what those grants did. I would like to tell you a story about my constituency. However, I would like to tell you first about a whopper. During my campaign, when I said that I would abolish tolls on Champlain Bridge, I was asked: Where will you get the money? With the sports car that belonged to Minister Olivier from Longueuil. That was $1.5 million a week and I needed $3 million in one year. It was a cinch. However, when the Conservatives were elected, we said: This has to be cut. We already had saved of $1.5 billion even before the Budget. It is great.

I have another one I could tell you about the constituency of Longueuil. If someonw wants to buy a museum . . . there is one for cheap sale. I do not know how the Liberal grant was called at the time, but in my eyes it was a slush fund, a money bucket, a money spender. They built a museum worth $1,400,-000 that is now on sale for $40,000 because the organization that was to operate it does not have the money to do so. It is going for $40,000. That is business management for you! With that, you will have a job and you will be somebody! They call that helping small businesses! True! And then they cry and lament, they scare people and they say: Watch out, you will you no longer be able to afford chocolate, toothpaste, or whatever. This is just too bad, my dear friends, but it is not the mere $50 tax difference or $1 if you want per day, as the Liberals have been clamouring about for I do not know how long. If it is not worth $1 to be a Canadian, my friend, it is not worth a peanut, and that is just too bad.

I am a Member of the Standing Committee on Labour, Employment and Immigration . . . Concerning the Liberals again, I have a file that thick, believe me, that thick, of people ready to put $100,000 and $200,000 to come to Canada. Surely it is not that bad here. Those are not refugees, people in dire straits, hungry people. They are people with money, and if we do not have money, we will not go through.

The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) must be aware of it. My examples relate to the richest people. This is the way things go. He does not remember me. The first year he was elected, he came to one of my shops. I remember. I did not vote for him. Do not fret about it. I did not vote for him because I was not in his constituency.

I could mention a grant in my constituency. This is what I am against, the wasting of money. You are going to say: The Budget, he only talks about that. Yes, because it is important to stop throwing money around. I have nothing against charitable institution. I have nothing against non-profit organizations, but I cannot stand people picking my pockets, especially against my will, to give it away as Government grants. He told two or three people: Shut up and go to work, this will do. We create jobs. Sometimes we were lucky, they lasted 48 hours.

In my constituency, I was lucky enough to open, believe it or not, a youth center, and this made headlines, believe me! I am allowed to quote the name of the guy I defeated, Pierre Deniger. He gave a $700,000 gift to a youth organization called "Intersection Jeunesse", a very five organization, very laudable goal, very good idea, but alas, they had forgotten about the revenues needed to operate the building from then on. Since I have been elected here, I have been fighting, trying to help them, not by getting funds here, but by helping 10, 12 organizations to make sure that this organization will keep afloat. I did not do it with money takes from the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) or the Hon. Member for St. Maurice (Mr. Chrétien) or any other Member. I think the Hon. Member for Ahuntsic, in Montreal,

would be willing to help with her money, not with Government money. Well, that organization just sold the building, believe it or not, for $1. This is what they call doing business, $700,000 for $1. You do not go bankrupt by charging 25 cents for a package of cigarettes, but by selling something worth $700,000 for $1, a museum for $90,000, $700,000 worth for $1.00. Surely, they know nothing about business.

I have so many things to say, Mr. Speaker, that I do not know where to start. Yes, indexation. The famous 3 per cent was discussed. I think the cost of living index is at 4.5 per cent right now, so an indexation of 1.5 per cent will be allowed.

Mrs. Mailly: 3.9 per cent.

Mr. Jourdenais: 3.9 per cent, this is even better, thank you. That means pensioners will get an indexation of 1 per cent and will lose 3 per cent. Have you ever thought that the Liberals were to blame for this regrettable 3 per cent contribution? They should not have made my father and my grandmother pay. It is awful to make them pay. But the cost of living will not get higher. For instance, products will not cost more because we will see to it and we will put small industries to work; we will help small business operators, not only one, two or three, but 700,000 small businessmen. Have you thought about it? There will be no more unemployment. I own a small business and I know it will be the easiest thing to do. I remember something now that I forgot to tell the Opposition. If I were given $700,000, I would create fifty jobs that would last twenty years. That is the amount that was given in my riding to create about fifty jobs for a month and a half. That is interesting.

I repeat that I have been a member of this party since I was 18. I heard someone say in 1974 that the 5 to 6 per cent controls Mr. Stanfield was proposing to increase profits was not a good proposal. Then the man who came into office, what was his name, I forget? Trudeau! He said: Now that we are the Government, the proposal makes send. Do you not see that the Liberals change their minds when they change sides in the House? Once in office they implemented policies taken from the Conservative Government they said they did not like. The same thing happened in 1979. The Clark Government was defeated. Why? For 30 cents worth of gas. That was increased to $1.18 once the Liberals were back into office. They had plenty of money that did not come from their pockets but from those of all the taxpayers. It is about time this should be stopped.

Mr. Speaker, I still have five minutes, right?

The Acting Speaker (Mr. Paproski): Three minutes.

Mr. Jourdenais: My goodness, I must hurry!

I sit on the House Standing Committee on Employment and Immigration. There are 20,000 outstanding cases. I do not know how much that costs because the system developed by the previous Government is too fouled-up. I cannot say. There is nothing one can do but leave one's name and wait until Mr. So-and-So of one of the departments get hold of the file. It may take as many as four years. What is the cost? Who cares? The people of Canada, the people of Laprairie, Saint-Henri and Westmount also, my friend, are the ones who will pay. I should like to reply to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) who complained about the new uniforms for the Armed Forces. We cannot let them walk around naked, damn it! Do not try to con me into believing that red, blue, yellow or green uniforms—I should have left red out—will cost more than bottle-green ones. Do not bother me, for we must clothe our soldiers so they will look like something to be proud of, instead of a gang of nincompoops who could not be found in the fields because their uniforms were the same colour as the trees.

We are going to help people, starting for instance with widows and widowers 60 to 64 years of age. When they were the government, they used to limit the pensions to senior citizens over 65. Those who were only 64 would have to kick the bucket before getting a pension. We want to give it to them when they reach age 60. They insist on our paying the pension to people who are separated, divorced or what have you. One day, have no fear, they will get it. We will lower the age limit and we will have the money to do that, thanks to the small businesses which are supporting us.

Because I am running out of time, Mr. Speaker, I will take a sip of water and explain something that will knock over all those who are still here. Believe it or not, I have just learned, and I would appreciate the members of the opposition—

[*English*]

—so that you would listen, especially to those who were in power before, who thought they were in power.

• (1530)

[*Translation*]

I have just heard that in my constituency there are $3 million worth of goods for Bolivia, I repeat, $3 million, packed in containers since January 1982. What about that? Three million dollars, would that pay for what the people of Saint-Henri want? Would it pay for the increase? There are $3 million worth of goods in my riding, and how many elsewhere? Reporters who might be listening to me can always call me at home; I am prepared to tell them all about it. It has gone on long enough. In containers, $3 million worth of goods: the rent costs $4,000 a month! If you add it up, since 1983, it's $200,000 wasted! And then people say that the budget is not good. Here, you can have quotas, containers; $3 million for Bolivia! Three million dollars.

Some Hon. Members: Hear, hear!

Mr. Masse: You can have another five minutes!

The Acting Speaker (Mr. Paproski): I am sorry but the Hon. Member's time is expired. Questions and comments. The Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

Mr. Johnston: I have just one question, Mr. Speaker. I would like to ask the Hon. Member for La Prairie (Mr. Jourdenais) whether he gives shows in some other place than the House so that we can go and see them sometimes.

Mrs. Mailly: Just like you!

Mr. Jourdenais: I apologize, Mr. Speaker, but I would like to answer either his question or his comment; it was all mixed up and I did not understand anything. I would like to know what he told me because I was not plugged in and he does not speak loud enough.

[*English*]

Mr. Waddell: Mr. Speaker, I have a couple of comments and a question. No doubt the Hon. Member is asking us what was in the containers. That is a good question. Perhaps it was fish or beef because the smell was sort of coming over—

Some Hon. Members: Oh, oh!

Mr. Waddell: —as the speech went along.

[*Translation*]

Mr. Masse: Do not put the cart before the horses.

Mr. Waddell: —the beef, if was the beef!

[*English*]

I understand also that there is not going to be much change in uniforms since the Minister of National Defence has departed. I am told there will be the same pants but different coats.

I have a question I would like to ask the Hon. Member.

[*Translation*]

He suggested, I think, that it was possible, or he favoured the situation where a person can buy a Canadian passport; if you have money, if you are rich you could come in Canada. Are these the Hon. Member's policies?

Mr. Jourdenais: Mr. Speaker, first, I am going to answer his question. It was not fish, and my speech did not smell, but school equipment. Believe it or not—

[*English*]

It was school furniture, two trucks, two tractors and 38 full containers of merchandise which had been there for over three years. The cost price is exactly $3 million, plus $4,000. The first year I am told $15,000 a month was paid for rent. This is what is in it.

The Acting Speaker (Mr. Paproski): Order, please. This is not a show and tell. I have let the Hon. Member show the picture once. I wish Hon. Members would stop bringing in to this chamber their little signs, otherwise the next thing we will be doing is stopping for commercials. The Hon. Member for La Prairie (Mr. Jourdenais) has the floor to comment.

[*Translation*]

Mr. Jourdenais: Mr. Speaker, I hope we will not have to bring more pictures. For the sake of Canadians, I hope there is no other similar situation across Canada.

You misunderstood what I said regarding immigrants. I mentioned that a large number of applications which have been rejected came from people, from businessmen who are willing to pay if necessary, to give money, to be able to come to Canada. I did not say we were going to accept such a thing. I said these people want to become Canadians because we have a great country, with a better economic climate than many countries. These people are probably even told that money grows on sidewalks. This is what I said, my friend. I am not in favour of people paying in order to come to Canada, but I would like to bring more business people into our country and to change the rules, for instance. I do not want to discuss immigration matters with you. Come anytime when the Standing Committee on Labour, Employment and Immigration is sitting, three or four times a week, and you will see. We try to bring investments to Canada through small businesses. Why should we not bring immigrants with capital to open small businesses and create jobs? This is what I said, Mr. Speaker.

[*English*]

Mr. Hawkes: Mr. Speaker, I would simply like to compliment the Hon. Member on what I think is a first rate speech in this chamber.

Some Hon. Members: Hear, hear!

Mr. Hawkes: He has brought several things to our attention. I think it behooves us all to read his speech when we receive *Hansard* on Monday because there is a lot of thought and merit in it.

The Hon. Member has raised the issue of waste. The Budget does deal with the reality that 80 per cent of the deficit cuts are coming through reduced expenditures. We on this side of the House are looking for as much waste and as much duplication as we can find. I wonder if the Hon. Member might tell us how he became aware of these examples? I suspect that people in his riding brought them to his attention. If that was the case, perhaps he could inform us. I think we are all looking for those examples of waste wherever we can find them, and we need as much help as we can get. Would the Hon. Member share with us his thoughts as to how he found out about these examples?

[*Translation*]

Mr. Jourdenais: Mr. Speaker, I thank the Hon. Member for his question. I got the documents and I know what is happening in my riding because I returned to my riding last week-end and gave a speech to people who have decided to bring their organization under control. They need $600,000 and already have $100,000. They told me: "We will not have to go very far

to find the money, because there is some lying around in the yard over there." This is exactly what I was told. Because I am a government Member who wants to help people and not waste money, I decided to have a look. So I went there and discovered $3 million worth of goods which have been in containers since 1982, two trucks which have never been moved, which have never been used. They were supposed to—

[*English*]

—for Bolivia. I don't know why it is there. I am sure there must be some other examples of waste because this was done by the previous administration, which worked in this way. I am positive that there must be some millions, probably in Liberal ridings, perhaps not now in Conservative ridings but probably in Liberal ridings. So this is the way I found out. If you want to know more—

[*Translation*]

— sorry, the Right Hon. Member—

[*English*]

—come and see me and I will tell everything because right after I think I will have a press conference.

[*Translation*]

Mr. Waddell: Mr. Speaker, I would like to ask the Member a question. Has he changed his carpet since he became a Member of the House of Commons? . . . I do not mean here, but in his office.

Mr. Jourdenais: I thank the Hon. Member for asking that question, Mr. Speaker. No, I did not change my carpet. I still have the same carpet, but I had one room painted because I wanted it blue and not red. That's it.

[*English*]

The Acting Speaker (Mr. Paproski): Since there are no further questions for the Hon. Member, we shall resume debate.

[*Translation*]

The questions and comments period has now expired.

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I asked about the carpets because I understand a lot of Conservative Members of Parliament like to change their carpets from brown to blue, at the same time as they talk about government waste. However, I am not here to talk about carpets. I want to talk about the Budget.

Outside this House at this very moment, the Minister of Finance (Mr. Wilson) is touring the country and speaking about his Budget. It is the first Conservative Budget, indeed, the first full Conservative Budget before this House which will pass the vote in 20 years since the Diefenbaker era. It is an important Budget because it finally forces this new Government to show its true colours, to finally commit itself to something. The Canadian people began to see the choices they made, the groups they accepted consultation and advice from, and who won, who lost and who did or did not benefit from this Budget. That is what I want to talk about today.

• (1540)

The Minister of Finance said yesterday in Montreal that we do not have enough rich people in this country. Well, in this Budget he seems to be trying to show how he can create more rich people. What we need to do in this country is not create rich people. We need to eliminate the existing poverty and help the middle class, the ones who always seem to be victimized by these Budgets, because they end up paying more and more in taxes. The Prime Minister (Mr. Mulroney) has said this is a fair Budget. My question is: fair to whom? The Prime Minister and I have something in common, we are both sons of electricians, working people. I can imagine what the average electrician will think of this particular Budget when he realizes who wins and who loses and who pays.

Over the last few days, and in the days to come, we have seen and will see an opposition attack on the pension aspect of the Budget. Let me just explain how I see it, and if I am wrong, I no doubt will be corrected or challenged by Conservative MPs. As I understand it, the old age pension which people get at age 65 is universal and indexed. As inflation goes up, people get more so that they do not fall behind the increase in the cost of living. That is also true of the GIS, which goes to the poorest of pensioners. This Government has now cut the indexation of the OAS for any amount under 3 per cent. If inflation goes above 3 per cent, then it is indexed for that amount, but that 3 per cent is cut right off the top. Now, we are going to have inflation. We have now what, 4 per cent or 5 per cent inflation?

Mr. Kilgour: Four per cent.

Mr. Waddell: In previous years we have had 8 per cent, 9 per cent or 10 per cent. We are going to have inflation at leat over 3 percent. That will mean that pensioners will lose, and calculations have been made as to how much they will lose. Pensioners will lose $100 a year, or $200 million for all pensioners. This, of course, is contrary to Conservative campaign promises. As the Hon. Member for Beaches (Mr. Young) pointed out, it is even contrary to a newspaper ad taken out by the Conservatives when they were in opposition. They tell the Canadian public and the old people one thing when in opposition, and another thing when they become the Government. I am told that over five years, pensioners will lose over $1,000. We are talking about the lowest income segment of our society. When people realize what has been done, I predict we will see a reaction, and I hope it is a reaction like the Government has never seen before.

Why has the Government done this? The Government's line is that it is attacking the deficit, which is the real problem. I said the other day—

[*Translation*]

The other day, I said in this House that it was putting the cart before the horse. In my opinion, we have a struggle against unemployment. We must create jobs. This is not a

stuggle against the deficit. This budget is wrong about unemployment. It is placing the cart before the horse.

[*English*]

The Government is focusing on the deficit at the expense of jobs. The Government cannot have it both ways, but I think that is the position the Government is taking.

I now want to refer to energy. The other day the Minister of Energy, Mines and Resources (Miss Carney) claimed that as a result of the Western Accord, some $15 billion worth of investment would be created and there would be 300,000 jobs. The Government's case involves subsidizing the oil industry. It is removing taxes from the oil industry. One tax alone, the Petroleum Gas Revenue Tax, involves $5.6 billion over five years. The oil industry has had some difficulty, but over the last year it has been recovering, thank you, but the Government is removing that tax and ploughing more money into the industry. The Government's line is that it is doing that in order to create more jobs.

That is what the Government has to prove, and if it fails, then the Government is really negligent and breaking faith with the pensioners and other taxpayers, ordinary Canadians who pay for a transfer of money like that to the oil companies. The Government is taking money from the pensioners by eliminating indexing and giving the money in tax breaks to the oil companies. I challenge any Member of the House to challenge me on that particular statement. I hope they will get up after I have finished, because that is certainly what the Government is doing.

The Minister said that there has been $3.6 billion worth of investment already as a result of the Western Accord. Well, I made a list and checked it out to see what the investment was. The first one amounts to $1.75 billion for TransCanada Pipelines. The Western Accord was reached about a month ago, in April. It turns out, according to the senior vice-president of TCPL, that this project has been planned for a couple of years. It had nothing to do with the Western Accord. Then the Minister said there was $500 million for Nova Corporation to expand its gas gathering system. However, the vice-president of Nova said in Calgary that the application for that system was placed before the National Energy Board on February 13, 1985, two or three months before the signing of the Accord.

The next project is Esso Resources, $200 million at Cold Lake. It turns out that is in the 1984 annual report of Imperial Oil. This project has been long planned; it is phases five and six and they are going ahead. There was $80 million, she said, for Ocelot Chemicals, covering an ammonia plant near Kitimat,British Columbia. We find that was planned in 1984 and, therefore is not as a result of the Western Accord. There is a fertilizer plant worth $600 million proposed by Westcoat Transmission Company Limited before the Accord was signed. Trans Mountain Oil Pipe Line Company, $75 million to change the pipeline, and that was proposed before the Accord as well. To top it all off, the Minister cites the Wolf Lake oilsands project, British Petroleum, $450 million. She opened the project on Tuesday, May 28, so it is laughable that the Minister would count that as part of the fruits of the Western Accord. When you analyse those projects, you can see that they are all going to happen anyway.

She also said that $11.8 billion in investment would come in the future as a result of the Accord. She cited Petro-Canada's oilsands plant at $4.1 billion, but it has been in the planning stages for two years. Talk to Petro-Canada officials. Then there was Husky Oils upgrader at $3.2 billion. A 1984 report of Husky Oil says that the work on the upgrader is well underway. The Syncrude expansion, costing $4.1 billion, is already planned. The Trans Mountain pipeline from Edmonton to Vancouver, which will cost $400 million, has already been planned.

• (1550)

This is shocking, Mr. Speaker. The Minister of Energy, Mines and Resources is misleading the Canadian people about the results of the Western Accord and the Budget. The onus is on the Government to show the pensioners of Canada that jobs will be created as a result of the Budget.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gatineau on a point of order.

Mrs. Mailly: Mr. Speaker, I would need guidance from you. If I understand correctly, the Hon. Member is directing his whole speech to a Minister who is not in the House to answer his questions. Consequently, I was wondering whether that was acceptable.

[*English*]

Mr. Manly: Where is the Minister? Why isn't she here?

The Acting Speaker (Mr. Paproski): We are on the main motion and it is very general. It is not a requirement that the Minister be in the House. The Hon. Member for Vancouver-Kingsway (Mr. Waddell) has the floor.

Mr. Waddell: I challenge any Member of the Conservative Party to answer my questions. This is very important for the pensioners of Canada. The Government is saying that it will create jobs as a result of giving this windfall to the oil companies. The Minister said that 300,000 jobs will be created.

I found the submission of the Canadian Petroleum Association to a standing committee on energy. It is dated April 10, 1984. The Canadian Petroleum Association is the lobby group for big oil. This town is full of lobby groups for big business, big oil, manufacturers and so on. There is not much for the ordinary people of Canada, and very little for pensioners and consumers, but the big boys have their people here.

The brief of the Canadian Petroleum Association is very interesting to read. It asks for increased security of supply to consumers at negligible cost. It suggests 1 to 2 cents per litre at the gasoline pumps. In the Budget, the Government announced a tax of 2 cents a litre at the gasoline pumps. The

Association asked for market prices for oil and natural gas. In the Western Accord, the Government announced market prices for oil and natural gas, deregulation, and great windfalls for the oil companies. It asked for increased revenue for the industry.

According to *The Financial Post*, this industry will get $9 billion by 1990. Compare the $9 billion going to the oil industry and the almost $1 billion taken away from the Canadian taxpayers. The Association asks for a tax based investment incentive rather than grants. Soon there will be new depletion and super depletion allowances for the industry. It asked for a phase-out of the Petroleum Incentive Program and the Government has announced that. It wants elimination of the 25 per cent Crown back-in in Canada Lands, which the Government has announced. Finally the brief says that 300,000 jobs will be created. That is the figure the Minister used. It is the figure of the Canadian Petroleum Association.

In committee I asked the Deputy Minister whether there were any studies on the jobs that will be created as a result of taking money from pensioners and giving it to oil companies. He said that they had studies and would get them for me. They delayed and delayed, so on May 8 I filed under the Freedom of Information Act asking for the studies. I said, "I seek documents produced by the Department of Energy, Mines and Resources which show that between 100,000 and 300,000 jobs will be created as a result of the specific provisions of the Western Accord. These documents would include impact studies on the employment which would be generated by the Accord in its present form."

I received a letter signed by the Co-ordinator, Access to Information and Privacy, Energy, Mines and Resources. It says, "I regret to inform you that after thorough research and consultations with our Department's officials, the Department of Energy, Mines and Resources holds no such documents that include or show impact studies on the employment which will be generated by the Accord." It is negligent to give $9 billion to the oil industry without having their own studies on the number of jobs that will be created.

There is a study of the Economic Council of Canada which I traced down. The Council's director estimated that 100,000 jobs could be created by 1990, but that is based both on oil and natural gas prices reaching world levels. Natural gas prices are not at world levels. World prices for natural gas would be responsible for creating energy industry activity that would probably result in one-half of the 100,000 jobs. There is a fat market for natural gas, so let us eliminate the 100,000 and make it 50,000.

John Helliwell, a renowned economist in British Columbia, said that the removal of $5.6 billion from the Petroleum and Gas Revenue Tax by 1990 would create 15,000 jobs. He said, however, that a general reduction in personal income taxes in an equivalent amount would create 40,000 jobs. The Government has raised sales taxes, which means that people will have less money to spend on things that would create jobs. He said that since the Government would have to raise taxes in order to make up for the money lost to the Treasury through the removal of the PGRT there will be a net loss of 35,000 jobs.

The Government is giving all that money to the capital intensive petroleum industry, which spends most of its money on equipment from abroad. It is true that some jobs will be created, but jobs may be created more cheaply in other places. The point is that the Government has no studies and the Minister of Energy, Mines and Resources has been misleading the Canadian people about the jobs that will result from the Western Accord. She has been misleading the Canadian people about the reinvestment rate of the industry. She said that the Western Accord requires the companies to reinvest their windfalls in job creation although that is not what the Accord says. Reinvestment will only be monitored. The companies could take the money and run back to the United States where the majority of them are based.

We have an unfair system of taxation in energy. Money is being taken from pensioners and given to big business, especially the oil companies. I think there will be a reaction from the pensioners of the country. Although they do not have a lot of power, they will have to mobilize because the Budget does a real injustice. The Budget is unfair in taking money from the pensioners, who have worked hard for the country and deserve those benefits, and giving it to the oil industry which is already very rich and is 55 per cent foreign owned. The Government is doing that on a hope and prayer that the money will be reinvested, but that will not necessarily create jobs. I think that is criminal negligence of the worst sort, and the victim is the Canadian pensioner.

[*Translation*]

Mr. Lanthier: Mr. Speaker, since this morning allegations are being made about what the Minister of Finance (Mr. Wilson) might have said. I would like, for the record, to make a correction about what he said in his speech yesterday. This has been mentioned all day and I would like to quote what the said, to avoid that he be quoted again by others and his words taken out of context. He was speaking at the annual meeting of the Canadian Economics Association, in Montreal, yesterday afternoon, and—

Mr. Speaker, it was alleged a moment ago that the Minister had unfortunate choice of words when he said that there were not enough rich people in Canada. This is the part I would like to correct for the record. I would like to quote what he said in English in order for everyone to understand. Here is what the Minister really said, in the proper context, and I quote:

● (1600)

[*English*]

Now I acknowledge that it would be just delightful if we could solve our fiscal problems by asking only rich people to carry the burden of restoring fiscal responsibility. But this brings us face to face with another one of those sobering realities that finance ministers cannot escape: No matter how we define the term, Canada has an acute shortage of rich people.

For example, those reporting total incomes greater than $60,000 in 1982 accounted for—

If they want the exact quotation of the Minister of Finance they can either ask the Minister of Finance or me. It will be a pleasure to supply the exact phrase he said without interpreting it.

Second, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) alleged that 45 per cent was Canadian owned because he said 55 per cent was foreign owned. It is not something that we can neglect in the treatment of our fiscal responsibility to the oil industry.

[*Translation*]

On the other hand, domestic or foreign investments will create jobs for Canadians because the majority of people working in these areas either as wage earners, subcontractors or small businessmen, who are in a way "commercial parasites" of larger corporations, a term without derogatory meaning nowadays, are Canadians. We therefore suggest that any supportive action like the new proposal will promote employment. I would remind the Hon. Member once again that the President of the Treasury Board stated this morning that we were not in any way taking anything away from pensioners. As a matter of fact, we are making sure that over 3 per cent, they will be protected against inflation, against the spectre we once faced, that there will be no more 6, 8 or 10 per cent inflation rate as we have known with the famous 5 and 6 per cent magic conjured up by the former government. Pensioners will not lose anything this year and nothing will be taken away from them next year, of course. But nevertheless, we will ensure payments to the most needy. That is exactly what the Hon. Minister intended to do in his Budget. I believe, like all of us and indeed the majority of Canadians, that he was successful.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Vancouver-Kingsway. I will then recognize the Hon. Member for Selkirk-Interlake (Mr. Holtmann) and the Hon. Member for Edmonton-Strathcona (Mr. Kilgour).

Mr. Waddell: Mr. Speaker, I said in my speech that the Government makes wild statements that it will create jobs. The Minister of Energy, Mines and Resources has been the worst offender, saying that the Government will create 300,000 jobs. She cannot name the jobs that will be created and she has no studies to prove that. All she has is the Canadian Petroleum Association study—

Mr. Lanthier: Experience.

Mr. Waddell: She does not have experience. You are like Tinker Bell who once advised the kids if you want to fly, put your hands over your eyes, and say "I wish I could fly". That is not how you fly.

I am not opposed to more people being rich. I wish we were all rich. However, the fact is that the Government had to get the money from somewhere to replace the money that it transferred to the oil industry. An Hon. Member spoke about the deficit. The Government got the money partly through taking away from the senior citizens; by making them poorer. That is undeniable. They will be poorer.

Mrs. Mailly: Eighty per cent comes from—

The Acting Speaker (Mr. Paproski): Order. The Hon. Member for Selkirk-Interlake.

Mr. Holtmann: Mr. Speaker, sometimes the intelligence of what is said by Members opposite absolutely appalls me, especially in regard to the oil industry. What does the Hon. Member for Vancouver-Kingsway (Mr. Waddell) know about the oil industry?

If he were to tour Alberta, which contains the bulk of our oil in this country, he will know that when the oil industry boomed, jobs were created in Ontario, Quebec and all across the country. Pipes were manufactured in Ontario and boilers were manufactured in Quebec for the good of the whole country. When that industry boomed, industry throughout the country flourished. That would be very evident to the Hon. Member if he were to see what is happening. I am surprised that he does not know any more about it other than to say that we have taken money from senior citizens to put into the oil industry.

Mr. Langdon: It is true.

Mr. Keeper: It is in the Budget.

Mr. Holtmann: That is absolutely ludicrous. The Hon. Member takes a narrow view because the fact is that investment in the oil industry will probably create more jobs than any other single industry in this country.

An Hon. Member: Wow!

Mr. Holtmann: He is excited too. The previous adminsitration could not achieve self sufficiency in oil. When we can't achieve that self sufficiency in oil, we lose millions of dollars in revenue as a result of having to import foreign oil. The Hon. Member says that everyone opposes the Budget. I have been reading some of my mail. The Prairie Theatre Exchange in Winnipeg is an arts group which also employs people. This letter was not solicited, but it states:

> Having been quick to protest the November cuts to cultural agencies, I wish to be as quick to congratulate you on what you and your colleagues have achieved in the May budget.

The author is talking about the arts community which they believe was threatened. The arts community also employs people.

Mr. Keeper: More than the oil industry.

Mr. Holtmann: Perhaps more, but we cannot be sure because the Hon. Member does not know where all the jobs are created. He wants the Budget to be specific and name where each job will be created. That does not make sense.

We will know where the jobs are when the financial atmosphere is ready to create them. I am not talking about the kind of jobs that the Government stipulates because we know that

they never lasted. They are the kinds of jobs that his Party would create. They did that in Manitoba and it does not work. The letter goes on:

The task force to investigate the stimulation of private and individual investment and contribution to cultural activities is a superb initiative.

That is the reaction we are getting to the Budget. We will point out further reactions to the Hon. Member as they come in, because he will turn a blind eye in the same way he described before. His Party wears blinkers that extend around to the front. Before the Hon. Member makes statements about the oil industry, rather than referring to documents, I suggest that he visit those working on the oil wells to discuss what has actually happened. Don't make blanket statements like that.

Mr. Waddell: I know that the Hon. Member farms pigs. He knows a lot about pigs. Let me tell him that I tried to learn about the oil industry. I am a senior member of the energy committee and I have visited virtually every large oil project in the country in the last 10 years.

Let me make two brief points to the Hon. Member. First, it was my understanding that police, firemen, teachers, garbage collectors and construction workers on public highways also held jobs. Let us not criticize them. I realize that programs such as LIP and OFY were of no benefit, but they do not attack the real public sector jobs. The Canadian Federation of Municipalities suggested that if it was given half the money being given to the oil industries, it could create 300,000 jobs repairing some of the cities in this country.

• (1610)

Second, of course giving money to the oil companies, the biggest windfall of which was to Texaco, was a strange choice, but that money will create some jobs. It will if you give anybody money. Do not buy the line that the Canadian Petroleum Association has succeeded in implanting in the Conservatives brains that it is the engine of economic growth, the only engine. In fact, it costs a heck of a lot of money to create jobs in the oil industry because it is a capital intensive industry. The Conservatives have bought the line hook, line, and sinker and it is taking the money out of the pockets of the Canadian pensioner to pay for it.

Mr. Kilgour: Mr. Speaker, did the Member seriously tell my colleague, the Hon. Member for Selkirk-Interlake (Mr. Holtmann) that he visited every oil installation in Canada?

Mr. Waddell: That is not what I said.

Mr. Kilgour: Does the Hon. Member stand for repealing the National Energy Program or changing it in any way? Does the Hon. Member stand for leaving in place the PGRT? Does the Hon. Member want PIP to remain? Could he answer some of those questions, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Very quickly, please.

Mr. Waddell: Mr. Speaker, I will need two hours. I told the Member that I visited the major projects. We have the Beaufort, the off-shore, east and west, the tar sands, the heavy oil, the light crude and the natural gas. Those are the plays, if you like, in the oil industry. I have tried to listen to the oil industry. I know a lot of people in the oil industry with whom I disagree, but I respect a great deal. We did not support the National Energy Program. Look at the vote. Look at the record. We supported the thrust of Canadianization, of energy security and of a fair taxation regime, and that is where the new energy policy of the Budget breaks down.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I will recognize the next speaker. The Hon. Member for Timmins-Chapleau (Mr. Gervais).

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, although I have previously spoken under Standing Order 21 and I have asked questions during Question Period, I rise for the first time today to address the House on what I consider to be one of the most important documents ever brought before this assembly, the Wilson Budget.

Some Hon. Members: Hear, hear!

Mr. Gervais: It is a good Budget, one which will help create a turning point in Canadian history, just as the election of the Prime Minister (Mr. Mulroney) and a majority Progressive Conservative Government on September 4 was the beginning of a new era.

Before I turn to the Budget itself, I would like to mention that I represent the Riding of Timmins-Chapleau, a great riding in northern Ontario, one of the largest in area in Canada. I live in a town called Iroquois Falls. Timmins is the major community in the riding, consisting of 46,620 square kilometers. Timmins is probably one of the best known cities in all of Canada. As a major mining community since 1909, Timmins is known around the world. For the first 52 years of its existence, Timmins was known as a gold mining centre. Since 1964 it has been known as the home of the fabulous Kid Creek Mine. This mine ranks as the world's number one producer of silver and zinc. It also produces lead, copper, gold, and cadmium, as well as sulphuric acid as a by-product.

I started with mining because mining is one of the economic pillars of Canada. In my riding, it is the number one employer in terms of jobs. It employs 5,735 out of the 29,540 total workers in the riding. When one thinks of Timmins, one automatically thinks of mining.

I might mention there is some good news for the mining community in the Wilson Budget. I refer to the Minister's decision to correct the inequalities in the current system regarding tax treatment of certain allowances and benefits paid to persons residing in the North and in other isolated communities. There is a tendency to think of northern allowances and of problems in isolated communities as relating only to the North or north of the 60th parallel, but in reality we have those problems in every province.

[*Translation*]

Mr. Speaker, I am proud to give Hon. Members some information on the mining association since there is a problem

in my riding. It is a fact that mining operations are removed from large centres, so that it is difficult to attract and keep workers in those communities. Not only are there centres such as Timmins, but new development like Detour Lake next to my riding, and also Hemlo which is located in the northwestern part of Ontario.

I am quite happy that Mr. Wilson's Budget states:

> The current system does not apply uniformly to employees in these communities. Consultations are commencing on how the existing system might be improved.

[*English*]

That is one major problem. There is a second one in connection with mining. What happens to the community and to the workers when an ore body is exhausted and the operation is closed? Again, I know I speak for the thousands of miners in my riding and the many thousands of miners throughout Canada when I say the initiatives outlined in the Budget are most welcome. Let me quote the Minister of Finance (Mr. Wilson):

> The Government believes that when industrial closures occur, it is often appropriate to join with employers to assist those who were displaced. Accordingly, the Government remains ready, on a case by case basis, to consider exempting severance pay and termination payments from tax in the case of closure of the principal industry in remote communities where alternative employment opportunities are limited or simply do not exist.

I am also pleased the Budget calls for reform to the pension system. As a result of the new Budget, employees under federal jurisdiction will have their pension contributions locked in after two years and their pension plans will be portable. Unfortunately, Mr. Speaker, this cannot be extended to the mining and forestry sector at this time because those sectors come under provincial jurisdiction. Workers in the forestry and mining sectors have long requested the portability of pension plans due to the transient nature and the many closures within the industries. We will continue to negotiate with the provinces with a view to having them follow our lead on pension reform.

I am proud of the strong economic base in my riding, a strength which has increased with the election of a Progressive Conservative Government and the start of a renewal of the nation as a whole. The three major mining companies in Timmins, Kidd Creek Mines Ltd., Pamour Porcupine Mines Limited and Dome Mines Limited returned to the proper side of the ledger for their local operations in this first quarter of 1985, and the outlook for mining appears bright for the years ahead, especially since I am expecting the Minister of State for Mines (Mr. Layton) to do someting to protect those mining communities from fluctuations in the price of gold. Elected municipal representatives from my riding have headed two delegations from the community which have met with the Minister of State for Mines.

As well, the outdated regressive taxation system imposed on the mining industry by some provincial governments should be examined. As part of our ongoing consultation process with the provinces, taxation reform to the mining industry should be set as a priority.

• (1620)

Another major mining centre in my riding is Wawa. Again there were problems as the workforce was substantially reduced between 1981 and 1984. The economic turn-about as a result of this Budget should offer some security to those employed in the iron ore operation on the shores of Lake Superior.

The second most important industry in my riding is forestry, which is based on a renewable resource, in comparison with mining, which is based on a non-renewable resource. Lumber and waferboard, as well as pulp and paper, are the products. Not only does our forest provide a means of livelihood for 2,550 men and women but for entire communities such as my home town of Iroquois Falls and Chapleau. My constituents were pleased when the Hon. Minister of State for Forestry (Mr. Merrithew) signed a recent, long overdue, forestry agreement with the Ontario Government under ERDA. A long lasting supply of timber is paramount to the continued prosperity of those communities, and reforestation is therefore vital.

I hope all Hon. Members realize that the Budget is a turn toward economic sanity. There is an ancient Chinese saying that the longest journey starts with a single step. The Budget now before this assembly is that step. We are embarking upon a long and difficult journey toward the day when there will be a fair and just tax system which Canadians will support and of which they will be proud.

I should now like to deal with a rather amazing situation, that is, the reaction of some senior citizens in my riding to the news that they were being asked to play a part in the great renewal taking place in Canada. I am happy and proud to say that not a single complaint by senior citizens was registered either in my constituency office in Timmins or with any of my six contact people who work in such communities as Iroquois Falls, Wawa, Chapleau, Gogama, Cartier and Foleyet; not a single one.

[*Translation*]

On the contrary, Mr. Speaker, I am pleased to inform you that many senior citizens have called me to say that it is time that we put our economic house in order and that we try to redress the damage caused by the wasteful years of the previous Government.

Some Hon. Members: Hear, hear!

Mr. Gervais: Senior citizens are important in my riding since there are 5,445 people aged 65 years or older, who represent 8.3 percent of the population. Mr. Speaker, these people have nothing to prove and they should not have to be obliged to anyone.

Many pioneers are still living in Northern Ontario. Those men and women arrived when that land was still wild in order to build railways, industries and communities. There are still log cabins that were built by these people who are senior citizens today.

[*English*]

Recently I had the honour to present a remarkable woman, Mrs. Annie Wilkes, with a plaque from the Prime Minister and with one from myself on her hundredth birthday. Mrs. Wilkes came to Iroquois Falls in 1916 by canoe, where she raised a large family while coping with a harsh climate and a lack of amenities and services which those in large centres took for granted. It is people such as Mrs. Wilkes and her younger associates who deserve and will get protection and help from the federal Government. In the Budget of the Minister of Finance, the Guaranteed Income Supplement continues to be fully indexed against inflation and benefits to veterans remain fully indexed.

The decision to rationalize soaring social costs, a central part of the deficit, was a courageous one. I commend the Minister of Finance for tackling the issue head on. Northern Ontario seniors have fought all their lives, and I sense in their comments both in my office and on the street that they are prepared once again to be part of the national effort. The decision to increase old age security payments by the amount which exceeds 3 per cent of annual hikes in the Consumer Price Index is a clear signal to the world that Canada and its Government are desirous about getting control of spending.

Despite the overwhelming need to get everyone involved in the fight to restore a balance to spending and income, the Government has found a way to help needy families with children. The child tax credit will be increased by $70 per child, from $384 to $454, in the 1986 taxation year. This is important because of the large number of children in my riding—19,850 or 30.9 per cent under the age of 18 years at the time of the last census in 1981.

My riding is a perfect example of why the Government is trying to help low income families through the child tax credit system. Of the 16,505 families in my riding, there are 2,535 that earn less than $10,000. This represents 15.4 per cent, and is just one of the many examples of Liberal Government policies harming Canadians who cannot help themselves. It is a situation which must be changed, and I will dedicate my term in the House to improving the lot of those families.

At this time I feel it is appropriate to explain my personal philosophy about the economy in general and its effects in my riding in particular. I feel Canada is blessed with an abundance of natural resources. As a nation which must trade to live, I believe we must use these resources. Therefore, the first point in my economic creed is to protect existing jobs and, where possible, to expand them. My second point is to build upon what we have. In northern Ontario, we have minerals and trees and a workforce of dedicated men and women who ask nothing of anyone but a chance to support their families through their own efforts. We in northern Ontario, in Timmins-Chapleau, have clean air, fresh water, wildlife and basically an unspoiled wilderness. I feel tourism is the answer when one considers how best to expand the economic base.

[*Translation*]

I am proud of my French heritage and my ability to communicate in both official languages of Canada.

Some Hon. Members: Hear, hear!

Mr. Gervais: As regards bilingualism, I wish to inform the House that Timmins-Chapleau is an example for the nation: 31.7 per cent of the constituents speak French at home and 64.8 per cent speak English. However, 48.3 per cent of the residents of Timmins-Chapleau speak both French and English fluently.

[*English*]

I never forget, however, that people of many backgrounds played an important role in developing northern Ontario, especially my riding of Timmins-Chapleau. Ethnic groups, such as the Finns, Croatians, Ukrainians, Polish, Chinese, German, Italian and Jews, all played important roles in creating a cultural mosaic as varied and strong as any area in Canada.

• (1630)

It has often been said, and I am proud to repeat it here today, that Timmins—in fact, any community in my riding—is an example to the rest of the nation, and the world, with respect to how people from different ethnic backgrounds can work, study, play and live together. Among those playing a key role in the cultural development of the riding are the native people. While there are five reserves in my riding, only 220 native people have chosen to live on them. There are 825 living elsewhere. We are proud to have them as friends and neighbours.

I wish to state that I was born, raised and have lived all my life in northern Ontario and, more specifically, in the territorial district of Cochrane, in the federal riding of Timmins-Chapleau. I am proud to represent the residents of that riding.

[*Translation*]

I am very proud to be the first Progressive Conservative Member to be elected in the riding of Timmins-Chapleau.

Some Hon. Members: Hear, hear!

Mr. Gervais: Mr. Speaker, it shows clearly that my constituents wish more than anything else a positive change for Canada.

[*English*]

In closing, I am proud of My French-Canadian parentage. I am proud of my family. I am proud of the accomplishments of the residents of my riding. I am proud of my riding. Today, I am also proud to be a Member of the present Prime Minister's Government, a Government which has such people as the Minister of Finance in it. I am proud that he is our Minister of Finance. I am proud of his Budget.

Some Hon. Members: Hear, hear!

Mr. Gervais: I have always been proud to be a Canadian. When the Budget becomes law, I will be especially proud to have played some small part in bringing it about by speaking here today.

The Acting Speaker (Mr. Paproski): Questions and comments? The Hon. Member for Essex-Windsor (Mr. Langdon).

Mr. Langdon: Mr. Speaker, I want to congratulate the Member on a heartfelt and carefully constructed maiden speech. I do have several comments. I do not wish to make them critical since it is the Hon. Member's maiden speech. However, I do wish to raise two or three points.

First, I want to say that our action group visited the constituency of the Hon. Member in Timmins-Chapleau. Our visit brought to us many of the same points we heard elsewhere across the country, with the same sense of urgency people have with respect to rising unemployment. Timmins itself has shown a significant increase in unemployment, unlike some other parts of the country in recent months, because of problems in the resource sector.

With respect to the position of pensioners in this Budget, is the Hon. Member prepared to recognize that they are, in fact, being hit twice? They are being asked to pay the great range of increased taxes which all other Canadians—apart from the very rich—are being asked to pay. They are being asked to pay increased sales taxes because of the 1 per cent increase in federal sales tax. They are being asked to pay increased taxes because of the extension of sales tax to other items. They will pay higher income tax because of the elimination of the $50 deduction. They will pay other increases because of deindexation. Thus, pensioners are being asked to pay a significant share. We have estimated the figure at something in the order of $2,000 per pensioner family over the next five years as a result of this Budget.

The question is not whether it is fair that pensioners should pay some share with respect to the sacrifices which are being borne by all Canadians. That is not the issue being debated in the House. Given the sincere presentation the Hon. Member has made, I would like to ask him if he truly thinks that it makes sense to ask for an extra burden from pensioners, an extra burden over and above the amount of tax burden which they are required to pay already. I am speaking of the extra burden which comes from the loss of indexation with respect to the 3 per cent figure.

Has the Hon. Member received letters from constituents, such as the ones I have received, pointing out one of the other major costs for people who will be retiring? I have a letter in front of me which I received today. It is from a person who is now 56 years of age and who will be ready to retire in nine years. This person has an income of $17,000 and was able to contribute 20 per cent of his income to an RRSP. The amount of his contribution has been cut back to 18 per cent, thereby costing him the possibility of tax relief now and an improved pension in the future. This is a fact which has not been widely recognized, but one which is contained in the Budget. Does the Hon. Member recognize the fact that these extra burdens have been imposed on pensioners over and above the extra taxes they have to pay, along with other Canadians?

Mr. Gervais: Mr. Speaker, I would like to thank the Hon. Member for his kind words following my inaugural speech.

In reply to his question with respect to unemployment, I, too, am concerned with the high unemployment rate, not only in Timmins, and throughout my riding, but, indeed, throughout the country. It was precisely to that point I was speaking in my inaugural address and in respect of the turnaround in the economy.

We cannot sell mineral products produced in Timmins when the economy has slowed to the pace which it has since 1981. Before the recession, Timmins had no unemployment. Why? Because the oil industry was booming. All types of equipment were being built around the areas of Hamilton and Toronto for use in the oil fields. This equipment was being made out of steel and other types of minerals which come out of northern Ontario. It was being used for expansions in paper mills and sawmills. During the recession, that expansion slowed to a crawl and, consequently, there were no buyers for our products. With the turnaround in the economy this Budget will bring, I would like to tell the Hon. Member that the question of unemployment should resolve itself, not only in Timmins but throughout the country.

With respect to the point he makes concerning the hardship on pensioners, as the Minister of Finance has said so often, and as I think the Prime Minister has said on a number of occasions, the economic pain of this Budget has been spread as evenly and fairly as possible.

To illustrate my point, on the plane coming back from my constituency last Monday, I sat beside a gentleman from the banking community in Toronto. I know very well that this gentleman is the first vice-president of a mine close to Timmins and travels to and from the area on occasion. His comment was very interesting. He asked me why, after all the taxes that Canadians are required to pay, the Government placed another two surtaxes on Canadians and another tax on capital. He asked me why the banks had not been singled out.

• (1640)

It is not only the older people who will feel the pain of the legacy of the tremendous national delficit which has been left to us. That deficit must be resolved. Opposition Members have referred to the middle-income earners. Sure, they will suffer as well. Everyone will suffer. That is the way it was meant to be in the Budget.

Mr. Hawkes: Mr. Speaker, I would like to make a brief comment. The Hon. Member for Timmins-Chapleau (Mr. Gervais) made his maiden speech today. I have been in the Chamber for six years and I continue to be in awe of the new Members in the quality of their thinking and in the quality of their speeches.

Some Hon. Members: Hear, hear!

Mr. Hawkes: I wanted to make a comment, because the NDP was on its feet so quickly as the protector of the poor. My maiden speech in the Chamber followed the Budget which was brought down by the Hon. Member for St. John's West (Mr. Crosbie) when he was Minister of Finance in 1979. He brought a Budget into the Chamber which the Canadian Welfare Council said was the fairest Budget to the poor people of the nation in the decade of the seventies. At that time, the NDP moved a motion which tossed out that Budget. It reached an unholy alliance with the Liberal Party of Canada and succeeded in tossing out a Government on a Budget which was viewed by the Canadian Welfare Council and other analysts as the fairest Budget to poor people in the decade of the seventies. I would like to say to all new Members in the Chamber that when NDP Members stand up and try to portray themselves as the champions of senior citizens, they are talking to somebody whom I have not yet met. Every senior citizen whom I have encountered wants to be a part of society and wants to contribute to the nation. Senior citizens understand that the contribution of 3 per cent will let them do their part to ensure that in 1990 they will not be $3,000 more in debt than they are today. That is what the Budget is about. That is what the Hon. Member has outlined. He knows that senior citizens want to be a part of the country and not hived off into some Never Never Land.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. I will now recognize the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) on debate.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I would like to say to the Hon. Member for Calgary West (Mr. Hawkes), who has just finished his remarks, that the senior citizens of Canada know that the Liberal Party has done more for them over the years and has made them a real part of society than any Party in the country.

Mr. Siddon: They voted you out, Len.

Mr. Hopkins: I can understand that my comment hurts, because everyone wants to be a hero.

During election campaigns, promises are made by candidates. Promises are also made by potential Prime Ministers. There is always a certain amount of distrust on the part of the public toward politicians, and that is sometimes justified by the results.

On August 22, 1984, the Prime Minister (Mr. Mulroney) sent a telex to the Progressive Conservative candidate in my riding. That telex was eventually transformed into a newspaper ad which was accompanied by a picture of the present Prime Minister. The article was entitled: "The P.C. Commitment to Chalk River Nuclear Laboratories." The article read:

> Since September 1945, when Canada's first civil reactor started to produce energy at the Chalk River Nuclear Laboratories, Canada's nuclear power program has grown with each new step—the NPD at Rolphton, Douglas Point and finally Pickering—to become the most successful nuclear power system in the world, CANDU.

That was stated by the late Hon. C. D. Howe. However, the Prime Minister did not mention Mr. C. D. Howe in the article. The article continued:

> Chalk River has been the heart and soul of this nuclear program. A P.C. government will not only maintain this facility, it will consider providing additional funds to allow greater Canadian involvement in the massive fusion energy projects underway in other countries, building on the Laboratory's experience with tritium-based fusion cycles.
>
> The future of Chalk River is closely linked to our Party's commitment to research and development. We will develop a co-ordinated approach to government-sponsored research, strengthening the linkages between public sector and private sector research activities, and setting priorities in close consultation with provincial governments engaged in similar research.

As a final comment, the Prime Minister's ad stated:

> This is the Progressive Conservative commitment: Job security for you—and jobs for your children.

Then we came to reality, the Budget which was brought down last week, and are told the results of that firm commitment. The Minister of Finance (Mr. Wilson) slashed research and development funding for Atomic Energy of Canada Limited from the present $200 million level down to $100 million by 1990. Since more than $110 million of the current $200 million goes to Chalk River—

Mr. Siddon: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Minister of State for Science and Technology (Mr. Siddon) on a point of order.

Mr. Siddon: Mr. Speaker, the Hon. Member would not want to mislead the House on this matter. He has cited from the Budget and alleged that the Minister of Finance (Mr. Wilson) slashed research and development funding to AECL by $100 million. I would challenge the Hon. Member to produce such a quote or statement from the Budget. Indeed, it is not true.

The Acting Speaker (Mr. Paproski): That is a point of debate. I believe that the Hon. Minister and the Hon. Member will have a chance to go at it during the period which is allotted for questions and comments.

Mr. Hopkins: The Minister should read his Party's Budget. Since more than $110 million of the current $200 million goes to Chalk River, and provides 75 per cent of its total budget, the planned cuts to AECL will have a devastating effect on the laboratory the Prime Minister promised in writing not only to maintain, but possibly to consider expanding. Another $70 million was taken out of the company's earned savings.

If AECL's research and development effort is decimated every year until 1990, as the Budget of the Minister of Finance requires, the loss to Canada in scientific and technical capability will be enormous. If we as Canadians continue to accept the breaking of promises as a politician's right, we stand to lose as much in our nation's character.

Only two years ago, a study by the U.S. Office of Naval Research pointed to AECL as the second most productive organization outside the United States in one field alone—basic physics. The only institution with a better record was in

Juelich, West Germany. IBM Switzerland was third. The measure of each laboratory's success was the number of times its results were published in the prestigious American journal, *Physical Review Letters*. The journal has a strict refereeing system which accepts for publication only the very best international work.

• (1650)

The report notes that over the 10 year period from 1970 to 1980, the success of U.S. laboratories in basic physics declined, while that of foreign laboratories like those of AECL increased. The report also expressed concern that U.S. industry is "just not playing the game" in its support of science.

The budget papers of the Minister of Finance suggest that the cut in government support funds to AECL should be made up from other sources, but he has not come up with any. Presumably, he is thinking of Canadian industry, although it is not usually noted for doing better in R and D than its U.S. counterpart. No body, whether it be Government, business or agency of Government, has come forward to take up the slack as Atomic Energy of Canada's research and development allotment of funds decreases. Therefore, it almost looks as if it is the gradual winding down of one of the greatest long-term success stories of high tech in this country and this happens at a time when the Minister of Finance comes in with a Budget which he says stresses research and development in Canada. However, his Budget is winding down one of the best we have in the country.

Many businesses and organizations inside and outside Canada which have done business with Atomic Energy of Canada Limited over the years know that its research capacity is not debatable fact. Federal funds for research and development by Atomic Energy of Canada are cut in half by the recent federal Budget of the Minister of Finance. This cut could cripple Canada's nuclear industry and cause significant damage to many sectors of our economy, because this industry does a lot of work with private enterprise inside Canada and internationally. Prospects for foreign sales of the Candu power reactor in an already tough market will suffer if Canada's commitment to the system now falters.

The statement by the Minister of Finance that federal support for nuclear research and development would be cut in half over the next five years is causing grave concern among members of the society of AECL professional employees at the Chalk River nuclear laboratories of Atomic Energy of Canada, and, indeed, it is of grave concern to the Crown Corporation in general.

The AECL laboratories were established 40 years ago to exploit peaceful—and I emphasize the word peaceful—uses of atomic energy. Its most visible product, Candu, has been acknowledged by the present Prime Minister as the most successful nuclear power system in the world. It is a leader in reliability of operation and low electricity costs. However, any high-tech activity must have continuing development to stay competitive. It must have continuing research. Tomorrow's buyers of power reactors will be interested in only technologically advanced models. They will not be interested in those of yesteryear.

Research and development, associated with the upkeep and maintenance of current Canadus, can be the responsibility of existing users—that is the great theory—but users' interests do not guarantee adequate funding for future development. If the ongoing development of Candu and other nuclear technology is curtailed, the future energy needs of Canadians, and the commercial prospects of a key Canadian industry, will indeed be jeopardized. These cuts come at a time when foreign competitors are increasing their commitment to, and investment in, nuclear technology.

In his budget speech, the Minister of Finance said that Candu technology is now well established. There is a quote, Mr. Speaker, in the May 31 edition of the Ottawa *Citizen*. James Donnelly, the President of the Crown Corporation, told the House of Commons National Resources Committee yesterday that he does not share the Government's view that the Candu reactors' program is established to the point it no longer needs a large infusion of research money. In fact, he said, Canada is only at the threshold of nuclear science. The Liberal energy critic, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), said that the Tories are hanging AECL out to dry by cutting support to power reactor development.

No product, certainly not a high-technology product like a reactor can stop developing and still remain competitive. That argument is ridiculous. The United States, France and Germany, our competitors in the reactor market, all maintain strong government funded research laboratories. Their products will continue to develop while ours, without AECL's research and development, will not. The result will be the death of Canada's nuclear industry. That means a total of about 30,000 lost jobs and there are up to 55,000 indirect jobs involved.

AECL is like a service industry to many private industries, Mr. Speaker, and works with them on a continuing basis year by year. Research at Chalk River is not only a matter of reactor product development, as some people know. The laboratory is a national resource with an international reputation in many areas of pure and applied science. In fact, together with the White Shell Laboratory in Manitoba, it constitutes a unique blend of pure and applied skills which are not matched anywhere else in the country, nor, indeed, in most of the western world. This means that in solving many technical problems, the laboratory can draw on scientific depth to whatever level is necessary, and it can do so rapidly and at one site.

One consequence has been the effective response to requests from the nuclear industry to diagnose the recent problem with the Pickering pressure tubes, for example. Chalk River's contributions to a wide spectrum of science on an ongoing basis has been very important. Chalk River is doing world class science of which our country should be proud. It is also keeping an important national industry competitive. If the cuts by the Minister of Finance are proceeded with, the best of the

scientists and engineers will be lost, many to other countries. It will be another Avro Arrow. We will lose talent from Canada, driving it out of the country. Surely it is not the intention of the Government to dissipate its research and development resources at a time when they are most needed. Surely the national good will be better served by the Prime Minister keeping his promises of last August rather than accepting the budget statement of last week.

The cuts in research and development have great significance which may not even be appreciated by the Government itself. The statement of the Minister of Finance to Parliament explicitly promised no reduction in spending on R and D related to health and safety. It implies that the Candu is sufficiently mature that its future is not jeopardized by a winding down of government support, something with which the president of the company does not agree. There is no evidence of the government's appreciation of how lean Canadian nuclear R and D already is.

AECL operates two nuclear research laboratories at Chalk River in Ontario and at White Shell in Manitoba. While they are smaller versions of the nuclear laboratories found in almost all of the developed countries, their 3,500-strong work force is unique in Canada in its capabilities to bring together long-term peer research and large mission oriented development and application. The work covers a vast range. It includes world leadership in aspects of nuclear physics, cancer research funded by the U.S. National Institute of Health, a dominant world position in production of some of the radio isotopes most widely used in cancer therapy—

The Acting Speaker (Mr. Paproski): Order. Should the Hon. Member wish to continue his speech, he will have four minutes, plus a question and comment period, the next time we debate the Budget.

[*Translation*]

It being five o'clock p.m., the House stands adjourned until Monday at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, June 3, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Friday, May 31, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, when I interrupted my remarks at five o'clock on Friday I was talking about Canada's dominant world position in the production of some of the radio isotopes most widely used in cancer therapy and the tremendous work done by the Chalk River Nuclear Laboratories. I spoke about the development of small reactors for heat and electricity in remote communities, which is very useful for a country like Canada. There are numerous other programs designed to ensure that nuclear power is the safest form of energy; I talked about continuing the development of nuclear science and to apply it in many different and peaceful ways. I emphasize "peaceful" because that is the type of nuclear energy I am talking about today.

The Government does not seem to appreciate fully the fact that all the technical and scientific capabilities of this program cannot be picked over to select some for continuation and some for termination. This has been done before anything has been put in place to take up the slack. Will the question of who should have been funding an abandoned program be addressed only when some unexpected technical difficulty has idled Ontario Hydro's reactors and we have an energy problem? We have been assured that health and safety aspects of the atomic energy programs will not be cut, but has the Government really examined the effect on these programs of the envisaged reduction in AECL research manpower? Radio isotope production for cancer therapy, for example, depends on the operation of reactors serving many other purposes. Extracting the isotopes is dependent on many technical skills. You cannot cut off the muscle power in the human limbs and still run a competitive race any more than you can cut off in-depth research and development on nuclear energy or Candu technology, and still remain competitive in the reactor market of the world.

The most worrying aspect of the comments of the Minister of Finance (Mr. Wilson) on AECL is that none of those considerations seem to have been discussed. One wonders if they have been addressed or whether one of Canada's few successes in high technology is going to be casually sacrificed, bit by bit, for a superficially favourable entry on the right side of the budget ledger. The Government just wants AECL to make it look good. The Government wants $100 million of the research and development money of AECL over the next five years. It wants $50 million of the earned savings of AECL this year and another $20 million next year.

The Prime Minister (Mr. Mulroney) is telling AECL not to worry about all the firm commitments the Government made to the Chalk River Nuclear Laboratories during the last election campaign. The Prime Minister's commitment was not worth the paper it was written on. Because of Candu technology, Canada is today the fourth largest producer of hydroelectric power in the world. Only the United States, the Soviet Union, and Japan produce more hydroelectric power than Canada. Pickering is one of our prides. There is far more power generated there since its beginning than it was ever thought would be produced at Niagara Falls.

The people working and living in the communities for many miles surrounding the Chalk River laboratories are worried. Deep down they are hurt and angry because they feel that they have been had by the Government. In the next two years alone, $110 million will be taken from them. That is a sudden shock which the industry cannot absorb at a time when nothing is in place to take up the slack. On the basis of this budget decision the nation is wondering whether it can remain competitive or whether one of the greatest successes in science research in the country, namely Candu technology, will be gradually destroyed.

I appeal to the Government to give the Chalk River Nuclear Laboratories a chance to continue this program. Keep the faith with them. Our science and research is in good shape in that area in this country. I appeal to the Prime Minister and the Government to keep this commitment. No one in the country will ever be sorry. Indeed, we will become competitive in the world, and AECL will become a jewel of pride for the country. I ask parliamentarians, as loyal Canadians, to take part in that pride in the production of modern technology, such as the Candu reactor, cancer research and other AECL programs for the good of Canadians and indeed for the good of the world.

• (1110)

Mr. Gurbin: Mr. Speaker, will the Hon. Member elaborate on what he believes the future of nuclear energy will be, particularly with the NDP-Liberal alliance in Ontario? Does

he think that this bodes well for the future of nuclear energy, particularly with respect to the very clear policy espoused by the federal NDP?

Would he also comment on the fact that it was John Diefenbaker and John Robarts, who was then Premier of Ontario, who initiated the construction of the first commercial-sized Candu reactor in Canada?

Mr. Hopkins: Mr. Speaker, I expected the pressure in this debate to be diverted from the main issue in the very manner shown by the Hon. Member. It is the present Government that is cutting $100 million from Atomic Energy of Canada research and development for Candu reactor technology. It is also removing $70 million from its reserves.

The Hon. Member should not tell me about what Mr. Diefenbaker did for high technology in this country. We remember the Avro Arrow and we know what is happening today. There is a parallel between that Government and the present Government.

I would remind the Hon. Member that it was the Right Hon. C.D. Howe who started this high technology research in Canada 40 years ago. He must be turning over in his grave today at what is happening to that jewel of high tech which he created together with the Liberal Government of the day.

The Hon. Member talks about the Liberal-NDP alliance in Ontario. That is nothing compared to what is happening with the present Government. During the last election campaign, the Prime Minister sent a telex stating his commitment to the Chalk River Nuclear Laboratories, a commitment which is stronger than a promise. Yet the Minister of Finance introduced a Budget which is cutting research and development of Candu reactors in this country by $100 million over the next five years. As if that is not enough, the Government wants to make itself look good by reducing the national debt, so it will take $50 million from the earned savings of the company in 1985-86 and another $20 million next year. That is $110 million in total to be taken from the company in the first two years. That is a clear indication of the Government's intent to kill that company.

Furthermore, the discussions, which have presumably taken place, have produced nothing to replace those cuts. The Budget indicates that the Government will negotiate with Ontario Hydro, the provinces and other agencies to try to find people to take up the slack and work with Atomic Energy of Canada Limited. We have heard nothing about any action in that regard.

There are 2,350 employees at Chalk River who are concerned about what is happening to them today and to the 40 years of research that has taken place. The Government ran a campaign on what it would do for research and development. At the same time, it is downgrading and gradually destroying Atomic Energy of Canada Limited. That industry does a great deal of work for private enterprise. The Government correctly puts emphasis on private enterprise. I favour private enterprise, particularly when it produces jobs and works well. However, private enterprise cannot afford the equipment used in high-tech research at Chalk River nuclear laboratories and within AECL generally. Therefore, it contracts out to Chalk River Nuclear Laboratories, which can take on any problem and come up with an answer.

• (1115)

Do not try to pass the buck to the Ontario Government. The new Ontario Government, hopefully, will have a new resource available to it called decision-making. This Tory Government we have here today has obviously been talking to the Government of Ontario over past months, but what has it come up with? Both Governments are Conservative. Do not talk to me about an alliance. The Government has decided to go ahead with this cut, upsetting the science community. For every scientist who becomes unemployed or goes south of the border or elsewhere, we will have a brain drain once again for which the Conservative Party was famous under the leadership of the Right Hon. John G. Diefenbaker, something which the Hon. Member mentioned, not I. Right now we can make the decision whether to continue to move ahead with high-tech and whether we shall service all those companies that need research and development, whether we shall continue in-depth cancer research, because not very many people realize that Chalk River is the birthplace of the cancer therapy unit.

Mr. McDermid: It was not touched.

Mr. Hopkins: Of course it was not touched. It was first put into action in London, Ontario. The Hon. Member for Brampton-Georgetown (Mr. McDermid) said it was not touched. I did not say it was touched. What I said in my speech, and I will back up, is that you cannot be selective. You cannot go to an organization with in-depth expertise such as is in the Chalk River Nuclear Laboratories and, on a selective basis, say, "We are going to cut this and shove it aside. We are going to shove this aside but we are going to keep research on health and safety". You cannot do that.

Mr. Andre: Why not?

Mr. Hopkins: You need reactor research to produce medical isotopes. You cannot cut off your left arm and still carry the same pile of papers you carried before.

Mr. Gurbin: Mr. Speaker, I think the Hon. Member has established several things. First, he does not care about the debt. Second, he likes to talk about the livestock after the horses are out of the barn. One of the things in which people who might read these debates on Chalk River will be interested in what C. D. Howe actually did. Those who go back far enough and really understand what happened at the time know that because of him we lost ten years in our nuclear energy program. He did not like what they came up with. He said no, and it was held in abeyance for ten years. That is not a very broadly known secret, but that is the truth. When John Diefenbaker came to power he had a choice between an aeroplane that would not travel high enough and the Candu system. He chose the Candu system. That is why Ontario is where it is and why Canada is where it is.

Would the Hon. Member comment on the number of engineers who have been laid off by AECL in the past two years and the difference between that and what he is trying to tell us? He is very good at raising fears and concerns among people in the nuclear industry.

Could the Hon. Member explain to us the real strength in the nuclear industry and whether he thinks things have been OK in the last four or five years in the way Canada has been proceeding with the Candu system and the whole nuclear energy system? Has it been fine and dandy? Would the Hon. Member have kept the two heavy water plants going the way they were going? Could he comment on why we have had so many sales of Candu reactors abroad in the last four or five years? Could the Hon. Member explain some of those things to us? Is he arguing for the status quo?

Mr. Hopkins: Mr. Speaker, the Hon. Member starts talking about the great successes of the previous longer term Conservative Government in the late 1950s and early 1960s. If that Government had been so good it would have lasted a few more years than it did.

The Hon. Member said that I do not care about the national debt. Let me tell the Hon. Member that one does not solve the national debt by destroying the very base of the high-tech research and development in Canada that helped companies around the world to solve problems. They in turn create capital. The Hon. Member knows that industries cannot go on year after year without in-depth research. If they cut back on research and development, where does it leave productive companies which in fact produce the tax dollars that help to retire the national debt? When they start cutting back one, two or three research laboratories and saying that they are doing something for the national debt, it is a farce.

• (1120)

The Hon. Member also talked about employment, scientists and so on. Chalk River Nuclear Laboratories have the kind of scientists who do not have to worry about jobs. In fact, we have many friends around the world because these scientists are members of various world organizations. I pointed out some time ago that possibly the lowest level of employment at Chalk River Nuclear Laboratories in the last 20 years occurred in December 1979 when his Party was in power. If he wants to check the facts and figures, they are there. He should not try to throw that red herring across the floor of the House. He accused me of raising fears. Who is really raising the fears? Who started this great scenario? It was the Minister of Finance who started this scenario in his Budget a week ago on Thursday night. It was the Prime Minister who sent a telex to Chalk River Nuclear Laboratories and made a firm commitment that the Conservative Party, if elected, would be solidly behind them. Then what happened?

Mr. McDermid: Answer the question.

Mr. Hopkins: The Hon. Member for Brampton-Georgetown has a lot of shouting to do. He can shout away. I do not blame him for shouting. He should have a guilt complex. The Minister of Finance came in here and virtually cut this Crown corporation by $170 million, a corporation which has been productive over the years. I just want to say—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member, but unfortunately the period for questions and comments is over.

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I say to the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) that I don't have a guilt complex. I have listened to the budget debate and that to which I could not listen, I read about. It established clearly in my mind—and I think it would be the case in the mind of any objective listener—that the two opposition Parties have transformed themselves—perhaps they have always been that way, but in disguise—into the two most reactionary Parties the country has ever seen. All I have heard in the debate, stripped of its frills, was a demand that we continue the economic policies of the last 15 years—spend, spend, spend; do not cut, do not cut, do not cut; forget about the future. Occasionally there has been a genuflection toward the fact that we should be concerned about the deficit, but there has not been a single worth-while suggestion as to how in fact the deficit should be addressed.

Fifteen years of those policies have led us to the point where we have had one of the worst recessions since the 1930s, highest unemployment rates and a monstrous debt which we are leaving as a legacy to our children. That is what the last 15 years of Liberal policies, supported by the New Democratic Party when it really counted, have brought us.

• (1125)

What do the Members of the opposition Parties say? They say that they want more of the same. Last September, Canadians voted for change. They voted not just for a change in policy—though they certainly wanted a change in policy—but for a new approach to making public policy.

As Hon. Members will recall, there was good reason for this new approach. After all, what state were we in last September? We were a country whose confidence in the future had all but disappeared. We had more than 1.6 million unemployed. We had a budgetary deficit so out of control that it had to be revised upwards on a monthly basis. We had a national debt approaching $200 billion and threatening to double within five years. In western Canada, the economy had been totally throttled, destroyed by a disastrous national energy policy. What have we heard from the NDP Members during this debate? "How dare you undo the national energy policy," they said. They want it to stay in place. It amazes me when members of the NDP from the West say that. It is almost as if they needed the votes of the unemployed in order to get re-elected. It seems as if they might be in danger of losing their seats if people were put back to work.

Among other things, farmers and small businesses were going bankrupt in record numbers last fall, due partially to record high interest rates brought on by economic policies

about which the opposition Parties say we need more of. At that time, our investment capital supply had completely dried up.

As we discuss some of the implications of the first Budget of our Government, it is worth remembering where we started, Mr. Speaker. In November, the Government set out an agenda for economic renewal. It set out its principles and new policy directions. We said we would make the necessary changes to promote growth, to create jobs and to improve social programs. We said we would act fairly. We said we would consult with Canadians before we acted. We said we would avoid unilateral decision making wherever possible. Also, we said we would bring government spending under control.

Since then, we have listened to the concerns and aspirations of Canadians, in the most extensive consultative process ever undertaken in Canada. This Budget reflects the sound advice we received from Canadians with respect to a wide range of issues.

The first Budget of the Minister of Finance (Mr. Wilson) focuses upon three strategic means to address our economic problems. It focuses; first, upon the encouragement of private sector initiative and risk taking; second, upon the improvements to the efficiency and management of government programs and services; and third, upon the control and ultimate reversal of the spiralling deficit. The encouragement of initiative and risk taking in the private sector is fundamental to new job-creation efforts. New business activity and employment will be created in an environment free from government intervention. The Government will be a catalyst—not a hindrance.

In order to encourage more Canadians to invest in Canada's growth, the Government is proposing a lifetime capital gains exemption for individuals of $500,000. The full $500,000 exemption will be available to ranchers and farmers immediately, in recognition of their special problems and their contribution to Canadian society. I wonder if members of the New Democratic Party from Saskatchewan are opposed to this particular provision.

This measure alone will benefit over one million Canadians. I have heard members of the Opposition say it is of benefit only to the rich. It might interest Hon. Members to know that the vast majority of Canadians who are taxed for capital gains earn less than $40,000 a year. The vast majority are not rich, as implied by the opposition Members in their criticisms. The vast majority who fall into this category are middle class and lower middle class Canadians.

What the Government is saying loudly and clearly is that we want to reward success and not subsidize effort. We just heard the tail-end of a speech by the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) in which he suggested we should continue our subsidies to effort. He said we should continue that even though, after years and years, that subsidy has not produced any economic benefit. It has not provided the value it ought to have provided.

• (1130)

The Government is challenging Canadians to create jobs and wealth by investing in Canadian enterprise. The capital gains incentive is a strong signal indicating that the Government wants people with good ideas and the will to persevere to be rewarded for their success. We are confident that Canadians will accept that challenge and we have reason to be confident as evidenced by the reactions of spokesmen for the small business sector.

Small and medium-sized business will also benefit from our proposals to change regulations governing RRSP pension fund investments. These changes will encourage investment in small business by two of the largest and fastest growing pools of capital in Canada.

There are other measures to encourage private-sector growth and job creation. These include tax credits to individuals investing in labour-sponsored venture capital funds set up to invest in small and medium-sized business. I have not been able to discern the reaction of members of the NDP to that particular giveaway, to use their language. Perhaps that is because it was a suggestion made by Louis Laberge of the Quebec Federation of Labour that we encourage investment by labour people in the small business sector, something we applaud greatly. I would hope that one of the members of the New Democratic Party would have the grace to applaud the Government for exempting the small business sector from the 5 per cent corporate surtax.

Contrary to the statements made as recently as last night by the Leader of the New Democratic Party (Mr. Broadbent) who said on television that taxes to corporations have been cut, there is a 5 per cent corporate surtax. That does not represent a cut in anyone's language except that of the Leader of the New Democratic Party. As well, the small business bond program will be extended until 1987.

In addition, the Western Accord signed last month signalled a new era in the relationship between western Canada and the federal Government. As well, it will end the unmitigated disaster of the National Energy Program. These changes, among others, indicate the Government's commitment to fairness and equity and brings to a close that chapter of western history in which the federal Government unilaterally changed the rules of the game and indeed became one of the players, costing this country at least 150,000 permanent jobs.

All of those mesures and incentives have a single objective, and that is, to put economic decision making back in the hands of private entrepreneurs so that they can create jobs and be rewarded for their success. The potential of these changes is enormous. It has been said before, but bears repeating, that if every small business in Canada generated one single job, the unemployment rate would decrease by 50 per cent.

In the last 12 years, over two-thirds or something in the order of 70 per cent of all new jobs in Canada were created by small business. During the recession, more than 100 per cent of all new jobs were created by small business because big business was cutting back. There are 20,000 fewer employees

in the auto industry today than there were a few years ago because of automation and improved productivity made necessary by international competition. It is the small business sector that is generating those meaninful, long-term jobs that count ant that contribute to wealth.

Those who suggest we should carry on the practices of the last 15 years through the so-called government job-creation programs, through which grants were handed out for people to paint for the fourth year in a row the white picket fence around the local cemetery, call that job creation. Those are the kinds of absurd policies which have led to this disaster. It is difficult to understand how any responsible parliamentarian can continue to advocate that sort of thing, yet that is all I have heard from both opposition Parties.

Opposition Members want more of what we have had for 15 years. Surely modern history demonstrates that the private sector is the only sector in which meaningful, long-term jobs are created. It is the small business sector which will be the generator of those jobs. I hope that, at some point in time, some members of the New Democratic Party and the Liberal Party will have the grace to acknowledge that fact. We are not asking for applause, but I hope they will at least acknowledge the fact that this Budget will be of very significant help to the small business sector. The small business sector is responsible for the vast majority of job creation in this country and in that regard at least, the Government deserves applause.

Some Hon. Members: Hear, hear!

Mr. Andre: This Budget also takes up the challenge of fiscal responsibility that has been ignored for so long that it has become the very root of our economic problems. In this Budget, the Government has set for itself the fundamental goal of eliminating the obstacles to economic renewal posed by waste and inefficiency in Government itself. During the past few months, Canadians have told us emphatically through extensive consultations that they are willing to share in the burden of deficit reduction as long as the Government demonstrates its commitment to the same process. They want us to get our house in order.

The Budget contains measures that will result in a more efficient, effective, responsive Government. In my Department alone, we have managed to save $100 million within Statistics Canada without reducing the level of service. The Supply side of my Department is on full cost recovery and more of my Department is moving to full cost recovery. The Supply side is on a program of increased efficiency that will see the reduction in the next three years of some $20 million in the charges we make to other Departments for the services we provide. As the old joke goes, with $20 million here and $20 million there, we will soon be talking real money.

As we announced in the Budget, we are privatizing Canadian Arsenals Ltd. Corporation. We have already folded up Crown Assets Disposal. We have integrated the management of the Supply side and the Services side to eliminate duplication and prevent unnecessary growth. That will result in substantial savings to the taxpayer and will increase efficiency and effectiveness. These things are being pursued by every Department of Government. Every Minister is aggressively pursuing these kinds of initiatives, leading to a much more efficient, effective use of taxpayers' dollars and, incidentally, to a happier Public Service.

Mr. Gauthier: What a statement! Read the weekend press.

Mr. Andre: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) laughs.

Mr. Gauthier: Lose your job and you'll be happy?

Mr. Andre: He is implying that his constituents and other public servants like to be associated with inefficient, wasteful activities, and he is dead wrong.

Mr. Gauthier: Not when they lose their jobs.

Mr. Andre: They do not want to be associated with such activities.

In addition, the Government has identified programs and policies that can be eliminated as they serve no useful purpose, and this will create further significant savings. The task force chaired by the Deputy Prime Minister (Mr. Nielsen) is carrying out a comprehensive examination of government programs. It did an inventory and found that there are 1,053 different government programs. Not surprisingly, there is some duplication. Some of the results of that study were reflected in this Budget, and others will be forthcoming.

The work of these joint public-private sector committees will continue to improve the management of government programs and services. The Public Service Pension Plan will be put on a fully funded basis with no taxpayer subsidy. Full indexation of MPs' and Senators' pensions will be terminated effective January 1. The size of the Public Service will be reduced. There will be no compensation for inflation in the Government's operating and capital budgets. We are operating with no indexation for inflation within our own operations.

Making programs more effective does not simply mean cutting expenditures. It aslo means that limited resources must first go to those in need. The Government is taking action to ensure that our social programs are more progressive and fair. We have announced changes to a wide range of social programs, job benefits, pension reforms and RRSPs and greater fairness in the tax system itself.

The first two goals which the Budget is designed to address are encouragement of private-sector initiative and improvement of effectiveness in the management of government services. The third goal is the control of our spiralling national debt. This Budget attacks that major problem.

• (1140)

Control of the debt is critical for a number of reasons, not the least of which is the crippling effect of the deficit on our ability to respond to new social and economic needs. Hon. Members opposite have talked about the cuts which have been made, the adjustments and so on. They have told us that we

should have more compassion. I would ask them to show a little bit of compassion for people in the future and the situation in which they will find themselves if the deficit is not controlled. If the deficit is not controlled, Canadians will look forward to the same situation in which Argentinians and Brazilians find themselves in trying to cope with monstrous inflation rates which are a direct result of those Governments running deficits year after year. We cannot continue to do that without putting the future of all Canadians, particularly young Canadians, and the economy into jeopardy.

Some will say that we have not cut the deficit enough. Some will say that we have cut the deficit too much. Bringing the deficit under control in the right way is the way to maintain confidence in the economy. There are no magic studies to which the NDP continues to refer. There is no computer program which will indicate the right level of deficit to reach—the nirvana which we all want. We know that the deficit must be controlled. The right level is a question of judgment. We have consulted widely with Canadians, more than any other Government in Canadian history, in trying to establish what would be the appropriate level. If we cut too far, we are in danger of affecting confidence because of the reaction which would result from the cuts. If we do not cut at all and the deficit continues to increase, we very seriously jeopardize the confidence factor in the economy and the future ability of the Government to act.

We have made some very significant steps in the right direction. We believe that it is the appropriate level. Had we not made the changes and followed the advice of the Opposition—no cuts, continue spending, and more programs—we know that the situation in the country would be worse next year than it is now. We have had 15 years of those policies.

We have also had to deal with the question of indexation. I was a strong advocate of indexation. When indexation was proposed, we were dealing with constant dollars and it seemed to be a fair system. However, after reading extensively and talking with senior economists, the Government of Brazil and the Government of Israel, I am satisfied beyond a shadow of a doubt that indexation is not a cure for inflation; it is a part of the problem. It had to be addressed. We have taken—

Mr. Murphy: You did not say that when you were on this side of the House.

Mr. Andre: That is right. I have changed my mind in the last 10 years.

Mr. Cassidy: You promised to keep it during the election campaign. That is what your Leader said.

Mr. Andre: Mr. Speaker, I would like to repeat what I said. Members opposite have established for me my original thesis, namely, that the most reactionary Party in Canada is the NDP. Don't change anything, even if it does not work! Carry on with what we have been doing for 15 years, even if it does not work. Never change. That is the NDP line.

Change is what Canadians voted for in September and change is what we are bringing for a better future for Canadians.

Mr. Cassidy: Mr. Speaker, I have two or three comments which I would like to make. First, as he is the Minister of Supply and Services, he will understand the concern of people in the Public Service of Canada over the cuts which have been proposed. I would like an assurance from him that there will be no lay-offs in the Public Service as a result of the cuts which have been announced by the Government, which will take effect over the course of the next five or six years. Certainly, it is feasible to have that shrinkage without lay-offs. While I have concerns about the direction in which the Government is going, if it feels the need to shrink, I would like the assurance that it will be achieved without lay-offs.

Second, the Minister said that the Conservatives promised change when they assumed power on September 4. It is now clear that they have changed their minds on absolutely every policy which was advocated during the course of the election campaign. The Minister knows that it was the Progressive Conservatives who originally advocated the indexation of the personal tax system. Now they are abandoning that to the tune of 3 per cent a year. The Minister knows that during the election campaign the Progressive Conservatives promised to maintain, not to undercut, the indexation of pension incomes. However, now that they are in office, they are undermining those pensions to the tune of 3 per cent per annum. That will mean that a person who is 50 years old today will have a pension which will be worth only half of his current purchasing power by the time that person reaches the normal retirement age of 65. That is not the maintenance of a sacred trust. It is an erosion of the sacred trust to the tune of 3 per cent per year.

Does the Minister believe that it is equitable to remove taxes from 5 per cent or 10 per cent of the population of Canada who invest heavily in the stock market or in real estate? They will be in a position to benefit from the capital gains tax exemption to the point where they will be able to save $125,000. Does the Minister believe it is fair to those people to do that at the same time that the Government has decided to erode progressively the old age pension for people who often find themselves in poverty, who have worked a lifetime, and who expect, when they retire, that the sacred trust, which the Government is now abandoning, will be honoured?

Mr. Andre: Mr. Speaker, first, I would like to address the question of lay-offs. There is no intent to lay off public servants. The intent is to downsize the Government in a reasonable and proper manner, by virtue of the fact that in the 1,053 different programs which the Deputy Prime Minister has discovered there is duplication and activities which no longer make sense in terms of the changing needs and priorities of Canada. By way of example, one of my first responsibilities was to wind up the Canadian Unity Information Office. There were approximately 79 employees involved. Ultimately, only one person was laid off after eight months. We tried everything possible to avoid that. We did everything we

could to find employment for that person in the Public Service. He had received several offers, but had turned them down because they did not meet his requirements. That is the kind of approach which we will use. It should not be difficult. Within my Department, the normal turnover is more than 500 employees a year, due to retirements, transfers and so on. With that kind of turnover, there should be no difficulty in accommodating the downsizing without resorting to lay-offs.

The Hon. Member referred to indexation. He is right. In 1972 and 1973 I was a strong advocate of indexation. I believed in that because we were dealing with constant dollars and we could stop the bracket creep produced by the so-called progressive income tax system. It was fair. It was a restraint on Government if taxes did not automatically increase due to inflation. In fact, if Governments wanted to increase taxes, they had to make that concrete step. I still feel that way, but the result of full indexation has had the effect of automatically biasing things toward inflation. In a free market situation, when prices increase on a commodity—and the one law of social sciences which I accept absolutely is the law of supply and demand—there should be a decrease in demand. But when prices go up and there is an automatic salary adjustment to meet that increase, the market does not get a chance to operate and you have an inflationary spiral.

• (1150)

That is most emphatically the reason why countries like Israel have 300 per cent inflation today, and they will tell you point blank that full indexation is the reason. They admit it was a terrible error because it stopped the law of supply and demand working in both directions. But the Hon. Member is being unfair in the extreme in relating that to the question of pensions and our alleged lack of concern for senior citizens. He forgets that the first piece of legislation we brought in was the extension of the spousal allowance. An early piece of legislation, I do not know whether it was the second, third or fifth, was to increase veteran's pensions to reflect the fact we owe so much to that group of Canadians for what they have done.

The Hon. Member talks about this 55 year old working person reaching retirement age and finding his or her pension will be somewhat less than it might otherwise have been. However, he forgets to acknowledge the very important changes we made to the pension system so that this 50 year old worker will be in a better position to look after himself when he reaches retirement age. Surely the NDP would agree with me that in the best of all worlds each of us would have the means to look after ourselves. Well, we have made important changes in this Budget so as to make that possible for more Canadians. I hope he will have the good grace to acknowledge that and express his appreciation for those particular changes.

He also made the statement that the capital gains tax changes benefit only a small percentage of the population. Perhaps he was not in the House when I pointed out that, based on data from Revenue Canada—

Mr. Hovdebo: Selective data.

Mr. Andre: —something over one million Canadians have been taxed on capital gains. The vast majority of those people earn less than $40,000 a year. The Hon. Member sitting next to the Hon. Member for Ottawa Centre (Mr. Cassidy)—

Mr. Hovdebo: Prince Albert.

Mr. Andre: Sorry, Stan. The Hon. Member for Prince Albert (Mr. Hovdebo) is heckling a little bit, but I have not heard him stand up and say he is opposed to the capital gains exemption for farmers. If it applies to farmers, ought it not apply to small businessmen? If it applies to small businessmen, have we not, in essence, said that in the Budget? How can they, in all good conscience, heckle and complain and say this measure is for the rich but, on the other hand, want it for the farmers? They want it for some small businessmen but apparently not for corporations because corporations are bad. But they do not want to talk about that; they want to talk about the rich who are going to benefit. Yes, some rich people may benefit, but they are a very small chunk. The real beneficiaries of this measure are people who are going to create jobs.

Mr. Deputy Speaker: Order, please. Questions and comments?

Mr. Hopkins: Mr. Speaker, the Minister wound up his speech in a very strong fashion, but a strong pair of lungs is no substitute for logic.

Mr. McKenzie: Then sit down.

Mr. Hopkins: The Minister stated that he had consulted with more groups than any other Government in Canadian history. But there are many groups out there today who are saying: You may have consulted, but you certainly did not listen. The Minister started his speech by saying: "They want us to spend, spend, spend". But we are not asking the Government to spend, spend, spend. All we are asking Members opposite to do is to keep their election promises. Is the Minister telling us that when he went around this country talking about a 5 per cent or 6 per cent real increase in defence spending, he did not know it was going to cost money? Today we have an increase of 2.1 per cent in real defence spending, and yet this Government is accusing the previous Government of not doing enough for defence. All the Minister has to do is to look at the record over the past few years and the billions of dollars spent to upgrade the Canadian Armed Forces.

Mr. McDermid: After you let them go down the tubes.

Mr. Hopkins: Is the Minister saying that he cannot spend today? I say that if he did, he would be keeping his election promises. Is the Government going to keep those election promises? Obviously not.

I am glad that the Hon. Minister of Employment and Immigration (Miss MacDonald) is in the House because she assured me that she was going to be very sensitive to the wishes of members of the Armed Forces regarding severance pay and unemployment insurance. She said that the early retirement pensions of members of the Armed Forces and

severance pay of public servants and people in industry would not be deducted from their claims for unemployment insurance when they became unemployed. But we have not heard any firm statement from her as yet. Where is the commitment?

Without mentioning the LLAD program which was in the making when his Government took over, or the North Warning System which was 90 per cent completed before his Government took over, I want to ask the Minister of Supply and Services (Mr. Andre) if his Government is going to keep those promises, or is it going to say that it cannot keep them because, if it does, it will be spending money? Is he really telling us that they made those promises last summer without thinking it was going to cost them any money? Is that really what he is telling this House? Is this Government going to keep its firm commitment to the members of the Armed Forces?

Mr. Deputy Speaker: I ask the Minister for a short answer, please.

Mr. Andre: I will be very brief, Mr. Speaker. The Liberal Party defence critic talked about the North Warning System being 90 per cent completed before this Government took office. I wish he would communicate that information to the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who keeps insisting this is some sort of sneaky plot on our part to bring in SDI and star wars. As defence critic he has the responsibility of bringing the knowledge level of the Hon. Member for Winnipeg-Fort Garry to the point where he can start asking intelligent questions in the House.

Yes, we are committed to increasing Canada's defences. If you look at the Budget and the fiscal plan as well as at the projections, you will see that this is very clearly indicated because after 15 years of rule by the Trudeau Government, as the Hon. Member well knows, we are only ahead of Luxembourg in our ability to defend ourselves.

Mr. Hopkins: It was 4.1 per cent last year. Canada was one of three countries—

Mr. Andre: That has to be remedied, and it is going to take us more than nine months to undo 20 years of misrule by the Liberal Party.

Mr. Hopkins: Same old song.

Mr. Rod Murphy (Churchill): Mr. Speaker, I am going to take up the Minister's challenge. He asked what our basis was for saying that the Government is not keeping its promises. I want to go through the PC campaign handbook which was used last year in talking to Canadians. It was authorized by the PC Canada Fund, which was the registered agent for the Progressive Conservative Party of Canada. This booklet was sent to all the candidates, and all those PC Members who are here in this House now used it when they were talking to Canadians. It contains the promises that they made to Canadians.

• (1200)

Mrs. Mailly: It contains the solutions to problems.

Mr. Murphy: I agree that a lot of the things said in this campaign handbook were solutions to problems. The problem that we have now is that they did not keep their promises to Canadians. What they said to Canadians is not what is found in the budget papers. When the Conservatives came to power they followed the old Liberal tradition of not keeping promises.

On page 83 of their campaign document they said, "We will establish an agri-bond program to provide loans at reduced rates to producers". It goes on to say that funds invested in agri-bonds can then be lent to farmers by the Farm Credit Corporation at interest rates below prevailing bank rates.

Mrs. Mailly: The rates are lower now.

Mr. Murphy: The Deputy Whip, who never seems to get up and speak intelligently, seems always to yap from her chair. If she wants to enter debate, she can do that.

Mrs. Mailly: I rise on a point of order, Mr. Speaker. This is the second time that the Member refers to the fact that I am commenting, as he did all through the Minister's speech. He refers to my comments as "yapping". I presume he refers to his as intelligent conversation.

Mr. Deputy Speaker: Unfortunately, that is not a point of order. The Hon. Member for Churchill (Mr. Murphy) has the floor.

Mr. Murphy: Thank you, Mr. Speaker. She may yap if she wishes to. The issue is that the Government did not keep its promise to the farmers of the country. As a result of that, they are still paying the prevailing bank interest rates. One of the main problems which farmers in the country face at the present time is the amount of debt that they are carrying on their businesses, debt which has increased rather than decreased since the Government has been in power.

Many of the government Members who have participated in this debate have spoken about the fact that the Government kept its promise on capital gains. However, what the Government actually said was that it would abolish "the imposition of capital gains tax on the sale of farm property for continued agricultural purposes". That happens to have been the policy of my Party for many years. When the Government created this new tax loophole for the rich of the country, farmers were included, but there was no attempt to ensure that the land would be used for continued agricultural purposes. This means that we will continue to lose valuable agricultural land which is needed to feed our people and the hungry of the world. Now land will go to the highest bidder. With the removal of taxation on capital gains, more and more farmers are likely to be forced into the position of having to sell their land to those who will no longer be involved in agriculture.

The Government broke its promises made to Canadians in other areas as well. With regard to the CBC, the Government

said that it believed in the need "for the CBC to serve special interests in our society". As a result of the cut-backs in the CBC, *Our Native Land*, the only program provided to the native people of our country as a special need, is being cut. That is another broken promise.

With regard to excise tax on alcohol and tobacco, the Government said in its document that the present policy of the Liberals has had a "negative impact on both the tobacco and tourist industries". The Conservative Government increased the very taxes which it had criticized only a year ago. The Conservatives said that they could "reduce the deficit without increasing taxes or reducing the level of social services". That promise is obviously not going to be kept. The net effect of the Budget has been to increase the cost of living to an average family by $500 a year in increased taxes on top of the $500 a year in taxes and loss of services which resulted from the November 8 economic statement.

With regard to oil and gas, the Progressive Conservatives said that the "tax system must be adjusted to help lower the price of consumer oil and gas products". They broke that promise to Canadians as well. They have made promises to the women of the country. They talked about improving "federal housing, employment, and public education programs to assist victims of family violence". One of the results of funding cut-backs will be that there will no longer be transition houses for victims of family violence.

I can go on and on, Mr. Speaker, and I will because it is very important that Canadians realize that when the Conservatives were campaigning last year, they were not telling the truth. They had no intention of keeping the promises they made. This Budget has proven that Conservatives do not keep their promises.

With regard to post-secondary education under Established Program Financing, the Conservatives said that they would "return to the 1977 funding formula". That formula provided more money for post-secondary education and medicare than did the 1982 formula which was then in place. Through the Budget, the Government is going to reduce by $2 million by 1990 the amount of transfer payments for post-secondary education, medicare, and the provision of a basic level of services to Canadians. Since that reduction will be phased in over the next year it will obviously mean less money for post-secondary education. That is again a complete contradiction of what they promised during the campaign.

The Conservatives also promised to ensure that "Canada had a sufficient supply of tradesmen to meet our needs". In the Budget they cut $78 million from the critical trades program, with no new program yet in place. Our nation is suffering from a lack of qualified tradespeople. Over the years we have had to import such people. We have a large number of unemployed youth who would love the opportunity to take the necessary training, and yet the Government cuts the existing program.

In relation to the disabled, the Conservatives said that they would assist "Canadians who, due to age, disability, or lack of employment opportunity are unable to provide for their own needs". They also talked about affirmative action. Yet in the Budget they announced that they will be cutting back the Public Service by 15,000 positions over the next few years. It means that women, native people, and handicapped people who are not in the Public Service at the present time will have very little opportunity of ever moving into that system.

I received a letter from one of my constituents who has already suffered because of the cut-backs introduced by the Government. Let me read from part of the letter:

● (1210)

I am a handicapped person who is a single parent with a ten year old child. I was employed with the Canada Employment Centre in a term position.

I just cannot understand why a Government that says they are pushing for affirmative action, could cut back person years so much that it won't allow me to work.

Although I have some vision, I am registered with the Canadian National Institute for the Blind. I am enclosing a letter of reference which my former manager wrote for me. This will prove that I was capable of my duties and not layed off because I couldn't perform them. I am not the only one whom this cut back has affected. A native woman who has worked in the office for two and a half years has also been layed off.

I don't want to be on unemployment benefits, I want to work, and I know I was good at my job. As I said before, how can you say that you are pushing for affirmative action and not go through with it?

Please try to understand my situation and look at it from my point of view.

Her local manager said in his letter:

Her employment with us was terminated due to cut-back in staff and not due to her performance. We would not hesitate to rehire her should a position become available.

The point I am making is that in eliminating full-time jobs in the Public Service of those who were hired last, that will continue the lack of opportunities for women, the handicapped and native people within the Public Service. This is another example of the Government doing the exact opposite of what it has promised.

The Government promised "to create more job opportunities for youth and to reduce the number of students requiring student loan assistance". I have had an opportunity to see the amount of money coming to my riding under the Challenge '85 Program for students announced by the Government. In my riding alone, there has been, in effect, a one-third reduction of the number of jobs from 581 to 395 over a one-year period. Furthermore, that funding has been cut by 40 per cent from $1,293,593 to $762,568. Therefore, in my area of the country there are fewer jobs for students who are looking for employment in order to continue their education.

The Government came into power on the basis of change and on the basis of trust. Canadians were angry and frustrated with the former Liberal Government because they felt it was arrogant and uncaring. The Progressive Conservatives received a sweeping majority on the basis of change and the need for a Government that could be trusted. In the time available to me today I have pointed out numerous areas in which the Government has reneged on promises it has made. It has reneged on its promise to farmers, to women and to the handicapped of this country. Although the Government has been very generous to its friends, it has not established the trust or the credentials for implementing the changes it promised.

In closing, let me refer to a final promise that the Conservatives have broken. It is typical of what the Government has done. During the election campaign, the Conservatives promised old age pensioners that, "a PC Government would once more index the old age pension at the actual cost of living on a quarterly basis". They said that they would respect the right of pensioners to receive the full amount of any increase in the cost of living. That has not happened.

As my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), said a few moments ago in response to the Minister of Supply and Services (Mr. Andre), as a result of breaking that promise, the Government has told Canadians between the ages of 50 and 55 that their pensions in ten years will only be worth one-half of what they are worth today. The old age pension will no longer be a universal benefit which Canadians can rely upon in any significant manner.

The Prime Minister (Mr. Mulroney) talked about sacred trusts. If the Government cannot provide trust to our seniors, obviously it is not concerned about providing that trust to others in our society. It made a specific promise and then broke it as soon as it introduced its first Budget. Canadians deserve better, because although they voted for change in September, they got a repeat of a tired, cynical Government that does not believe it is necessary to keep its promises. They have a Government that is showing no concern for the ordinary Canadians, working women or senior citizens. It is a Government of broken promises.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, I welcome this opportunity to comment on the Hon. Member's speech. Before doing so, however, I may recall that this is my first term in the House and that I have a great deal of respect for the institution. Unfortunately, the attitude taken by the Hon. Member who just spoke is so obnoxious that it certainly diminishes much of the pleasure of being present in this House. I wish the Hon. Member would follow the example of new Members in the way they speak and their concern for maintaining a climate of respect in Parliament.

As for the points raised by the Hon. Member, there is one I would like to comment on and that is the elimination of capital gains tax on farms. He says we failed to keep our promises. As I informed the Hon. Member earlier, our campaign manual, which I helped prepare because I was executive director of the advisory committee on policy, so I know the manual very well . . . What the Hon. Member calls promises were solutions we were proposing to problems created over the last two decades, and created partly because at the time the Liberal Party was in a minority position and it had been obliged to bow to the doctrine and ideology of the Hon. Member's own party. The Liberal Party was obliged to alter its perspective, and although it might have preferred to add a measure of discipline to Government operations, the fact that it was in a minority position and dependent on a party that had no financial responsibility, that had no administrative responsibility because it had never had a hope of forming a Government, was instrumental in making the Liberals adopt policies that created the situation we are trying to remedy today.

What he refers to as promises, Mr. Speaker, were the solutions we were proposing to problems his party had created for Canada. These include, for instance, the screening agency which his party made the Liberal Party adopt when it was in a minority position, an agency that did not accomplish what the New Democratic Party thought it would accomplish, which was to Canadianize our economy. All FIRA has managed to do is to weaken that sector of our economy, and I am referring to the oil industry, that might have been able to create the jobs we needed. Furthermore, it established a system that discouraged investment that could have created jobs. Today, we have one million and a half people out of work. So when the Hon. Member talks about promises, he should remember that these were the solutions we were proposing for specific problems. And, Mr. Speaker, we are providing those solutions.

For instance, the Hon. Member said no provisions are made for training. He was referring to one specific program that was terminated because it was due to expire. However, $100 million in training funds are being provided under this Budget. The same amount was already earmarked for 1985-86, and another $900 million has been allocated for 1986-87.

The Minister of Employment and Immigration is drafting a training program that at last will provide for a complete re-training program and a training program for youth in Canada's growth sectors.

The Hon. Member is therefore wrong to say that just because we eliminated a single program that was about to expire anyway, we are doing nothing for training. We are, Mr. Speaker.

With respect to women, I am always inclined to laugh when I see the New Democratic Party posing as the great defender of women. Which portfolios are women in that Party responsible for? Traditional portfolios, for women have nothing to do with those portfolios which can have an impact on the future of this country. But in our Government we do have women in energy, a leading sector, in finance, again a leading sector. The Minister of Employment and Immigration (Miss MacDonald) holds the Government's most important portfolio, and she is a woman. Our Party does more than pay lip service to women.

Mr. Speaker, they keep forgetting as well that their image of the Canadian woman is not that of a woman living on social welfare. Unfortunately, too many women depend on social benefits. Why? Because traditionally women used to rely on men as wage earners. But nowadays there are independent women and they can look forward to a better retirement. They can prepare for their own retirement. Some women operate small and medium-sized businesses and they will avail them-

selves of the Budget measures to create jobs. The Budget provisions will enable them to put money aside for their retirement years. These are Canadian women and, fortunately, they make up an ever growing majority because they are no longer satisfied with social welfare benefits, they want to be self-sufficient. They would rather not have to depend on men—husbands, brothers—or on the State. The New Democratic Party wants to substitute the State for men in the lives of women. They want women to be dependent on the State. The State will tell them where and what to study, how much they will earn. That is altogether different, it is not freedom.

The NDP also talks about the handicapped—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member. The Hon. Member for Churchill (Mr. Murphy).

• (1220)

[*English*]

Mr. Murphy: Mr. Speaker, let me first respond to the Hon. Member's beginning remarks. I certainly do not mean any disrespect to her. Unfortunately, when she does heckle, which is on a fairly constant basis—and I do not mind people reacting in the House—my problem with it is that she is not loud enough for me to hear her, but she is loud enough to create some noise in the Chamber. That is my particular problem with the Hon. Member's heckling. If she wants to be louder, I do not mind responding to her.

Mrs. Mailly: You are loud, but I do not say you are yapping.

Mr. Murphy: I am not sure what the Hon. Member talked about after she went through her initial concern about my reference to her yapping. I did not talk about FIRA. I did not talk about a number of things which the Hon. Member went on to talk about. I did not talk just about the Liberals' broken promises. In the Hon. Member's remarks she said that we forced the Liberals to do certain things and that perhaps if the Liberals were left alone they would be more like the Conservatives and somehow that would be better. What I objected to was not the Liberals stealing our ideas, but the fact that the Member herself was part of the group that put together the PC campaign handbook which took a lot of our ideas that were quite good and on which our people had worked for many years but which the Conservatives did not implement. I talked about capital gains being handled in such a way as to make sure that land is there on a continued basis for agriculture. That is what the Conservatives promised and that is not what they have done. They talked about making sure the old age pension was there and that it was fully indexed to the cost of living. Good. That is something we agree with, but it is not a promise the Conservatives kept.

With regard to women, the Conservatives made various promises regarding child care to help women get out into the workforce, a promise yet to be kept. What about transition houses? Again that was a promise made in the campaign. I referred to it by quoting from the appropriate section of the PC campaign handbook. Again that is a promise not kept.

The Government can implement the policies it wants. What I have been saying throughout my speech, and what I am saying now in my rebuttal, is that the Conservatives made a whole bunch of promises to specific groups, to farmers, to women, and to old age pensioners, but they were not kept.

For that matter, in some areas, such as, as I have said, in the case of the old age pension, the Conservatives have not only not kept the promise but they have gone in the opposite direction. It is the same thing when we talk about money for post-secondary education. The Conservatives talked about a formula that existed in 1977 that would have provided more money for post-secondary education. This Budget talks about cutting money for transfer payments in such a way that obviously there will be no more money, and it is obvious it will not be as rich as the 1977 formula.

[*Translation*]

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers).

Mr. Desrosiers: I have a question for our colleague, the Hon. Member for Churchill (Mr. Murphy). He was talking about public servants a moment ago. I hope he is not really concerned about public servants. You know, Mr. Speaker, this is such a nice day that I would dare you to find one, especially the senior officials of the Department of Employment and Immigration. They have all gone to play golf while we are working here in the House. Perhaps some of us would enjoy a game of golf, but we have to stay here. I hope the Hon. Member is aware of that. You know that Canadian taxpayers are paying for all that. The Liberal Party hired too many employees, five where one would do. Hopefully the Hon. Member is not worried because the Government will put an end to that one of these days, and I wish he would comment on that.

[*English*]

Mr. Murphy: Mr. Speaker, I was alarmed when I heard the specific reference which the Hon. Member made. He said that he cannot find a director of the Department of Immigration and Employment because they are all playing golf. I see the Minister of Employment and Immigration (Miss MacDonald) sitting in her seat. I hope she will look into it.

Mr. Lanthier: She is doing her job.

Mr. Murphy: If the Hon. Member wants to list specific examples and say that every director—and I am not the person who should be defending the Department, it should be the Minister herself—is out playing golf, and I noted some of the Tory back-benchers were clapping when the Hon. Member made remarks to that effect, then I think he is not doing a very good job of checking his facts. What concerns me about what the Member said is his attitude. I believe the people who are working for us are working for the benefit of the Canadian

people and they, just as much as anybody else and any Member in this Chamber, are doing an honest job for Canadians. Certainly you can find exceptions and certainly the Hon. Member for St. Boniface (Mr. Duguay) can mention teachers who may not be quite perfect, but most of them do a damn good job for Canadians. That kind of insidious remark is completely despicable.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Mississauga North (Mr. Horner).

Mr. Bob Horner (Mississauga North): Mr. Speaker, it gives me a great deal of pleasure to rise in this House today to take part in the debate on the first Budget brought down by the new Government under the leadership of the Right Hon. Prime Minister (Mr. Mulroney). I want to tell Members present about the fine reception to the Budget that I am receiving in my riding from all people in all segments of society and their approval for the actions we have taken in this Budget.

The great riding of Mississauga North which I have the pleasure to represent in this House is one of prosperity and growth with its almost one quarter million Canadians working very diligently for themselves and their families. Many of the families in my riding have both spouses as wage earners. Many of the changes in this Budget are particularly important to them. I refer to the beneficial changes in the area of pension reform introduced by the Minister of Finance (Mr. Wilson) and I will elaborate on that further a little later.

First, I wish to discuss a few of the important background reasons that this Budget has received such high acclaim from the people in my riding and from a great majority of the people across the nation.

As is the habit of the Conservative Party of Canada, our Members have gone out and consulted with the widest possible cross-section of community members to ensure that what is being done by our new Government is what is best for Canada and for all Canadians. Evidence of the success of this endeavour is the high amount of popular acclaim we have received to our Budget as it was presented. It is through this process of consultation that we have come to understand the need to work closer with small business people to provide better benefits for all, to work hard to ensure that everyone is treated equally and everyone is given the same chance in achieving his or her goals.

I wish to direct the majority of my comments today to the many improvements offered in the pension programs available to all Canadians. I shall now do a quick review of these many excellent improvements.

● (1230)

Amendments to the Pension Benefits Standards Act, affecting directly and indirectly some 4.5 million Canadians, will be tabled in Parliament and will be brought into effect on January 1, 1987. Through close co-operation with the provinces, the federal Government has worked hard to ensure that amendments to pension standards legislation in different jurisdictions are comparable. We are working to ensure that uniformity and fairness is the order of the day for all Canadians affected by the Pension Benefits Standards Act.

Today's rapidly changing economy makes mobility the key to success in nearly all occupational groups. With this reality in mind, the federal Government has taken dramatic steps through the Budget to increase the portability of pensions. Working hand in hand with high mobility is the amendment that ensures that pension rights will be acquired much more quickly. These two changes are of great significance to many young people who have found early on in their careers that, through moving from one job to another or from one area of the country to another, they can best prosper and provide for their families. We have provided for them the assurances that while they are working hard to support their families, they will not, through poor government regulations, be losing rights to pensions they will require in their later years.

I am pleased to say that after only two years of participation in a plan, employees will be entitled to retirement funds including that portion provided by the employers' contribution. Hence, vesting will occur after a minimum of two years instead of the five years of the past. These vested benefits will become far more portable, ensuring that employees will not lose what they had paid for in those two years, when they move on to seek better opportunities to support their families. Under the new program, they will be able to transfer the vesting accumulated to a locked in RRSP or directly to their new employers' programs. Another option includes leaving vested pensions with former employers until retirement or, finally, transferring their own contributions together with interest to a locked in RRSP while leaving the remaining entitlement with their former employers as a deferred benefit for their retirement.

It is the concept of choice, the choice of the individual Canadian to decide what is best for him or her in determining his or her own future, which is key to this proposal and indeed to the entire theme of the Minister's Budget. We firmly believe that all Canadians have the right to determine what should be done with their own lives and with their own earnings. Through these steps we are ensuring that these rights will be protected.

To show the sensitivity of the Minister of Finance to the small business sector in particular, and the understanding which we in the Conservative Party have gained from our years in private business and through our extensive consultations with all members of society, provisions have been included which will lessen the administrative burden for small business when maintaining records and providing payment on extremely small pension amounts.

It is thoughtful consideration and action on problems such as these which have generated such an overwhelmingly positive response to our budget proposals by the small business sector. Any Member should know from speaking to small business people that one of their greatest concerns is the concept of free enterprise. I am pleased that the Budget takes us along the

path that we have laid down, freeing enterprise from government over regulation and interference.

Another important change in the program so far as contributions by employers are concerned is that there will be regulations which require employers to contribute at least 50 per cent of the value of pensions earned. This is necessary because in some plans employers do not contribute to workers' pensions until after many years of service. This will ensure that employers share the cost of their employees' pensions and that short service workers are treated equally with long service workers. Of course, this measure is extremely important to individuals who return to the workforce after staying in the home with children, to ensure that they will receive fair pensions when they retire and that they are not penalized for working many years in the home raising their families.

Another change in the plan is that employers will be required to refund employees' contributions to any plan less than two years old, and along with those refunds there must be interest paid not less than the amount currently being paid on non-chequing savings accounts. This is important in that it ensures that individuals do not lose the money they have put into pension programs before vesting takes effect.

In the beginning of my remarks I talked about the tremendous importance and impact that the amendments brought forward by the Budget would have on the many families in Mississauga with two working members. Of particular importance to many of my constituents is the extending of eligibility to all full-time and part-time workers. Under the new program, part-time workers who have earned in two consecutive years at least 35 per cent of Canada Pension Plan yearly maximum pensionable earnings, which in 1985 will be $23,400, will be eligible to join pension plans available to their full-time co-workers. This measure recognizes the tremendous contribution which so many individuals make through part-time work and rewards them in a just and fair way when the time comes for their retirement.

A further change, which allows plan members to elect early retirement beginning at age 55, is yet another indication of our commitment to giving Canadians the greatest possible freedom in determining their own lifestyle. It is again an indication that we in the Conservative Party feel that government is here to serve the people, not the people to serve government. I suggest to Hon. Members of the House that all Canadians will benefit from these proposals. However, those individuals who will benefit the most will be women in our society. After over 10 years of Liberal indecision, we in the Conservative Party have acted on the appreciation and respect we have for the contribution which women make to the Canadian way of life. We have taken major steps to ensure that they receive the equality and just treatment which they have been denied for so long.

Perhaps the most important change in this regard will require plan sponsors to provide equal periodic benefits to men and women retiring in identical circumstances. Such has not been the case in the past where women have been unjustly discriminated against due to the use of annuity factors which differentiate between men and women, or due to inequality of pay received for work of equal value. There are also many changes which will positively affect women who are working in the home. These include pension plans which will be required to provide benefits to surviving spouses of plan members who are retired at the time of death. The benefit to the survivor must be no less than 60 per cent of the amount payable had both spouses lived. The pension plan will also be required to transfer the full lump sum value of the pension earned by a plan member who dies prior to retirement to a locked in RRSP of the surviving spouse, or to provide a monthly survivor pension for the remaining spouse; again the option being their choice.

In the event of marriage breakdown, the value of pension credits and pensions already being paid will be split equally among spouses or will be split as determined by the courts or by the individuals themselves. An important consideration in this item is that marriage breakdown will include the ending of common law relationships. There are not only benefits for women but indeed for all individuals who are surviving spouses in that survivor pensions will no longer be terminated if a survivor remarries. All these steps will do much to help soften the blow of the move to retirement years which is currently a problem for many Canadians, particularly women.

It is important also to note the many flexible and varied programs from which employees will be able to choose when deciding how best to deal with their own future. To enable maximum flexibility, it is essential that employees be allowed access to all information about their plans in regard to accumulated contributions and degree of funding on the part of the employer. To this end the Government will require annual disclosure of this information to members of plans and their spouses. The same information will also be made available to individuals dealing with the affected people serving in the capacity of financial adviser or agent.

• (1240)

Under the terms of the Pension Benefits Standards Act, there will be requirements that plan members be represented on management committees if they so desire. It is important that employees not only have a say in what they do with their money upon completion of their working years, but also that they have input as to how it is invested and used prior to retirement benefits commencing.

The Budget goes further, in that the Minister of Finance has proposed a form of tax assistance for retirement savings. This new system will result in an expansion of the Canadian system of tax assistance for private pension arrangements, both in terms of the number of Canadians covered and in the amount of income funded. The Government has been mindful of the need to limit the complexity and reporting requirements for employees and employers in the design of the new system. The changes will be phased in over the next five years in recognition of the current fiscal constraints of the Government.

There currently exist three vehicles by which individuals can establish retirement funds. These three vehicles can be transferred into two methods of disbursement of income at retire-

ment. Under existing legislation there are a great number of disparities in these programs. Many of them serve to discriminate against people in the various schemes of tax assistance available for retirement savings. Accordingly, there will be major changes to all three of these vehicles by which contributions can be made to ensure that all Canadians, regardless of the occupation they choose, will be better able to provide for themselves and their families in the long term while taking full advantage of all tax incentives.

Perhaps the most important consequence of these many changes is the raising of the ceiling on RRSP contributions through several of the programs to where, over time, it will be set at $15,500.

Again, in recognition of the special problems faced by small business people in this country, the Budget also proposes that unused contribution amounts will be permitted to be carried forward for a period of seven years. As suggested, this is of particular importance to small business people, since they experience wide fluctuations from time to time in their capital requirements and, therefore, may not be able to provide for their own retirement funds on a consistent basis.

In my speech today I have touched on a few of the many important changes which are being made to pension programs in Canada. These are changes which will be of great benefit to all Canadians, particularly those who have been discriminated against in the past, including part-time workers and women.

After extensive consultation, the changes introduced in the pension program are a hallmark of Conservative approach to government. They represent our underlying philosophy that government should be a servant of the people and not vice versa. We want Canadians, not the politicians and the bureaucrats, to control their own destiny. We want Canadians to invest in their future.

We have a different philosophy from that of the members of the Opposition, who want government to control everything. It would appear that members of the Opposition have no faith in ordinary Canadians. We have that faith.

I know Canadians do not want hand-outs; they want opportunities. Over the past 20 years, the Government has done everything possible to stamp out the dreams of Canadians. An entire generation has grown up with a Government of fear and negativism. It is a testament to the strength of the desire of Canadians to improve their lot that on September 4 ordinary Canadians proclaimed their belief in their ability to control their own destiny. This is the philosophy of the ordinary Canadian—this is the philosophy of the Progressive Conservative Party.

Mr. McCurdy: Mr. Speaker, the Hon. Member for Mississauga North (Mr. Horner) referred to the abundant consultation which took place before the Budget and the enthusiasm with which it has been met. This has been referred to repeatedly by members of his Party. With respect to the issue of pension reform, the direction of portability, vesting and the extension of pensions to part-time workers, I am willing to concede, as will most Members of the House, that that probably does reflect consultation since these are matters which have been raised over a good many years.

I wish to ask the Hon. Member the following question, and I hope he will be clear in his answer for the benefit of his constituents: Am I to understand that prior to the election, his constituents who are recipients of OAS clamoured to ensure that their payments would be deindexed and that they now approach him in his riding saying, "Thank you, oh, thank you, for cutting down my pension; do some more for me next year in the same fashion"?

Mr. Horner: Mr. Speaker, as a matter of fact, I would like to inform the Member for Windsor-Walkerville (Mr. McCurdy) that I have received quite a few calls from senior citizens in my riding. While I was in my riding over the weekend, I received close to 20 calls. What I told these callers was that we were not deindexing pensions and that they would not be receiving less. I told these people we were modifying the indexation system so that on the first three points of the CPI they would not see indexation.

I also told them that, as a result of the provisions in the Budget, they would be paying approximately 27 cents per day this year. I told these callers that that was a small price to pay to ensure that they would have any pension at all 10 years from now. I also told them it was a small price to pay for an insurance policy which guarantees that their grandchildren will not be saddled with a debt which would place us in the same class as countries such as Argentina and others which are totally out of control.

Mr. McKenzie: Mr. Speaker, I wish to congratulate the Hon. Member for Mississauga North (Mr. Horner) on his maiden speech and for the way in which he has handled himself in the House. One would think he is a 20-year veteran of this place.

Contrary to the comments of the Hon. Member for Windsor-Walkerville (Mr. McCurdy), it is encouraging to see that seniors are finally speaking out on their own behalf. Mr. André LeBlanc, Director of the National Council on Aging, said his 18-member body of government appointees is determined to start projecting "a more positive and realistic image" of seniors in Canada to counter the prevailing impression of older people as poor, unhealthy and living in long-term care facilities.

The impression given by members of the Opposition is that every single senior citizen in the country is hard up and broke. That is one of the most insulting insinuations which could be made with regard to our senior citizens.

Statistics show that many seniors are comfortable, healthy and well-educated. The National Council on Aging maintains that that reflects the situation of the majority of seniors in the country.

The Council states that 37 per cent of those 65 and older now participate in sports or exercise, compared with 13 per cent in 1976. A 1984 Statistics Canada publication indicates that 40 per cent of families headed by seniors have an annual

income greater than 25,000. It also indicates that 25 per cent of men and 10 per cent of women are still in the labour force, and that 90 per cent of elderly Canadians live in private households as opposed to institutions. These are not ramshackle homes in which they are living. They are beautiful homes and apartments. They also have automobiles, and condominiums in the southern United States. The 10 per cent of seniors who cannot maintain a home live in modern, high-rise homes and small side-by-side duplexes. My riding is full of them.

The Progressive Conservative policy is for seniors to maintain the quality of life they had upon reaching retirement age. With the improvements to the RRSPs, all Canadians will be able to retire in comfort. Also, many seniors who still live in their own homes are assisted by the provinces in paying their municipal taxes. There is no impoverished group of senior citizens in my riding who are starving, hard up and broke. I would like to ask the Hon. Member for Mississauga North if he finds that the senior citizens in his riding are starving, hard up, broke, destitute and living on the street, as implied by members of the Liberal Party and the NDP.

• (1250)

Mr. Horner: Mr. Speaker, I would like to thank the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) for his question. In Mississauga, there is a group of seniors who have looked after their own needs. There are people who need extra help. We all know that and that is no problem. The Guaranteed Income Supplement will be fully indexed. These people will get the help they need.

Let me describe the type of senior citizens who live in Mississauga North. They are people who have looked out for their dollars. They have lived through two World Wars and a depression and they have learned how to save and get along. All of those people to whom I spoke told me, when I mentioned 27 cents a day, that they were perfectly willing to give that up. They told me that they realized that this country had been put in a terrible financial position and they wanted to create employment for their children and granchildren.

As an example, I could tell the House about my own mother. She worked for 27 years as a school teacher. The highest salary she ever received as a school teacher was $7,800 per year. Out of that she was able to save enough to support herself and invest money so that today, with her pensions and everything else, she receives more than double that. She is better off than she ever was before. I realize that not everyone is in that position, but the senior citizens are a very responsible group of people. We should be very proud of them. We should not degrade them the way the Opposition does.

Mr. Deputy Speaker: Resuming debate.

Mr. de Corneille: Mr. Speaker, it being seven minutes to one o'clock, I wonder if I might have the unanimous consent of the House to complete my remarks by extending past the lunch hour.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. de Corneille: In that event, Mr. Speaker, I wonder if the House would consider my calling it one o'clock.

Mr. Deputy Speaker: Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Very well. It being one o'clock, I do now leave the chair until two o'clock this day.

At 12.56 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

DISARMAMENT

WINNIPEG PEACE WALK

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, last week the Liberal Task Force on Peace, Security and World Disarmament began its first week of public hearings to consult with Canadians from coast to coast on Canada's future role with respect to peace, security, and world disarmament.

The Winnipeg Co-ordination Committee for Disarmament presented a very thorough and comprehensive brief to our committee. That committee represents a coalition of over 30 organizations working for peace. The committee made many good recommendations, some of which need to be urgently and seriously considered.

The Winnipeg Co-ordination Committee for Disarmament is holding its fourth annual Walk for Peace in Winnipeg, Manitoba, on Saturday, June 8, 1985 at 11.30 a.m., beginning in front of the Legislature. Its representatives have asked me to extend an invitation to Members of Parliament and Senators from the three political parties, and any other Canadians who wish to express their concern for peace, to join them on Saturday, June 8, in Winnipeg.

* * *

ENVIRONMENTAL AFFAIRS

DUMPING OF TOXIC WASTES—EMPLOYEES' ROLE

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, in recognition of Environment Week, June 2 to 8, I wish to raise a matter which concerns all Canadians.

S.O. 21

In this age of industrialization we must constantly seek ways to ensure that the rules and regulations which are laid out for the safety of our citizens are followed. We also have a responsibility to protect those citizens who carry out their civic duty and report the illegal or unethical activities of which they have knowledge.

For example, if an employee knows that his or her employer is dumping toxic wastes illegally, the first step is to approach the management directly. If the employer then tells him or her to keep quiet or risk losing his or her job, the person is faced with a moral dilemma. The choice is to say nothing and keep the job, or to blow the whistle and risk losing the job.

The people who blow the whistle should be protected from dismissal or other retaliatory measures. These are people who are convinced that there are illegal or unethical activities going on, and have been specifically directed to say nothing.

A "Whistle Blowers' Protection Act" would ensure that the people who step forward to report such activities are not punished. They should not have to pay, in real terms, by losing their jobs, their seniority, or financial security, as a result of making the public aware, as it is the public's right to know of potentially hazardous situations.

It is time for us to examine the necessity of bringing in legislation to protect such civic minded people.

* * *

THE BUDGET

LETTER FROM WINNIPEG SECRETARY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to tell the House about a letter which was sent to the Prime Minister (Mr. Mulroney), with a copy to me, concerning the Budget. The letter comes from Cathy Syse, a constituent of mine, who is a secretary in Winnipeg. She has been working for nine years, grosses $15,204 a year, and nets $12,376. She wants the Prime Minister to understand better how middle working class people live. She wrote in part:

> The following list are the payments that I have to make this year. Rent $4,140; hydro $360; telephone $240; gasoline $1,440; food $2,040; cigarettes $780; liquor $120; insurance $500.
>
> The balance of $2,756 has to go for clothes, entertainment, Christmas and increases in my rent, food etc.
>
> The car that I am driving is a 1973 model and I haven't bought any new furniture for the last five years. My holidays are spent sitting at home and I don't go to nightclubs or out for dinner because it's too expensive.
>
> I simply cannot afford this new Budget of Mr. Wilson's. Perhaps Mr. Wilson can draw up a budget for me so that I can afford this new federal Budget.
>
> I am a simple average working person with very few luxuries—and now you want to tax the only luxuries I have so that I won't be able to afford them either. Is that what you had in mind?
>
> I doubt Mr. Prime Minister if you will ever read this letter or if I'll even get some sort of reply. It will probably be thrown in the garbage—

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

[*Translation*]

ENVIRONMENTAL AFFAIRS

CANADIAN ENVIRONMENT WEEK

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I want to take advantage of this opportunity to draw the attention of the House to the fact that this week, from June 2 to June 8, is Canadian Environment Week. One priority has been set aside for each day: parks, wildlife, research, volunteers, acid rain and hazardous products.

[*English*]

The purpose is to demonstrate how each affects the environment.

The reason I think this is important is because I represent the South West Nova area which is known for its beautiful beaches, rivers, lakes, and unspoiled lands. I realize that I am not the only Canadian who is blessed with such magnificent natural gifts in his backyard.

We have to be vigilant if we want to protect our environment. The threat of acid rain is real, and only through co-operation can we achieve success.

The point I want to make is that the concern for an improved environment is everybody's responsibility.

[*Translation*]

We can all, by our behaviour, help improve the environment: from the driver who can demand unleaded gas to industries that have a responsibility to control the environmental consequences of their activities.

[*English*]

Each and every one of us has a responsibility and I am very pleased that the theme for the Canadian Environment Week is "Environment . . . A Shared Responsibility".

* * *

[*Translation*]

FINANCE

DEMANDS OF CONFEDERATION OF FAMILY GROUPS OF QUEBEC

Mr. Carlo Rossi (Bourassa): Mr. Speaker, after making a number of attempts to arrange a meeting with the Minister of Finance (Mr. Wilson), the Quebec Confederation of Family Agencies has yet to receive a favourable reply.

That is at least what was reported in *La Presse* on May 8. The organization in question, referred to as COFAQ, is an umbrella organization for fourteen federations of family agencies across Quebec, and had asked for an urgent meeting with the Minister of Finance to inform him of the concerns of Quebecers with respect to the Minister's "sacrifice Budget".

The Confederation is asking for a Budget that is fair and equitable for our families. It is also asking that child tax credits and family allowances be left intact.

Everyone knows that family agencies have a reputation for being understanding and cooperative. However, Mrs. Denise Laporte-Dubuc has informed the Minister of Finance that if he did not take their recommendations into consideration, the COFAQ would feel obliged to react by organizing a demonstration in Ottawa after Budget Day.

I hope the Minister, who claims his Government is one that consults, considered the requests made by the Confederation of Quebec Family Agencies.

* * *

[*English*]

THE BUDGET

COMMITMENT TO IMPROVE MANAGEMENT OF TAX REVENUE

Mr. Alan Redway (York East): Mr. Speaker, as a taxpayer I was delighted to hear in the Budget of the Government's commitment to manage more effectively, as evidenced by its undertaking to improve cash management and to dispose of unneeded property.

I am sure the Government will also move quickly to correct the numerous other areas of mismanagement and misspending which were identified by the Auditor General in his 1984 report, including the misclassification of public servants which he estimated costs us all $125 million each year.

In addition, I was pleased to learn of the progress which is being made by the Task Force on Program Review which is headed by the Deputy Prime Minister (Mr. Nielsen). That task force is aimed at simplifying programs and eliminating duplication. It is a task force which should produce not just millions, but billions of dollars in savings that should be reflected in a lower deficit next year.

Improving government management is the key to ensuring that our tax dollars are being spent as effectively and as efficiently as possible. I am never really happy, as a taxpayer, to pay taxes, but the next time I write a cheque to the Receiver General of Canada I will feel a lot better to know that my tax dollars are not being wasted.

* * *

THE PRIME MINISTER

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Prime Minister's (Mr. Mulroney) delusions of grandeur keep growing. I am referring to a newspaper article on Friday which stated that, from now on, when the Prime Minister travels abroad it will be with two aircraft, one for him and one for the press. I guess two jets constitute an "airfarce".

The way the new system will work is that the plane with the press in it will touch down first. Then, all the journalists will run to position themselves, and wait for the great event. Finally, the announcement will come—"The ego has landed".

The Prime Minister brags about being able to pick up the telephone and talk to Ronald Reagan any time, but I think it's Uncle Ronnie who does the talking. He tells the Prime Minister how to act like a President. "Get your own podium", Ronald Reagan says, and presto, the Prime Minister has a podium. "Get your wife her own office and staff", and presto, the Prime Minister's wife is installed in the Langevin Block. "Pretend that you are the head of state when I come to call; it will make for better television", and presto, the Governor General is not even invited to Quebec City. What is next, a helicopter pad at 24 Sussex?

● (1410)

The latest advice from Uncle Ronnie is that separate planes will help in news management. For once maybe the President is right. The Prime Minister (Mr. Mulroney) does need two aircraft when he travels: one for himself, and one for his ego.

* * *

HUMAN RIGHTS

U.S.S.R.—DENIAL OF EMIGRATION TO SOVIET JEWS

Mr. John Oostrom (Willowdale): Mr. Speaker, a few nights ago I attended a very moving ceremony in Willowdale, presented by the National Council of Jewish Women. The guest speaker was our Ambassador to the U.N., Mr. Stephen Lewis. In an eloquent, dignified ceremony, 14 Canadian students in cap and gown received graduation diplomas on behalf of 14 Soviet Refusenik students who were denied the right to Jewish religious education and university admittance. These are basic rights we take for granted in Canada and the western world.

In his address Ambassador Lewis stressed five key points to help Soviet Jewry. Each Member should continue to speak up in Parliament for human rights; the issue should be stressed through quiet diplomatic manoeuvres; the issue of human rights should be kept at the forefront of bilateral negotiations; debates in international forums, as my colleague for Calgary West (Mr. Hawkes) did so effectively at the U.N., and through human rights conferences such as those currently taking place in Ottawa; public pressure should be kept up by keeping their cause alive every day.

The gravity of this issue is illustrated by an important fact. In 1979 some 51,000 Soviet Jews were allowed to leave, while in 1984 the number was only 876. I applaud the tremendous and courageous action taken by the Secretary of State for External Affairs (Mr. Clark) in Russia this spring. As a Government we must continue to press the Soviet Government to release another 50,000 Jews. This would show the world the good will of the U.S.S.R. and its humanitarian interest in family reunification.

S.O. 21

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Minister of Justice (Mr. Crosbie) has been caught with a snout in the trough in the latest incident of pork-barrelling.

The people of Newfoundland thought they had left the merchant family mentality behind after 1949, but now it appears the Minister of Justice is trying to revive the good old tradition. A merchant family, as we know, must have one member in business, one in government, and a few scattered around the courts. The Minister's family has one member who is a prominent businessman, and from whom Revenue Canada is now claiming $380,000. Both of the Minister's sons are legal agents for the Department of Justice, courtesy of their father, and have as their responsibilities the task of acting on behalf of Revenue Canada.

The question is: will the Minister's sons, who were named as federal legal agents by their father, act to prosecute the uncle, who is their father's brother, and who owes the Government of Canada $380,000?

This whole incident gives new meaning to the theory of relativity, and this outrageous conflict of interest makes Billygate look mild by comparison. The Prime Minister (Mr. Mulroney) ought to relieve the Minister of Justice of his responsibilities until this whole mess can be cleared up and corrected.

* * *

THE BUDGET

SUPPORT FOR PROVISIONS

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Liberal and NDP Members of the House are demoralized and confused. For years Liberal Budgets put Canada deeper and deeper into debt, reaching a total of $200 billion, with an annual deficit of $38 billion. They threw money around like drunken drug addicts. For example, they sent a secretary to the Riviera to improve her French, and threw millions of dollars at jobs which actually increased the number of unemployed, and so when the PC Budget, (1), reduced the deficit and started Canada on a free enterprise road, by creating a climate and providing incentives for small business that will encourage investment, and which will mean jobs instead of increasing the debt; and (2), it offered a glad hand of co-operation to all provinces, instead of the former one finger salute with policies which crippled their industries; and (3), it placed a surtax on corporations and the banks, along with a notice to the wealthy that a minimum tax is coming later instead of destroying incentive by heavy taxation, the Liberal and NDP went into a mad frenzy. They moan because interest rates are down, and weep because the deficit is decreasing. Yes, their negativism and confusion are evident every day. But who cares? The people of Canada are happy because the Budget is the beginning of a new and prosperous Canada, a Canada which will pay its debts. So I say, down with the negative opposition, and up with the people!

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ICELANDIC MINISTER OF FISHERIES

Mr. Speaker: Before proceeding to Oral Question Period may I indicate to the House the presence in our gallery of the Minister of Fisheries for Iceland, and a delegation from his country.

Some Hon. Members: Hear, hear!

PRESENCE OF PROVINCIAL LOTTERY MINISTERS

Mr. Speaker: We also have with us four provincial Ministers who are responsible for lotteries in their provinces: the Hon. Rick Folk from Saskatchewan; the Hon. John Baxter from New Brunswick; the Hon. Bill Joe MacLean from Nova Scotia; and the Hon. Lloyd McPhail from Prince Edward Island.

Some Hon. Members: Hear, hear!

PRESENCE OF NEWFOUNDLAND ENVIRONMENT MINISTER

Mr. Speaker: I am also told that the Hon. John Butt, Minister of the Environment for the Government of Newfoundland and Labrador, is with us today.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

PROVISIONS AFFECTING OLD AGE PENSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I will put my question to the Minister of Finance. Like thousands of other Canadians, I suppose, I received a letter from the Hon. Member for Pembina suggesting that Canadians write to myself and the Hon. Member for Oshawa urging us to take the heat off the Prime Minister as a result of the Budget. The Hon. Member says in the letter: "I would not even think about writing you now except that the situation in Ottawa is critical. If we don't help, our Prime Minister will have great difficulty." I will have to have some private consultations with the Hon. Member for Oshawa to see how we respond.

The Minister of Finance knows that, as a result of his Budget and the deindexation of old age pensions, the value of an old age pension by the year 1990 will be lower by $30 a month in real terms. During the election campaign the Prime Minister said in Sherbrooke, on July 26 of last year, that he was committed to "complete indexing of old age pensions to the actual cost of living as of January 1, 1985." I ask the Minister if he would repeal the deindexing of old age pensions, not only because of the justice of doing so, but to render his Prime Minister honest once again in what he said to the old age pensioners.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very pleased that the Right Hon. Leader of the Opposition and the Leader of the NDP were able to break up their consultation in time to make it into Question Period today.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I do not think they liked that, Mr. Speaker. Let me respond to the question—

Mr. Blackburn (Brant): Try a two-liner next time.

Mr. Wilson (Etobicoke Centre): —of the Right Hon. Leader of the Opposition.

Mr. Orlikow: It is about time you tried.

Mr. Wilson (Etobicoke Centre): If they would like an answer. What we have set out to do in the Budget is to attack two major problems with which senior citizens are very concerned. The first is unemployment, the unemployment of their children and grandchildren. The second concern is the rising cost of debt, which last year grew at fully three times the rate of growth in the economy. It is in that context that we are approaching a broad expenditure control program in which we have asked senior citizens to participate. I believe that senior citizens, when they see the range of people in Canada who are participating, are quite prepared to be part of that over-all effort.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we suggested to the Minister's colleague, the Minister of State for Finance, last week that we did not think there was a grandchild in the country who wanted his or her grandparent to have their pension reduced by $30 a month because of this Budget. No one.

[*Translation*]

FAMILIES WITH MODEST INCOMES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary on the Budget. I am absolutely flabbergasted at the Government's claims that the Budget will increase the child tax credit for families in need.

Is the Minister of Finance prepared to admit that the real value of these benefits to families with an annual income of $12,000 will be less in 1990 than it is today? Is he going to admit that he is actually reducing the real value of benefits earmarked for hundreds of thousands of Canadian families living below the poverty line? Is he going to admit that de-indexing of family allowances deprives all low-income families of hundreds of thousands of dollars, in real terms?

• (1420)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to draw the attention of the Right Hon. Leader of the Opposition to the fact that through the Budget we have done something to address a fundamental problem in family benefits. That is that today, under the regime that has been in place for a number of years, those who are earning $10,000 or $15,000 receive less from the family benefit package than those who are earning $20,000 and $30,000. I think that we have taken a major step forward, and I believe the Right Hon. Leader of the Opposition would agree with that. As a result of the Budget low income Canadians will receive $100 more by 1989 than is the case today. That is a good step forward.

Mr. Turner (Vancouver Quadra): That is not what the numbers say, Mr. Speaker, but we will address that on another occasion.

CAPITAL GAINS TAX EXEMPTION

Right Hon. John N. Turner (Leader of the Opposition): As the Minister knows, the capital gains tax exemption which he announced is not targeted to investment in Canadian small business. An investment is eligible for that exemption whether it is in real estate or in South African diamonds. Since the Minister trumpeted that exemption as a stimulus for Canadian small business, will he revise the provision to target it more specifically as an exemption available only for investment in Canadian small business?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Liberal way is to target things so precisely that there is no freedom left for Canadians to decide how they should deal with their investments. We looked at that but decided that it would have added a tremendous amount of complexity to the system. There would have been multitudinous ways in which Canadians could have gotten around that. As a lawyer he knows that, because that is probably how he made a lot of his money before he got into politics.

As I have said before, by making the environment much better for investment we will attract investment capital here. In the first quarter of this year we had real growth of 4 per cent. Last year we had a surge of real growth at the end of the year directly in response to the things that we are doing. Things are going well in our country and all Canadians know it.

Oral Questions

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I had wanted to ask the Minister of Justice about his two sons who have received important agency work from the Department of Justice. I will direct my question to the Deputy Prime Minister instead. I would like to remind him that when the Secretary of State for External Affairs saw his brother become an agent of the Department of Justice with a very large award in the Province of Alberta, and when the Minister of Finance saw his brother-in-law and sister similarly rewarded by the Government, the Prime Minister made the point that this was not nepotism because it was another Minister completely who had made the award.

In this case two young lawyers, who were called to the bar in 1983, have received very significant appointments out of their father's Ministry. Did an outside member of the Government look at the award in this case as well? Is this not a clear case of patronage and nepotism which even the Conservatives in Newfoundland must find insulting and unacceptable to themselves?

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I would like to acquaint the Hon. Member with the following facts. Firstly, firms were appointed rather than individuals.

Some Hon. Members: Oh, oh!

Mr. Speyer: Secondly, the amounts that have been billed in the eight months to date amount to $712 in income tax, $891 in oil pollution, and $983 in the Fisheries Act.

In contrast, in the last fiscal year the fees of the standing agents appointed by the Liberal Party amounted to $84,000 and $75,000 respectively. The article to which the Member refers views this as a plum. I view it more as a crumb.

Some Hon. Members: Hear, hear!

APPOINTMENT OF NEWFOUNDLAND FIRMS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to ask the Parliamentary Secretary to table those figures so that we can look at them. I certainly recognize that the amount billed depends on the amount of work done. If a Russian or Spanish trawler comes into our waters, we will have a lawyer who was called to the bar in 1983 to deal with that. If there is another terrible oil spill or other type of disaster, we will be defended by a young man who failed two years in law school. Would the Parliamentary Secretary check his assertion that this work goes to the firm? My understanding is that it is addressed to the firm, attention young Mr. Crosbie.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the appointments were made on the basis of competence and frugality, characteristics to which the Hon. Member is probably a stranger. These firms are capable firms which are doing an excellent job. We make no apologies whatsoever for their appointments.

* * *

FINANCE

MINIMUM INCOME TAX—ESTIMATED REVENUE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance who made what could euphemistically be called an interesting speech to a group of economists last week in Montreal. In the course of that speech he noted that, in his view, there were not enough rich people in Canada and therefore the Government, in his judgment, had to turn to other Canadians for a source of revenue.

Will the Minister admit to the House that if the Government had imposed a 20 per cent minimum tax on the rich, and restored the tax level which the rich were paying before the Liberals cut it in 1981, he could have obtained an additional $2 billion in tax revenues from upper-income Canadians and left pensioners and other Canadians alone?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member neglected to say that in the Budget we have imposed a surtax on upper income Canadians who are earning over $40,000. We have introduced new rules which will eliminate fairly widespread use of income splitting among family members which we felt was unfair. We have also removed a number of loopholes for invesment, one being the scientific research tax credit which the Hon. Member has raised in the House before. Therefore we are doing a number of things to impose a heavier burden proportionately on upper-income Canadians in order to create a balance among all Canadians to share the load as evenly and equitably as possible.

REQUEST THAT MINIMUM TAX BE INTRODUCED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Minister knows, the surtax he has talked about is on tax payable. Since he did not introduce a minimum tax on the rich, the same people who did not pay tax last year can get away without even paying the surtax that he is talking about now. He also knows that the surtax is on for only a limited period of time, whereas he will continue to hit pensioners for an infinite period.

If the Minister was concerned about fairness which he and the Prime Minister talked about, why did he not simply restore the tax on the rich to the level it was before 1981, and bring in a minimum income tax for the rich now? Reagan in the United States is talking about increasing the minimum tax on the rich, and this Government has not yet even introduced one.

Hon. Michael Wilson (Minister of Finance): The Hon. Member knows full well that in the Budget it says that we will introduce a minimum tax for the taxation year 1986. He wants us to impose it without consultation or trying to get a degree of

harmony between the provinces. When we have Saskatchewan going one way and Quebec another, it is very important that we have taxpayers in different parts of the country being treated equitably. That is the purpose of this consultation paper.

• (1430)

Mr. Broadbent: The Minister likes to make much out of a federal system that recognizes different jurisdictions and, in terms of their responsibility, they ought to note what he has just said. We know, and the Minister knows, that one can have a federal minimum tax on the rich and it is up to the provinces to do what they want. If they are just, they should do the same thing. He does not have to wait for Saskatchewan or Quebec; he should do it now in terms of setting a fair tax.

* * *

PENSIONS

REQUEST FOR RESTORATION OF FULL INDEXATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. When he was in opposition he made an interesting point on June 29, 1982, when he noted the responsibility of the Minister of Health to speak out for those who needed assistance in Canada, particularly noting pensioners.

Clearly, the Minister of Finance stands up for the rich in Canada. In terms of the responsibility of the Minister of National Health and Welfare in Cabinet, will he act as a spokesperson for the pensioners? Furthermore, if pensioners let him know that they want the indexation system restored to their pensions, will he promise to take their battle back to Cabinet and insist that the Government restore indexation for our pensioners across the country?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Leader of the NDP looks at the statements on June 29, 1982, the deficit that was operative at that time, and the cost of paying the debt at that time, he will know that it was a very different scene from what it is today.

There is another point to be made with respect to pensions. I spoke to old age pensioners again this weekend. They very much understand the cost of debt which today, in fact, is greater than the total expenditure on health care on the federal side, on old age pensions, and GIS. They are telling me to bring down that debt—

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): —in order that our services can be protected.

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Parliamentary Secretary's answer to my colleague's question regarding the appointment of the sons of the Minister of Justice to patronage appointments in Newfoundland was indeed unbelievable and in complete disregard of the public interest.

Robert Pittman, the campaign manager of the Minister of Justice, was appointed to be prosecutor for all drug cases in the Avalon Peninsula, at approximately $200,000. Was that also prompted by the same great principles which led to the appointment of the two sons? Are there no Tory lawyers in Newfoundland who are neither related to the Minister nor worked on his election campaign?

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, as I said, the standards that are employed are based on competence, and they have been vetted through the Department of Justice. To hear the other side make these hypocritical statements is nothing short of stunning.

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I wish that the Prime Minister were here, but I will direct my supplementary question to the Deputy Prime Minister. Are appointments such as the two sons of the Minister of Justice and his chief campaign organizer the new direction, or new beginning, that the Prime Minister spoke about during the election campaign? Does the Deputy Prime Minister approve of these kinds of appointments? Does he realize that he and the Prime Minister had a choice; they could have said no to the Minister of Justice, and cancelled those appointments? Does he realize that he had that choice?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, if the Hon. Member does not know the answer to that kind of question—

An Hon. Member: Neither do you.

Mr. Nielsen: Yes, I do know the answer, in reply to that intervention. It is glaring evidence of the reason why he did not hold a Cabinet post for very long.

The answer is simply that the Minister of Justice has made these appointments on the basis of well recognized, longstanding principles of competence and frugality.

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): Even you can't say it with a straight face.

Oral Questions

PENSIONS

EFFECT OF BUDGET

Mr. Neil Young (Beaches): Mr. Speaker, last week every major pension organization told the Government that under no circumstances did they support what the Government was doing to old age pensions. During the weekend I and members of my caucus also spoke to seniors across the country. I want to tell the Minister of National Health and Welfare that over 1,000 Canadian seniors told the Government that they do not support what it is doing. As the Minister responsible for the welfare of Canada's senior citizens, why the hell is he cutting them loose the way he is?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we all recognize that we want to protect senior citizens and their pensions. Inflation protection is not fully indexed on the OAS as of January 1, 1986. That is the contribution that we have asked senior citizens to make to the debt. We have made that very clear.

I say to the Hon. Member that when he looks at that $100 for 1986, while that is a reduction against the total amount of income or purchasing power that they would have had if full indexing had been maintained, it should also be made very clear that the services that they require must also be maintained. We must have a method to prevent being consumed by the red ink of the national debt. That impacts on pensions, health care and other programs—

Mr. Speaker: Order.

POSITION OF MINISTER

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. Let me tell him what seniors understand. It is that the Government has put the boots to them. That is what they understand.

Perhaps the Minister will be interested in a petition that was taken up in the riding of the Minister of State for Finance, in the constituency of Eglinton-Lawrence. That Minister has been telling the House and seniors that they support the Government. The Minister's own constituents don't support it. As the Minister responsible for the seniors, will he fight within Cabinet to make sure that the Government does not deindex old age pensions but reindexes them? I want to tell the Minister that this is only the beginning.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, before I answer the Hon. Member I want to tell him that Eglinton-Lawrence is the riding of a Member other than the Minister of State for Finance. Perhaps he should look at those details as well. He should be accurate with what he says in the House.

The Member wants to suggest that there is disagreement in the Cabinet. The general argument is that we must protect seniors, but we must also protect them from the very debt load that has been impacting upon them and every Canadian. That is also a priority, and they understand that.

I understand the Hon. Member when he says that not every senior citizen in Canada prefers the option that was put forward.

Mr. Deans: There was no option.

Mr. Epp (Provencher): However, I believe that senior citizens understand the cost of debt and the reduction of flexibility. If the Hon. Member is honest as well, he will note that there is full indexing for those receiving the GIS. He should mention that as well.

* * *

ENERGY

WESTERN ACCORD—EFFECT ON DEVELOPMENT PROJECTS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, in the absence of the Minister of Energy, Mines and Ressources, my question is directed to the Deputy Prime Minister. If he sees the Minister of Energy I hope he asks her to drop in for Question Period now and then.

Last week the Minister of Energy, Mines and Resources tabled a list of projects, saying that these projects will only proceed now that the Western Accord is in place. The Government knows that most of those projects were announced well before the Western Accord.

Is the Government saying that the prospects for creating jobs as the result of the Western Accord are so dismal that it must reannounce programs that were already planned, and thereby mislead the Canadian people?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the answer is no.

Mr. MacLellan: Mr. Speaker, I suggest to the Government that the only reason it is reannouncing projects is that, in its desperation, it must try to justify the money grab from the Canadian people to finance the Western Accord.

● (1440)

Mr. McDermid: That was a statement, Mr. Speaker. I do not think it is worthy of a reply.

Mr. Blackburn (Brant): You will never get to the Cabinet that way, John.

* * *

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the carrying

on by the Minister of Justice of that great Liberal tradition of patronage by the appointment of the Minister's own sons, Michael and Chesley, as standing agents of his Ministry. These are appointments which were made with the personal knowledge of the Minister.

Does the Deputy Prime Minister accept this blatant pork-barrelling by his colleague, the Minister of Justice? Will the Deputy Prime Minister indicate to this House under what circumstances the Government feels it is appropriate for Ministers to appoint their own sons and daughters to positions at the expense of the taxpayers of Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member was sitting in his place when he heard the Parliamentary Secretary respond to that question—

Mr. Broadbent: He didn't answer.

Mr. Nielsen: —in sufficient detail even for him to understand. The explanation is there. The appointments are the responsibility of the Minister of Justice. The Minister of Justice has made those appointments—

Mr. Hnatyshyn: On merit.

Mr. Nielsen: —on the excellent criteria of merit and responsibility.

REQUEST FOR INDEPENDENT APPOINTMENTS MECHANISM

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a supplementary question. If in fact the appointments are to be made on the basis of merit, is the Government at least prepared to accept that there should be an independent mechanism for the appointment of standing agents to avoid this obvious scam of the Minister of Justice appointing his own sons?

Will the Deputy Prime Minister not recognize that the time has come to put an end to this kind of patronage, because Canadians are sick and tired of sons and daughters, brothers and sisters, aunts and uncles of this Government being appointed purely on the basis of their own political connections?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The only scam, Mr. Speaker, is that which is imbedded in the preamble and the questionable question put by the Hon. Member himself, in attempting to lead the Canadian public to believe a scam that he and his colleagues are attempting to perpetrate on the floor of the House of Commons so as to leave that kind of impression in the minds of the public.

The Hon. Member knows, as well as all Members of the House know, that his Party is participating, as is the Official Opposition, in a special committee set up under the leadership of the distinguished Member for St. John's East to look into the whole broad question of reform of the parliamentary process.

Mr. Broadbent: It will be too late by the time they make the report.

Mr. Fulton: There won't be a single, breathing Tory left, not even you.

Mr. Nielsen: Even he or the worst advocates of those statements the Hon. Member professes would not surely subject the whole process of thousands of appointments to the kind of detailed examination the Hon. Member would suggest, at the consequent cost that that would incur to the Canadian taxpayer.

* * *

PENSIONS

ACTUARIAL VALUATIONS OF PUBLIC SECTOR PENSION PLANS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister of Finance. When the Minister was a member of the Opposition he called several times for the publication of actuarial valuations of the Members of Parliament and Senators' pension plan as well as of other public sector pension plans. Has the Minister caused actuarial valuations for these plans to be made? Do the valuations indicate that the assets are sufficient to cover the liabilities, and will the Minister table the valuations in the House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to respond to the Hon. Member by saying yes, in fact I have sought out this information in the Government. I might say it did not come to light until quite recently.

We are looking at a specific report that had been prepared in 1983 but, for some reason or other, had not been made public in response to the requests that I had made. I hope I will be in position to make this public shortly.

* * *

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS—CONFLICT OF INTEREST GUIDELINES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am prompted to rise as a result of the replies of the Deputy Prime Minister to questions relating to the Minister of Justice. I am going to call him the Archie Bunker of Parliament, star of *All in the Family*.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I want to read from Section III of the Conflict of Interest Guidelines relating to Ministers:

Ministers shall not accord preferential treatment in relation to any official matter—

That includes an agency. It continues:

—to relatives or friends or to organizations in which their relatives or friends have an interest.

That includes a legal firm.

Is it the Deputy Prime Minister's view that the Minister of Justice has or has not contravened these guidelines for Ministers?

Mr. Gray (Windsor West): Very clear guidelines.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Right Hon. Leader of the Opposition knows better than to expect me to pass, in effect, a judicial judgment on a question such as that he put to me. I can say that those guidelines for the time being are in force and all Ministers of the Crown are expected to abide by them.

* * *

DISASTERS

TORNADO DAMAGE AT BARRIE, ONT.—GOVERNMENT ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the disastrous tornado which struck Barrie and several surrounding communities last Friday afternoon, resulting in some 12 tragic deaths, several hundred injuries, the destruction of several hundred homes, as well as thousands of people being left homeless. I know that every Member of the House would want to extend the sympathy of the House to the relatives and loved ones of the victims of that tragedy.

Is the Government prepared to make a commitment today to implement the provisions of the Disaster Financial Assistance Arrangements Program between the federal and the provincial Governments, as well as to clear away red tape through CMHC, to assist the victims in expediting insurance claims so that they may begin to rebuild their homes and their lives?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Yes, indeed, Mr. Speaker, I am sure I am speaking on behalf of all Members of the House when I say how appalled we were at the tragic proportions of the disaster that struck Barrie.

As soon as that occurrence took place, the Prime Minister appointed the Hon. Minister of National Revenue to co-ordinate all federal effort to extend all possible assistance to the area. For my own part with respect to the Ministry of Defence, I think all Hon. Members should note the immediate and extremely helpful response that was made by some 700 of our Armed Forces who were on the scene very quickly to assist with local authorities.

A telegram was received today from the Government of Ontario requesting assistance under the legislation mentioned by the Hon. Member. My response has gone today to that telegram, offering every possible assistance available under the legislation to the Government of Ontario.

Some Hon. Members: Hear, hear!

DESTRUCTION OF GREENHOUSES IN LEAMINGTON, ONT.

Mr. Maurice Foster (Algoma): I thank the Minister for that statement, Mr. Speaker.

Last Thursday night there were serious storms in the Niagara Peninsula and in Leamington affecting many farm and agricultural producers, involving some $15 million worth of damage to greenhouses alone in the Leamington area.

Last December 21 the Minister of Agriculture announced that the federal Government would not provide *ad hoc* disaster assistance to farmers due to crop damage. Have the provisions of the Disaster Financial Assistance Arrangements Program been cancelled for farmers? Does that mean there will be no assistance made available to these farmers who suffered losses in the storms last Thursday night?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, Mr. Speaker. The Hon. Member should not draw that sort of conclusion. The legislation is in place for assistance in the area affected by disasters. The process is triggered by a request from the provincial or territorial authority, to which the Government of Canada responds. As far as I am aware, no such request for assistance has been received concerning the incident about which the Hon. Member speaks. However, there are others of like kind which have been received and upon which the Government of Canada will act. I emphasize that it is a sharing exercise which is envisaged by the legislation, but in all cases requiring triggering by the provincial or territorial authority.

* * *

● (1450)

SHIPBUILDING

DEEP SEA MERCHANT MARINE PROPOSAL

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of Transport. He knows full well that all segments of the marine industry are in a sad and depressed state. What action is being taken to reinstitute or reinvigorate the deep sea merchant marine industry, or to bolster the shipbuilding industry in Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the task force which was assembled by the previous Government will be issuing its report; I believe it will be released today. Hopefully it will contain some positive recom-

mendations and will be of such a nature as to contribute toward the establishment of a positive environment for the gradual development of a deep sea fleet in Canada.

* * *

PENSIONS

ADVISORY COUNCIL'S ADVICE ON INDEXATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. That Minister and the Minister of Finance are very fond of saying that senior citizens support the deindexing of old age security pensions. I have a statement prepared by the National Advisory Council on Aging in which it is indicated that deindexing is most unfair. The Council asks the Government to reconsider and to keep indexing for our senior citizens. This organization is the Government's own organization, it is its advisory council, its advisers. Will the Minister accept the advice of its own Council and ensure that pensions for senior citizens remain fully indexed?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I wish the Hon. Member had also read other parts of the press release in which the National Advisory Council on Aging made very strong and positive statements on other aspects of pensions, especially the Pension Benefits Standards Act. They made very positive statements about that section.

Regarding the second point in the Hon. Member's question, I said in a former answer that, given the circumstances, no Member of the House—and I am sure no senior citizen—would not have opted for an option in wich full indexing would have been retained both for the GIS, as it is now, and for the OAS. That is a statement which everyone accepts and recognizes, but that is not the only issue which applies to pensions of senior citizens. For instance, if the Hon. Member takes a look at page 134 of the Budget he will see that we have said very clearly that we will monitor the situation and address it as needs arise.

SASKATCHEWAN SENIOR CITIZENS' ORGANIZATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the Minister of Finance. When he was not here on Friday I asked the Minister of State for Finance why the Government had snubbed the senior citizens' organization of Saskatchewan three weeks ago by refusing to meet with its members. I have a copy of the telegram which they sent to the Minister this morning, inviting him to its annual convention today and tomorrow in Moose Jaw, and inviting him to answer their concerns about deindexing. In light of the snub by the Government three weeks ago of that seniors' organization in Saskatchewan, is the Minister now ready,—

Mr. Hnatyshyn: At least Jake goes to Saskatchewan more than once a year.

Mr. Nystrom: —despite the protest of the Government House Leader—to go to Moose Jaw tonight or tomorrow, or send one of his colleagues to meet with them to discuss their concerns about the deindexing of old age pensions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know how the Hon. Member can refer to this as a snub. My colleague has met on many occasions with a wide range of senior citizens' groups, as have I.

Mr. Nystrom: Not in Saskatchewan.

Mr. Wilson (Etobicoke Centre): If it was three weeks ago, that request came right in the middle of the final throes of preparation of the Budget and it was not possible for me at that time to meet with people. However, if they would wish to meet with me at some time in the future, I would be glad to consider it.

* * *

FISHERIES

DEPARTMENTAL OFFICIALS—ALLEGATIONS OF IMPROPRIETIES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The Minister is aware that extremely serious charges of fraud and bribery are being directed at his Department's handling of illegal fishing activities by 17 nations fishing within Canada's 200-mile fishing zone. Since contradictory statements were issued by his senior officials regarding these matters, particularly regarding prosecutions, will the Minister today order that all records and allegations of violation be turned over the RCMP for investigation, or is he satisfied with the status quo?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the allegations appearing in the press are very serious. I advise the House and the Hon. Member that tomorrow I will be meeting on this issue with the chief of enforcement for the Newfoundland region, the co-ordinator for the observer program who wrote the letter to which reference was made in *The Globe and Mail* today, the chief of enforcement for the Scotia Fundy region, the co-ordinator from that region, and the regional director from Newfoundland and Labrador.

RCMP INVESTIGATION

Mr. Jim Fulton (Skeena): Mr. Speaker, the problem seems to be that the people responsible for reporting the violations, recommending on the violations, and acting on the violations, are also the ones who regulate the allocations to foreign fleets. My question to the Minister is a very simple one. Is he satisfied with the status quo, or will he do the proper thing, show some leadership, and get the Solicitor General to send in the commercial crime squad to get the crime out of our offshore fisheries?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I suppose the Hon. Member is referring to justice which, in his mind, would be to accuse and condemn without a hearing. I hope Hon. Members will let me proceed in the way that I am doing. As the Hon. Member knows, the Royal Canadian Mounted Police is already conducting its investigation. There is an internal audit ongoing within the Department. I met the senior people in that audit this morning. As a consequence of discussions with them, and the information revealed in *The Globe and Mail* this morning, I ordered these particular officials to see me tomorrow. I will report back to the House as soon as I can.

* * *

[*Translation*]

THE BUDGET

TAX EXEMPTION FOR MIDDLE-INCOME FAMILIES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Finance. On December 20 of last year, the Prime Minister promised the House of Commons that he would not touch tax exemptions for families with dependent children.

[*English*]

The same doublespeak is now being used by the Minister of Finance when he says that the Budget is fair. Does he think it is fair that, by 1990, a $15,000 per year family of four will pay $413 more in taxes while a $200,000 per year family of four, which takes advantage of the capital gains bonanza, will pay $2,352 less in taxes as a direct result of his blue blooded Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the way that question was phrased, I have some grave doubts as to the accuracy of those numbers. However, I will say to the Hon. Member that in the Budget we have increased the Child Tax Credit substantially. We have reduced the child tax exemption substantially. Those two measures are very progressive in their nature. As I said to her Leader a few minutes ago, they have the effect of increasing the amount of family benefits payable to those Canadians or Canadian families earning between $10,000 and $15,000. Whereas now they receive less than those earning $20,000 to $30,000, after this Budget they will receive more. I think that is a very progressive move.

LETTER SENT BY PC ASSOCIATION PRESIDENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister knows quite well that this shell game which he is playing on families of $15,000 to $20,000 a year will not be bought by Canadian people. Is the selling job so difficult for his 211 Members in the House of Commons that he has given the task and responsibility for marketing the Budget to the Hon. Member for Pembina, the President of the Progressive Conservative Association of Canada, who said in a letter to all Canadians: "If we fail to assure each Canadian of our commitment to the plan for job creation and deficit reduction, I fear the whispering campaign and outright attacks by our Liberal and New Democrat opponents could severely undercut our efforts"? The undercutting of the efforts is not by the Liberal and NDP whispering campaign; it is by the Budget which is hitting out at Canadian families earning $15,000 and $20,000.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think this Budget will sell by itself.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

• (1500)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I appreciate the Hon. Member giving me the opportunity of telling her—and I hope she will convey these views to the Canadians she is speaking to—that there is a special tax on banks, a surtax on large corporations, a surtax on upper income Canadians, that an end has been brought about to income splitting and other loopholes in the tax system, and that there will be a minimum tax in the next taxation year. These are measures which make this Budget a fair and equitable Budget, one which will be accepted by Canadians from coast to coast.

Some Hon. Members: Hear, hear!

* * *

YOUNG OFFENDERS ACT

REQUEST FOR REVIEW

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is for the Acting Solicitor General. This weekend a 15-year old, said to be armed with an automatic pistol, was arrested in connection with the slaying of a Port Credit, Ontario, woman and her daughter. According to a senior officer of the Peel Regional Police, difficulties in making the arrest resulted from the Young Offenders Act. In view of repeated claims by police that their work is being handicapped by this Act, will the Minister initiate a review of the legislation?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the question from the Hon. Member who is always sensitive to matters of great importance which occur not only in his own province but across the country. I wish to point out to him once again that the administration of the legislation of which he speaks is in the hands of the provincial authorities.

Having said that, there is to be a meeting of federal and provincial authorities with respect to the operation of the legislation. The federal Government and the Department of the Solicitor General are monitoring the operations of this important legislation. The Hon. Member can rest assured that

the representations made by him and by the police forces of the country will receive serious consideration.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) on Friday, May 31, 1985, meets the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) does not meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

Mr. Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader what business he proposes to call for tomorrow and the balance of the week.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the question. Having regard to the overwhelming support indicated by the most recent Gallup poll with respect to measures which will bring investment to Canada, it occurred to me that we should perhaps deal with the report stage of Bill C-15 tomorrow. I would like to put forward Wednesday as an allotted day under the supply period.

Mr. Speaker, we will continue to have consultations with respect to the business of the House. I will advise the House at the earliest possible date with respect to business for the balance of this week and the beginning of next.

* * *

POINT OF ORDER

CORRECTION OF STATEMENT IN QUESTION PERIOD

Mr. Neil Young (Beaches): Mr. Speaker, earlier in Question Period I suggested to the Minister of National Health and Welfare (Mr. Epp) that the Minister of State for Finance (Mrs. McDougall) came from the riding of Eglinton-Lawrence. That, of course, is not correct. The constituency of the Minister of State for Finance is St. Paul's in Toronto. That is the place of origin of the petition which I wish to present now.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present two petitions to the House. One is from senior citizens in the constituency of St. Paul's who protest the Government's proposal to deindex pensions and who respectfully ask the House to reverse that decision.

The second petition is from residents of the constituency of Beaches, also senior citizens, who complain that the Government's proposal to deindex pensions does not have their support. They ask the Government to reverse that position.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a number of petitions to present from people in the Province of Manitoba, who indicate their opposition to the Government's breaking of its promise with respect to indexing pensions on a quarterly basis.

The second petition I have the honour to present is also from the Province of Manitoba. The people who have signed this petition complain about the fact that the Government has not kept its promise when it said it would index old age pensions to the actual cost of living on a quarterly basis.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a number of petitions from people in Manitoba who consider the Budget unfair in that it deindexes pensions. They point out that this will cost senior citizens $100 next year and $600 in six years' time.

This is a break with the Government's promise—

Mr. Speaker: Order, please. A summary of petition is all that is allowed.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition signed by a number of residents from one of the senior citizen apartment buildings in my riding. They protest the Government's decision to deindex the old age pension. They call upon the House of Commons to ensure that the Progressive Conservative Government's promise given in the election campaign with respect to indexing the old age pension to the actual cost of living on a quarterly basis should be honoured by the House and not abandoned.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, on this first day of Senior Citizens' Month, I have the honour to present a petition signed by a number of residents of Thunder Bay-Atikokan, seniors and their supporters, who state that the Budget imposes an undue and unfair hardship on pensioners by indexing the Old Age Security. They call upon the House to reinstate full indexing of the OAS.

I might add, Mr. Speaker, that the signatures include that of the Conservative Member of the provincial Parliament for Fort William.

Order Paper Questions

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour to present a petition from Windsor-Walkerville, and elsewhere in Ontario, signed by senior citizens to whom the Budget has not sold itself and who protest the suggestion that they be asked to sacrifice their indexation on behalf of the rich.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition on behalf of senior citizens in Winnipeg who protest the lopsided nature of the Budget and the unfair demands which are being made of seniors in the country in contrast to the demands which are being made of the rich.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have the honour to present a petition on behalf of 40 or 50 citizens from the great city of Yorkton and the Towns of Churchbridge, Ebenezer, Springside, Kamsack and Willowbrook. Through their petition, these people are protesting the undue hardships imposed upon senior citizens because of deindexation. They are calling upon the House to restore and reinstate fully the indexation of the Old Age Security Program in the country.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present a petition from citizens in my constituency who protest the fact that the May 23 Budget imposes an undue and unfair hardship on citizens. They protest the fact that the promise which the Conservative Party gave in the last election campaign was broken. The petition calls for a return to full indexing in order to ensure that the poor, the unemployed and women do not lose anything, as they are faced with losing under the Budget.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have the pleasure to present a petition on behalf of a number of constituents from my riding. Their petition points out that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security Program. They call upon the House to reinstate full indexation of the Old Age Security Program for Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 238.

[*Text*]

REYE'S SYNDROME

Question No. 238—**Mr. Howie:**

1. Has the Department of National Health and Welfare undertaken any studies in relation to the increased possibility of sick children being treated with aspirin contracting Reyes Syndrome and, if so, what conclusions were reached?

2. Are protective measures such as warning labels on product containers justified and, if not, will the Department undertake such a study?

Hon. Jake Epp (Minister of National Health and Welfare): 1. The Department of National Health and Welfare has not undertaken any studies relating to the use of ASA in children and the possible association of such use with the subsequent development of Reye's Syndrome, except to gather information on the incidence of the disease. In 1984 about 15 cases were reported.

2. The detailed results of the latest United States pilot study are not yet available to the Department for analysis, and are only expected in the fiscal year 1986-87. The Department has in the past drawn the attention of health professionals and parents to the problem by way of cheque inserts and newsletters. It has counselled caution in the use of ASA in children to reduce fever associated with viral illnesses. Manufacturers in the United States and Canada are voluntarily taking steps to add warning statements to their labels.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I speak in sorrow and in anger with the Government for its absolute and abysmal failure to live up to the explicit promises it made during the election campaign to the charities, to the voluntary sector of the country, to take action on the proposals which was and is called "give and take". It is just one more of the many promises, sacred and otherwise, that the Tory Government has broken.

The give-and-take proposal, as it is called, provides for a 50 per cent tax rebate on what people contribute to charity regardless of their income. For example, for every one dollar a Canadian gives to charity, that contributor would receive a rebate of 50 cents on their income tax return. This would have the benefit of equalizing the cost of giving by offering equal incentives to all regardless of earnings and the rate at which they are taxed.

• (1510)

At present, as I think we all know, the higher one's income, the more benefit one receives from being able to deduct charitable donations at a higher tax rate. For example, right now a person who earns $50,000 per year and gives $200 to charity will be able to get back $100 because he is taxed at 50 per cent. A person who now earns $30,000 per year who gives the same $200, which is taxed at 30 per cent, will only be able to deduct 30 per cent of his or her gift, so that that person will only get back $60 rather than $100. It is unequal and unfair that one person gets back $100 and the other gets back $60. It is unfair that the one who earns more gets back more. The give-and-take proposal would equalize the benefits to all Canadians and of course encourage them to give more to charity.

Because the give-and-take proposal would encourage more people to give to charity, it would also secure larger memberships in charitable organizations and more participation in the voluntary sector. There is a proven relationship between one's giving and one's participation. It is a well-known axiom that where your treasure is, there will your heart be also.

During the election campaign, the Prime Minister (Mr. Mulroney) made a promise which was printed in the bulletin of the umbrella organization that relates to the voluntary sector. The bulletin reads:

> We are committed to implementing a Tax Credit equal to a percentage of donations made to registered charities.

That was a firm commitment and it is here in black and white. Tory Members made this promise or, as they called it, commitment, but that was when the Prime Minister was in opposition and running for office. That was before the election. Since that time, he has become the Prime Minister. Where is this promise after almost nine months? Of course, the place for this promise to have been kept was in the Budget.

Voluntary organizations across the country waited for an announcement. Where is this announcement? Where is the give-and-take tax credit program in the Budget recently tabled by the Minister of Finance (Mr. Wilson)? It has vanished. It is not to be seen and not to be heard.

The Opposition of old has now become the Government and, abracadabra, it has become a Government of magic vanishing acts. With the Prime Minister, now you see it, now you don't. Not only did we not get jobs, jobs, jobs, but we did get promises, promises, promises which have been broken, broken, broken. The Prime Minister has done it again, and three million volunteers working for 40,000 charities now know the value of the promises made by the Prime Minister.

What about the Secretary of State (Mr. McLean)? He made the give-and-take proposal his pet crusade while he was on the opposition side. Let us take a look at a few of the promises he made. It would require days and even weeks to recite them all to you, Mr. Speaker. I can hardly do justice to all of the commitments and promises made by my hon. friend on the issue of give and take. For example, when he was in opposition, the present Secretary of State said the following:

> We are committed to a fundamental realignment of the tax treatment for charitable giving—the principle of a charitable tax credit—which will offer equitable incentives to all taxpayers to support their charities.

In other words, he said that he was entirely for the give-and-take proposal. He also said that the voluntary sector was the largest employer of lower and middle-class Canadians, and he was right when he said that. In addressing the voluntary sector, he said the following:

> You (the Voluntary Sector) offer many less advantaged Canadians a bridge to employment. Canada's Voluntary Sector is an untapped resource that not only can reduce government spending but can actually create jobs in the process.
>
> This is why we are committed to a principle of a charitable tax credit, to a tax environment which will offer equitable incentives. Give and take is on the agenda.

He said that give and take was on the agenda. Where is it on the Tory agenda? Is it only on the Tory agenda when Tory Members are in opposition? Now we have a Tory Government but we do not see that promise. Give and take was on the agenda of the Secretary of State when he was the Conservative critic for this area and spoke to the National Voluntary Organizations in the spring of 1984. All of the quotations which I have just read come from that one particular speech addressed to the National Voluntary Organizations.

Give and take was on the agenda then. Only a year ago, the Secretary of State told us that it was on his talking agenda, his speaking agenda, his promises agenda and his "get-the-Tories-elected" agenda. Where has the give-and-take proposal gone? Is the Secretary of State a magician as well? It appears as though we had another vanishing act here. I could paper my office with the promises made by the Secretary of State throughout his years in the House of Commons. He made promises not only in the House of Commons but in committees and in speeches to voluntary organizations across the country. Whenever he had a chance, he made these promises.

It is interesting to note that in 1980, the Secretary of State told us that the Government must act on this issue on behalf of the voluntary organizations "to provide voluntary agencies with financial aid to support their fund-raising activities". Then in 1982 he told us not to think "of the decrease this would bring to federal coffers but to think of this as an engine for employment creation". Those were the words of the Secretary of State. As far back as five years ago, the Secretary of State was telling us that the voluntary sector needed this give-and-take program so that it could create jobs.

The Minister of Finance (Mr. Wilson) insists that, above all, his Budget is designed to create jobs. If so, why did the Secretary of State not tell the Minister of Finance about this marvellous way to create jobs? It is a marvellous way to create jobs. If the sorrow of the Secretary of State was so great, why

did he not cry on the shoulder of the Minister of National Revenue (Mr. Beatty), on the shoulder of the Minister of Finance or on the shoulder of the Prime Minister in order to make sure that give and take really got on the agenda as he promised? I am afraid his tears were crocodile tears. Now that Tory Members have been elected on the basis of their election promises, they can forget all of them.

The Secretary of State accused the past Government of being guilty of a stark contrast between words and deeds, rhetoric and action, but the former Liberal Government never made a promise to instate the give-and-take proposal. However, the Secretary of State and the Prime Minister did make that promise. They are the ones who are guilty of rhetoric rather than action.

Is this House an echo chamber? Indeed, the Secretary of State really shot himself in his foot with his own words, words which I am sure he wishes the voluntary agencies and charities across the country would quickly forget.

● (1520)

The Secretary of State saved the best for last. On December 7, 1983, the Throne Speech of the Liberal Government proposed to set up a joint parliamentary task force consisting of Members of the House of Commons and the other place to consider all issues related to formulating an appropriate definition of a charity and what a charity could do under the Income Tax Act, in order to speed up the possibility of moving toward the consideration of the give-and-take program. The Liberal Government realized that it was an important issue to resolve. It was important enough to be in the Throne Speech. What happened to the proposal? Did it have an opportunity in its important work? Clearly the answer is no. It was obstructed by the present Secretary of State. He blocked the formation of the task force. He said that it was not good enough for the Liberal Government to deal only with the important definition of a charity. The Secretary of State maintained that he wanted a package deal. He wanted to tie it to the consideration of give and take. His position was: unless there was a discussion of give and take, then there would be no consideration given to the definition of charities. According to the Secretary of State, the agenda of the task force had to be all or nothing at all.

At the National Voluntary Organizations consultation meeting in 1984, the Secretary of State was heard loud and clear on the issue. Quoting from a copy of his speech which he circulated to members of the National Voluntary Organizations:

> Just last Thursday, the Hon. Serge Joyal called to discuss the task force and to seek Progressive Conservative Party support for a resolution in both the House of Commons and the Senate.

The present Secretary of State continued:

> I have responded that quick agreements can be achieved, if the frame of reference is broadened to address the fiscal framework as well as the legal. Your tax proposal should be part of the reference, not just the definition of charities.

The Liberal Government was blocked by the present Secretary of State and the Tories from doing anything constructive in attempting to resolve the issue of an appropriate definition of charities for income tax purposes. It was a very important issue, and it still is.

The Secretary of State cannot be proud that he, the most vocal spokesman for the Tories for voluntary organizations, should have blocked the progress of the former Government. He made promise after promise and then blocked action on the very things which he had promised were most dear to his heart. That was unconscionable.

In 1985 the Tories formed the Government. Finally, the first Budget was brought down. What is in it? I can hardly believe it. The Tories have decided to do something about part of the issue of the definition of charities for income tax purposes. Wonder of wonders. The Secretary of State blocked the former Government from forming an all-Party committee to consider the whole definition of charities, including the political activities which they would be allowed and many other complex aspects of what constitutes a charity. It is now a year later. What have we got? We have less than that which he blocked the former Government from doing. It does not include the former Government's proposal of a fiscal give-and-take program. Where is the give and take? It is not even on the agenda. It has vanished by Tory magic. One and a half years later, voluntary organizations are less well off than they might have been. They owe that to the man who was purported to have fought the hardest for them, the present Secretary of State. It is unbelievable. It is a "now you see it, now you don't", brought to us by the Tories. "Give and take" the proposal is called. That is precisely what the Tories have done. They promised to give but have taken away what they promised. The Secretary of State has found a new way of communicating on the issue—absolute silence. Mr. Speaker, have you ever heard him speak one word in the House on give and take since the Tories were elected? You haven't, not a word. Why did he not dig in his heels the way he did with the previous Government and say to the Minister of National Revenue, the Minister of Finance, or the Prime Minister that he wants a fiscal and legal framework, a definition of charities, and give and take considered in one package? Now that he is in government where are the eloquent speeches and demands? Silence, like the silence of the Berlin Wall.

Did the Tories think they could get away with this? Apparently they did. They thought they could distract attention from broken promises by offering partial action on the definition of charities to voluntary organizations. They thought the National Voluntary Organizations, its constituent organizations, and some 40,000 voluntary organizations in Canada, would buy the pay-off to forget.

The press release from the National Voluntary Organizations and reactions from a number of societies, associations and churches show that they are not amused. The Government will be hearing from them. The Tories' sop to voluntary organizations and charities has not worked. The Tories have underestimated the wisdom of such organizations if they believe that they can get away with this ruse. It will not work. The people of Canada are too smart for the Tory shell game. Regarding the give-and-take tax credit program for charitable

organizations in Canada, the Tories gave and the Tories have taken away. Blasted be the game of the Tories!

[*Translation*]

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Argenteuil-Papineau (Mrs. Bourgault).

Mrs. Bourgault: Mr. Speaker, I am sick and tired of hearing Opposition Members using the elderly and volunteer agencies to make political points, and I hope Canadians are not taken in by what the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) said about charitable organizations. I would qualify as self-serving and political rhetoric what the Hon. Member has been saying today about the voluntary sector and non-profit organizations, for which my Government, Mr. Speaker, has boundless admiration and respect, which is reflected in the Budget by a proposal that makes it easier to donate gifts to charities, and by a consultation process that will help us do even more for these organizations. The Hon. Member fails to mention this. He is setting himself up as the defender of the voluntary sector by indulging in a lot of calculated rhetoric.

Mr. Speaker, we all know we should not expect others to do what we cannot do ourselves. The Liberals should not ask this Government to accomplish in nine months what they were unable to do in 20 years. I would like to hear what he has to say about that.

[*English*]

Mr. de Corneille: Mr. Speaker, first, I am not sure that was a question. It sounded like a rather pathetic attempt to shake off some dust, in view of the fact that the Secretary of State has said nothing and done nothing about give and take. There is no suggestion of trying to hurt anybody. On the contrary. The point is that those people were given solemn promises by the Prime Minister and the Secretary of State. The voluntary organizations are searching through the Budget and finding that there is not a single, solitary mention of the give and take, 50 per cent—

[*Translation*]

Mrs. Mailly: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: Mr. Speaker, the Hon. Member for Bourassa (Mr. Rossi) keeps coming in the House and standing in the back, where he shouts all kinds of stupid remarks. He should at least have the courage to sit down and wait his turn. I am sick and . . . He has been doing this for months—

An Hon. Member: That is not a point of order, Mr. Speaker.

Mr. Deputy Speaker: —that this is a point of order.

Mr. Rossi: Do your homework, bossy!

• (1530)

[*English*]

Mr. Deputy Speaker: The Hon. Member for Eglinton-Lawrence (Mr. de Corneille) has the floor.

Mr. de Corneille: Mr. Speaker, I really believe that the subject of my speech—I will wait until we have some order here.

Mr. Deputy Speaker: Order. Very well.

Mr. de Corneille: I would suggest that the problem has to do with the question of—

[*Translation*]

Mrs. Mailly: On a question of privilege, Mr. Speaker. I would like to listen to the Hon. Member's reply to my colleague's comments. Could he stop shouting back there?

Mr. Deputy Speaker: I would ask all Hon. Members to please listen to the reply by the Hon. Member for Eglinton-Lawrence (Mr. de Corneille).

[*English*]

Mr. de Corneille: Mr. Speaker, obviously I woke them up. They are staring at one more in a long line of broken promises. Tragically, these people were elected by promising the moon, sky and the stars. Then, once into office, they conveniently forget all those promises. The Canadian people are not amused, and that is what is stirring them up. They have seen the senior citizens of this country betrayed by the Prime Minister's broken promises. Now, again, one of the clearest promises which has been made year after year has been broken.

[*Translation*]

Mr. Lanthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), on a point of order.

Mr. Lanthier: Mr. Speaker, I realize I am a new Member and this may not be a point of order. However, I think that what is happening at this time is highly improper. First of all, we are getting comments from the other side of the House, making it impossible for us to listen. We cannot hear the other side. Second, some highly inappropriate comments are being exchanged from either side of the Table. It seems to me that Members should be called to order once and for all. We each have our own seat. There is a procedure, and as a junior Member, I wish the confusion would stop, with all this procedural wrangle.

Mr. Rossi: On the same point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi), on the same point of order.

Mr. Rossi: Mr. Speaker, I would like to inform the Hon. Member on the other side of the House that often his own colleagues are behind the curtains making inappropriate remarks. They can't take their own medicine, Mr. Speaker. Well, they might as well learn! Your colleagues are doing the same thing we do on this side of the House. We are not going to take this lying down!

Mrs. Mailly: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, you did remind me that the only way to seek redress in the House from this Member who does not know how to behave is to rise on question of privilege. The Hon. Member has been doing the same thing for weeks now. He stays behind the curtain and insults me. He calls me the "Hitler-woman", he calls me "dictator" and all sorts of names which are unacceptable in this House. If ever he should decide to enter the House, I wish he would sit down like everybody else and do his work. I am really fed up with the way he behaves. He is vulgar, unfair and boring.

Mr. Rossi: Talking about vulgarity, Mr. Speaker, I can tell my colleague that she too is vulgar because she does the same thing when she is behind the curtain. I learned my lesson from her, Mr. Speaker, ever since she first came here. I learned from her.

Mrs. Mailly: Mr. Speaker—

Mr. Deputy Speaker: I would ask Hon. Members to show courtesy to their colleagues. That is the proper attitude, in keeping with the traditions of the House of Commons.

As to the question of privilege raised earlier by the Hon. Member for Gatineau (Mrs. Mailly), I will take it under advisement and make a ruling later.

For the fourth time, I would ask Hon. Members to be courteous and listen to the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) who is trying to answer a question.

[*English*]

Mr. de Corneille: Mr. Speaker, I have a very simple observation to make. First, the give-and-take proposal is a good one. It was endorsed by the then Secretary of State and promised by the present Secretary of State (Mr. McLean) as well as the Prime Minister (Mr. Mulroney). It was a good proposal which Members of the Liberal Government wanted to move toward. The Government which is now in power promised that it would bring this about. That is fact number two. Fact number three is simply that it has vanished.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, the Hon. Member has yet to answer my question. We all know that charitable organizations had difficulty in the past because it was not easy to obtain a tax credit for a donation. The Budget of the Minister of Finance (Mr. Wilson) makes it easier for individuals this year, enabling them to help charitable organizations indirectly. How come the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) did not mention that? This has to be a step in the right direction! I told him we could not do in nine months what the previous Government was unable to do for 20 years. I should think he would take that into account.

In 1979, my learned colleague and I had a motion under consideration by the Standing Committee on Finance, Trade and Economic Affairs, but it was defeated by the Liberals. The motion was on that issue, but you rejected it. Answer my question. You do not agree that we should make it easier for organizations and individuals, to help the voluntary sector?

[*English*]

Mr. de Corneille: Mr. Speaker, I think she is obviously at a distance from reality. I do not know what she is talking about when she says this Budget makes it easier to make donations. I can advise her that in order to facilitate this whole process and move it along, the previous Minister of Finance, Mr. Lalonde, eliminated the $100 automatic deduction in order to make it possible for people to claim their charitable donations separately. They would be able to estimate what their loss might be and what the gain might be and how much would be involved, and we would then be facilitated in taking the next step. That was put in place not by this Government, but by the previous Government. It was applauded by the voluntary organizations because it was a step toward being able to assess what was involved in charitable donations. As to this Budget making it easier to make a charitable donation, I cannot imagine what she is talking about. It certainly does not have anything to do with a tax credit.

Let us be clear. The issue is that a promise was made. Strangely enough, we are told this Budget is about jobs. Strangely enough, the Secretary of State said that if you allow this 50 per cent tax credit, it will create jobs. The Prime Minister acknowledged that. If this Budget is about jobs, why is this provision not in the Budget? That is the question. We are talking about give and take; where is it?

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) for a question or comment.

Mrs. Mailly: Mr. Speaker, I want to say to the Hon. Member that this give-and-take program was introduced when the Clark Government was in office. I was then political advisor to the Minister of Finance, and the National Volunteer Organization came to see us. What we did was to put a note in Mr. Crosbie's 1979 Budget to the effect that the measure would be considered by the Standing Committee on Finance,

Trade and Economic Affairs, and also by the special committee struck to study the rights of the handicapped and services to be offered to the handicapped and the voluntary sector.

We were then quite anxious to study that very good measure and Mr. Crosbie had urged the committee to consider it. Unfortunately, as we all know, his Government defeated the Crosbie Budget and our Government along with it.

Now, five years later, the economic situation is worse than in 1979 and we simply cannot promote all the measures we would like to implement in order to help the voluntary sector, charitable organizations and community groups. But it is only a matter of time because our Minister of National Health and Welfare (Mr. Epp) and the Secretary of State for External Affairs are fully aware of the contribution of voluntary organizations.

That is why the Secretary of State for External Affairs (Mr. Clark) encouraged all Canadians to help relieve famine in Ethiopia instead of again letting the Government alone contribute funds to assist that country. We know very well that the voluntary sector in Canada is second to none and that Canadians are very generous. So we will study the measure he mentioned, along with all the others. Given the deficit we inherited and our sluggish economy, we simply cannot afford to promote all worthy causes. That is precisely why we are so pleased that the Canadian people turfed out that Government and put us in office so we may at last take a different approach and improve the quality of life for all Canadians.

● (1540)

[*English*]

Mr. de Corneille: Mr. Speaker, I am very interested to learn that this is a great trump up their sleeve. With all the unemployed people around, I wish they would play this trump which would create jobs. If what the Hon. Member said is true, it is even worse than I thought. She is saying that when the Right Hon. Member for Yellowhead (Mr. Clark) was Prime Minister, they were aware of this program. It was recommended, but did not even appear in the Budget of the present Minister of Justice (Mr. Crosbie). Therefore, it seems that they have missed the boat not once, but twice. It had already been proposed and they knew about it. They had looked at it once already and did not put it in the Budget of the present Minister of Justice.

The present Budget took nine months to create and was supposed to be focused on jobs. Everyone has agreed that this give-and-take process is valuable, but there is not even a suggestion in the Budget that it is going to be studied. I looked through the budget papers and saw no reference to indicate that the subject of give and take would be studied. I would certainly welcome an immediate move by the Minister of Finance (Mr. Wilson), with the support of the present Secretary of State (Mr. McLean) to set up such a committee to allow us to study the implications of this for the sake of employment and the charitable organizations of the country.

The Budget—Mr. Jepson

Mr. Jim Jepson (London East): Mr. Speaker, it gives me a great deal of pleasure to rise today, on the sixth day of the budget debate, to support the measures announced in the Budget by the Hon. Minister of Finance (Mr. Wilson).

For almost 14 years I have experienced the ups and downs of trying to run a small business in my riding of London East. I think it is extremely important that this Budget reflects the views, not of politicians, but of Canadians from all regions and many backgrounds who have brought their different perspectives to Ottawa to serve the national interest.

As a small businessman, I believe that the collective wisdom of the market-place must be given priority that it has not received in the past. To restore a body to health and to make it grow, the first requirement is nourishment. At long last our economy is now receiving more than the temporary band-aid solutions of the past. Although these might have provided some short-term relief, they only dealt with the surface problems and not the root causes.

Small businessmen, and indeed most Canadians who have experienced the problems first hand, realize the previous approach has not worked and the time has come for a new direction. We believe this Budget reflects the views of the Canadian people because we have benefited from the collective wisdom of many Canadians from across Canada who have generously shared their views with us these past months.

In rising to speak in the budget debate, I can tell the people of London East that the commitment for change that was made to them by our Party has taken a progressive step forward. The discussion surrounding the Budget projects two emergent themes. The first of these reflects the approach of the previous administration. That approach was rejected by the Canadian people. It consists of judging Government by what it gives out. Members of the Opposition Parties are telling each Canadian to look at the Budget and ask what it does for them personally rather than looking at it collectively in the best interests of all Canadians.

This approach did not accomplish what it hoped to achieve in the previous Government, although I am sure it was brought in with the best of intentions. It did nothing to encourage investment and create jobs and opportunity, but rather saddled our recovery with a debt load that now absorbs one of every three dollars paid by Canadian taxpayers.

I ask both my Liberal and NDP colleagues in the House to consider looking at the Budget from a more positive and objective viewpoint. The questions that should be asked in order to arrive at an objective evaluation of the merits of the Budget look at it as a whole and with the big picture in mind. We all realize that the prime function of the Budget is to begin the process of restoring confidence in our business communities and our country. A working economy reduces employment and will allow the Government to provide effective protection and renewed hope for those experiencing the perils of a struggling economy,

In view of the critical state of our economy, I believe the time has come to put aside the temptation to score political

points and to work together in the best interests of all Canadians. The best thing about our Budget is its realistic approach to alleviating Canada's problems of unemployment and economic inertia. This has to be the focus of any responsible Budget because these fundamental problems lead directly to the countless serious problems experienced by Canadians that the Government is committed to assisting.

This Budget is a realistic answer to the record of the last Government. That Government was faced with serious problems and decided that a strategy of massive government spending would be the best route to go. However, we still have the problems of unemployment, a spiralling debt, and a structural deficit which has limited the opportunity for recovery.

I would like to speak to this Budget from the perspective of a small businessman. Everyone knows the importance of this sector. The Canadian Federation of Independent Business estimates that it creates at least 80 per cent of all new lasting jobs. The key to a healthy economy is a healthy small business sector. The health of the small business sector depends on the commercial environment which is, to a great extent, determined by the tax framework. This has a direct influence on the willingness of people to invest, of businessmen to take risks, on the flexibility and supply of labour, and on the ability of consumers to buy.

Today I will focus my remarks on the effectiveness of the Budget in changing the tax structure into one that will allow small businesses to start the process of economic renewal. The single most impressive change announced in the Budget is the long overdue measure that extends to all Canadians a $500,000 lifetime exemption from capital gains. In 1972, on the recommendation of the 1966 Royal Commission on Taxation, the taxation of capital gains was introduced primarily in the interest of equity. The decision at that time to include only one-half of capital gains as taxable income reflected the concern that such a tax would have some adverse effects on the economy. Furthermore, the erosion of the cost base of assets by inflation was also regarded as something that should be compensated for.

In 1985 it is appropriate to adjust this legislation because of the circumstances. The balance has shifted in a way that makes it necessary to use new measures to encourage investment and enterprise, thereby creating jobs and opportunities for Canadians. Businessmen and women are not taking the initiatives that will lead to the growth of our economy, but with this Budget, we believe they will.

The capital gains tax made it less attractive to make equity investments. The system allows a limited deductibility of capital losses which are particularly significant during a recessionary period. The hidden tax effect of inflation has already been mentioned as creating a taxable capital gain on paper even when an asset has actually lost value. Finally, the capital gains system tends to lock in investments, or to inhibit their investment altogether.

The point of these observations is that the capital gains exemption gives small business a more just return on the risks they have taken with the hope that they, in turn, will invest and expand in their business, thereby creating more jobs and opportunities for Canadians. If money invested in a small business is given a better rate of return, we believe that more money will be invested than has been in the past.

● (1550)

A final point I would like to make with respect to capital gains concerns the signal it sends to all Canadians. All of the measures in the Budget, but particularly this one, tell people that we are counting on them to go out and do well. If people get the feeling that they can succeed by using their resources, then this Budget has accomplished a great deal.

Reflecting their grave doubts about the character of the Canadian people, the Opposition say that the capital gains exemption will only result in rich people benefiting from the purchase of a Florida condominium. We are different as a Progressive Conservative Government. We have great faith in the Canadian people, that they will respond to those initiatives and share this opportunity with all Canadians.

Unfortunately, they do not seem to make the connection that the single most important reason for taking capital out of Canada and investing it in another country is a taxation and regulation environment that made Canada a bad place to invest. We say that Canada is a good place to invest and this will be reflected in the days ahead. Already, we have seen many positive economic signs in the market-place and sense a renewed feeling of confidence and optimism. FIRA tried to keep jobs in Canada, but in the long run it destroyed them by making other countries more attractive places to invest. This was the same short sighted philosophy underlying the National Energy Program and the Petroleum and Gas Revenue Tax.

In 1985, Canada is turning into one of the best places to invest because of the confidence we have shown in the decision-making of consumers and business persons alike. Two years from now, we believe the Opposition will be surprised to see how Canadians of all income levels have responded in a positive way to invest in their own country. We believe in Canadians. A capital gains exemption will not mean much if there is no money available to be invested. The Budget addresses this question and contains a number of measures that compliment the exemption in ways that will channel the benefits toward the ordinary Canadian. The Budget opens a number of new sources for investment capital that will find its way into investments that will create jobs.

Venture capital funds patterned after the Quebec Federation of Labour Fund will be encouraged by the Budget. This is a direct instrument, to benefit both labour and small business, that will be advanced by the extension of a generous tax credit for people taking advantage of this opportunity. Investment tax credits have been recognized as one of the most positive ways to encourage entry into the market. This credit will bring the coverage up to a possible 40 per cent of the value of the investment. Sixty per cent of this investment will go into the equity of the small and medium-sized Canadian businesses.

The innovative Quebec Federation of Labour program that inspired this measure has been a genuine success story. Le

Fonds de Solidarité des Travailleurs du Québec was the initiative of workers who wanted to help themselves out of the doldrums of the recession. The Quebec fund has been in operation for two years and has been a significant benefit to participants, both for its investment value and as a tax credit. Furthermore, it has been said to have provided Quebecers with 1,000 jobs through the impetus it provides for the economy.

This measure has been largely ignored by the Opposition speakers, which I suppose is the highest endorsement we would expect from them. Since it is a tax credit, this is a very progressive instrument to bring about the objective of labour participation in business equity. It will also present the opportunity for people with lower income to take advantage of their lifetime capital gains exemption. It is hard to say whether the investors or the businesses will benefit more from this, but it is good to see policies that do not lopsidedly distribute benefits while taxing the system as a whole. I hope all Members will join me in congratulating the Minister of Finance for extending this innovative proposal. I believe that it merits encouragement as something that will be of great economic significance to all regions of Canada.

Another progressive measure announced in the Budget was raised in the course of the exhaustive consultation process. Both the Canadian Organization of Small Business and the Canadian Federation of Independent Business strongly recommend the making available of certain pension funds to provide equity for small business. The availability of several billion dollars for equity financing will have considerable impact in making our small business sector one that will be able to respond to changing technologies and market conditions. By giving small business both the incentive and the opportunity to increase its equity, the Budget has taken a giant step forward to achieving a secure economic renewal.

A key to any competitive economy in the next few decades will be the priority it places on high technology and research. Both Japan and West Germany have recognized this and their economies reflect it. Unfortunately, our social and economic policies in the past have all but ignored the need for a thoughtful approach to fostering innovation that can both be developed and applied to the manufacturing process. Other major industrialized economies average close to twice Canada's proportionate expenditure in R and D as a percentage of Gross National Product. The R and D tax credit for small businesses consists of 35 per cent of research and development spending up to a total of $700,000. This credit will be refundable in full to the company that uses it. This will make it a much more direct benefit, since only 40 per cent was refundable in the past.

The resources for this program are closely focused on the small business sector. This is a progressive step because this money will get some operations off the ground that would not otherwise have existed. If an economy is to adjust to a format that is both specialized and flexible, this is exactly the sort of policy that we need. The essence of the idea of competition is efficiency, that is the most productivity for a given level of available resources. I believe the specific tax measures described in the Budget serve very valuable policy objectives. At the same time, it is good to see that the system itself will get a comprehensive review through the corporate income tax system discussion paper.

In the pre-Budget consultation, representatives of the business community never objected to paying their fair share of tax, but they did wonder why the system had to be so complicated. This was seen as a cost in the same way that high tax rates area. A complicated tax system absorbs time, energy and expense. It deeply affects the profile of corporate structures and planning for both small and large businesses. Our Government is sensitive to the problems created by a complicated tax system.

Let me conclude my remarks with some observations on the deficit. All thinking Canadians realize that we cannot continue to spend beyond our means, but we cannot accomplish this reduction overnight. We must, at the same time, maintain that high level of effective social programs which is important to all of us. The Minister of Finance considered this carefully, and I support the resulting Budget. Important programs have been maintained and the tax level remains at an equitable level. At the same time, we have launched a vigorous program to reduce the level of our deficit.

Budget '85 is an historic change for Canadian Government; it charts a bold new direction, rightfully placing responsibility in the hands of the private sector. This is the only basis for a strong and viable economy. I urge all Members to avoid spreading fear and to join the Government in supporting a Budget that is clearly setting a new, positive direction for Canada. It is a direction that will utilize the vast and rich natural and human resources we possess in this country and that have been left untapped for far too long.

Mr. Cassidy: Mr. Speaker, I want to make a couple of comments on the speech by the Hon. Member for London East (Mr. Jepson). I think there are some basic inequities in the Budget that I do not believe Members of the Government have accepted or understand. He is defending the fact that the capital gains exemption will now allow people to make $500,000 in capital gains without paying any tax at all. What he does not speak about is from where that money is going to come. It will come from the imposition of deindexing the old age pension.

• (1600)

That will go on year after year. It is $100 a year for a pensioner in 1986; $200 in 1987; and $300 in 1988. You can double the amount for a couple both receiving the old age pension. When the Minister of Finance (Mr. Wilson) or his colleagues say that pensioners have to contribute to bring down the deficit, the fact is that is not true. Pensioners are being asked to make that contribution from the pittance on which they have to live to finance this enormous tax exemption on capital gains, a tax exemption which will rise to more than $1 billion a year within the course of two or three years. It starts small and gets bigger and bigger.

It is argued by the Government that that is OK because it is putting a surtax on people who are well off, on corporations and the banks in 1986. That is correct, but what the Government does not say is that it is for only one year. The benefits in terms of the tax exemption on capital gains will go on in perpetuity if this Government has a chance to stay in office. The cost to pensioners in order to take tax off the rich will go on in perpetuity.

Is it any wonder that millions of Canadians are skeptical about the Budget? They look at the fact that the Canadian association for small business, big business, corporate presidents, people in the investment community on Bay Street and St. James Street were amply consulted. The pensioners' organizations and organizations representative of the aged were either not consulted at all, or what they had to say was completely ignored, Mr. Speaker.

How can the Hon. Member defend in glowing terms a Budget which on the face of it is so inequitable? It takes from the poor, particularly the elderly poor, and particularly from that group of women who are 65 or over, widowers, separated or divorced and who have only one income. They will have to pay for the tax exemption on speculation in real estate, art and perhaps the occasional investment in small business. Is that really fair? I ask the Hon. Member to defend that.

Mr. Jepson: I thank the Hon. Member for his question. We believe it is a fair Budget. We believe that with the election of 211 Government Members, people were telling us very clearly that it was time for a change in the economic policy of Canada and that it was time to make some of those hard decisions.

As I have studied this Budget, I believe the Minister of Finance is to be congratulated on distributing those changes in a very fair and equitable way. I believe all Canadians, including seniors, are prepared to make those sacrifices in the short term to look for the long-term benefits, benefits that will not be there when many people reach retirement because the pension funds have been seriously depleted, and virtually exhausted, covering the massive debt we have had to finance these last years.

I would suggest to the Hon. Member there is an overwhelming feeling that we must come to grips with this debt and make sure that we have a vibrant and secure economy to allow those Canadians in the years ahead, when it comes time for them to retire, funds for their retirement and security.

Mr. Gagliano: Mr. Speaker, I have a question for the Hon. Member for London East (Mr. Jepson). Has the Hon. Member read the article in *The Citizen* dated May 30, 1985, under the heading, "Federal Budget presents problems for small business"? The article in part reads:

> The small business community might have been too quick to sing the praises of last week's federal budget, a panel of Ottawa tax experts said Wednesday.

The article goes on:

> The only jobs that are sure to be in demand as a direct result of the Budget are those of professional tax advisers—because many of the measures will be hard to understand without professional advice.
>
> And because some of the measures go only halfway—for example, increasing the limits of registered retirement savings plan contributions without allowing entrepreneurs or their relatives to invest RRSP funds in their own businesses—they are virtually useless for small business.

Could the Hon. Member comment on such a statement?

Mr. Jepson: I thank the Hon. Member for his question, Mr. Speaker. I did not see the article in the paper. I did speak to Mr. John Bulloch, who heads up the Canadian Federation of Independent Business, who is representative, I would say, of a clear majority of small businesses in Canada. Mr. Bulloch was overwhelmingly impressed with the Budget. He sees it as a real vehicle, as a springboard for the economy for small businesses to create jobs. He is looking with great anticipation, as are I believe most Canadians, to the positive results that will come.

Let me underline to the Hon. Member that this is not an overnight situation. It will take time. We as a Government are clearly saying to the people that we have faith in them and faith in the business community. We have a country that is rich both in human and national resources and we trust the business sector to play a large role in the recovery. We have every confidence that it will do so.

The Acting Speaker (Mr. Paproski): We shall now resume debate. The Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I welcome the opportunity to speak at this very critical time. It seems to me that what this new so-called Progressive Conservative Government is doing with this Budget is beginning the destruction of the social security system which has been built up in Canada over the past 50 years.

An Hon. Member: Who are you trying to scare?

Mr. Orlikow: We have seen one of those hidebound, old-fashioned—and when I am talking about old-fashioned, I am talking about a million years ago—Conservatives who just asked who I am trying to scare. I do not have to scare anybody. Any person, except a few of the very rich, who looks at this Budget will knows and recognizes that substantial cuts will result in every person's standard of living. Those are the facts, Mr. Speaker. I do not have to scare anybody.

We are back to debating some of the first principles which we thought we settled a long time ago on such matters as pension policies, social services and the support which Governments should give to those people in need. Let me bring to the attention of those Conservative Members who would like to ignore the real facts some of the very timely information which was contained in a report issued recently by the National Council of Welfare called *Poverty on the Increase*. Those are not my words. That is the title of a report put out by the National Council of Welfare.

Let me indicate briefly what this report says. This report indicates that Canadians have been hurt very badly by the recession. It reports that the decline in the number of people living in poverty which had been going on since 1969 has now

stopped. From 1981 to 1983, there has been a substantial increase in the number of people who are living in poverty. From 1981 to 1983, 600,000 more people were added to the number of Canadians living in poverty. We now have over four million Canadians living in poverty; a 24 per cent increase in two years.

One person in six in Canada is now living in poverty, a sharp increase from the best performance of a few years ago when one person in seven was living in poverty. This is a very significant deterioration. The Budget will compound the trend of the last couple of years and will prove to be a disaster for people in lower income brackets.

• (1610)

Let us look at what will happen to pensions. We have been repeatedly told that the deindexation of pensions will not reduce the living standards of pensioners in the next few years. I do not think, in the years I have served as a Member of Parliament, that we have ever made a more important decision than we did when we indexed old age pensions. I ask Hon. Members to think back to how the system operated before pensions were indexed. In particular, I remind Conservative Members that one of the biggest factors in defeating the Liberal Government, which was in office from 1945 to 1957, was that in 1956 or 1957 the then Liberal Government with its very great revenues was only prepared to increase pensions by $6 per month. The Conservative Leader who brought the Conservatives out of the wilderness and into Government for the first time in generations, Mr. Diefenbaker, went across the country, quite properly heaped scorn on the Liberals and called them: "Six-buck boys".

Mr. Diefenbaker won the election and increased pensions, but despite the calls by pensioners and people who spoke up for them, calling for fairly regular increases in pensions because the cost of living was rising, they did not get pension increases except in election years, at which time a Conservative or Liberal Government, trying to get support from pensioners, would increase pensions. One of the most important decisions made by any Canadian Parliament—and if I remember correctly, it was done with the unanimous support of all Parties then in Parliament—was to index pensions so that as the cost of living rose, the real standard of living of pensioners would not be reduced.

Now the Government has decided to deindex pensions. The only increase pensioners will receive will be if the increase in the cost of living rises by more than 3 per cent, at which point they will receive the difference between 3 per cent and the actual rate of inflation. This means that the standard of living for all people receiving OAS—and I am not talking about the Guaranteed Income Supplement—will be reduced by 3 per cent each year as long as we continue with this deindexation.

Mr. McDermid: Unless inflation falls below 3 per cent.

Mr. Orlikow: I hear the Hon. Member's interjection. Inflation is now beginning to rise in the United States and in Canada. I ask Hon. Members to think of what this means to someone who will retire this year at age 65. In five years—and more and more people are living longer—the real value of old age pensions will be reduced three times five, compounded, or by more than 15 per cent.

What about the person who is now 50 years of age and is thinking about how he or she will manage after reaching retirement age at 65? They had every reason to believe that they would receive their Canada Pension, whatever it would be 15 years from now; whatever was in their private pension plan to which they may belong; and whatever they had in savings or in RRSPS. However, the most important part about the way in which most of them would live was what they would receive from OAS, which is now about $269 per month. If the cost of living rises each year for the next 15 years by 3 per cent or more, it will mean that when they retire at age 65, 15 years from now, the value of their old age pension through OAS will in fact be just about half what it is now. This has tremendously disturbing implications for all those people who are trying to plan for their retirement, people who were hoping, expecting and were led to believe that they would live on retirement in some comfort and dignity. This deindexation of OAS destroys that belief.

If it is right or necessary to deindex OAS, I ask government Members whether there is anything wrong with deindexing the Canada Pension Plan. Will we get that next year? At the same time the Government is doing this to ordinary people, it is giving rich people the opportunity to invest $15,500 in RRSP plans each year. Who can invest $15,500 in an RRSP each year—only people with very high incomes.

The former Liberal Government lowered the marginal rate at which high income people paid income tax. Now they are being told not to worry about paying that lower rate of income tax, and that they can avoid paying any income tax, while in high income brackets and before retirement, on $15,500. This will give them a tax break of somewhere in the neighbourhood of $6,000 or $7,000 per year. Let us compare that with what the Government is saying to old age pensioners.

It has been estimated that this reduction or deindexation of old age pensions will save the Government $1.6 billion, but of course that will be taken away from old age pensioners. At the same time—and I do not have the time to discuss it today, but I will certainly do so on another occasion—the Government has given tax concessions and tax breaks to the wealthy. The Government will lose $1.4 billion in revenue and the wealthy will gain almost that amount. In other words, the Government is saying that it will take away $1.6 billion from old age pensioners and give almost that amount to the very wealthy. That is where the Government wants to take the people of Canada. The Government cannot fool old age pensioners. It cannot hide the facts from them. Our pensioners may be old, but they are not stupid.

Mr. McDermid: That is right.

Mrs. Mailly: Exactly.

Mr. McKenzie: That is right.

Mr. Orlikow: That is right. I must have hit a nerve because suddenly Conservative Members are interjecting. It will take a few months for old age pensioners to realize what is happening. They will know what has happened when they go to the supermarket to do their shopping and find that the price of groceries—meat, milk, cheese, everything—has risen, and when they receive their pension cheques and discover that they are not receiving the kinds of increases they used to get until now. They will not have to depend on the Members of the Opposition. They will not have to depend on old age pension organizations, which are already speaking on their behalf. Each and every one of them will know what has happened because they can clearly see what has happened.

● (1620)

A large percentage of our old age pensioners, particularly single women, widows, those who have never been married, and those who stayed home while they were married bringing up their children and who have certainly not worked in recent years, are living in poverty now, It is a sad fact that we really do not know how they live. We do not know how bad it is for them.

I see that the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) is here in the Chamber, Mr. Speaker. Since Parliament will not be sitting in July, I invite the Hon. Member to spend a half a day with me to visit some of the soup kitchens operating in our great City of Winnipeg. Let us go to the soup kitchen off Broadway which is operating in the Broadway Optimist Building. Let us visit the Salvation Army and some of the native centres which are feeding people. Let us visit those Catholic churches which are handing out parcels of food, groceries and canned goods. Let us talk to the people at these centres. Perhaps the Hon. Member for Winnipeg-Assiniboine and I could urge the Hon. Member for Brampton-Georgetown (Mr. McDermid) to do the same type of thing in Toronto. It will be seen that there are hundreds of thousands of people in this wealthy country who are living in conditions akin to the way people live in the Third World.

In Winnipeg, we have a successful school nutrition program in place. When it was first started, many people said it was not necessary. It was said that this was not the responsibility of the schools. There are young people in Winnipeg whose one and only nutritious meal a day comes from the school. I say that is a disgrace. It is a disgrace to every Canadian. It is a disgrace to every Member of Parliament that this type of situation can exist in our country.

I say to the Members of the Conservative Party: Go out and look at what is happening. Go out and see how people are living. If those Members have any kind of heart, they will say to the Prime Minister (Mr. Mulroney) and to the Minister of Finance (Mr. Wilson), "You are moving in the wrong direction." We cannot, in all conscience, permit so many people to continue in the way they are living, not if we have any shred of compassion, any shred of decency.

I would like to deal with what the Budget means for children. What we have in place is a clearly regressive plan. By the very calculations of the Minister of Finance, there will be a withdrawal of some $15 million from families in the period 1985-86 and some $40 million in the period 1986-87 because of cut-backs in the family allowance program. These family allowances are being cut back because we are abandoning their indexation. In fact, the purchasing power of that money has lost one-third of what it could buy 10 years ago. The child tax exemption is being significantly reduced through this Budget. The child tax credit has been significantly altered through a reduced income threshold for qualifiers and through reduced indexing.

I would now like to deal with poverty in families. According to the report to which I referred earlier, the poverty rate for a family with one child increased by 17.2 per cent from 1980 to 1983. The poverty rate for a family with two children increased by 25.7 per cent from 1980 to 1983. The poverty rate for a family with three or more children increased by 33 per cent from 1980 to 1983. These are shocking figures. I urge the Government to consider the real situation and increase the disposable income of people in low income brackets instead of decreasing it, as has been done through the proposals in the Budget.

I suggest we should not be thinking about increasing regressive sales taxes on essentials. We should be removing these taxes. We should be removing the sales tax from the important and necessary items required by all families. We should not be increasing these taxes. In conclusion, I say again that this Budget is probably the worst I have ever had to deal with in my more than 20 years in Parliament.

Some Hon. Members: Hear, hear!

Mr. Jepson: Mr. Speaker, as I listened to the Hon. Member's speech, I found it regrettable that all he had to offer was doom and gloom. It is unfortunate that he dwelt on the negatives and the past. We have a Budget which sets a new direction, one which creates a spirit of optimism and hope. I would ask the Hon. Member to consider that.

I sincerely believe the reason the New Democratic Party is suffering at the polls is because of the negative approach taken in looking at the situation from a textbook perspective as opposed to the real world perspective. I would ask the Hon. Member to consider looking in the new direction we are setting for Canada. I ask him to do this objectively. I ask him to join with us in giving all Canadians a new future and new hope.

Mr. Orlikow: Mr. Speaker, the Hon. Member for London East (Mr. Jepson) says that the Budget and his Government are taking Canada in a new direction. There is not very much new about the Budget. Several years ago, when Mrs. Thatcher was first elected, she started to carry out the very same measures which this Government is proposing. I suggest the Hon. Member look to what has happened in Great Britain where unemployment is at an all time high.

Mr. Riis: All time high! It is the worst it has ever been.

Mr. Orlikow: Yes, I think you are right. It is the worst it has ever been. It is certainly worse than the situation which existed during the time of the Great Depression in the 1930s. I would ask the Hon. Member to look at the situation in Germany. A few years ago, German voters defeated a social democratic Government.

An Hon. Member: Turfed them out!

Mr. Orlikow: An Hon. Member says, "Turfed them out!" That is a true statement. They had every right to do that in a democratic system. It was assumed, and reported by all the so-called experts, that it would be a generation before the social democratic party would come back to form the Government in Germany. The present German Government is following the same type of policies which this Government is proposing for Canada. Recently, elections were held in the two largest states in Germany. Some two years after the election, the popularity of the government party has dropped by some 7 per cent.

I wish to make one more prediction for the Hon. Member. If it were not illegal, I would like to make a bet with him. I am prepared to make a small wager with the Hon. Member that in a year from now, because of this Government's policies, there will be 100,000 more people unemployed than there are at the present time.

• (1630)

Mr. McDermid: Mr. Speaker, I always enjoy listening to the Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. Blackburn (Brant): Here we come with pearls of wisdom.

Mr. McDermid: His sincerity is unquestionable, unlike that of the Hon. Member for Brant (Mr. Blackburn). I would like to say one thing about the approach taken by the Hon. Member. Certainly we have problems in this country. There is no question about that. However, the deficit is growing at an unconscionable rate. We are now paying 25 per cent in interest payments alone on the deficit. This leaves us with 75 per cent to spend on the various programs of the federal Government.

All I hear from members of the New Democratic Party is that we should be spending more and that we should not be paying any attention to the deficit, except in one area. They say that we should cut out defence, get out of NATO and get out of NORAD. That is the only area in which they suggest we cut expenditures.

If we go on running up our debts at this crazy breakneck speed, the senior citizens and the health care and post-secondary education programs and the other myriad of programs that come from the federal Government will suffer. They will suffer even more if we do not tackle the problem now so that down the road we can assure the senior citizens and all those people who need our help that it will be there for them.

Mr. Orlikow: Mr. Speaker, of course we have a large deficit about which we should all be concerned. I would ask the Hon. Member to think about why we have this very large deficit. I say to him that we have this large deficit not because the Government is spending too much money and not because the Government is providing too many services, but because there are a million and a half people who are unemployed.

I urge the Hon. Member to read an article which appeared in the *New York Times* a few days ago, a copy of which I can send to him. The article was about a report from the OECD. What the OECD predicted for Canada next year was that this country would have a rate of unemployment of 11.5 per cent or 11.6 per cent and that that would be the highest rate of unemployment of any country in the OECD. That is not my estimate, that is the estimate of the OECD.

Let me deal for a moment with the deficit. We have a deficit because we have an unemployment rate which is over 11 per cent. There are a million and a half people who are unemployed. Those people are either drawing unemployment insurance benefits or welfare payments. We have a deficit in the unemployment insurance account of $5 billion or $6 billion, I have not looked at the exact figures lately. If one million out of the 1.5 million unemployed were working rather than unemployed, they would not be drawing unemployment insurance payments and they would not be drawing welfare payments. They would be working and they would be paying income tax. They would have the money to purchase things and those purchases would generate sales taxes, both federal and provincial. If one million of the 1.5 million people who are now unemployed were working, the deficit would be quite small.

It is much more important to deal with unemployment than it is to make the number one issue the reduction of the deficit. That is what the Conservative Party and the Prime Minister promised during the election campaign, when he promised "Jobs, Jobs, Jobs". Since the election campaign, unemployment has been forgotten by the Government and they tell us we must now concentrate on reducing the deficit. We are going to do that on the backs of the poor and the old.

Mrs. Mailly: Mr. Speaker, it seems to me that the Hon. Member for Winnipeg North (Mr. Orlikow) agrees that the problem is the lack of jobs. However, we differ about the methods that should be used to solve the problem. In 1979, when the Conservative Party was in Government for a few short months, the deficit was $11 billion. Today it is $35 billion. A lot of money has been spent in the interim, but the employment situation has not improved. Obviously we must change our methods.

We are trying to create jobs because we believe that in the chicken and egg situation, the chicken is private enterprise and it, rather than the state, must lay the golden egg that will create the jobs. The Hon. Member believes that it is the state that should create the jobs. However, when the state does that, the jobs do not last.

I have heard some of the Hon. Member's colleagues ask how we can talk about reducing the deficit and giving incentives to industries when we have full capacity or close to full capacity in some of our industries. The Hon. Member for Winnipeg

North does not seem to realize that we have structural problems. We have capacities in industries which do not have markets. We must find new industries for which we have markets so that we can sell our goods and create the jobs we need. We agree on the problem. We simply differ on the method that should be used to solve it.

Mr. Orlikow: Mr. Speaker, of course we agree on the problem and of course we disagree on the method. The method of this Government has been tried in Great Britain and in Germany. It would have been tried in the United States in a more obvious way than it has been tried there. The United States has avoided the kind of problem with which we will soon be faced because that country, under the leadership of President Reagan, has pumped billions of dollars into defence. This has been called by some who are better economists than I "military Keynesianism".

This Government is proposing to follow the words of President Reagan who has said that they must deal with the deficit. But under President Reagan, the United States has the biggest deficits it has ever had. If we follow that prescription, then a year from now, as I mentioned to the Hon. Member's colleague, there will be much more unemployment.

The Acting Speaker (Mr. Paproski): Order. I regret to inform the Hon. Member that his time has expired. Questions and comments are now terminated.

[*Translation*]

Mr. Robert Toupin (Terrebonne): Mr. Speaker, the Budget speech and the Budget papers demonstrate, in my opinion, an attitude on the part of the Progressive Conservative Government and its Minister of Finance (Mr. Wilson) that is realistic, courageous and honest. This Budget reflects a new vision of Canada.

The Budget reflects a realistic attitude because it truly addresses the deficit. The present Government knows that if it does not reduce future deficits and the upward spiral of the national debt, it will inevitably be necessary to increase taxes drastically and make cuts in basic social programs. The present Government is very reluctant to take such measures, because a drastic increase in taxes would have a disastrous effect on the country's productivity and our international competitive position, and as for cutting social services, the human cost would be totally unacceptable. The Budget is realistic because it takes a balanced and sensible approach. It is balanced because tax increases will be phased in gradually up to 1990-91.

• (1640)

The Budget is sensible because as we all know, increasing taxes too quickly would have undesirable effects on our economic growth. It is sensible, Mr. Speaker, because it leads the way to further reduction of our deficit. It is sensible, Mr. Speaker, because it takes into consideration the position of Canada's economy vis-à-vis that of the United States. On a per capita basis, our national debt is twice that of the United States. However, our tax field here in Canada does not afford the same possibilities for taxation as in the United States, because much of the territory is already covered.

Mr. Speaker, this Budget is courageous because it increases indirect and direct taxes, a measure that is not particularly popular with the general public. We must act immediately, however, because the Budget reduces Government spending and in so doing, has a direct impact on groups with specific interests and privileges.

We are also well aware, Mr. Speaker, that such "house cleaning" measures may alienate certain interest groups. The present Government, however, will continue to act in the best interests of all Canadians.

This Budget reflects an honest attitude on the part of the Government, Mr. Speaker, because it candidly discusses the not very encouraging state of our finances. Today, we have an annual deficit of $35 billion. We have a national debt of over $190 billion. Twenty-five per cent of all Government spending now goes to service debt charges. In five years, if no action is taken immediately, this will rise to nearly 46 per cent.

I also want to say that this Budget reflects a new vision of Canada, a faithful reflection of the Throne Speech and the financial statement, tabled last November. Mr. Speaker, this Budget gives form to the new vision of Canada that all Canadians supported by electing a Progressive Conservative Government. A new vision of Canada, where politicians and public servants will have a more modest role to play. No more almighty government, no more omnipresent government! A new vision of Canada where individuals and the private sector will play an increasingly important role. The birth of a State that creates freedom and the spirit of entrepreneurship. A new vision of a Canada where the State will act as a mediator, and the ultimate goal will be our common prosperity.

The Speech from the Throne, last November's financial statement and the present Budget have proposed a new direction for Canada: a balanced vision of a strong and united Canada where the provinces are given their due.

I would like to discuss some of the principles contained in this Budget. I also intend to provide evidence to support these principles.

Mr. Speaker, first of all, this Budget constitutes a turning point in Canada's social and economic evolution. It uses the living strength of the market and banks on the entrepreneurship of Canadian men and women by placing at their disposal new financing tools and sources.

Let us look at these new financing tools and sources. There is the $500,000 lifetime capital gains tax exemption for an individual taxpayer. This proposal promotes risk-taking and investment in small and medium-size businesses in order to create permanent jobs.

In this regard, Mr. Speaker, I would like to set the record straight on two points, one of which concerns an allegation made by the Hon. Member for Laval-des-Rapides (Mr. Garneau). He said in this House last week that such a proposal would give rise to land speculation. This allegation surprises me all the more as the Hon. Member for Laval-des-Rapides was once Minister of Finance in Quebec. Mr. Speaker, under the Income Tax Act and Canadian law, and this is very clearly explained in the interpretation bulletins of the Department of Revenue, any gain derived from any land, speculation, any gain derived from the sale of real estate involving speculation, is not taxed as a capital gain, but as income, fully taxable income. This means, Mr. Speaker, that this $500,000 capital gains tax exemption does not apply to such gains. It is quite untrue to suggest the contrary. I also heard certain Members and other people say that this proposal might promote speculation or the purchase of real estate in the United States or in other countries. Once again, Mr. Speaker, under Canadian tax laws and international tax treaties, which avoid double taxation in principle, if someone invests in the United States or elsewhere, the resulting capital gains will be taxed in that country. Here, in Canada, we are taxed on our total income, domestic and otherwise. What we do is to take these gains, to tax them in Canada and to apply the foreign tax credit against the taxes payable in Canada. Mr. Speaker, this proposal to abolish the capital gains tax not only will fail to promote investments in real estate in other countries, but will have the opposite effect and allow investments to remain in Canada, for the simple reason that there will be no capital gains tax payable in this country, while a capital gains tax will be payable in other countries but no tax credit applicable in Canada.

Mr. Speaker, the cost of this measure will be $550 million in 1985 and $700 million in 1986. The principle is as follows: instead of collecting this potential revenue, we are relying on the private sector to put it to good use. We feel the economic impact will be greater this way than if the Government had spent the same amount of money. Mr. Speaker, this has been amply demonstrated by the results of the previous Liberal Government's way of doing things.

I realize I do not have much time left, but we have a number of measures I could mention to support the first principle I mentioned earlier. There is the new tax credit encouraging individuals to invest in labour-sponsored venture capital funds, a measure that will help create new jobs and help maintain existing ones, a measure, Mr. Speaker, that demonstrates the cordial relationship between the new Federal Government and the provinces.

There is also an extremely innovative measure aimed at tapping a new source of financing, in a fact, a very important new source of financing, for small and medium-sized businesses that are Canadian-controlled and located here in Canada. This measure makes available, as a source of financing, funds in registered retirement savings plans, registered retirement income funds, deferred profiteering plans and pension plans. A very innovative measure, Mr. Speaker, that will help create permanent jobs.

• (1650)

There is also the measure concerning housing loans aimed at facilitating mobility, which will help both the employee and the companies involved.

I could go on to mention the new tax measures for the oil industry in connection with the National Energy Program. A while ago, I heard the Hon. Member for Laval-des-Rapides (Mr. Garneau) claiming that the Progressive Conservative Government was subsidizing the oil industry. I would like to remind the Hon. Member that the subsidies that were paid to the oil multinationals were in fact paid by the previous Liberal Government. We are eliminating those subsidies. As a result, in 1985-86 we will be saving $800 million. In 1986-87 we will be saving another $800 million. I felt I had to set the record straight, Mr. Speaker, despite the fact the Hon. Member is not in the House at this time.

Once again, I would like to mention that the National Energy Program was designed to subsidize the price of oil.

Mr. Speaker, new taxes were levied and new grants awarded under the National Energy Program. Oil prices were subsidized to prevent them from going up. At the same time, a litre of gas was selling for half the price in the United States, and without any grants either.

Since I have only about five minutes left, I will deal more quickly with my second point. This Budget faithfully reflects Canada's changing approach to social services. Those measures include assistance to poorer families through the child tax credit of $70 in 1986 and $35 in 1987 and subsequent years. Help will be extended to the voluntary sector, among other things by making it easier to donate to charitable organizations. More handicapped will receive assistance since the basic definition is now less restrictive so that 185,000 rather than 65,000 people will be entitled to claim the $2,590 exemption for 1986. Through tax incentives, Canadian men and women will be encouraged to save more for their retirement years, and well-to-do individuals, major corporations and financial institutions will pay more taxes.

My third point, Mr. Speaker, is that the Budget shows our growing concern for the situation of women and provides a retirement income plan which is more equitable for women. Here are some of the highlights: the survivor's pension will continue to be paid in case of remarriage; pension plans will have to pay benefits to the wife of a deceased pensioner; the value of pension rights and existing pensions will be split between spouses upon divorce, separation or a break in common law relationships, subject to a court decision; an additional $900 million earmarked for job creation by the

Department of Employment and Immigration in 1985, and again the same amount in 1986-87, Mr. Speaker.

The fourth point is that the Budget makes for greater tax equality by asking rich people to pay their fair share. The tax credit for scientific reearch—a tax loophole as big as they come, Mr. Speaker—has been eliminated. Some $100 million will be recouped in 1986 by doing away with tax shelters where a tax credit was given to the investor or the individual who bought certain things. This relates, for example, to companies offering leisure services, pleasure boats, recreational vehicles, hotel accommodation and the like.

Amendments which will prevent taxpayers from avoiding tax by splitting income between spouses.

A minimum income tax.

Next to last point, Mr. Speaker. This budget proposes measures to streamline the tax system, rationalize the many government programs, encourage financial responsibility and reduce the enormous size of the bureaucracy.

I wish I could mention measures to support this statement, but I am running out of time.

Sixth point, Mr. Speaker. This budget takes into account the inequalities between the regions, especially the more disadvantaged ones.

Again, I could provide concrete proof of this.

As a seventh and final point, Mr. Speaker. In this budget, we practice what we preach by asking senators and former members of Parliament for additional sacrifices, in the direction shown by the Speech from the Throne and last November's economic statement. In this regard, I should like to remind the House that the Right Hon. Prime Minister (Mr. Mulroney) has asked Canadian men and women for sacrifices. He was the first to lead the way by initiating a 15 per cent put in his own ministerial salary.

Finally, by way of conclusion, the Progressive Conservative government has asked all Canadians, especially those with higher incomes, to make sacrifices themselves, in order to put Canada back on the right track financially and to ensure for our country a sound economic future.

Following a dramatic turn all the while striking a happy medium, the Progressive Conservative government is striving for economic renewal as a source of real and permanent jobs and increased and enhanced basic social programs.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Gatineau (Mrs. Mailly) has the floor.

Mrs. Mailly: Mr. Speaker, I would like to commend my colleague for his speech, and also ask him a question.

In his speech the Hon. Member for Winnipeg North (Mr. Orlikow) referred to the experience in other countries, like Great Britain, the United States. However, it seems he failed to tell us what is happening in France. Therefore could the Hon. Member tell us whether the measures proposed by the Hon. Member for Winnipeg-North were used in France and whether the success was tremendous, as he suggested we should do in Canada.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member knows we should not comment on the previous speaker's speech.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I had not finished asking my question. Could the Hon. Member comment on the present situation in France?

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Terrebonne (Mr. Toupin) can answer that question briefly.

[*Translation*]

Mr. Toupin: Mr. Speaker, I would not want to stray from what I said in my speech. And, clearly, in view of the situation in France, I would not want either to perhaps create problems internationally. Simply said, the situation in France is very well known. The thrust of the Hon. Member's comments indeed agrees with the general opinion shared by most people who are really aware of the situation.

I would like to mention, without further discussing the subject, that previously, that person indeed discussed this situation in Britain or elsewhere, or in Germany. But I would also have wanted her to deal with the situation in the United States. This is all I want to say.

The Acting Speaker (Mr. Paproski): Questions and comments are over. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, thank you very much for recognizing me in the waning hours of the Budget debate. I recognize that in this, the last lap, spirits are flagging a little and, from what I heard in the last speech, some of the acumen is obviously growing weaker as time progresses.

It is a privilege for me, as it is for every Member of Parliament, to speak in a debate which is certainly one of the high festivals of parliamentary democracy. It is a very important event in the parliamentary calendar. Not only are we debating specific measures of economic initiative, we also have the opportunity to ferret through the various contradictions and high-falutin but broken promises made over the years in order to get to the gist of what the Tories are trying to achieve in their Budget.

A Budget is probably more than the sum of its parts. It is not just a series of strung-out measures. If you bring them all

together, it reveals an approach or the blue-print of what a particular Government is trying to achieve for the country. Therefore, we must read into the Budget what it tells us about the modern day conservatism, the new "Mulroney revolution", the new social aura that has been heralded far and wide as being the hallmark of the new Government.

● (1700)

Unfortunately, there has been one basic mistake. We have been trying to analyse the Budget by finding some unifying or organizing principle in economic textbooks. We have tried to decide whether it is a form of Reaganomics, Keynesian, supply side, or a Thatcherism. This Budget does not fit any of those current definitions. It is impossible to go into economic textbooks and find a proper definition of this Budget. One must really go into the works of fiction. One must look at how our novelists see things in order to properly describe what the Government is trying to achieve.

This weekend I had the opportunity to reread some novels which I thought might give me a better sense of perspective. As I first reached into my bookshelf, I saw a novel which cut through all the confusion, obfuscation, and public relations to get to the heart of the matter. It was a wonderful novel written in the 1920s by Sinclair Lewis called *Babbitt*. All of a sudden it struck me that the Budget is all about Babbittry. This Budget was not conceived in terms of the broad range and perspective of all Canadians. It was conceived by the Babbitt minds of our country in the private schools, private clubs and private boardrooms. It was not done in a malicious or malevolent way, but in a narrow-minded way that does not see the full range of concerns anxieties, hopes, and fears of Canadians. It was conceived in the hothouse atmosphere of a very restricted business community which wants to be the economic elite to lead the salvation.

It was no accident that the Minister of Finance (Mr. Wilson), in one of his all too frequent mistaken statements, once again told us the truth. He did not think we had enough rich people in Canada to supply the tax revenue. That clearly described the whole problem. The Government really believes, as Babbitt did in the 1920s, in a form of social Darwinism. It believes in some kind of natural order of economic elite that will make decisions for the rest of Canadians.

When the Government talks about inspiring and stimulating Canadians to produce better, it is talking about a very narrow range of Canadians. It is not showing any understanding, comprehension, sensitivity, or feeling for the family of a miner in northern Manitoba who waits week after week for a decision to be made in a Toronto boardroom as to whether the mine will stay open or not, knowing that the Government in Ottawa does not give a damn whether it is open or closed because it is not providing any support or encouragement.

That famous line in the Budget said that the Government will reward success, not subsidize effort. I do not believe there has been a crueller or meaner statement issued by a Minister of Finance in the history of this Parliament. That goes right back to the philosophy of the 1920s that there is an economic jungle out there and only the fittest will survive. The Government is going to reward the survivors, but the rest of them can take their lumps as they may.

This Government does not care much about those people who have to strive in other ways. It does not care much about a young family that wants to buy a home. With one stroke of the pen in the Budget, the Registered Home Ownership Savings Plan was wiped out. That was the one avenue through which young families could hope to put money aside as an incentive to eventually get their own homes.

There is probably no more deep-rooted feeling of concern and interest of young Canadians than to acquire a stake in their own community. What does that matter to the Minister of Finance or the Government? Those young people do not play squash at the Albany Club, so why bother with them? Well, they represent a large majority of young Canadians who are trying to achieve something with important economic benefits. That young family who would have some day bought that home would have provided the market for the lumber, craftsmen, and tradesmen which would generate the economy.

What does the Government care about the young farmer in western Canada or southwestern Ontario who has been striving to keep his head above water against drought, falling commodity prices, and hard to achieve capital? Those farmers looked hopefully toward the recommendations of the Commons committee and listened to the promises made by the present Prime Minister (Mr. Mulroney) in the election campaign. He said he was out to help the farmers, and in this Budget they got higher fuel taxes and higher user fees. The only assistance they will get is if they sell their farms to a big corporate business. There is no assistance for the farmer who wants to stay in business to keep growing his commodities and developing his property. That is not the interest or concern of this Government.

The single parent mothers in downtown Winnipeg have always felt that the federal Government had a basic willingness and generosity to assist them in raising their children. The Minister of Finance tells us how he has increased the child tax credit. However, he does not explain that the figures of his own budget paper indicate that by 1990 some $550 million will disappear from the family trust in the federal Budget. It will no longer be there to help children or to keep families together. It will just disappear. If you combine the deindexation of the family allowance and the child tax credit and the reduction of the exemption, the net loss to lower income families in the country is substantially more than if things had remained the way they were. Do not believe the Minister of Finance when he tries to throw up a dishonest smoke, screen which is fooling a lot of Canadians. It is once again the young Canadian families who will suffer from the measures of this Budget.

What about the young people who are looking forward to achieving new skills and abilities to meet the world of change in which they live? What more important investment can any Government make than an investment in people? The last speaker proudly beat his chest and said that the Government is going to spend $900 million next year on training. However, in

the previous Liberal Government, $1.4 billion was spent on job training and creation. How can the Government justify a net reduction in this year of $75 million? That affects the women who are trying to get back in the workforce. They are not being accepted in our community colleges because there is no allowance for them, and still the Government cuts $75 million from that budget. The Government cut the direct assistance to provincial Governments to build new classrooms and provide new laboratories and technical equipment to allow workers to be retrained for the new world in which we want to live.

The Government does not want a new world. It wants to return to the age of Babbittry, back to the 1920s. It does not want to help people to deal with the new world of change. It only wants to ensure that its friends in the investment clubs are happy and that the security funds are satisfied. The Government says it is making these changes to raise the money to reduce the deficit.

● (1710)

However, it will not reduce the deficit. The money which is being denied to senior citizens, young families and housing will be used to pay the $2 billion price tag for the Western Accord and the capital gains investment of $700 million. It has nothing to do with deficit reduction. I suggest that Tory backbenchers conduct their own study because they will see that the budget papers say that the deficit reduction of two billion dollars will come from "better management practices". Those practices involve a classic example of paper shuffling. The Government will not have Supplementary Estimates and will not provide any inflationary increases. The Government will not realize a saving of $2 billion from that procedure.

The Government is not really interested in economic growth. Growth is not simply generated by giving a tax relief to the investment community. Businesses grow when there is a market and people can buy goods and services. The removal of $37 billion from consumers between now and 1990 will result in fewer homes, cars, furniture and other products being bought from the small business community. If the business community cannot sell its products, it will not invest new capital, expand factories and develop new products for which there is no market. One must wonder about the strange, neurotic, ideological thinking taking place in the minds of the Cabinet when it reduces consumer demand by $37 million while saying that it wants the economy to grow. One need not be a genius in economics—which the Government obviously is not—to know that there must be a demand factor in the economy.

What sort of factors are there in the Budget? There is the capital gains exemption which has some marginal benefit. However, the Minister has provided a *carte blanche* capital gains exemption with no rules or conditions. The Minister of Finance does not believe in rules or conditions in his wonderful free enterprise society. Once given these capital gains, will people invest in blue chip stock or in venture capital in a small business? Will they invest in speculation for a quick turnover or for a long term development in small business?

I suggest that the majority of that capital will not go to aid small Canadian businesses, but there will be an increasing inflation in this country because of the speculative fever that will be released by that measure. There will be large investments on the stock market, but the stock market does not create a lot of wealth in the country. Wealth is created by people going to work and by factories expanding. It is not created by a paper economy in Toronto, Montreal or Vancouver. While investors have fun creating their mergers and acquisitions, it does not create the wealth. Wealth is created by ensuring that there is a market and that the capital serves that market.

The Budget is not designed for all Canadians but a select and privileged group of Canadians. All budgets should attempt to release those energies of growth that provide a sense of aspiration by Canadians. This Budget does not do so.

The Budget has another great flaw. We hear Conservative members say in the committee and in the House that private enterprise will create the growth in this country. While private enterprise creates growth, it does not do so by itself. The history of this country has been a clear partnership between Government and private enterprise in a mixed economy. The Government has always supplied important investments in transportation, in infrastructure and research and development. It has provided the basic sinews of economic strength that allows the private market to proceed and build.

Private companies do not build the roads, bridges, ports or schools. They cannot supply the type of collective co-operation that only Government can provide. However, the Government is so paranoid about itself that it refuses to recognize that the Government has a constructive and positive role to play in the economy. The Government should be used rather than feared. It can be used to stimulate because it is an investor in the economy.

From the time of the CPR, the St. Lawrence Seaway and the Trans-Canada Highway, the Government has been a major investor. When the Government calculates the deficit figure, it should recognize that part of that deficit goes into long term investments that will create wealth in this country. Government basically supplies what no one else can.

The Government does not recognize the importance of government as an investor in capital goods. The Federation of Mayors and Municipalities released a very important report at their meeting taking place this week in Calgary. The cities of this country will require $12 billion of new capital in order to simply maintain the present sewer and road systems. If those deteriorate, the productivity of this country goes down. The ability of trucks to move goods across rutted roads costs more. Each time there is a pothole, a weak bridge or a sewer that gives out, we are losing in the economy. At a time when we have to be at our competitive best and meet incredible international challenges, we are surrendering one of our advantages, which is a highly modern efficient infrastructure.

When I was the Minister of Transport, we made some major decisions to invest capital in projects such as the Western rail system. That is paying off because it will ensure that foreign

buyers will have a sure market for our grain commodities. We had the nerve to take that decision. Although it cost money, if we had not made that decision, the ability of the country to maintain a competitive edge in world grain markets would have been sadly reduced.

However, the Government has nothing in its Budget for that kind of capital investment. It has reduced the Budget for the Industrial Regional Development Program by 50 per cent during 1984-85. It has given up on regional development with the assumption that the private market will respond. Will that happen with the private market in Cape Breton? Will it happen with the private market in northern Manitoba? Those are markets which require the full partnership and co-operation between levels of Government and the private sector.

This is not a growth Budget, one that is designed to stimulate growth or even reduce the deficit. Its purpose is to serve the interests of those who already have a certain advantage in this society. Its greatest weakness and its greatest tragedy is that it does not unleash the energies of all Canadians. It does not meet the concerns of workers who must meet new technological change and will need the Government to help them.

The Government has cancelled the Industrial Renewal Board. I must tell those brave Members from Quebec who stand up in support of the Canadian Industrial Renewal Board that it is no longer in the Budget. It has been put out of business. Those Members will have to rewrite their speeches when they go back to their textile towns. There is no mechanism to help those industries modernize.

This Budget does not encompass the aspirations and hopes of all Canadians, but serves the interests of those who already have advantages. Canadians do not want to have their economic future determined by a corporate elite. They have no interest in letting a small, privileged group of Canadians make their decisions. The Budget has provided the subject for the great debate in this country between those who believe that Canada will prosper by making sure everyone is treated equally and fairly and those in the Government who believe that the economic future in this country can be determined just by their friends.

Mr. Kindy: Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) was a member of the Government that introduced the National Energy Program and a budget in 1980 that devastated the western economy. Today he tells us that he is amazed that we signed the Western Accord. I cannot understand why he thinks restoring the economy in western Canada is bad. The economy in Calgary, Alberta and western Canada generally was not bad when the Government introduced the NEP. However, a year after its implementation, the economy went downhill. Now he criticizes the new Accord which brings hope to western Canada.

● (1720)

Mr. Axworthy: Mr. Speaker, perhaps I could help the Hon. Member to reinterpret history somewhat differently. I know it is part of the Tory mythology that the National Energy Program was the sole cause for our problems. That is part of the propaganda. It is like what the Soviets said when they took over in the 1920s. They rewrote all the history books to make sure it was their interpretation. The National Energy Program was brought in at a time when oil prices around the world were soaring. It was brought in at a time when there was a great fear because of the actions of many multinationals that this country would not be self-sufficient. It came in at a time when the opportunity for small Canadian oil and gas producers was very limited. The National Energy Program responded to each of those concerns. First, to Canadianize the industry—

Mr. McDermid: Nationalize.

Mr. Axworthy: —so we would not be totally at the mercy of large multinationals. We said Canadianize it.

Mr. McDermid: Nationalize.

Mr. Axworthy: We said Canadianize it because the National Energy Program provided through the incentive program the opportunity for a number of Canadian firms to get into the gas and oil business.

Mr. McDermid: You chased them all out of the country.

Mr. Axworthy: No. The Tories seem to forget that the oil rigs down in Oklahoma, West Texas and that the oil industry around the world was going through a recession at that time because of the change in prices and the change in supply.

It would seem to me, Mr. Speaker, that if the Tories were going to sign the Western Accord, and they had a right to do it, did they have to pay for it by taking money away from senior citizens, taking money away from families and by increasing taxes by $400 or $500 a year on middle class Canadians? If the Tories wanted to sign the Western Accord, they should have had the guts and the fortitude to bring in a proper tax rather than trying to hide under a bunch of hidden taxes like sales tax and deindexation. That is what the Government is doing. If the Tories want the Western Accord, that is their business, but they should not try to pay for it by hitting the people who can least afford it. That is exactly what the Tories are up to in this Budget.

Mrs. Mailly: That is not true.

Mr. Kindy: Mr. Speaker, I tend to disagree with the Hon. Member. What we got rid of was the PGRT which taxed the oil industry on gross revenue. It selected that industry specifically. There is no other industry in Canada taxed on gross revenue. That was an unjust tax.

Mr. Deans: It was not unjust.

Mr. Axworthy: Mr. Speaker, the Hon. Member called it an unjust tax. That is how we tax people. We tax people on their revenues. We also say that corporations should somehow be treated differently. The PGRT was used to gain revenue because why should windfall profits gained by exceedingly large oil prices be given to multinational corporations?

Resources that are in the ground did not get there because Esso created them. Esso might have found oil, but Esso did not create it in the ground. The money that came from that kind of tax revenue was to pay for the total rehabilitation and development of the western railway system so the farmers of western Canada could move their grain in an effective and efficient way. The money was used to reinvest in the country to pay for things which this country needed rather than simply being transferred out of the country into the coffers of oil companies outside.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers).

Mr. Desrosiers: Mr. Speaker, I would ask the Hon. Member whether he is not ashamed now of throwing at us all kinds of insults, like paranoiacs, and others, when he was one of the people in high places responsible for everything that is now happening in Canada. He is one of those responsible for that gigantic $224 billion bankruptcy. I would like to ask, since he made reference to a novel a while ago, whether he has read the Auditor General's novel describing the biggest Liberal scandal of all times, the wastage of billions. I am at a loss to find names to call these people today, but I would like to quote one of our great authors, Corneille, who said: "Even in a drawing-room, one must not hesitate to call a pig by its name".

Mr. Rossi: Look who is talking about scandals.

Mr. Axworthy: Mr. Speaker, I will say to the Hon. Members that I am quite proud of the Trudeau government record—

Mr. Desrosiers: Shame!

Mr. Axworthy: —because we had the answer for the poor in this country. We were also taking regional responsibilities and the tax rates set by the former government—

Mrs. Mailly: On heating fuel!

Mr. Axworthy: —and unemployment, yes—

Mrs. Mailly: On heating fuel!

Mr. Axworthy: —and unemployment. When I was Minister of Employment and Immigration, we had some 300,000 jobs. It was a better record than that of this government in the current year.

[*English*]

Mr. McDermid: Mr. Speaker, it is always fun to come into the House and listen to the Liberals' public apologist. He did it again today.

When we talk about the PGRT, the Member said that the money derived from that tax went for real services in the west. We have also heard from the Liberals that it went to pay for the PIP grants for exploration. We have also heard that it has gone to pay for pensions, health care and post secondary education. All the speeches from the Liberals and the New Democrats have said that is where the money went. Now that the PGRT is off and there are more areas where that money is going, if the Hon. Member were honest in his presentation, he would see that the cancellation of the PGRT comes very close to the phasing out of the PIP grants as the PGRT is phased out, including the cuts in expenditures in the Department of Energy which, next year, will be some $333 million less than this year. To equate the cancellation of that tax being placed on the backs of pensioners and those on welfare or unemployment insurance is grossly unfair. I wish the Hon. Member would get his facts and figures correct when he is making that type of presentation.

Mr. Axworthy: Mr. Speaker, I am always pleased to take the advice of my hon. friend when he is right. Unfortunately this time he is not. He was right in the first half of what he said. It is true that the revenue we got from the PGRT did go to help build the railway system, for the PIP grants and for other investment over a period a time.

Mr. McDermid: It does not add up.

Mr. Axworthy: I commend the Hon. Member for being accurate and fully understanding the value of that important source of revenue, but when you look through the budget papers to determine how the Government is paying for the elimination of those revenues, we see the answer. People, ordinary Canadians, are now having to pay for it. Ordinary Canadians will have to pay for that giveaway to the multinationals, for which we will gain very little benefit that we would not have had anyway, because the real determination of health in the oil industry is dependent upon the kind of price in effect. I agree with the Hon. Member when the Tories talk about deregulation which was a move started last spring—

Mr. McDermid: Sure.

Mr. Axworthy: It was. I know the Tories do not read history much. I know they only read the novel Babbitt because we have already discovered that in the speech, but I will not repeat myself, Mr. Speaker. I think enough has been said.

The Acting Speaker (Mr. Paproski): One short question and one short answer please.

Mr. Ravis: Mr. Speaker, I want to make a short comment. It has to do with honesty and the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) even believing what he said.

I come from western Canada. I was a small businessman. One of the reasons I am here today is that the MacEachen Budget of 1981 got me so frustrated as a small businessman, and I expect dozens and dozens of other people here felt the same way, that I eventually ran for Parliament. Here we are today with a mandate of 211 seats. It seems to me the Hon. Member for Winnipeg-Fort Garry should ask himself what happened to the great Liberal Government when it brought

down its Budget. He should be standing here apologizing to Canadians, not chastising this Government for the Budget brought down last week.

• (1730)

The Acting Speaker (Mr. Paproski): Since the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) does not want to make a very short reply, and since the period for questions and comments has now terminated, I will recognize the Hon. Member for Pembina (Mr. Elzinga) on debate.

Mr. Peter Elzinga (Pembina): Mr. Speaker, in recognizing your outstanding job on a continuing basis in the chair, I am sure you will ignore the clock at 5.45 in acknowledgement of the fact that you have given opposition Parties much more time to speak than they were allotted. However, I pay sincere tribute to a dear friend, the Hon. Member for Edmonton North (Mr. Paproski), who has done an outstanding job in the chair.

Some Hon. Members: Hear, hear!

Mr. Elzinga: It is a privilege and honour to serve in this Chamber with you, Sir.

I regret that I cannot say the same about the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). However, there is one area upon which we agree, that is, the belief that a small, select group of people should not govern the nation. This is exactly why his Party was thrown out of office, because a small, select group of people governed the nation. We are taking the reverse approach. We want to consult with Canadians. We want to allow Canadians a greater opportunity to participate in their own affairs.

He asked what we were doing for young people, among other things. Since we became the Government, interest rates have dropped close to three percentage points. That will have a substantial impact on all mortgage holders. In relation to the farming sector—and I will say a great deal more about that sector if I am allowed the time—the Hon. Member indicated that fuel costs have risen, whereas in reality under this Government they have gone down. It is just another area in which opposition Parties are attempting to mislead Canadians with their deceit and dishonesty.

I do not want to dwell on those matters because I believe that we as a Party are participating in "new time" politics. Canadians want to know for what we stand. We have indicated it on a consistent basis, unlike the opposition Parties which have nothing but criticism for our sound economic proposals. We have come forward with a clear-cut Budget. I am honoured to stand in my place today to endorse the proposals of the Minister of Finance (Mr. Wilson) which he started on February 8 and which he brought down in his Budget on May 23.

For the first time we are at a crossroads in the history of our great nation. For the first time we have a sound economic Budget which will restore economic activity in this great country. On September 4, Canadians voted for change. They voted for a change in the national affairs of our nation. As I indicated on November 8, the Minister of Finance began the process of change. On May 23, we saw more of that. Our economic documents are tough but fair.

We recognize that no one wants to pay additional taxes, but 80 per cent of the budgetary deficit reductions are reductions in government expenditures. We are asking all Canadians to participate to a small degree in restoring an economic climate which is suitable and will encourage growth in many sectors—small business, energy and agriculture.

I say in all sincerity—and I look at the three opposition Members who are in the House on this important debate—that all of us are in the Chamber because of our deep love for the nation and our deep concern that in some respects we can contribute to making the country a better place for all. Our Budget represented a turning point, whereby in reality Canadians again enjoy the opportunity and freedom to invest money in areas as they see fit.

We are asking the average Canadian family to contribute $1 per day to budgetary deficit reduction and the restoration of our economic activity. I would think that the majority of Canadian families would be happy to contribute, on average, $1 per day so that we can turn around the sad inheritance which we were left by the Liberal Party.

Our Budget tackles three areas—deficit reduction, job creation and more freedom for Canadians to participate in their own investment choices. We have just come through a period of difficulty. Canadians have suffered anxiety, fear and anger at, as my hon. colleague from Calgary just mentioned, the suggestion that this Government attempted to stifle the engine of growth, not only in the energy sector but also in the agricultural sector. In my travels throughout my constituency I sense that a mood of optimism and a mood of faith have been restored because of the actions we have taken. We are encouraging that very important engine of growth by reducing the budgetary deficit by some $4.4 billion. The projections indicate that it will be reduced by another $8.3 billion next year, and individual constituents have indicated that that is not enough. We approached it on the basis that we did not want Canadians to suffer any more than was necessary and that we would not hurt them. We have lived up to our commitments.

Our major commitment during the election campaign was budgetary deficit reduction. We indicated that we would create jobs. I recall my friends opposite, on November 8 when the Minister of Finance brought down his economic statement, indicating how many jobs would be lost in Canada. In reality, 100,000 jobs were created because of the incentives we offered to Canadians. We are asking for an act of faith by the business community, to live up to its commitments to the free enterprise system. It is when Government, business, labour and management are working together for the betterment of our country that we will truly succeed.

If budgetary deficits created jobs, as my friends opposite indicate, we would not have any unemployment today. If we look at the record of previous administrations and their budgetary deficit spending, we see that it is unreal. I would feel

truly ashamed, if we as the Government did not tackle this area while I was here as a Member of Parliament, to think of the sad legacy we would leave our children.

Our Leader has approached Canadians on the basis of compassion and fairness. We will ensure that those in the lower income levels are cared for. We have made sure that the safety nets remained in place. Individuals opposite have indicated that we cut back on pensions. That is another area in which they are misleading Canadians. The Guaranteed Income Supplement will continue to rise with the full rate of inflation for those individuals who require that safety net. They are spreading all types of falsehoods, simply for their own shallow, political ends.

I recall as a youngster sitting on my father's knee when he indicated why he immigrated to this country. He emigrated from Holland, a country which was liberated by Canadians some 40 years ago, because Canada was a country of hope and of opportunity, a country wherein if one worked, one prospered. However, that opportunity has been stifled by consistent socialist Governments over the last number of years. Canadians are looking to us and expecting us—and we shall deliver—to restore economic stability. I could go through a long list of what is included in the Budget and the number of positive measures which it contains.

● (1740)

I would like to indicate something with respect to the Prime Minister (Mr. Mulroney) of this nation. Our Prime Minister has a sense of purpose. He is a healer. He has brought together the various regions of our country. He has indicated on a consistent basis that if the candle burns a little brighter in one region, then it burns that much brighter in all our country. He has shown a deep sensitivity to the regions of the country. He has shown a deep sensitivity to the minorities of the country, whether they be religious, linguistic or ethnic. I salute him, as many Canadians do, for his deep, compassionate attitude which he has shown to all parts of our great nation.

I wish to touch upon some of the specific initiatives which are beneficial to the agricultural sector. We have reduced the excise tax on primary fuel. There have been substantial payouts under the Western Grain Stabilization Act. The Minister of Agriculture (Mr. Wise) reduced interest rates under the Farm Credit Act. There is a Bill presently before committee which will truly help the red meat industry in Canada. The Minister of Transport (Mr. Mazankowski) has introduced measures with respect to seaway tolls. A substantial item in the Budget deals with the relief of capital gains. My friends opposite cannot say that in every rural community of the country the citizens did not push for the removal of these capital gains.

If one were to review our record of action, one would see investment now in place which will produce jobs for Canadians. We have successful energy agreements in both western and Atlantic Canada. We have made progress in terms of our environment. We have extended the spouse's allowance to some 85,000 individuals in low income brackets. Severance benefits have been extended. There have been amendments made to the Criminal Code. Over all, in excess of 200,000 jobs have been created.

I wish to close by dealing with two points, Mr. Speaker. The first point is with respect to the appointment process which we have in place and which we as a national Government are exercising. We face criticism from Members of the Opposition with respect to the individuals we appoint. However, to implement the change we have been elected to implement, it is important that we put in place individuals who have the same philosophy as we on this side of the House. There has never been a Prime Minister in the history of this nation who has been so non-partisan in his appointments.

I would like to share with the Members of the House some facts. These are facts with respect to the appointment process. The prime prerequisite to date of every individual who has been appointed is competence. In looking at the list of appointments, there are a number of Liberals and New Democrats of promiment stature who have been appointed to various positions. I am speaking of Senator Pierre De Bané, David Smith and the Hon. Don Johnston, who received Queen's Counsel appointments from our Government. Ms. Sylvia Gold, a well-renowned New Democratic Party supporter, was appointed as chairperson to the Advisory Committee on the Status of Women. The Hon. Bud Drury was appointed to the Official Residences' Commission. Mr. Gerry Kaplan, another prominent NDP supporter, was appointed as co-chairman of the task force on broadcasting. The Hon. Lloyd Francis, another Liberal, was appointed as Ambassador to Portugal. Stephen Lewis, another strong New Democratic Party supporter, was appointed Ambassador to the United Nations.

These are all excellent individuals. We are not so narrow-minded as our friends opposite. We seek talent wherever it lies. We have sought talent. The prerequisite with respect to every one of our appointments has been competence. We cannot help if there are more competent Conservatives in the country than there are New Democrats or Liberals.

We can assure you, Mr. Speaker, as we can assure Canadians, that the prime prerequisite for all of these appointments is competence. We will continue, on a competent basis, to appoint individuals to positions of responsibility so that we as a national Party can carry out the mandate which we were elected to carry out on September 4.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Order. It being 5.45 p.m., it is my duty to interrupt the proceedings pursuant to Standing Order 64(8) and put forthwith the question necessary to dispose of the motion now before the House. The question is the following one. Mr. Wilson (Etobicoke Centre), seconded by Mr. Mulroney, moves:

That this House approves in general the budgetary policy of the Government.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The House divided on the motion (Mr. Wilson (Etobicoke Centre)), which was agreed to on the following division:

(*Division No. 29*)

YEAS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Bourgault (Mrs.)
Boyer
Brightwell
Browes (Mrs.)
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crombie
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dick
Dorin
Duguay
Edwards
Elzinga
Epp (Provencher)
Fennell
Forrestall
Fraleigh
Fraser
Fretz
Friesen
Gass
Gérin
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault (Drummond)
Gurbin
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jacques (Mrs.)
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kindy
King
Landry (Mrs.)
Lanthier
Layton
Lesick
Lewis
MacKay
Mailly (Mrs.)
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McCrossan
McDermid
McInnes
McKenzie
McKinnon
McLean
Minaker
Mitges
Mulroney
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oberle
O'Neil
Oostrom
Paproski
Pietz
Price
Ravis
Redway
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Speyer
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Warner
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—131.

NAYS

Messrs.

Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Foster
Fulton
Gagliano
Gauthier
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett (Ms.)
Kaplan
Keeper
Killens (Mrs.)
Langdon
Malépart
McCurdy
Murphy
Nicholson (Miss) (Trinity)
Nystrom
Orlikow
Ouellet
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rossi—41.

Mr. Speaker: I declare the motion carried.

It being 6.10 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.10 p.m.

HOUSE OF COMMONS

Tuesday, June 4, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Thursday, May 2, consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions No. 23 (Mr. Langdon) (p. 4358) and No. 24 (Mr. Axworthy) (p. 4358) and No. 25 (Mr. Axworthy) (p. 4358).

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, sometimes one does feel lonely.

[*Translation*]

Being in the Opposition can be a lonely business. Perhaps some of my colleagues would like to join me—

If I am not mistaken, Mr. Speaker, today we are considering the report stage of Bill C-15, and more specifically, a number of amendments that require some serious consideration. The Government, of course, is getting impatient and has imposed closure, thereby restricting speaking time for Members. We shall therefore try to make the best possible use of the time at our disposal, and in fact we shall be trying to improve and make substantial amendments to the legislation before the House today. If I am not mistaken, the motion to be debated now is Motion No. 24, and there are a few comments I would like to make.

[*English*]

This important amendment deals with rental property acquisitions by foreign interests. We are concerned that the kind of blanket exemption currently proposed in the Bill makes it difficult to prevent the occurrence of fiascos such as the Seaway Trust and Greymac affair.

[*Translation*]

There are no rules to prohibit the kind of transaction we saw in Toronto, where a group of numbered companies, largely financed with foreign capital, spread panic among some 13,000 tenants. Mr. Speaker, I believe we all remember this financial disaster, and I have a few questions. What conditions does the Minister, who is of course again absent from the debate today... what proposals or amendments does the Minister intend to introduce to prevent a recurrence? What sanctions are provided when certain conditions are not observed? Will the Minister go on attracting the big multinationals?

[*English*]

These questions should be answered. They lead us to another important issue, rental housing. Indeed, what has the Government done about rental housing, particularly in a city like Ottawa where the vacancy rate is next to zero? What are the Government's plans in this regard? The Budget did not bring any good news. We saw the Budget of CMHC savaged by the Government. The cash flow of some $30 million was removed from CMHC. We saw no new co-op support and no increased financial support for the housing needs of Canadians.

I am quite concerned that the rental housing market is in particular danger of becoming—

[*Translation*]

—the prey, as they say in French, of investors whose interests do not really lie in helping Canadians get better housing but in making substantial profits, and it worries me that Bill C-15 does not deal at all with this problem, with a situation that can have disastrous consequences, as we all know.

[*English*]

Indeed, what are the Goverment's plans in this area? What happened to the promise by the Prime Minister (Mr. Mulroney) during the last election campaign when he said that co-op housing will continue to have a high priority in the Progressive Conservative policy for housing? I ask this in light of major cut-backs in co-op housing in Halifax, Vancouver and Toronto.

Mr. Hnatyshyn: Order.

Mr. Gauthier: I hear the Hon. Government House Leader saying "order".

Mr. Hnatyshyn: Relevance.

Mr. Gauthier: I am trying to improve the Bill which you have put on the Order Paper for today. In my view, it is in dire need of improving and if you listen, I am talking about rental properties and how they can be the object of foreign takeovers by foreign capital. Remember the Greymac scandal in Toronto. Hundreds of millions of dollars were artificially inflated in the housing rental market in Toronto, bringing about a catastrophic situation. I take it that the Minister understands what I am talking about now.

I do not know the answers to the questions I have put to the absent Minister of Regional Industrial Expansion (Mr. Stevens) regarding rental properties. I hope someone from the Government can give me the answers to those questions because they are important. They must be considered under the purview of this amendment in light of the already stretched housing capacity in our major cities and in light of the blanket exemption currently embodied in the Bill regarding rental property acquisitions. I ask the Parliamentary Secretary what the Government intends to do to prevent rental properties from being acquired by foreign owners who have no interest in the housing markets of today. I put the question in a very serious tone because I believe this begs a serious answer.

• (1110)

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this starts the final day of clause by clause debate on the Investment Canada Bill. From our point of view, it should not be the final day of clause by clause consideration because there exists within this Bill a great many serious problems and flaws that deserve to be corrected before this Bill goes forward. We had hoped it would have been possible to have sufficient time to talk in detail about each of these particular attempts we have brought forward to improve the character of specific parts of the Bill.

Because we have just this last day been able to consider a whole host of different amendments, for our part we as a Party intend to put up a minimum number of speakers and to try to see to it that it is possible to have at least brief debate on each of the different groupings of amendments before the House for debate.

At the start of today's discussion, I want to point out to Members here in the House and to the public that what we are talking about with this Bill and what we are talking about with the crucial issues of foreign investment is the question of Canadianization of our economy.

We know from public opinion polling that has taken place across the nation that a vast majority, 85 per cent, of Canadians believe in increased Canadianization of our economy. That polling indicates a significant increase in the commitment to Canadianization. The polls in June 1983 indicated only 75 per cent of Canadians at that time felt a strong commitment to Canadianization whereas the most recent polls indicate 85 per cent. This legislation and the attempt we are trying to put forward to improve the Bill focuses on this question of Canadianization.

Are we as a country going to get a greater capacity to put the key parts of our economy into the control of Canadians through the Canadian private sector? Are we going to be able to use the public sector and its regulations to achieve greater Canadian control? Are we going to be able to claim a country for ourselves, for our people and our children in the future that will give the jobs and the economic security so important for all of us?

As this debate goes forward point by point today, I will not be discussing this grand theme of Canadianization, but I hope Members in the House and the people will realize the thrust of the amendments we are bringing forward is to attempt, despite a Bill which has some fatal flaws, some real problems that we cannot correct, to bring forward some positive suggestions for improving the Canadianization of our economy insofar as this Bill can be made to contribute to that goal.

The amendment before us at the moment, Motion No. 23, was moved by myself. Motion No. 23 deals with Part II of the Bill. Within the Bill there is quite a long section which exempts certain important categories of enterprise from review, despite the fact that the Bill provides for some review. As Hon. Members know, it provides for the review of acquisitions of companies which have over $5 million in assets, are Canadian controlled and are taken over by foreign companies. Within the attempt to maintain at least some kind of review process, certain exemptions are set out, some of which frankly make sense, but a number of which do not make sense.

• (1115)

For the benefit of Hon. Members, I point to the specific clause to which Motion No. 23 applies, subclause (c) on page 6 which indicates that the acquisition of control of a Canadian business is exempt from review in connection with the realization of security granted for a loan or other financial assistance.

Quite recently there was a case in Smiths Falls, Ontario, concerning a small company called R-J Stamping which employed a significant number of people. That company was forced into bankruptcy and as a result, its physical assets were sold off to a foreign purchaser. The jobs which existed within that community, and of course the potential for future jobs, disappeared as the physical assets were literally shipped out of the country. In that particular case, the local provincial Member, who happens to be a Conservative, raised serious questions about it with the Premier of Ontario, the Hon. Frank Miller. Mr. Miller took this case very seriously, if not others, perhaps because it was the middle of an election campaign. He probed the case of this particular company and indicated that it should not be possible for its physical assets simply to be sold out of the country without any review process. Mr. Miller, as Premier of Ontario, said: "Let's get the Foreign Investment Review Agency to look at this case".

Mr. Boudria: Frank Miller said that!

Mr. Langdon: He said that, believe it or not.

Mr. Boudria: Unbelievable.

Mr. Langdon: Unfortunately Mr. Miller did not realize that FIRA, as it had been put in place, had as one of its weaknesses the fact that it did not cover such cases as this, where a company went bankrupt and its assets were then sold off to foreigners.

Being a loyal citizen of Ontario, and seeing that the Premier of my province wanted action taken on this particular gap in our capacity to review foreign takeovers, I moved this motion. Unfortunately it was voted down, unbelievably, in committee by members of the Conservative Party, the very Party which

Frank Miller represents. Once more I bring this case before the House of Commons in the hope that common sense will somehow prevail, in the hope that government Members sitting here today will recognize that this amendment is not meant to be frustrating to this Bill. It is not meant to be somehow destructive, but rather is an amendment which aims simply to fill a gap which exists in the legislation. It is a gap which we have discovered also existed in the previous legislation and, frankly, deserves to be corrected. I strongly urge government Members to support Motion No. 23 because it will have the effect of filling a gap which even the Premier of Ontario has recognized needs to be filled.

• (1120)

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, it gives me pleasure to address Bill C-15 with respect to Investment Canada today. Recognizing that what is being proposed here is that increased capital and technology will benefit Canada and that the purpose of the Bill is to encourage investment in Canada by Canadians and non-Canadians, I rise to support such an activity, and I do so with pride.

If Bill C-15 achieves the two fundamental objectives of more economic growth and more employment opportunities, we will have to recognize the problems that existed with FIRA. I have taken the opportunity to ask my constituents how they feel about foreign investment in Canada and if they feel that it helps create jobs.

Mr. Langdon: Mr. Speaker, I rise on a point of order. We are presently dealing with Motions Nos. 23, 24 and 25. I think the Hon. Member should address the subject matter of those particular amendments.

Mr. Deputy Speaker: The Hon. Member for Essex-Windsor (Mr. Langdon) is correct. I am sure the Hon. Member for Selkirk-Interlake (Mr. Holtmann) will act accordingly.

Mr. Holtmann: Thank you, Mr. Speaker. I will get to that, as the Hon. Member will see if he has any patience. The Hon. Member who spoke previously referred to polls which indicate what he felt the people of the country wanted. The results of a recent poll just came out. I found it interesting to note that that poll indicated that only a bare minimum of New Democrat voters wanted foreign investment in Canada. That is all part of this Bill. Let me address that very phrase.

There is an NDP Government in Manitoba right now. Although Members of the NDP state philosophically that they are not in favour of any foreign investment in Canada and that businesses in Canada must be totally Canadian owned, the NDP Government in Manitoba will put its arms around foreign companies, give them a kiss, make love to them and then, when they make a profit, call them corporate welfare bums. That is the attitude of the NDP Government.

The Hon. Member proposes changes, but they are not changes that will benefit this Bill. In fact, the changes go to the very heart of what they feel, which is that foreign investment in any form is not the greatest and is not highly desirable. He is never happy with that. When we encourage investment being brought into the country, that stops us from importing goods. It stops us from importing goods which could be manufactured here in Canada. That will certainly help our entire situation. In effect, we would be using our natural resources right here. We would be using Canadian labour and gain from the resources and technologies brought in by foreign companies. Surely the Hon. Member cannot be opposed to that.

• (1125)

The Hon. Member mentioned that some 80 per cent of the population was in favour of Canadianization. If a product is manufactured here in Canada, then is that not Canadianization of that product? Is that not better than importing goods made completely in some other country? The Hon. Member suggests we wait until a Canadian can put a company in place which can perform the research and development with regard to the production of a product. He would allow a limited amount of foreign investment while Canadianizing the other part. I am sorry to say we probably would not have 90 per cent of the products we have here in Canada if we had to wait for them to be developed in this country. As a matter of fact, the country is comprised of people who come from many countries and who brought with them their ideas and technology.

If the Hon. Member wishes to point out the results of a recent poll in support of his point of view, then I suggest we must look to all areas of investment. We must consider foreign capital which comes into the country. We must take into consideration FIRA. Those in favour of FIRA claim a success rate in that regard. However, if you were to talk to international people from places such as New York and Tokyo, you would find they did not want to come here because they did not want to deal with FIRA. They did not want to deal with the types of laws which were in place.

There are no simple solutions. However, some of the amendments have to be addressed. I must ask whether or not they have been well thought out. Are those who propose the amendments aware of the ramifications? Is it just a matter of these people sitting back and dreaming? All too often Oppostion Members dream these amendments up because they hate the fact we have changed something which they put in place. Why do they not stand up and admit that? That would give some honesty to the system.

The Hon. Member recommends a change to a specific clause. That is not the total solution. The change has not been well thought out. We must take into consideration the manufacture of Canadian products with Canadian raw materials through the use of foreign research and development. That is the idea here.

In my riding alone, as a result of FIRA, three large investment groups were turned away because there was too much negativism involved in the whole system. There was just too much red tape to go through. Those three groups would have been in place in my riding had it not been for FIRA. There

could be an additional 700 jobs in my riding now had Investment Canada been in place then as it has been proposed today.

Mr. Langdon: Mr. Speaker, I rise on a point of order. Would it be possible for the Hon. Member to use the last minute of his 10 to deal with the subject of debate?

Mr. Lewis: Mr. Speaker, I rise on the same point of order. Since the Hon. Member opposite raises the point, I would like to say the matter goes both ways. It is fine to have debate within the confines of the motion, but Hon. Members opposite will have to adhere to the same rules. If they want to play the game in that way, then I would point out that we have been here longer and we can do it better.

Mr. Gauthier: Mr. Speaker, I rise on the same point of order. The Government has brought in closure on the report stage of this Bill. The Government is imposing a restriction on the time we are allowed to debate the amendments before us. There are some 94 amendments. We are only at the point of dealing with 23, 24 and 25. I would like the Hon. Member to address those matters. The amendment being discussed deals with rental property and insurance. It would be best if the Hon. Member were to address these concepts with some relevancy in mind in consideration of our time and his.

• (1130)

Mr. Deputy Speaker: The comments of the Hon. Member for Essex-Windsor (Mr. Langdon) and the Hon. Member for Ottawa-Vanier (Mr. Gauthier) are taken very well by the Chair. Members should be aware, especially at report stage, that comments must be strictly relevant to the motions which are before the House. The Hon. Member for Selkirk-Interlake (Mr. Holtmann) has the floor for one more minute.

Mr. Holtmann: Mr. Speaker, it is amazing how excited Opposition Members get. They have introduced all of these motions to change the Bill and make it better. It flabbergasts me, but I do understand. When they use tactics such as this, it is no wonder we have to invoke closure. They would go on forever bringing in all sorts of ridiculous motions to change the Bill back to FIRA.

Some Hon. Members: Hear, hear!

Mr. Holtmann: If there were substance to the motions, I would address them.

Mr. Langdon: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Essex-Windsor on a point of order.

Mr. Langdon: Mr. Speaker, I think it should be drawn to the attention of the previous speaker that, in fact, it is not possible, once motions have been tabled for debate, to bring forward additional motions. The motions which are presently before the House are the only motions which can be debated. Other motions cannot be brought forward—

Mr. Deputy Speaker: I regret to inform the Hon. Member that that is not a point of order. Resuming debate. I will recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, as you said, the remarks which were made by the Hon. Member for Essex-Windsor (Mr. Langdon) did not constitute a point of order, but he did make a very interesting point. Perhaps Tory Members who failed to speak on the main motion could remember that. Perhaps Tory Members should read the motions which the House is debating before making speeches. I am sure it would be most constructive if you brought that to their attention, Mr. Speaker.

I found it interesting that the Hon. Member for Selkirk-Interlake (Mr. Holtmann) challenged Parliament's right to amend Government legislation. That shows the respect for democracy which Tories have. They are challenging the fundamental right of Parliament to amend Government legislation. I see an Hon. Member opposite who is laughing. Some day in the future when factories close down in his riding because of this legislation and his voters knock on his door to ask him why he failed to amend and improve the legislation, they will know what he did.

We are discussing Motions Nos. 23, 24 and 25. With respect to Motion No. 25, we are proposing an improvement in the Bill which is a form of preventive medicine. We want to ensure that insurance companies are included in the notification and possibly in the review process of foreign acquisitions. We know that increasingly the ownership questions related to large pools of capital are accumulated by major financial institutions. In that case, there appears to be a loophole for foreign insurance companies. I had hoped that the Hon. Member for Selkirk-Interlake would have referred to that. Perhaps he is not concerned about that issue. He is only concerned about challenging Parliament's right to amend Government Bills.

It should be remembered that opposition Members have never stated they were against foreign investment. The Opposition wants what is best for Canadians. The Tories have no right to stop us from presenting motions which will improve the legislation. Ronnie and his nephew, Brian, had a little duet in Quebec City.

Mr. Blenkarn: What is the amendment?

Mr. Boudria: When the Government and its Prime Minister (Mr. Mulroney) failed to put a stop on countervail duties in the United States, where were Tory Members? Why were they not acting in the best interests of Canadians? Why did they not bring forward amendments such as Motion No. 25 in order to ensure that the Bill would be better for all Canadians?

I notice an Hon. Member opposite who was once a Liberal. He too lost his way. Perhaps, he could find the energy to speak on the Bill. Perhaps he could tell the Prime Minister not to make the statements which were reported in *Fortune* magazine when he spoke against Canadians and the workers of the country. In the article he said:

Who wants to buy it? What is there so compellingly attractive about Canada that causes us to think that anybody is going to rush in simply because somebody says, "I'd like to do business with you." We do not have a very good track record. Our products have not been of the highest quality. Our deliveries have been lacking in reliability. Our expertise has been in large measure borrowed. Our technology has been purchased. What the hell makes us so special?

Those are the comments of the Conservative Prime Minister. I wish some of his back-benchers would stand and speak in favour of the positive amendments which are being presented today in order to ensure that we will have a fair share of Canadianization, and that the Bill and the amendments which have been proposed will ensure that in the future we will not see large foreign takeovers. Obviously, that will happen if the Bill is passed without amendments. All Conservative members opposite and the book-ends and surfers on this side of the House should remember that and stop thinking that they are only here for a short time. They are making the best of it. They are not here for a long time, they are here for a short time, but a good time. Nevertheless, they should stand in the House and speak on behalf of their voters. The Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) should state clearly that he is against the countervail duties of the United States. He should take the opportunity to speak about Canadianization.

[*Translation*]

Mr. Blais: Mr. Speaker, what the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) is saying is entirely irrelevant.

Mr. St. Julien: It is not the first time, either.

Mr. Blais: Mr. Speaker, we have been very patient, but I think he should be called to order, as you did earlier on the point of order of the Hon. Member for Essex-Windsor (Mr. Langdon). I think he should limit his remarks to the motion before the House at this time.

Mr. St. Julien: Right on, it is about time he learned how to behave.

Mr. Blais: This is not the appropriate time to discuss other matters that concern to the House and the standing committees, Mr. Speaker. The Hon. Member could come to the Standing Committee, but we never see him when these questions are on the agenda.

Mr. St. Julien: He never came!

Mr. Blais: He comes here and talks about agriculture, and when it is time to talk about it he doesn't show up.

Mr. St. Julien: That is true!

[*English*]

Mr. Deputy Speaker: The Chair does not totally agree with the remarks of the Parliamentary Secretary that the Member for Glengarry-Prescott-Russell is not speaking on the motion. However, the last part of the remarks of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) may not have been on the motion, so I would ask him to be more relevant.

● (1140)

Mr. Boudria: Thank you, Mr. Speaker, for your usual excellent ruling and for bringing the Parliamentary Secretary into line. I can tell you, Mr. Speaker, of course, that he badly needs it. He does get that way whenever he feels threatened. It's not his fault. If I were a Tory, I would be embarrassed right now as well. Thank God, that will never happen because happiness is never having to say you're Tory, and I will never have to say that, hopefully.

We were discussing Amendments Nos. 23, 24 and 25 to this Bill, Mr. Speaker.

Mr. Gormley: Why don't you discuss them?

Mr. Boudria: I've been discussing them all along, Mr. Speaker, and I challenge the Hon. Member to say, for instance, whether he is in favour of the very excellent real estate amendments under Motion No. 23 and whether he thinks, as we do, that Motion No. 25 would indeed act as preventative medicine in ensuring that insurance companies be included in the notification process? I would like the Hon. Member to stand in his place when I complete my remarks and tell us what his views are on this issue because myself and the other Hon. Members of the Opposition have been speaking to those amendments. Perhaps we should speak a little more slowly so that the Conservatives could understand. I will try to do that in future just to ensure that they keep up to our train of thought.

[*Translation*]

Mr. Speaker, I believe that Motion No. 25 should be adopted by this House because it would vastly improve the proposed legislation. Actually, the only way to amend this Bill would be for the Government to abandon it forthwith. However, if the Government does not give up its proposed legislation in favour of what we had before, the second best option is for the Government to adopt the amendments proposed by the Opposition.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I intend to speak to these amendments and I invite all Hon. Members of the Conservative Party to do so, particularly those representing urban ridings, such as the City of Toronto—and it is unfortunate that there are a number of Hon. Members from Toronto who are not here—and the Cities of Vancouver, Montreal, Halifax, Edmonton, Calgary and all of those areas where tenants rely on the protection of government to ensure that their particular stability is not threatened.

Some Hon. Members may not remember that I was in the Ontario Legislature at the time of the famous "flip" deal when more than 10,000 apartment units in the City of Toronto changed hands. Their rental value would have doubled, tripled and, in some cases, quadrupled, as a direct result of a transaction which would have been, under the current law, deemed to

be illegal. Without these amendments, the Government is saying that any real estate sale to a foreign company will not be subject to review by Investment Canada. Those 20,000 tenants who live at the corner of Yonge and Eglinton in the City of Toronto, who received protection from the Government at the time of that flip-flop deal—and people like Howard Brown were involved with the tenants' organizations in their fight against those particular increases—will now have no protection. This Government has failed to protect tenants by omitting to include the amendments which have been proposed by both Opposition Parties.

I would like to ask those Hon. Members from the urban centres, and particularly those from the City of Toronto, to talk about how they are going to fight for tenants' rights. They have a chance with this amendment to put their money where their mouths are. Any Hon. Member who supports this government's move to remove this real estate protection from consideration has, in fact, abdicated his or her responsibility to the tenants in his or her riding. I ask all Hon. Members of the Government to take a look at the amendment to see what is involved because this particular amendment will ensure that foreign investment in Canadian real estate is subject to review by Investment Canada.

Not only has this Government said that all investment under $5 million will no longer be subject to review, but that any investment in Canadian real estate over $5 million, will not be subject to review. The particular amendment which we are proposing would in fact ensure that at the very least the rather flimsy review provisions of Investment Canada of transactions over $5 million would include the real estate market.

We are not talking simply about company transactions as has happened recently with the Nabisco deal. What we are talking about is the kind of direct cause and effect relationship which a purchase of Canadian real estate can have not only on the Canadian stock market and the Canadian investment community, but on Canadian tenants. I remind those Hon. Members from the City of Toronto who have failed to speak up on this very important issue of a real estate deal which turned sour. It was a trust fiasco, according to the *Financial Times* of Canada, dating back to January 31, 1983. Right from the start it was a deal of daunting complexity punctuated with pure theatre of the absurd. Witness, for example, the closing on the sale of 10,931 Toronto apartment units which formed the core of the most celebrated real estate deal in Canadian history. The apartments were to be flipped through several hands from Cadillac Fairview Corporation Limited to a series of numbered companies later said to be controlled by Saudi-Arabian investors. That particular celebrated flip of more than 10,000 apartment units would have obviously impacted directly on the lives of the people in the City of Toronto.

It was as a result of the combined efforts of the Foreign Investment Review Agency and provincial government legislation that we were able to ensure that the cost pass through, which was to have been passed on to tenants and which would have resulted in increases of 300 per cent, 400 per cent, 500 per cent and 600 per cent in direct rental charges, was disallowed. Those tenants were saved from having to pay for the flip-flop deal which was the most celebrated deal in Canadian real estate history.

I hope that those Hon. Members who are seeking re-election in the City of Toronto, in the City of Vancouver, which has one of the lowest vacancy rates in Canada, and in the City of Halifax where the rental housing situation has reached crisis proportions, will realize that in defeating this amendment they will be placing themselves in the position of having to go to their constituents in the next election campaign and saying to them, "We had a chance to protect you or to even offer the minimal $5 million protection under Investment Canada, but we turned our backs because we are not interested in protecting tenants". Instead the Conservatives have said, "Come and invest in Canada. You can buy up millions upon millions of dollars worth of Canadian real estate without being subject to any kind of notification analysis or review by the Government of Canada". The particular decision by this Government to wash its hands of concern for tenants, as it has so clearly indicated by exempting real estate specifically from the provisions for the $5 million review, is just another indication of how this Government is prepared to let those people who are in the least position to protect themselves hang out to dry.

• (1150)

We heard the Government promise to protect the housing situation in Canada. We heard the government promises to senior citizens. Of the tens of thousands of apartment dwellers in the City of Toronto and the thousands in the City of Hamilton a great proportion are senior citizens. Those are the same people from whom the Government is taking $30 a month and calling it chicken feed. The Government says that it can take $30 a month from the senior citizens because they do not care.

An Hon. Member: Order.

Ms. Copps: Perhaps the Member does not see the relevance. I am talking about a government exemption of real estate purchases by foreign companies which will directly impact upon the cost of rental for people living in highly populated urban areas, the majority of whom are single and living alone, many elderly widows, who are extremely concerned about the negative impact of the Government's initiatives on senior citizens' pensions. Those same people will now be faced with a further potential rent increase as a direct result of the Government's failure to approve the amendment that we have suggested with respect to real estate.

Mr. Blenkarn: Nonsense.

Ms. Copps: The Member for Mississauga South (Mr. Blenkarn) says "nonsense". I urge the Member for Mississauga South to speak on this issue because Mississauga happens to be one of the largest growing tenant areas in Canada. If the Member were truly representing his constituents, he would say that real estate, as any other investment, is an investment in

Canada and subject to review under the Canada Investment Act or by the Canadian Government. In fact, if the Member for Mississauga South had read the amendment, he would have been aware that we are attempting to allow the Government the same possibility of review that it had on the Player's flip-flop apartment takeover. Conservatives in the City of Toronto were scurrying on side on that issue. They realized that rental increases of 100 per cent, 200 per cent, 300 per cent, and 400 per cent for senior citizens in those areas was unconscionable.

The Government is going to wash its hands of the whole issue by telling the world that Canada is open for business, to come in and buy up our apartment blocks by the hundreds and thousands and the purchases will not even be subject to notification, let alone review. The cost pass through of the flip of 10,000 apartments in the City of Toronto was prevented because of Liberal legislation in the Federal Investment Review Agency. Such cost pass throughs will be paid directly on the backs of tenants.

I am sorry if the Member for Mississauga South does not want to speak for his constituents. I am sorry that Government Members have not taken the time to read this amendment. If they had done so, they would not be so quick to tell their constituents that they are fighting on behalf of poor people.

[*Translation*]

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Agriculture (Mr. Blais).

Mr. Blais: On a question of privilege, Mr. Speaker.

Earlier, Mr. Speaker, I was attacked most unfairly and very deeply hurt. I was called a former Liberal, and I feel that my parliamentary privilege has been grievously infringed upon as a result of this allegation that I was a former Liberal . . . The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) . . . I would ask that those words be withdrawn. It is absolutely false, Mr. Speaker, and my privileges as a Member of this House have been most adversely affected.

Mr. Deputy Speaker: I do not think it is a question of privilege.

Mr. Rossi: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi), on a point of order.

Mr. Rossi: The same strategy . . . I can see the Hon. Member smiling, Mr. Speaker, because it is all part of a strategy to cut down on the time allowed the Hon. Member and keep her from saying what she wants to say. It is obvious from the Hon. Member's snarky smile that this is a delaying tactic, and I demand that the Hon. Member's time be compensated, Mr. Speaker.

Mr. Deputy Speaker: The time allowed the Hon. Member for Hamilton East (Ms. Copps) had expired.

[*English*]

Ms. Copps: Mr. Speaker, if the yahoos on the other side of the House would have stopped screaming and yelling at us during our discourse—

Some Hon. Members: Oh, oh!

Ms. Copps: —it might have been possible for me to say what I had wanted to within my time limit. I would call upon the Speaker to enforce order in the House.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Member for Hamilton East (Ms. Copps) may have a point about order and decorum in the House. I appeal to all Members to show courtesy to the Members who are speaking. Resuming debate, the Member for The Battlefords-Meadow Lake (Mr. Gormley).

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I would like to address some comments to the amendments to Bill C-15. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) mentioned that these were good and fair amendments and asked whether a Conservative would rise to speak on these good and fair amendments. If these were in fact good and fair amendments, a Conservative could stand and support them. However, they are neither good nor fair.

Mr. Blenkarn: They are not very intelligent either.

Mr. Gormley: The Hon. Member notes that neither are they very intelligent. I am pleased to endorse that sentiment with regard to these amendments.

The exemption in Bill C-15, which is addressed in Motion No. 23, relates to security granted for a loan. Members have not yet spoken about this. It would be instructive for Canadians to learn more about what the unholiest alliance in Canadian history, the Liberals and New Democrats, is purporting that the Government should consider.

The motion deals with the deletion of certain lines and clauses in the Bill to the effect that the exemption for acquisitions resulting from the realization of security granted for a loan would not be dealt with. The intent of Bill C-15 is that non Canadians should be able to enforce the security provisions of a loan agreement and acquire control of a Canadian business without being subject to the notification provisions if a Canadian business has sought a loan from a non-Canadian financial institution and signed a loan agreement such as a Canadian would sign with a local bank. The Liberals and New Democrats are saying that they want the access to capital by small, medium, and large Canadian companies limited. This motion would restrict the security of the person or institution lending the money. Who would willingly lend money without a guarantee of security? This motion makes that subject to notification and frightens lenders about doing business in Canada.

Bill C-15 is trying to address the problem of the Foreign Investment Review Agency. Investment Canada is trying to deal with that problem by restoring confidence. Such motions as these moved by the New Democratic Party take away confidence. They tell non-Canadian lenders that they will be subject to all sorts of notification in order to enforce a security agreement in a loan. That does not inspire confidence.

Earlier some of my colleagues were citing statistics and figures. The poll published in the media yesterday shows very clearly that the average Canadian supports the initiatives of the Government and the Prime Minister (Mr. Mulroney). Most important when we look at the motions, the average Canadian recognizes that when we do not accept those motions and the frivolous measures being brought in by the Opposition, they can have confidence in us. It is investment confidence that Canadians see in the Government, Members of the Cabinet and the overwhelming number of Conservative Members of Parliament who outnumber the dwindling numbers in the Opposition ranks every day.

• (1200)

Motion No. 23 shows what the unholy NDP-Liberal alliance is doing once again to small, medium and large Canadian businesses that simply want to turn to a non-Canadian lender for some capital so that they may create jobs and create confidence in our economy.

Mr. Rossi: Talk about senior citizens.

Mr. Gormley: Let me make some remarks about the senior citizens and rental housing. In Saskatchewan, the NDP goes to nursing homes and tells senior citizens that someone will take away their medicare. It is a shameful act. It is no surprise that the Liberals, supported by the NDP, would single out a provision of the Bill, saying that it will affect and frighten senior citizens. That is no responsible way to conduct oneself in the House of Commons.

If one looks at Motion No. 24 and the movement of real estate as it affects condominiums, apartments and public housing, one can see that the provincial legislation, residential tenancy acts and others deal with the security and safety of those affected. However, the Liberals talk about senior citizens without putting forward any facts about an increase in the cost of rental. They simply say that senior citizens will be affected. I suggest that is the most irresponsible use of the valuable time of the House. They have taken up 70 hours of valuable time by frightening elderly Canadians.

Let us consider Motion No. 24 that would remove the rental real estate exemption. We can agree that rental real estate is, by its nature, a passive transaction—

Mr. Axworthy: God, you're dumb!

Mr. Gormley: —and the sort of transaction that within the integrity of Bill C-15 makes Motion No. 24 unnecessary. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), the former Minister who knows a lot about scaring and frightening people, is using the word "dumb" I believe.

Mr. Axworthy: Yes.

Mr. Gormley: Two-thirds of Canadians agree with the thrust of this Bill and I would not call two-thirds of Canadians dumb, although that Liberal Minister obviously did.

Mr. Gauthier: He did not say that.

Mr. Axworthy: I was just referring to the Member who is speaking.

Mr. Gormley: That is why he is in the opposition ranks and may he languish there for many years. He believes that the Canadian people are dumb because they support Bill C-15.

Mr. Axworthy: No, you are. You are certainly not part of the Canadian people.

Mr. Gormley: Again, I think that is indicative of what the Liberal Party is trying to do, and for that reason those who regard this Bill with seriousness and integrity can see that Motions Nos. 23, 24 and 25 dealing with foreign capital are not, in fact, entitled to scrutiny.

Mr. Axworthy: Mr. Speaker, I rise on a point of order. I know that the Hon. Member who spoke is used to yelling in a rain barrel. However, I do not believe it is a custom in the House for him to simply reflect himself in his own mirrors to the judgment of other people. Clearly I did not call the Canadian people dumb. I called the Hon. Member dumb, and his speech certainly reflects that. I think the record should state that.

Mr. Deputy Speaker: That is not a point of order.

Mr. Gormley: Mr. Speaker. I rise on a point of order. I am not dumb and I do not believe that the people of my riding, including those from North Battleford where the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) was born, would send someone dumb to Ottawa. If there was any reflection on lack of intelligence, I would say again that it was perhaps an aspersion on Canadian people, because I meant no aspersion by it.

[*Translation*]

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, we have been listening to the Liberal and NDP members for a long time. I see the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is leaving the House. He should stay, what we have to say might interest him.

Mr. Gauthier: Mr. Speaker, I have to make a phone call.

Mr. Gérin: He is going to make a phone call, Mr. Speaker. Perhaps he should have done that earlier. Not so long ago, last May 25, he said, as reported in *Hansard:*

I do not have to worry, I have a comfortable majority. What I am telling you is that you do not have that kind of majority from Canadians.

Obviously he has not heard the latest news.

Call an election tomorrow on this issue, show that you have guts. But no, they would not do that.

He was then talking about the Bill now under consideration. Now then—

Mr. Gauthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Well, Mr. Speaker, I have nothing against the Hon. Member reading what I said in the House, that is fair enough. However, perhaps I might ask him to deal with the matter under consideration, namely Motions Nos. 23, 24 and 25. If he wants to read my speeches, he ought to do that on his own time.

Mr. Deputy Speaker: I am sure the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) was about to speak to the motions.

Mr. Gérin: Surely, Mr. Speaker, we have to take measures which people can readily understand. I fail to see why the Liberals—turfed right out as they were last September—cannot understand that Canadians want to be open to the rest of the world. As evidenced by the poll published yesterday in newspapers across the land, Canadians do welcome foreign investment here. That is quite apparent among people who generally support the Conservative Party, as it is among others who generally favour the Liberals or the NDP. Perhaps I ought to say who used to favour the Liberals or the NDP because there has been a radical change in voters' preferences.

Mr. Boudria: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a point of order.

Mr. Boudria: Mr. Speaker, I can understand why the Hon. Member would be impressed by public opinion polls, but I suggest he has yet to deal with Motions Nos. 23, 24 and 25.

Ms. Copps: That has nothing to do with the amendment.

Mr. Gérin: As I was saying, Mr. Speaker, Canadians do welcome foreign investment in this country. The Gallup poll showed that 62 per cent—

Ms. Copps: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps) on a point of order.

Ms. Copps: Mr. Speaker, I think we have risen three or four times to ask those who want to take part in the debate to speak about investment, and foreign investment in real estate as well. Those who refer to Conservative Party polls are not speaking to the amendments under study. Mr. Speaker, I would urge you to ask those Hon. Members who do not understand what this Bill contains to speak to Motions Nos. 23, 24 and 25, or else remain silent.

[*English*]

Mr. Lewis: Mr. Speaker, I rise on the same point of order. I suggest that noting the fact that 62 per cent of Canadians want more foreign investment in real estate is speaking to the question.

Mr. Deputy Speaker: The Chair understands that Members may want to make preambles when talking on specific motions. In the past, the Chair has allowed short preambles at report stage. However, I would ask Members not to use the 10 minutes they are given on a specific motion to speak to the Bill in general terms. Members know that they must speak to the motion specifically, be it Motion No. 23, No. 24 or No. 25. The Chair would ask Members to make an effort to speak directly to the motion.

[*Translation*]

Mr. Gérin: Mr. Speaker, as I said before, it is absolutely vital that Canadians realize the Government is taking a new and open attitude toward foreign investment, an attitude that can be felt among all Government Members here in the House and across the country. In fact, according to the polls, 62 per cent of Canadians are urging the Prime Minister (Mr. Mulroney) to go on attracting foreign investment. Only 19 per cent are against foreign investment. If we were to add respondents who said they did not know or did not want to give their opinion, we would have 70 per cent in favour of the position taken by the Progressive Conservative Government, by the Minister and the Prime Minister. In this perspective, I think it is a brilliant idea of the Liberals to create committees and travel across the country to find out what people think and to get together to change their campaign program, because they have none now. They seem to be completely at sea.

• (1210)

I listened to the Hon. Member for Abitibi (Mr. St-Julien) make a remarkable speech in the House quite recently. My colleague the Member for Beauce (Mr. Bernier) made an equally remarkable speech. These are speeches that have made a positive contribution, to this country.

An Hon. Member: That is constructive.

Mr. Gérin: Yes, constructive speeches and not speeches like the Hon. Member . . . Listen to her shout, Mr. Speaker . . . Is that a way to act? Listen to her shouting. I realize she is the only Liberal Member in the House right now, but that is no reason to shout like that and interrupt my speech.

Mr. Speaker, I saw an article in *Le Devoir* yesterday, an analysis that said protectionism as an alternative was obsolete. Word for word, the article said: "Protectionism no longer

constitutes a realistic option". Crystal clear, I would say. "In fact, among the seven major OECD countries, Canada is, with Germany, the country most oriented towards foreign markets. In 1980, Canada's exports of goods and services represented 29.3 per cent of the Gross National Product, while the average was 18.7 per cent for all seven countries." This means what? It means that we cannot close our doors. We must accept foreign investment. "Considering its very substantial dependence on foreign trade, it is inconceivable that Canada should adopt a strategy of self-centered development, protected by tariff barriers and quotas. External constraints are now a major given of our economic policy."

So this new approach is going to neutralize the effects of 20 years of Liberal mismanagement during which the country was saddled with debts so that today, we have a total debt of $200 billion which must be dealt with through the Budget by making cutbacks that are not always pleasant, in order to pay the staggering bill left us by the Liberals who preferred to ignore foreign investment and thought the economy could continue to function with that kind of spending, while they did not even have the guts to raise taxes and bring down the deficit—

Ms. Copps: That is not true—

Mr. Gérin: Mr. Speaker, I wonder if the Hon. Member could stop interrupting me. It must be the sixth time since I started speaking. I think it is time she stopped doing that.

All I am saying is that it is no longer possible to reduce the industrial policy debate to such simple terms as protectionism. We must now extend our vision to include the other countries and offer them opportunities to invest in Canada. In my judgment, that is the way to bolster our economy.

I suggest that everybody should read over again the speech delivered in the House by Mr. Stevens on December 11 last. The Liberals have wasted the time of the House for six months now and it would be in their own best interest to go over the principles advocated at the time. "It is a debate on getting Canadians to be more confident, more willing to invest their huge savings in productive investments." Between now and 1991 Canada needs $100 billion in new investments.

The new agency described in Bill C-15, on which we are now commencing second reading debate, I would suggest will, in concert with the private sector, provincial Governments and our trade services, work with Canadian investors and non-Canadian investors to ensure that there are productive jobs created for Canadians between now and the 1990s.

Indeed, you should have been listening! We have wasted God knows how much time in the House. As a newly elected Member I think that what the Liberals have done is terrible. In addition to driving the country into debt you make us waste our time here.

An Hon. Member: What a shame!

Mr. Gérin: A survey made by the European Management Forum ranked Canada last among 22 countries when it comes to our approach and receptivity concerning foreign investments. Do they realize that 21 countries like Australia, New Zealand, Japan, the United States, the United Kingdom, Ireland and Greece are ahead of Canada? Does that make any sense? I do not know whether the Liberals agree with that, nor do I know whether they understand that our pitiful performance is the outcome of their policy. Have faith, we have a new policy!

Thank you, Mr. Speaker, I know you share my views on this.

We have not been in office for very long, yet interest rates have dropped, unemployment has gone down, the economy is gaining strength and, if the Liberals were out of the picture, things would be even better!

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to add a few comments to this debate on Motion No. 24. It deals with the whole question of notification relating to rental accommodation. Several Members have mentioned the kind of takeover we have seen by groups such as the Seaway Greymac incident which could have had a very devastating effect on the price of rental accommodation for senior citizens. I want to call on members of the Government to take a very close look at this.

If we look at the recent Budget, the cutbacks in old age pensions will be devastating. If we have rental accommodation going up dramatically, how will senior citizens be able to find accommodation? Practically every senior citizen has to look at the prospect of $200 less in purchasing power next year. If they are receiving the Guaranteed Income Supplement, that will be reduced as well. These people are living at or below the poverty line.

I think Government Members would be sympathetic to anything that would benefit our senior citizens. In the projection of the cut-backs in old age pensions over four or five years, we are talking of some $1,500 according to a recent study done by the Canadian Press. We have to be concerned about our senior citizens.

When a deal like the Seaway Trust Greymac flip goes bad, it not only affects housing accommodation, but it affects all kinds of other businesses and properties throughout the country that are held by the institutions as well as the individuals involved. In my own constituency, there is a very important recreational area, a ski hill development, which was thrown into turmoil and still has difficulties because of that takeover problem. I think Motion No. 24 would be very acceptable to Government Members who would be concerned about those kinds of takeovers. There are many actions in the Budget which relate in a similar way. I see the Hon. Member for Mississauga South (Mr. Blenkarn) has left. He is the chairman of the Standing Committee on Finance, Trade and Economic Affairs. That committee conducted an excellent study of the farm debt crisis facing some 40,000 young farmers across the country. That committee made an excellent report,

calling upon the Government to establish a rescheduling of farm debt and to institute a program of medium term loans at 8 per cent interest up to $300,000 which it was estimated would benefit some 14,000 of the 40,000 farmers facing serious financial difficulties this coming year.

• (1220)

Although the committee made those recommendations to the Government and to the House in its report, when the Budget came down, lo and behold, there was no decision by the Minister of Finance (Mr. Wilson) to do anything about them. This is viewed by the agricultural community as a total abandonment of the Government's responsibility in this regard. In southwestern Ontario, as Canadian farmers go out of business, face foreclosure or go into bankruptcy, farm after farm is being bought up by foreign interests from Europe. If those interests settled down and lived on the land, that would be one thing, but often the houses and barns are simply razed and the land is put up for rental. The whole community life is destroyed by such action.

We see a Government hell bent on foreign investment at any price, regardless of whether there are any benefits for Canada. At the same time, it exacerbates this by completely abandoning its traditional role in agricultural financing. We really have a double whammy in that regard.

When we look at the Western Accord and at the budget Bills which were introduced relating to foreign investment, we see that multinational oil companies—and this is according to an estimate by Informetrica—over the next five years will actually be given $10.9 billion. I suppose the sad part is that it does not come from someone strange; it comes from Caandian taxpayers—little pensioners who are having trouble financing their rental accommodations will each have to give up $100 per year, the average family of four will have to pay some $400 extra per year, and people who have to commute in northern areas will have to pay an extra two cents per litre or nine cents per gallon starting in early September. What is this all for?

I read a report this week which indicated that Trilogy Resource Corporation of Calgary, a junior Canadian company producing only 800 barrels per day, was concerned about all the riches which were showered on large multinationals like Imperial and so on, and that there would be massive takeovers as a result of the budget Bills and the Western Accord. Let us look at the financial picture of Imperial. Its 1984 profits over 1983 were $533 million. I speak about this because of the whole attitude of the Government in this Bill, in the amendments, and in the discussions on the amendments, that all foreign takeovers and all foreign investment are good, without regard to Canadian ownership. I would think the Government would want to strengthen its position.

The Minister of Energy, Mines and Resources (Miss Carney) said in a speech in Inuvik that the policy of the Tory Government of Canada was greater Canadian ownership. How do we square that with this Bill which just leaves everything wide open for foreign takeovers below $5 million? We are dealing with a Government which seems to be talking out of both sides of its mouth. Supposedly it wants greater benefits for Canada, but as far as screening companies and investment groups from West Germany, Austria and Europe in general coming in to take over farms—and they are taking over dozens of them in southwestern Ontario—no questions are asked, regardless of whether they raze the buildings, rent out the land and completely destroy community life. As long as the cash is there, it does not seem to matter. That is the same with the Western Accord. Small Canadian oil companies are being led to the slaughter and will be taken over by large multinationals which will pick up $800 million in existing oil reserves.

We should be instituting some of the amendments such as Motions Nos. 23, 24 and 25, which I think can be very beneficial to Canadian ownership in the country. The Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) talked about the confidence of the country in the Government. If the Hon. Member is so confident, why is the President of the Conservative Party of Canada, the Hon. Member for Pembina (Mr. Elzinga), sending out a letter in desperation asking: "Please help the Prime Minister. He is in terrible shape. Send your money. We have to advertise. We have to save the Government because people are rallying against the cut-backs in the old age pensions and the raising of taxes for ordinary Canadians". The confidence in this Government is badly shaken, not only by the Budget but by the Bill which we are debating today.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Motion No. 23, Mr. Langdon, seconded by Mr. Guilbault (Saint-Jacques), moves that Bill C-15, an Act respecting investment in Canada, be amended in Clause 10 by striking out lines 6 to 10 at page 6. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section (11) of Standing Order 79, a recorded division on the proposed motion stands deferred.

• (1230)

On Motion No. 24, Mr. Axworthy moved that Bill C-15, an Act respecting investment in Canada, be amended in Clause 10 by striking out lines 43 to 48 at page 6.

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

Mr. Deputy Speaker: Agreed?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: On Motion 25. Mr. Axworthy, seconded by Mr. Guilbault (Saint-Jacques), moved that Bill C-15, an Act respecting investment in Canada—

Mr. Lewis: Mr. Speaker, I rise on a point of order. When you asked if it was the pleasure of the House to adopt the motion, I said, "No."

Ms. Copps: No, you did not.

Mr. Lewis: It is my understanding that we are in debate on it.

An Hon. Member: It is a new motion, Mr. Speaker.

Mr. Lewis: I said, "No" very distinctly.

Mr. Fulton: You are reflecting on the Speaker's judgment.

Mr. Gauthier: We are now on to Motion No. 25.

Mr. Deputy Speaker: Has the Hon. Member completed his point of order?

Mr. Lewis: Yes.

Mr. Deputy Speaker: Even if that were the case, in my opinion the yeas had it. The motion is carried.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis).

Mr. Lewis: Mr. Speaker, in that case, the record should show that you definitely said, "In my opinion the yeas have it."

An Hon. Member: He did!

Mr. Lewis: If I may, Mr. Speaker, in speaking to my point of order, may I make it very clear that what we have tried to do to assist the Opposition—

Some Hon. Members: Oh, oh!

Mr. Lewis: The Hon. Member for Bourassa (Mr. Rossi) will verify this. There were a number of speakers today who discussed at length the three motions. There has been input from both sides.

Mr. Fulton: Is this a point of order?

Mr. Lewis: Yes, it is. The Hon. Member for Bourassa came over and asked how many speakers we had left on those motions. In a spirit of co-operation, we said, "Fine. If you have exhausted your speakers, we will sit down and let the vote proceed on Motions Nos. 23, 24 and 25." We did that, Sir. We then proceeded to the next motion. It was our understanding that the Members of the Opposition would proceed to debate that motion—

Some Hon. Members: No!

Mr. Fulton: We just finished debating it.

Mr. Lewis: —or, speak to it. Thus, they were grouped. Do we not now proceed to the next motion? We have proceeded to the next motion for debate.

Mr. Gauthier: No, you are all wet. I regret to say it, but you are all wet.

Mr. Lewis: That could be. On occasion, I have been all wet. If that is not the case, then I would ask the Chair to explain the situation to the House because we intend to defeat every motion of the Opposition. We intend to be given the opportunity to stand and vote, if it is necessary.

Mr. Deputy Speaker: Motions numbered 23, 24 and 25 have been grouped for debate by the Speaker and are presently being voted on separately. The Chair must presume that all Members are aware of that. We have now taken votes on Motions Nos. 23 and 24. The Chair is now proceeding to take a vote on Motion No. 25. On Motion No. 25. Mr. Axworthy, seconded by Mr. Guilbault (Saint-Jacques), moved that Bill C-15, an Act respecting investment in Canada, be amended in Clause 10 by striking out lines 49 and 50 at page 6 and lines 1 to 43 at page 7.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), a recorded division on the proposed motion stands deferred.

The Member for Simcoe North (Mr. Lewis) on a point of order.

Mr. Lewis: Mr. Speaker, just so I have it clear. There have been occasions when matters have moved a little more quickly than I might have liked. Does this mean that the amendment on Motion No. 24 has been approved by the House, in the Chair's opinion?

Some Hon. Members: Yes.

Mr. Lewis: Then, with all deference, I must tell the Chair that I intend to proceed from this Chamber to view the videotape to see exactly what happened.

Mr. Deputy Speaker: Motion No. 24 has been voted on and approved.

An Hon. Member: It has not been voted on.

Ms. Copps: Yes, it has been. You guys just do not know the rules.

Mr. Deputy Speaker: There was a voice vote. The Chair said, "Is it the pleasure of the House to adopt the motion?" and the answer was, "Yes."

[*Translation*]

Mr. Gérin: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) on a point of order.

Mr. Gérin: Mr. Speaker, I think that no one is better placed than me, after you—and I am quite close to you—to have followed exactly what was going on. In fact, one only has to see the Liberals laughing to realize that they are attempting some procedural hocus-pocus which has nothing to do with logic. Mr. Speaker, I believe that the vote was taken on Motions No. 23. We are now voting on Motion No. 24. The Members started to shout. We then shouted also to show our disagreement. It was left at that. I feel we are entitled to have a vote, Mr. Speaker.

Mr. Gauthier: On a point of order, Mr. Speaker. I would like to tell the Hon. Member that he should be in his place when things are happening in the House.

First, Motion No. 23 was put by the Speaker and the vote was deferred. Then, Motion No. 24 was put by the Speaker. Since there was no sound at all from the Government side, the Speaker was quite right in saying that the motion was agreed to.

Mr. Speaker, I support you in this matter. What the Hon. Member for Mégantic-Compton-Stanstead is saying is sheer nonsense.

Mr. Deputy Speaker: The Hon. Member for Mégantic-Compton-Stanstead on a point of order.

Mr. Rossi: He was asleep, Mr. Speaker. It is not your fault!

Mr. Gérin: Mr. Speaker, speaking of being asleep, you beat the record. You have had plenty of experience, you were asleep for a long time.

Some Hon. Members: Hear, hear!

Mr. Gérin: Mr. Speaker, all I want to say is, to come back to the comments made by the Hon. Member for Ottawa-Vanier, I was in my place as soon as a vote was called. You rose to put the question to the Members in this House on Motions Nos. 23, 24 and 25. I voted on Motion No. 23, I was here to vote on Motion 24 but we have not yet voted. I voted on Motion 25, to reject all those points.

Therefore, I am asking that it be clearly set in the record that contrary to the misstatements made by the Hon. Member for Ottawa-Vanier, I was in my place.

[*English*]

Mr. Axworthy: Mr. Speaker, I wish to remind the House of a very fundamental rule, that is, the Speaker's ruling has been made. The fact that many Conservative Members were not aware of what they were doing, through their lack of administerial responsibility, is not our responsibility. The House has decided. Members opposite are now taking up the time of the House which should be properly devoted to the next round of amendments. I think we should move on.

Mr. Nystrom: I rise on a point of order, Mr. Speaker. I would like to say a very similar thing to that which has just been said. A long-time rule of the House is that an Hon. Member cannot reflect on a ruling of the Speaker. That is a rule, like it or not. It may have been a proper ruling, or it may not have been; but there was a ruling by the Speaker. We are not allowed to reflect on that ruling whatsoever. Therefore, I think these comments are out of order and we should proceed.

Mr. Merrithew: Mr. Speaker, I was present throughout the debate. I listened very carefully. Mr. Speaker, I will tell you one thing, I am not sure that the motion was actually put. In this case, I would suggest very strongly that you defer the decision—

Some Hon. Members: Order.

Mr. Merrithew: —and view the tape.

Mr. Gauthier: That is intimidation!

Mr. Deputy Speaker: The Chair will have the last word on this matter. If some Hon. Members feel that they voted no, then what they had to do was stand. If five Members had risen, then that would have been the case.

The next three motions will be grouped for debate and voted on separately: Motion Nos. 27, 30 and 67.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 27

Investment Canada Act

That Bill C-15, be amended in Clause 11 by striking out line 11 at page 8 and substituting the following therefor:

"Canadian business unless it is reviewable under Part IV; and".

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 30

That Bill C-15, be amended in Clause 12 by striking out lines 19 to 21 at page 8 and substituting the following therefor:

"an making the investment shall, at least forty-five days prior to the anticipated implementation of the investment or, if this is not possible and the Agency has been notified that it is not possible, at least one day prior to implementation, except as provided elsewhere in this Act, in the".

Motion No. 67

That Bill C-15, be amended in Clause 22 by striking out line 40 at page 14 and substituting the following therefor:

"thirty days from the date, or in the case of investments enumerated under Section 15, forty-five days from the date of the sending of".

● (1240)

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I must begin by congratulating the Conservative Members who have finally, after much urging on our part, taken a non-partisan and careful approach to each of these amendments. I congratulate them for doing so and I hope that this approach will continue.

[*Translation*]

Mr. Deputy Speaker: Order, please. Is the Parliamentary Secretary to the Minister of Agriculture rising on a point of order?

Mr. Blais: On a point of order, Mr. Speaker. The Hon. Member for Essex-Windsor (Mr. Langdon) clearly is trying to make fun of us here. He is referring to something that has already been dealt with in your opinion, and I think this is totally irrelevant—

On another point of order, Mr. Speaker. I would like to know whether the rules have been changed so that there is no more voluntary call for *yeas* and *nays* on motions. I would like to know, because we would have to inform Hon. Members in this House, both on this side and on the opposition side, that changes have suddenly been made to the rules. I would like to know it since I am a new Member here, Mr. Speaker, and I would like to take part in the debate, and I would like to know when I can vote, whether I can vote or not, and if there have been changes to those rules. I would like to know.

Mr. Deputy Speaker: I would simply ask the Hon. Member to read Section 12 of our Standing Orders.

[*English*]

Mr. Langdon: Mr. Speaker, I shall avoid paying further compliments to Conservative Members as they do not seem to be in the mood to accept them this morning.

We have before us a group of amendments that attempt to improve in this case in relatively minor ways the Investment Canada Bill. I shall speak specifically with respect to Motion No. 27. The clause that we are suggesting should be amended is one which deals with the question of notification.

For Hon. Members who have not followed this debate in detail, I would make the introductory point to Hon. Members who are present that this Bill identifies within it three categories of enterprises. The first category of enterprises comprises take-overs by foreign companies of Canadian companies with assets of at least $5 million. For that particular category of enterprises, there must be notification and there must be review of that take-over.

There is a second category of enterprises which is composed of foreign companies entering this country to establish new businesses. Under the present Bill, each new business established through this kind of foreign entry must notify Investment Canada that a new business has been established. However, there is a third category of enterprises within this Bill comprising the set of enterprises which are subject to special consideration because they have an impact on the cultural heritage and national identity of Canada.

With respect to the third category of enterprises, it is possible, if the Minister wishes to do so and subject to certain regulations that are set out by the Governor in Council, for a firm to be subject to review despite the fact that that firm may have assets of less than $5 million being taken over and despite the fact that it might be a new business which is being established. In short, this is a category of enterprises for which it may very well be possible for a review to take place as well as for a notification to be required.

The way this particular part of the Bill is set up suggests that certain enterprises are subject only to notification. According to this part of the Bill, if a firm is subject to notification, it is not subject to review as these are two different categories of firms.

Our amendment makes it clear that there is the possibility that an investment that is being made to establish a new Canadian business may be subject to review even though it is included in the category of businesses subject to notification. The reason for that is the existence of that special clause which deals with cultural heritage and national identity. In a very real sense, we are talking about a technical amendment that would make the Bill itself consistent.

I would refer Hon. Members to Clause 11, Subclause (*b*) of Bill C-15. Clause 11 presently reads:

The following investments by non-Canadians are subject to notification under this Part:

(*b*) an investment to acquire control of a Canadian business in any manner described in subsection 28(1), unless the investment is reviewable pursuant to section 14.

If the business is reviewable, it will then be subject to review and not notification. However, Subclause (*a*) of Clause 11 suggests that a business subject only to notification is:

(*a*) an investment to establish a new Canadian business;—

As I have indicated, it is possible under this Bill for a new Canadian business being established by a foreign firm to be subject as well to review. That is why we have moved an amendment in Motion No. 27 that will simply change Subclause (*a*) so that it will read:

(*a*) an investment to establish a new Canadian business unless it is reviewable under Part IV;—

This Motion simply clears up what could be a potential conflict that could emerge when the Bill becomes an Act.

Our amendment simply provides that when there are cases in which the Government wishes to use its cultural heritage and national identity clause, it will be possible to use that clause with respect to new investments in Canada by non-Canadian firms. That is the technicality of the amendment. The substance that lies beneath the technicality is that the operative part of this Bill which is very important to the future is the clause that permits review to take place in cases where we have a potential threat to the cultural heritage or national identity of Canada. It is a part of the Bill which Conservative Ministers have been quite anxious to highlight in the public debates which have taken place.

● (1250)

In order for that particular clause to be operative, I would argue that an amendment must be accepted with respect to the clause which permits exceptions to exist, in which new businesses coming in from the outside will be subject to review, not just to notification. If that is not included, then there is a potential conflict between this clause and the clause in the Bill which permits the Government to designate, for review, cases in which cultural heritage and national identity considerations are concerned.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, now that Parliament is once again working as it should and we are into a period of constructive examination of a number of important amendments—and perhaps the new atmosphere is a direct result of not having the esteemed Minister of Regional Industrial Expansion (Mr. Stevens) with us—I hope that the new aura of an open-minded and constructive approach will continue on the part of the Government. The amendments which we have introduced are an attempt to improve the legislation and not in any way to interrupt or disagree with the principles of it. Again, the amendments are based upon the proposals and representations which were made at committee hearings.

Motion No. 30 is a very important amendment. It deals with a problem which we detected in the legislation, whereby the proposed foreign investor has the right not to provide notification until 30 days after the fact. In the amendment, we are saying that there should be a requirement of notification before implementation of a particular investment, so that the Government would not be put in a position of having to review an investment—and at times be forced to disagree with it and reject it—and force a major divestiture on the part of the investor.

Under the present legislation, investors can indicate their acquisitions or takeovers, acquire the properties and notify after the fact.

As the Chamber of Commerce pointed out, that would result in a forced fire sale of a number of acquisitions if the Government were to decide that the investments should not be approved. Therefore, a number of companies would be faced with a degree of uncertainty. In the amendment, we are attempting to deal with what was probably an oversight, lack of experience, judgment or analysis on the part of the persons who drafted the legislation or the Minister. For the sake of the business community, according to all the proposals and presentations which have been made by the Government, it wants to provide more flexibility and an easier sense of procedure. This particular clause forces the business community to face the potential awkwardness of having to divest itself of a holding after that holding has already been acquired. Therefore, Motion No. 30 seeks the requirement that notification be given up to one day before implementation, so that the agency would have the right to provide a signal to the company and not have to wait for a *post hoc* situation to occur.

Government Members who are concerned and interested in ensuring that the legislation is simplified should carefully examine the amendment and realize that it meets one of the major objections which was brought before the committee by members of the business community. I do not know why the Minister ignored that representation. He has said that he believes in consultation. However, in this particular case he ignored it. We are proposing the amendment to respond to what we believe is the general interest which has been put forward by the Government. It will provide a review procedure which is simple and easy to understand. It will not carry with it any awkwardness or the potential problems of *post hoc* decisions which would force major fire sale investitures.

Motion No. 67 refers to a matter which is important to the legislation. The Government has indicated very clearly that there should be a special set-aside provision for cultural industries. It recognizes that those industries are a part of the area of foreign investment which have particular sensitivities and require special examination. If that is the case, then sufficient time should be given to fully examine the full range of potential problems. Therefore, in the amendment we have proposed that an extra 15 days be allotted for the review of areas dealing with the cultural or national identity parts of foreign investment takeovers or acquisitions. The reason for the extended time, and it is not a great amount of time, is to take note of the requirement that, in complicated areas such as book publishing, there should be sufficient time for the necessary consultation, and particularly in areas where there could be potential Canadian buyers.

We introduced an earlier amendment which was rejected by the Government. It proposed that the Minister be responsible, in cases concerning cultural industries, to seek out alternative Canadian buyers for industries such as book publishing, records and electronics. The Government rejected that amendment. However, it would seem that the purpose of Investment Canada is to secure Canadian investment. That should be its primary objective. Therefore, that amendment would only seem reasonable when there is a proposed takeover by a foreign company.

There are a number of such takeovers presently on the books. For example, the Minister has taken over six months to examine the Prentice-Hall takeover. However, under this legislation, he said that it would be done within 30 days. Well, if he cannot conclude his examination of Prentice-Hall within six months, surely some extra time should be allowed.

I do not want to prejudge the motivation of the Minister. Perhaps taking six months is a good thing. If I were the Minister, I would have decided within 30 days that the Prentice-Hall takeover made absolutely no sense, because Gulf and Western already have a substantial number of publishing holdings in Canada. However, it is already taking an exorbitant amount of time for key acquisitions which are on the table. Therefore, it would seem only logical that the same kind of consideration be accorded to this amendment which would allow additional time for consideration of investments by foreigners in the cultural area. It is a part of our society which we cannot afford to deal with in an offhand manner.

I have heard the Minister say that FIRA applications should be passed without much review or examination. Certainly, we have seen in the months since the Government has come to power that there has not been one rejection of a FIRA application. Surely if the legislation denotes a consideration for cultural industries, then sufficient time should be allocated to ensure that all the questions pertaining to the acquisition are properly examined, and, most important, that the Minister has sufficient time to make arrangements for alternative buyers in the Canadian market-place.

That is the primary purpose of the amendment. We hope, as we saw in the last round of considerations, that government Members will again show good judgment and agree to what is obviously a very helpful amendment to their cause.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

IMMIGRATION

PARTIAL AMNESTY FOR REFUGEE STATUS APPLICANTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, it has been reported that the Government is drawing up a partial amnesty plan for refugee status applicants. People from some countries are automatically amnestied. The nationals of other countries from which a certain number of frivolous and baseless applications are supposed to have originated will have to go through the whole process to obtain the refugee status. Obviously, despite appearances of fairness, there is discrimination and racism.

Humanitarian organizations and lawyers involved in that field disagree on the 65 per cent figure of baseless applications. Moreover, if a number of applications are effectively baseless, it is mainly due to the fact that the system is unfair and entails undue delays.

Mr. Speaker, officials of the Department of Employment and Immigration do think very highly of Bangladesh since they do not believe the refugees from that country, which is under military rule with its constitution and legislature suspended. I think that it is time that the Department take into account the political conditions of the countries when dealing with refugees. It is not only a humanitarian issue but also a matter of common sense.

* * *

[*English*]

THE BUDGET

SUPPORT FOR PROVISIONS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, the greatest hallmark of the recent Budget is fairness. While tackling the stark reality of the massive public debt and encouraging economic growth the Budget also protects those most in need. The alarm which is being sounded by the New Democrat-Liberal coalition is a false alarm.

The Budget does not reduce pensions for seniors, Mr. Speaker. In fact old age security benefits will increase if inflation exceeds 3 per cent. The universality of the old age security is not affected. Benefits will continue to be available to all. Low-income seniors will still receive GIS payments, which are fully indexed to inflation, and the benefit levels will be reviewed on an ongoing basis.

The seniors of this country will not be fooled by the permanent alliance of the negative alarmists opposite. This Government is committed to fairness and compassion. Our senior citizens will always receive the kind of assistance they deserve. Our social benefits system remains unchanged. Modified indexing does not mean that senior citizens will suffer.

The fear and misinformation which are being spread by the new Democrat-Liberal coalition are irresponsible, and are a direct attack on the intelligence of our respected senior citizens. Let the truth be told.

[*Translation*]

QUEBEC

BY-ELECTIONS—VICTORY FOR ROBERT BOURASSA

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Quebec Liberal Party won all 4 provincial by-elections which took place yesterday in the Province of Quebec.

These by-elections marked the return to the National Assembly of Mr. Robert Bourassa, with whom I had the honour to work at the time I was a Quebec MNA. I am very pleased when I see Quebec men and women show again their confidence in this man who has done so much for our province. It is under his leadership that Quebec experienced the extraordinary development of social programs which characterized the '70s. It is also under his leadership that Quebec pushed back its modern frontier, thanks to the faith Mr. Bourassa had placed in the development of the James Bay hydro-electric power project. Moreover, Mr. Bourassa has always shown his concern for people at the lower end of the economic scale by giving them an opportunity to protect themselves against the problems of today's living.

I want to congratulate Mr. Bourassa on his election as member for the Bertrand riding, as well as the three other Liberal members who will join the Quebec National Assembly before the end of the month.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ESTABLISHMENT OF WILDLIFE TOXICOLOGY FUND

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, this morning the Minister of the Environment (Mrs. Blais-Grenier) and Monte Hummel, President of the World Wildlife Fund, jointly announced the establishment of a million-dollar wildlife toxicology fund for 1985.

[*Translation*]

As this Environment Week, such an announcement could not be more welcome.

[*English*]

This fund, Mr. Speaker, besides showing the high priority the Minister attaches to wildlife toxicology, also reflects, by its mechanism, the Government's approach in co-operation with the non-governmental and private sector. This fund is supplementary to existing government programs. It will be administered by the World Wildlife Fund of Canada at no cost to the taxpayer. Noranda Incorporated has made a $50,000 grant to the wildlife fund to cover the administrative costs.

The wildlife toxicology research fund will be a matching fund, providing up to 50 per cent of the cost of approved research. Applicants will be expected to find the balance of this funding from non-governmental sources.

This is an example of what co-operation is all about. As a western Canadian I take special pride in supporting this announcement, particularly in view of the strong public concern about toxic chemicals in our environment. Canadians are showing their concern, ready to participate in the improvement of our environment. This week's theme is indeed appropriate; environment is a shared responsibility.

* * *

ENERGY

CLOSING OF CAPE BRETON HEAVY WATER PLANTS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the recent "Wilson wallop" was particularly devastating to the people of Cape Breton Island. With no prior notice the Government shut down the heavy water plants at Glace Bay and Port Hawkesbury. The workers were left hung out to dry by an uncaring, heartless, and cruel Government.

The Government trumpeted its promise of generous severance benefits to those laid-off workers. But, as a result of the November economic statement, these severance benefits will not be as generous as the Government claims. Under the new Unemployment Insurance Commission rules the Government requires laid-off workers to exhaust their severance benefits before they can qualify for unemployment insurance. Laid-off Cape Bretoners will not be able to use their severance pay to learn new job skills or to move to other job centres. The least the Government should do is scrap this unfair severance rule which robs workers in Cape Breton, who are laid off by the federal Government, of their eligibility for unemployment insurance benefits.

* * *

[*Translation*]

THE BUDGET

APPROVAL IN PRINCIPLE

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, as evidenced by last night's vote, approval in principle of the budget was a simple matter of routine. How could we not vote for such a good package?

However, I could not but notice the absence of the Opposition financial critics. Should we conclude that this budget, which was widely welcomed and so positively received by businessmen, was also welcomed by the Opposition? Were those Liberals, by failing to take a position, indicating that they would have voted for the budget?

Let us recall the economic situation and the deficit inherited from the previous Government: during the 100 years ending in 1967, an accumulated $18 billion; after only 18 years of Liberal administration, a total of $190 billion in accumulated indebtedness. By reducing its expenditures and increasing taxes, the Government will collect extra revenues. But the

budget cannot be broken into separate parts because it is a whole, an indivisible entity.

Have those Opposition Members resigned themselves to accepting this as the only way to reduce the deficit and control the growth of our national debt? How are we to explain their many absences during the vote on the approval in principle of the budget? This in unheard of, Mr. Speaker!

* * *

[*English*]

PENSIONS

SASKATCHEWAN SENIOR CITIZENS ORGANIZATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, during the week of May 13 to May 17 the organization of the Saskatchewan senior citizens was lobbying in this city for things of importance to them. Yet its representatives were snubbed by the Minister of Finance (Mr. Wilson) who would not meet with them. They were snubbed by two Cabinet Ministers from Saskatchewan, including the Government House Leader, who would not meet with them. They were snubbed by all of the Saskatchewan Conservative Members of Parliament.

In the House yesterday the Minister of Finance said he would not meet with those senior citizens because he was in the final throes of preparing his Budget and it was not possible to meet with people. Yet right before his Budget the Minister of Finance flew to Toronto and met with some very exclusive and wealthy senior business executives. He had time to meet with these people in secret. He had time for the privileged Canadians, but not time for ordinary Canadians.

The Minister of Finance said yesterday that he could not go to the Saskatchewan senior citizens' meeting in Moose Jaw because he is too busy. Yet this morning where was he? He took the Prime Minister's place at a meeting in the Harbour Castle Hilton Hotel in Toronto, where he spoke to the Canadian Pension Conference. The fees for that conference, Mr. Speaker, were $350 for members, and $420 for non-members. The Minister of Finance meets with the privileged people. He speaks with people who can pay $400 to go to this meeting, but he will not meet with the Saskatchewan senior citizens in Moose Jaw.

It is about time the Government across the way started listening to ordinary Canadians. The Minister of Finance is as bad as the Prime Minister (Mr. Mulroney), who went to Toronto last Friday and met with senior business executives, and on Thursday in Montreal he met with the Chamber—

Mr. Speaker: I regret to inform the Hon. Member that his 90 seconds have expired.

[*Translation*]

THE BUDGET

RECOGNITION OF VOLUNTARY SECTOR

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, finally the Budget brought down by the Minister of Finance (Mr. Wilson) recognizes in a concrete way people who give their time and effort to improve and increase our collective welfare.

Not only did the recent Budget recognize donations to organizations, but it has dealt in a more enlightened way with one of the most active segments of our society. Indeed, for a long time our taxation system has been recognizing those who make monetary contributions to charities, but never until how has any Government thought of recognizing the voluntary sector as a social and economic factor. We are often too prone to forget that this type of community work, namely the voluntary sector, allows our Governments to save millions of dollars which they would have to pay out if our Canadian citizens did not contribute their own time.

I hope the recognition granted by the Wilson Budget to the voluntary sector will be extended over the next few years, because this would be of benefit to all taxpayers.

Mr. Speaker, in these difficult times for our economy, the voluntary sector must be increasingly protected against the discouraging effect of the economic recession that is starting to be seriously felt, especially within the non-profit groups.

* * *

• (1410)

[*English*]

VISIBLE MINORITIES

INTERNED JAPANESE CANADIANS

Mr. Sergio Marchi (York West): Mr. Speaker, this morning in Ottawa members of the Japanese Canadian community once again urged the Government to deal immediately with the issue of redress. One of the underlying messages was clearly of sadness and frustration with a Government that has failed to act in a decisive manner, with a Government that has failed to match the high expectations it created for an immediate and fair solution, with a Government that promised compensation and then offered a watered down version instead, with a Government that promised negotiations for a settlement and then retracted and hid behind the word "consultation", with a Government that promised progress and process and then met officially only twice with the Japanese Canadian community, with a Government that promised openness and accessibility only to find a Prime Minister (Mr. Mulroney) who continues to refuse even to meet with representatives of the Japanese Canadian community.

The Government has lacked decisive leadership and genuine compassion in addressing this most serious and sensitive issue.

The unfortunate reality is that the Issei population, that is, first generation Japanese Canadians, who wish so much for this matter to be resolved are, one by one, passing away without having lived to see that day. Mr. Speaker, the community has had to endure enough suffering. The time for consensus, the time for action, the time to end that suffering is now.

* * *

[*Translation*]

EXTERNAL AID

ALLEGED MISMANAGEMENT OF MATERIAL

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, in my speech on the Budget last Friday, I blamed once again the previous Liberal government for the mismanagement and waste of public funds. I give as example the storing of school equipment on the lot of P.A.K. Inc. of Laprairie which is to be shipped to Bolivia under a CIDA program. Such equipment, Mr. Speaker, includes two trucks and 38 containers worth $3 million which have been standing there since January 1982 at a monthly rent of $4,000. This is shameful, and it is the result of mismanagement. Why have those goods not been delivered? What happened?

I ask my Government, especially the Minister responsible for CIDA to take action in order to avoid paying thousands of dollars waste fully and see that the goods are properly delivered.

Before concluding, Mr. Speaker, the Opposition parties are constantly criticizing and misrepresenting the facts but they forget that the former Liberal government was a first-rate waster of public funds and accumulated an unequalled deficit. The Tory government was elected on September 4 last to put some order in public affairs and it is merely sticking to its promise even if the Grits are not happy about it.

* * *

[*English*]

SHIPBUILDING

CRITICISM OF GOVERNMENT POLICY

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Canadian shipbuilding and repair industry feels more and more betrayed by the Conservative Government. Last August the Atlantic caucus of the PC Party declared the creation of a more viable and prosperous shipbuilding industry to be a priority for a PC Government. Increased activity in our shipyards would be an important element of a "jobs, jobs, jobs" program. The harsh reality now is "cuts, cuts, cuts", and that in spite of valiant efforts by the industry through both corporate and labour activity, and by private Members of the House.

The Budget Papers tabled on May 23 stated that "production subsidies under the Shipbuilding Industry Assistance Program are currently being phased out", but noted continuing activity under the Productivity Improvement Grant arrangements. The very next day, however, the Minister of Regional Industrial Expansion (Mr. Stevens) announced action to end the earning of Performance Improvement Grant credits after June 30 of this year.

Like many of its Depression predecessors, the Government is determined only to achieve greater fiscal responsibility, and reveals no appreciation of the importance of public investment. The time has come to rename the Minister's Department "The Department of Regional Industrial Stagnation", unless election promises are kept before it is too late for both labour and capital in our shipyards.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister, having gotten the facts yesterday from the Parliamentary Secretary to the Minister of Justice. We heard all kinds of defences yesterday for the granting of an award for legal services by the Minister of Justice to his two sons. We heard about merit and frugality. We heard that the amount of the awards was small potatoes. We heard that it was firms rather than the boys themselves who got the awards.

None of those defences touch the conflict of interest guidelines. None of them respond to the clear requirements which my Leader read yesterday, and which the Deputy Prime Minister confirmed were in effect, which indicate that the Minister of Justice has taken a public trust and betrayed it to benefit his two sons.

I ask the Deputy Prime Minister, who is responsible for the organization of the Cabinet, whether clear grounds have not been demonstrated for having the resignation of the Minister of Justice.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, in my 20 years in politics I have been subjected to some low blows and low attacks. However, never in my life, when I was absent, did anyone ever attack my family, my sons, or my children in a cowardly—

Some Hon. Members: Hear, hear!

Mr. Crosbie: For the first time a personal attack was made on the professional reputation and competence of my son, while I was absent from the House. It was a cowardly, despicable, dastardly act of a cowardly, despicable, dastardly Member of Parliament.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Some Hon. Members: Resign.

Mr. Speaker: I must ask the Hon. Minister to withdraw the words. No Hon. Member of Parliament can have those words used about him without those words being withdrawn.

Mr. Crosbie: In accordance with your injunction, Mr. Speaker, I will withdraw those words. I will deal with the hon. gentleman outside.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): Let's have a 30 second recess.

Mr. Crosbie: I assure Members of the House that there is no conflict of interest, and no violation of any conflict of interest rules in this situation. There are 23 firms appointed as legal agents in Newfoundland. The firm of Chalker, Green & Rowe is one of those firms. My son works for that firm for a salary, and is not a partner. It is an outstanding firm in Newfoundland. My son is not a partner of the second firm, Kendell and Crosbie, either. There is no conflict of interest whatsoever.

However, as a result of the malicious and cowardly attack yesterday of the former Solicitor General, my sons and these firms have requested that I withdraw their names as legal agents as they do not wish to be legal agents of the Government of Canada and be exposed to the calumny of the cowardly and vicious attacks such as that of the hon. gentleman opposite, who maligned their professional integrity without any cause or reason. Reluctantly, and against my own better nature, I have agreed to withdraw them as legal agents of the Department of Justice, because of your scurvy behaviour.

Some Hon. Members: Hear, hear!

● (1420)

CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have no criticism of the Minister's sons. They are not bound by the conflict of interest guidelines; the Minister is. He is the one who brought his sons into public life by giving them the public trust in their firms by having these awards.

Some Hon. Members: Hear, hear!

Mr. Kaplan: I am not satisfied that what the Minister has done, although it corrects matters for the future, deals with what is a blatant conflict of his responsibility—not his sons—but his responsibility. That is why I asked the Deputy Prime Minister, and why I am asking him again what action the Government will take to inform the country, and to inform the Ministers, that these conflict of interest guidelines are in effect and that they mean something.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will answer for myself.

Ms. Copps: You obviously can't.

Mr. Crosbie: There is no conflict of interest in this case. What the hon. gentleman is stating is that the son, daughter, or relative of a Minister can no longer work for anyone because, if they work for anyone, that firm can do no business at all with the Government. That is the position that the hon. gentleman is putting forward.

What the hon. gentleman did yesterday was impugn my son's competence by saying that if we use that firm, and he acted, we would be defended by a young man who failed two years in law school—

Some Hon. Members: Shame!

Mr. Crosbie: —a deliberate attempt to damage his professional reputation—a boy who is a Rhodes Scholar, and who is a university medalist in political science at Queen's University.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Apologize.

Mr. Crosbie: So this is not a question of conflict of interest; this is a question of honour and integrity, and whether you can be in public life without having scum splattering you with mud whenever you do anything.

Some Hon. Members: Hear, hear!

GOVERNMENT POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Acting Prime Minister. Perhaps the Canadian public would have been more tolerant of these appointments if the Prime Minister and the Conservative Party had not been so sanctimonious during the election campaign, and so categorical that they would bring in changes with respect to appointments, if elected. However, what do we see? We see a blatant disregard of those commitments. We see cynicism and hypocrisy.

Mr. Crosbie: Look in the mirror.

Mr. Allmand: Does the Deputy Prime Minister really believe in the type of appointments made recently and, if so, why does he not come clean with the Canadian public, say that is the policy in which he believes, and not pretend to stand for something new and different?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the greatest of integrity has been used in connection with the appointment of legal agents in the Department of Justice. It is a shining star compared to what it was a year or two ago.

When the hon. gentleman asked a question yesterday—and I hope he will apologize to the House—he tried to intimate that I had my campaign manager appointed to be prosecutor in all drug cases and that he had received $200,000, one Robert Pittman. He never did a day's work for me in my life, never one jot, one tittle, never worked on a campaign for me.

He never acted for me, and he is not my political manager. You are a scandal monger, that is what you are. There is absolutely not a word of truth in what the hon. gentleman said yesterday, and you ask us about integrity? Look at your own integrity.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Minister of Justice will know that to call another Hon. Member a scandal monger is equally unparliamentary, and he will withdraw it.

Mr. Crosbie: Mr. Speaker, I withdraw the term scandal monger and say monger of scurrilousness.

Some Hon. Members: Oh, oh!

APPLICATION OF GUIDELINES

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, if the Hon. Minister is correct and the statement I made yesterday is incorrect, I will apologize to the House. However, that is not the information I had.

Some Hon. Members: Oh, oh!

Mr. Allmand: I have a long way to go to duplicate some of the things that he said in opposition.

My supplementary question is directed to the Deputy Prime Minister. The conflict of interest guidelines clearly state that "A Minister shall not accord preferential treatment in relation to any official matter to relatives or friends or to organizations in which relatives or friends have an interest". There is no exception for sons and daughters, no matter how brilliant. Either the guidelines apply or they do not apply.

Does the Deputy Prime Minister's interpretation of the guidelines permit the type of appointment that we have referred to yesterday and today? You are not the Acting Prime Minister, but the Minister of Justice.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): You want to impugn my integrity and you try to question someone else? Here I am, brother, come and get me! I am the one.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker—

Ms. Copps: Is there a doctor in the House?

Mr. Crosbie: Just quieten down, baby.

Some Hon. Members: Oh, oh!

Mr. Crosbie: In other words, cop out. The short answer to the question—

Mr. Nunziata: Sexist.

Mr. Crosbie: There was no preferential treatment because the Minister of Justice—

Mr. Axworthy: You are a disgrace.

Mr. Nunziata: Shame on you.

Mr. Crosbie: You bunch of poltroons can shout all you like.

Mr. Nunziata: Shame on you.

Mr. Crosbie: The rat pack can quieten down. The titmice can quieten down. When I am defending myself and my family I am not afraid of anybody in this hall, I'll tell you that!

Some Hon. Members: Hear, hear!

Mr. Gauthier: Sheila will get you outside.

Ms. Copps: Don't talk to us about families.

An Hon. Member: Sheila wants you outside, John.

Mr. Crosbie: Loudmouth punks.

An Hon. Member: Don't like the truth, John?

Mr. Crosbie: We are done with the rabble; now on with the other guys. What do you have to say over there, Robinson?

Mr. Speaker: The Hon. Member for Burnaby.

APPOINTMENT OF LEGAL AGENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, former Liberal Cabinet Ministers are the last people on the face of this earth who should complain about porkbarrelling and patronage.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Talk about sanctimonious.

Mr. Robinson: Mr. Speaker, there is a fundamental issue at stake here with respect to the hiring or the awarding of contracts to members of Ministers' families which are not done on the basis of merit.

Will the Minister of Justice confirm that it was Conservative Members of Parliament and defeated Conservative candidates who were consulted with respect to appointments of federal agents for the Department of Justice? In light of that, does he not recognize that he has breached not only the conflict of interest guidelines but has betrayed the trust of the people of Canada? In those circumstances will he not do the honourable thing, recognize that he has breached those guidelines and betrayed the trust of the people of this country through this kind of blatant porkbarrelling, and submit his resignation as did his colleague, the former Minister of National Defence?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the hon. gentleman

has a serious question that is not put in a scurrilous manner. My answer to him is no. I would certainly resign if I thought in any way, shape, or form that I was not complying with the conflict of interest rules and regulations.

I have resigned from Governments before. I am my own man. I have never done anything but act in accordance with my own conscience. If I thought for a minute that there was a conflict of interest here, or any impropriety, I would be gone like the birds—and I would miss the hon. gentleman.

Some Hon. Members: Oh, oh!

Mr. Crosbie: In deciding who should be legal agents for the Government of Canada, the first consideration is competence, as it must be. The second consideration is whether or not you know the people. The third consideration might well be whether or not, in a political sense, they are known to the Government. Therefore one knows whether they can be trusted. There are all kinds of considerations that enter into this practice. It has been the practice in Canada for 120 years. It is the practice in Manitoba and in Saskatchewan when there was an NDP Government—

Mr. Speaker: Order—

Mr. Crosbie: I think we are acting no differently from that.

Mr. Speaker: —I think that answer is long enough.

• (1430)

REQUEST THAT MINISTER RESIGN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, now we get to the root of the matter. The Minister is saying it is a matter of political trust. You do not appoint legal agents on the basis of their political stripe, Mr. Speaker, you appoint them on the basis of their merit and their competence. That is what this Minister has not done.

Some Hon. Members: Hear, hear!

Mr. Robinson: My supplementary question is to the Deputy Prime Minister. The guidelines with respect to conflict of interest are very clear in these circumstances. Does the Deputy Prime Minister not recognize that the Minister of Justice has flagrantly breached these particular guidelines and, if they mean anything at all, will he not suggest politely to his colleague that he do the honourable thing, step down as Minister of Justice, and recognize the blatant political pork barrelling for what it is?

Hon. John C. Crosbie (Minister of Justice): Mr. Speaker, I want to thank the Deputy Prime Minister—we are heart to heart and soul to soul—for allowing me to reply.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): I would not brag about that, John.

Mr. Crosbie: There is no violation of conflict of interest guidelines. There has been no preferential treatment for anyone. As a matter of fact I feel sorry for the two firms with which these young fellows are associated. They did work amounting to $900 in the case of one firm, and $700 and some odd in the case of the other firm, while other firms in Newfoundland were making many tens of thousands of dollars.

The decision is made by departmental lawyers whom they wish to appoint. In the case of the Income Tax Act, three firms in St. John's and nine firms in Newfoundland can be appointed to do income tax prosecutions. In the case of the Fisheries Act, six firms in Newfoundland can be appointed. The Department decides, not the Minister. There is no preference, Mr. Speaker, for anyone involved in the situation as far as the Minister is concerned. Nine firms in one case, and six in the other.

Mr. Speaker: Order, please.

* * *

THE BUDGET

EFFECT ON LOW-INCOME GROUP

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of Finance who, last week in Montreal, said that before the Budget there was an acute shortage of rich in the country. That may be debatable. What is not debatable is that after the Budget we now have a surplus of poor. Was the Minister aware, and I suppose more important, does he really care—and these numbers have been confirmed by the Canadian Council on Social Development—that, as a direct result of his Budget, from now until 1990 there will be an additional 750,000 Canadians, three-quarters of a million, thrown below the poverty line?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me say quite clearly to the Hon. Member that, yes, those figures are important to me if in fact they are accurate.

I have said on a number of occasions here that what we are trying to do is meet in this Budget two major problems, that of unemployment and that of controlling the national debt. If we do not address those two problems in a clear way, and a way that can be successful, then action that is forgone today will force out good programs tomorrow, regardless of what the Hon. Member and I might think. That is why we have to take action today. As I have said before, everybody in Canada has been asked to play a small role.

REQUEST FOR RESTORATION OF FULL INDEXATION OF SOCIAL SECURITY

Hon. Douglas C. Frith (Sudbury): Where we differ, Mr. Speaker, is that deficit reduction should not be put on the backs of the poor. My question is very simple. Will the Minister of Finance do the only thing that is honourable and morally acceptable, take the right course, and restore full indexation to both the family benefits package and the elderly package?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I wonder where the Hon. Member was in 1982 when the action of the Government at that time reduced the indexation factor from about 11.9 per cent to 6 per cent. I do not recall hearing the Hon. Member speaking out at that time.

What we did in this Budget, and in November, was to bring in a much enhanced spousal allowance. We brought in the new definition of disability which will affect a number of senior citizens. We have left in place the pension fund income deduction, and we have left in place the $1,000 interest deduction of which many retired Canadians were making use. This is a fair Budget, and I think it is widely regarded as such.

* * *

SOCIAL SECURITY

GOVERNMENT'S CONSULTATION PAPER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of National Health and Welfare. He will recall that in January of this year he presented a consultation paper called *Child and Elderly Benefits*. If I can refer it to him, he said "In the Government's view no change is required in the old age security-guaranteed income supplement payment system."

Given that the Government has now brought forward changes which the Minister indicated to the public of Canada and, in particular, to our seniors would not take place, will the Minister explain to those people how he can stand in his place and defend the government proposals to deindex pensions, given that he made a solemn promise to them that that would not happen?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member takes a look at the words he used, there is full indexing on the guaranteed income supplement.

An Hon. Member: There is not.

Mr. Epp (Provencher): There is partial indexing on the old age security. Let us keep that in mind first. Second, if the Hon. Member takes a look at the comments, the question being debated, and that he and I debated on the floor of the House of Commons, which was the question of universality, and any change with respect to people who were getting old age security on the basis of having reached the age of 65, as a result of the Budget he will very clearly see that the point of universality has been maintained. Everyone who was eligible pre-Budget is also eligible post-Budget.

OLD AGE SECURITY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in the same document the Minister said: "After careful consideration the Government has decided not to put forward a consultation option for the reform of elderly benefits". Why has the Minister decided to support what the Government is now doing by way of reform of elderly benefits by way of deindexing the old age security, without the benefit of allowing those citizens most affected to bring to the Government's attention, by way of petition or otherwise, their views about the actions of the Government? I repeat: why has the Minister defended the Government's action when he publicly said that there would be no change to the old age security or the guaranteed income system as a result of the Government's review?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is the same question which the Hon. Member just posed.

Mr. Althouse: You avoided it the last time.

Mr. Epp (Provencher): The same answer is applicable to the second question as to the first.

I also remind the Hon. Member that he has said nothing about changes to the Pension Benefits Standards Act. Those changes also were introduced. Those are positive standards, and the Hon. Member has not asked for the same application to be applied to those positive steps as well.

The last point I make to the Hon. Member is that he keeps using the word deindexing. I suggest he not use the word because senior citizens' pensions have not been deindexed fully, as he likes to leave the impression. There is full indexation on GIS and partial indexation on OAS.

MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, when the Minister stood in his place, and when he travelled across the country trying to defend what the Minister of Finance was attempting to implement, namely, changes to the pension systems of the elderly, prior to Christmas, he said quite clearly that there would be no change to the old age pension system.

I ask the Minister of National Health and Welfare again how can he stand in his place and defend the changes which the Government has brought forward to the old age pension system after having said to the pensioners that he, the Minister of Health, would defend them against any possible change by the Government that would be detrimental to their pension income? How can the Minister stand up and defend those changes? Has he no shame, Mr. Speaker?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I go back to the first answer I gave the Hon. Member. What he is now trying to say is that the pre-Christmas debate, that the issue at the time of the Christmas debate—

Mr. Deans: You focused it.

Mr. Epp (Provencher): I listened to you. Would you be so kind?

Mr. Benjamin: Pray.

Mr. Epp (Provencher): The point made at that time and the charges made as to the points which the Minister of Finance made was that universality would be changed, that this Government was not committed to universality. That was the point.

I would suggest to the Hon. Member when he looks at those comments and the issue he will find that universality has been maintained in the Budget, as we said was going to be done before Christmas, and that has always been the position of this Party.

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[*Translation*]

FINANCE

MODIFICATION OF SOCIAL PROGRAMS—IMPACT ON DEFICIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. I made a list, in chronological order, of statements made inside and outside the House by the Prime Minister, the Minister of National Health and Welfare, the President of the Treasury Board and the Minister of Finance, statements in which they were all committed to the premise that changes in social programs would not be used to reduce the deficit. My question to the Minister of Finance is as follows: Could the Minister inform the House why his Government has not met the commitments made in this House, especially in connection with the paper tabled in the House in January by the Minister of National Health and Welfare, which, in referring to the elderly and low-income families, says that any changes made in income programs will improve benefits for those most in need?

● (1440)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have responded in part to the question of the Hon. Member. We have enhanced the spousal allowance for many low income Canadians between the ages of 60 and 64. We have broadened the disability definition which will help 125,000 Canadians, many of whom are senior citizens.

In addition, so that the Hon. Member does not get as aggressive as he likes to get in the House, let me recall to him that during the last 10 years federal government spending on social programs dropped from about 50 per cent to the current level of less than 44 per cent. There is a very good reason for this. It is the same reason which has motivated us in this exercise here. We have the huge problem of the federal government debt. The Hon. Member may not understand it, but senior citizens understand it, and they understand that it is necessary to take action now because, if we do not take action now, we will lose more programs in the future.

[*Translation*]

PENSIONS

INDEXATION—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Progressive Conservative Party always manages to get its priorities wrong. They now have a new Robin Hood who steals from the poor to give to the rich.

My supplementary is directed to the Minister of National Health and Welfare. Could the Minister inform the House whether he will have the same courage shown by Miss Bégin, former Minister of National Health and Welfare, and Mrs. Gold, who is responsible for the Advisory Council on Aging, and go back to Cabinet and demand that his colleague grant full indexation, not only for the supplement but also for the basic Old Age Security pension for the elderly who are most in need?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I remind the Hon. Member of his speech of November 30, 1982, in which he was defending the six and five program, and said that senior citizens understood deindexing, that they understood inflation, and that they understood what inflation did to pensions. I say: read your own words.

MINISTER'S POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I can understand the Hon. Member's discomfort at having had his words read back to him. My question is directed to the Minister of National Health and Welfare. Despite what he said to the Hon. Member for Hamilton Mountain, three facts remain—first, that the Minister made a commitment that there would be no changes in the system; second, that he led Canadian pensioners to believe that changes in the pension system were not even at issue, that it was not something on which they needed to be consulted; and, third, that there is—

Mr. Speaker: And, third, there is a question, please?

Mr. Blaikie: How much will it take? How many national and regional pensioners' associations, how many petitions, how many Conservative back-benchers, how many individual pensioners telephoning constituency offices across the country? How much will it take before the Minister gets his courage back, goes to Cabinet and says to the Government: "You are going to keep that commitment I made to the people of Canada in my consultations with them"?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I hope the Hon. Member, when he talks to his senior citizens, will also explain to them that to maintain pensions and the social programs which we want to maintain, and that Canadians, regardless of political background, want to maintain—

Mr. Althouse: Why didn't you say that in your paper, then?

Mr. Epp (Provencher): We have said all along that if we continue with the largest single amount being debt payments, it takes away the flexibility not only of the Government but of our senior citizens. I remind the Hon. Member again that in the Budget it was very clearly pointed out that the matter would be monitored. I said yesterday in the House, as well, that we will continue monitoring. However, I say to him that the greatest damage which can be done to Canada's senior citizens is through the inability of the Government to maintain those programs, because they will be drowned in red ink.

CONCEPT OF FAIRNESS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, senior citizens, like everyone else, not only recognize the problem of the national debt but the moral question of fairness. I ask the Minister, on their behalf, what is fair about debt reduction which involves sacrifices on the part of old age pensioners that they were promised by this Government they would not have to make, and involves shelters, loopholes, and profits for the corporate sector and the rich? What is fair about debt reduction in that way? Why should he expect pensioners to accept that kind of debt reduction? They did not vote for that.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I ask the Hon. Member what is fair about jeopardizing future plans and programs because of debt? What is fair about asking generations yet unborn to pay for a debt which will reduce their opportunities? They will also be the relatives of senior citizens. I say to him that there has to be a balance. We are maintaining the programs, we are maintaining universality, and we have to look at other issues. I hope, when he talks to senior citizens that he looks at those issues as well.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF YUKON GOVERNMENT LEADER, TONY PENIKETT

Mr. Speaker: May I interrupt proceedings to advise Hon. Members of the presence in our gallery today of Tony Penikett, the new Government Leader in Yukon, and Dave Porter, Minister of Renewable Resources and Tourism.

Some Hon. Members: Hear, hear!

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CANADA POST CORPORATION

POSTAL DELAYS—REQUEST FOR POSTPONEMENT OF RATE INCREASES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, in the absence of the Minister of National Revenue I will direct my question to his Parliamentary Secretary. I have here an envelope which took 147 days—

Mr. Speaker: Just the question; no displays.

Mr. Attewell: I have seen envelopes, Mr. Speaker, which took 147 days to reach Vancouver, and 145 days to reach Scarborough. Surely we should not be considering a rate increase before we make the Post Office more efficient?

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, I thank the Hon. Member for his question. I can inform him that today, the Minister is in his riding to deal with the problems of his constituents. His question has been noted and will be passed on to the Minister.

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WOMEN

TRAINING PROGRAMS—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Finance. During the election campaign the Conservative Party promised women all sorts of good things, especially jobs and effective measures to help them cope with the technological revolution. Like the President of the Canadian Advisory Council on the Status of Women, whom you referred to, I would like to know why the Budget does not contain tax benefits or other incentives to encourage companies to invest in training programs designed to meet the needs of women?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am really quite taken aback by that question. Obviously the Hon. Member has not gone through the Budget. I agree with the comments that it is a big Budget. There is a lot in it, including $900 million in a very innovative program for training and development, a large part of which will be directed to the benefit of women, to the benefit of youth, and to the benefit of middle-aged people who lose their jobs. In addition, I am sure she is aware of the spousal allowance which we enhanced last fall, and the very, very far-reaching changes in pension plans, particularly the provision for membership in pension plans for part-time workers, many of whom are women.

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[*Translation*]

THE BUDGET

EQUALITY IN EMPLOYMENT—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to read what the President of the Canadian Advisory Council on the Status of Women is asking for. She also states:

—where are the specific measures forcing companies to use tax benefits in the form of investment in human resources? What measures have been established to make sure that companies offer training programs to meet the needs of various labour market target groups, especially women?

Why does the Budget approach belie the lofty challenges of the employment equality program announced last March 8? Why this sudden reliance on free market forces to given women a decent place on the labour market?

● (1450)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the Hon. Member is speaking for Canadian women across the country. That is certainly not the message which my colleagues and I have been receiving with respect to this matter. In that $900 million fund we have set out an innovative way of providing some degree of direct job creation—not dead-end jobs, as was the case with the previous Government, but jobs that have a degree of career development which women can use, as well as youth, and middle-aged Canadians. That was a positive step forward. However, a far more positive step forward in the Budget is the encouragement of small business. Many women are small business people. They will benefit from these provisions. Many women will be hired as a result of these job creation activities.

Some Hon. Members: Hear, hear!

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PENSIONS

EFFECT OF BUDGET PROVISIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I should like to remind the Minister of National Health and Welfare of the third commitment he made in his January paper with respect to applying any savings in program costs to pressing social objectives, as opposed to deficit reduction. How can the Minister now get up in the House and defend the damage done to old age pensioners on the basis that it will reduce the deficit, when he made the commitment in his paper that he would not apply any savings to such deficit reduction?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member would take a look at the expenditures with respect to the Guaranteed Income Supplement, the OAS, veterans pensions and the social policy, including the fiscal plan and the increases in that fiscal plan, he will see that there has not been a reduction in that envelope.

AMOUNT OF FUNDING

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I can count better than the Minister. It is clear to me, just as it is clear to old age pensioners, that they will lose up to $1,500 over the next five years. How can the Minister justify that? Is he not aware that, in fact, a few simple increases in tax, such as putting a minimum tax in place now instead of later, and such as taking interest deductions out of the tax system, would bring in at least as much money to cover deficit costs as the incredible amount he is taking out of the pockets of pensioners?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has changed the premise from the first question he asked, when he went from a global figure to an individual one. If the Hon. Member would take a look at the pension plans, having in mind the principles which the Minister of Finance and myself have stated, he will see that we are preserving pensions. He will see that we want to increase pensions, such as we have done through the spouse's allowance program.

The Hon. Member can look at any example he wants. I suggest he take a look at Sweden and consider what is happening there in terms of social policy and marginal tax rates. I say to the Hon. Member that those programs are being retained and enhanced. However, we have to create wealth, which the Budget will do.

PROTECTION OF PENSION FUND INVESTMENTS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is for the Minister of Finance. As the Minister is aware, all Canadians have been waiting for pension reform. That reform will now come about, complete with a wide range of pension plans and a greater use of pension funds. What protection, or insurance, will the Minister give to those employees having an interest in pension funds deriving from the failures or bankruptcies of employer-sponsored plans?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what the Hon. Member points out is that there are far-reaching pension reforms contained in the Budget, in terms of the pension benefit standards, the ability of Canadians to save through pensions, and the investment of those pension plans. The Hon. Member raises a good point, which he has raised before. I appreciate his interest in this matter. It is a question for which my colleague, the Minister of Consumer and Corporate Affairs, is responsible. I will certainly discuss the matter with him.

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STATUS OF WOMEN

REPRESENTATION ON GOVERNMENT PROGRAM STUDY TEAMS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is for the Deputy Prime Minister. In studying the budget document entitled *New Management Initiatives* we have found that in the 12 important study teams which have been put in place to review all government programs, appointed by the Minister, male representation is 87 per cent as compared to only 13 per cent for women. If one removes the junior administrative positions from the equation, female par-

ticipation is less than 10 per cent. Does the Deputy Prime Minister agree with the comments of the Minister responsible for the status of women who said in committee last week that this is "totally unacceptable"? How can the Minister justify this totally unacceptable situation? Is this another example of the Government's lack of commitment to equality for women?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is certainly no lack of commitment. I agree with the assessment made by the Secretary of State that it is unacceptable that we have such a low number of women participating in this very important work. I can assure the Hon. Member that, as part of the terms of reference which Ministers provided to the private sector advisory committee, that was one of the most important criteria advanced. They, in their search for women, were often disappointed, and were refused for one reason or another by women of great talent and ability, who were asked to serve. However, every effort has been made, and is continuing to be made, to involve women in this important work.

I might use this occasion to tell the Hon. Member that, in a related but separate task which I have in reviewing the regulatory agencies of the Government, Ms. Louise Martin of the private sector has agreed to head up that study team, along with her appropriate opposite member from the public sector. I am grateful to be able to make this announcement now.

GOVERNMENT POLICY

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I do not think we want to leave the people of Canada with the impression that this matter deals only with private sector appointments. It also includes government support staff and members of the public sector.

I am glad to hear what the Deputy Prime Minister had to say in terms of his commitment. However, last November the Leader of the Opposition asked a question with respect to the concern he had about this very study group. I can say that the Deputy Prime Minister met—

Mr. Speaker: Order, please. The first question was long. Is the Member now ready to come to a question?

Mr. de Corneille: Yes, he is, Mr. Speaker.

What type of commitments can the Minister now give to reinforce the promise he made last November 19 to the Leader of the Opposition that the dimensions the Leader of the Opposition mentioned will be eventually included? Is the Minister going to wait until these study committees have completed their tasks?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, not having described the particular dimensions to which the Hon. Member refers, it is difficult to respond in a dimensional way to his question. Assuming that those dimensions were the inclusion of women in our work, we continue to exert every possible effort to involve women in that work, together with other criteria which come to bear on the recruiting for that work, including regional representation and the fullest possible cross-section of Canadian participation in the work, business, labour, and so on.

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THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Justice. Earlier in the Question Period he said that when it comes to the appointment of legal agents the Department decides, and not the Minister. Why is it that when the question of the appointment of the brother of the Secretary of State for External Affairs as a legal agent in Alberta came up, the Minister said in the House on May 6, and I quote: "I can inform the House that I appoint legal agents for the Department of Justice." Surely the Minister did the same thing with respect to his sons and the firms with which they are associated as he did with respect to the brother of the Secretary of State for External Affairs. Why isn't the Minister of Justice giving a clear, straight, and consistent answer today along the lines of the answer he gave on May 6?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, if I am asked a straight and consistent question, then I can give a straight and consistent answer.

The answer to the question is quite simple. The Minister approves certain lists of legal agents. For example, there is a list of legal firms in Newfoundland approved to be used by the Department. There are six firms approved to be used for income tax prosecutions, and I believe nine for prosecutions under the Fisheries Act. Then, when a matter comes up, the Department will decide who on the list it wishes to use or, if it thinks there is no one on the list who is competent, then perhaps it will turn to the Minister to see if "X" will be all right or if he can recommend "Y".

• (1500)

With respect to the Olympic matter referred to by the hon. gentleman, that was one particular matter. That was not a matter of a standing agent. We have been discussing standing agents under Statutes of the Parliament of Canada for criminal prosecutions, not for advice on Olympic matters. Those are two entirely different matters. The hon. gentleman should try to exercise his mind a bit so he would comprehend that difference.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, June 3, 1985, meet the requirements of the Standing Orders as to form.

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PRIVILEGE

ALLEGED OBJECTIONABLE REMARKS OF MR. CROSBIE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, earlier today in the House I was told by the Minister of Justice (Mr. Crosbie) to "Quiet down, baby". Subsequent to that—

Some Hon. Members: Oh, oh!

Ms. Copps: Subsequent to that, the same Minister referred to me and some of my colleagues as titmice. I would like to inform the House and those Conservative Members who find this very humorous that I am a Member of Parliament, I am 32 years old and I was elected to represent the people of Hamilton East. I resent the comments of the Minister who is responsible for the equality of women in this country. I resent the remarks he made in the House when he said, "Quiet down, baby". I am not his baby, and I am no one's baby. I would like him to withdraw those remarks.

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, since the Hon. Member was referring to me, I might respond. I certainly would not think of saying,, "Quiet down, baby," to her. I was talking to another opposition Member. Why she should think she was the baby involved is beyond me. However, if it is not the rat pack or the titmice, whoever the shoe fits should wear it. That is all I can say, Mr. Speaker.

Ms. Copps: Mr. Speaker, I perceive that to be an insult not only to me but to the women of Canada. It was a sexist remark directed at me personally and I would ask the Minister to withdraw it.

STATEMENT MADE BY MR. ROBINSON

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I would like to raise a question of privilege with respect to a statement made by the Hon. Member for Burnaby (Mr. Robinson) during Question Period. He accused me as a former Liberal Minister of the practice of pork-barrelling.

Some Hon. Members: Oh, oh!

An Hon. Member: If the shoe fits, wear it.

Mr. Allmand: That is right. I was a Minister of the Crown for seven years. I would like to assure the House that I never made any appointments that could be considered pork-barrelling. I challenge not only the Hon. Member for Burnaby but any Member of the House to give the House one example of my appointing a member of my family or a friend or of doing anything resembling pork-barrelling. If they can do so, I will resign. I put that challenge to the Hon. Member.

Mr. Speaker: There is clearly no question of privilege here.

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ACID RAIN

COMPOSITION AND ORDER OF REFERENCE OF SPECIAL COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order.

Mr. Benjamin: How many brothers do you have?

Mr. Hnatyshyn: All of you in this House are my brothers.

Mr. Nystrom: Are you saying that Pauline is your brother?

Mr. Hnatyshyn: I had better not comment on that. You are my brothers and my sisters.

I rise on a point of order with respect to two items of House business on which there have been consultations. At this point in time, I think you will find, Mr. Speaker, that if you were to ask for unanimous consent to two orders, which I would bring forward at this time, you would find that there would be a disposition to pass them by unanimous consent. The first order relates to committee on acid rain and reads as follows:

That a Special Committee consisting of Messrs. Blaikie, Caccia, Darling, Ferland, Gurbin, Schellenberg and St-Julien be appointed to act as a Special Committee on Acid Rain;

That the Committee hold hearings to review all aspects of acid rain;

That the evidence adduced by the Sub-Committee on Acid Rain of the Standing Committee on Fisheries and Forestry in the First Session of the present Parliament be deemed to have been referred to the Committee;

That the Committee have all the powers provided to standing committees pursuant to Standing Order 69(8);

That the provisions of sections (4) and (9) of Standing Order 69 of the House of Commons should be suspended, unless otherwise agreed to by this Committee.

Mr. Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

TRANSPORT

ORDER OF REFERENCE OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there has been a further matter of agreement between the Parties, and it is an order of reference with respect to the Standing Committee on Transport. The order of reference reads as follows:

That the Standing Committee on Transport be empowered to study and report on federal transportation policies and programs affecting Northern, remote and isolated areas, and in particular,

(1) the criteria which should be used to define the adequacy of transportation services to a community;

(2) the manner in which the cost of services should be assessed in terms of cost to the government versus the need to provide a necessary transportation infrastructure; and

(3) the degree to which the government should participate in the provision of a transportation infrastructure in the North as opposed to the government revising its role in the ownership or regulation of transportation services themselves;

That the Committee be empowered to adjourn from place to place within Canada; and

That the Committee have the power to retain expert, professional, technical and clerical staff.

Mr. Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Les Benjamin (Regina West): Mr. Speaker, I apologize to the Government House Leader. I am wondering if he would hold this motion in abeyance until tomorrow. I believe the matter needs further consultation, so perhaps he could hold it in abeyance until tomorrow.

Mr. Hnatyshyn: Mr. Speaker, if the transport critic for the New Democratic Party requests that I hold it in abeyance until tomorrow, I would be glad to do so. I had understood that there had been a consensus on this motion, but I would be glad to hold it in abeyance for another day.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the seventh report of the Standing Committee on Finance, Trade and Economic Affairs in both official languages. The report deals with the order of reference given to the committee on Thursday, May 2, concerning the registration of amateur sports bodies for the tax relief if they are provincially incorporated.

Order Paper Questions

PETITIONS

CAPITAL PUNISHMENT

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, on behalf of approximately 250 members and friends of the Finch Women's Institute, I am presenting a petition expressing their concern about murders, particularly of law enforcement officers, and requesting the return of capital punishment.

[*Translation*]

ASSISTANCE FOR VICTIMS OF EARTHQUAKE IN CHILE

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I am pleased to present a petition signed by 350 Canadian residents of Chilean origin.

They urge the Canadian Government to help the March 3 Chilean disaster victims, and to broaden the criteria so as to allow the sponsorship of disaster victims by relatives in Canada.

[*English*]

CHANGES TO OLD AGE SECURITY ACT

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present four petitions containing 116 names from 10 locations in Saskatchewan. The petitioners humbly pray that the House reconsider the reduction in the indexation of old age pensions and therefore your petitioners humbly pray and call upon the House to reinstate full indexation of the Old Age Security program in Canada and they are duty bound to ever pray.

● (1510)

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have approximately two dozen petitions, with over 1,000 signatures, from all parts of British Columbia, humbly praying and calling upon the House of Commons to reinstate full indexation of the old age security program in Canada. In duty bound, your petitioners will ever pray.

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QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 61 could be made an Order for Return, the return would be tabled immediately.

I ask that the remaining questions be allowed to stand.

Mr. Speaker: Is it the pleasure of the House that Question No. 61 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

[*Text*]

STUDIES OF CRIME PREVENTION POLICIES

Question No. 61—**Mr. Howie:**

Did the Department of Justice or the Department of the Solicitor General conduct any studies to develop crime prevention policies or programs and are any studies being conducted by persons outside the Departments and, if so, within what time frame and at what cost?

Return tabled.

● (1510)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-15, an Act respecting investment in Canada, as reported (with amendments) from the Standing Committee on Regional Development; and Motions No. 27 (Mr. Langdon) (p. 5367) and Nos. 30 and 67 (Mr. Axworthy) (p. 5368).

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I rise on a point of order in an effort to be sure that the record of this morning's proceedings will show what actually took place. I would like to ask the House and the Table to take a look at what happened. I am referring to the fact that earlier today, Motions Nos. 23, 24 and 25 were grouped for debate and that debate took place in the House with Members from both sides of the Chamber.

A member of the Official Opposition asked if we had any further speakers on the particular motion and we agreed that in the spirit of co-operation, so that members of the Official Opposition could refresh their list, we would stand our speakers. At that point, I believe the record will show that the Deputy Speaker called for the vote on Motion No. 23.

At the start of the calling for the vote, the Deputy Speaker did not point out—and I am not sure whether he should or should not have, as I think it is for the Chair to decide—that the votes on Motions Nos. 23, 24 and 25 would be taken separately. Therefore, I believe the record will show that the Deputy Speaker called the vote on Motion No. 23 and asked: "Is it the pleasure of the House to adopt the motion?" I believe the record will show that on Motion No. 23 yeas and nays were recorded. The Deputy Speaker then said: "All those in favour of the motion will please say yea." I believe the record will show that there were yeas. The Deputy Speaker then said: "All those opposed will please say nay." I believe the record will show that Hon. Members said nay. It is also my belief that five members of the Opposition stood when the Deputy Speaker said: "In my opinion, the nays have it." As is their right, members of the Opposition stood to formally request a recorded vote. Then, pursuant to Standing Order 79(11), the Deputy Speaker said: "A recorded division on the proposed motion stands deferred." I am not sure whether he said "motion" or "motions", but, the point is that when the Deputy Speaker moved to Motion No. 24, I believe the record will show that he said: "Mr. Axworthy moved that Bill C-15, an Act respecting investment in Canada, be amended in Clause 10 by striking out lines 43 to 48 at page 6. Is it the pleasure of the House to adopt the motion?" I believe at that point opposition Members said yea, quite naturally. I know, and I can only speak for myself in the House, that I definitely said nay. Sitting in my place, I said nay. I am not sure the record will show that. There are records which the Chair will have the opportunity to examine; there is *Hansard* and there is the video tape of the proceedings. I am sure that the Chair, in the interest of fairness and in the interest of deciding what actually took place, with precedents in mind, will examine all of those.

Point number one of my point of order is that I believe the video tape records will show, display—in other words, Mr. Speaker, you will hear it—that there were yeas and nays. I realize that is an imperfect way of doing it, but I believe it can be drawn, from what I had an opportunity to hear earlier, that my nay was part of that confusion. I must admit that my hearing is biased on that point.

The second point of the point of order is that I believe the record will show that at no time did the Deputy Speaker say, as he did when he was on Motion No. 23: "In my opinion, the yeas have it." I believe, at the point at which the vote is called, that it is up to the Chair to declare the motion won or lost. I believe the record will show that at that point he did not declare the motion to be won or lost, but moved on to Motion No. 25. I submit that the Chair is the person in the House who decides whether motions have been won or lost. The only way in which he can express that opinion is to say it. In other words, I believe if the record is examined it will show that some Members agreed and then it will show that the Deputy Speaker moved on to Motion No. 25, without formally declaring the previous motion won or lost.

I suggest to you, Mr. Speaker, that until that declaration is made, the motion is in a hiatus. In other words, it has not been won, it has not been lost, and it is up to the Chair to declare whether it has been won or lost. If the Chair makes that declaration at the time of the vote—and if the Chair declares that the vote was won by the Opposition, then that's fair ball—then we should have the opportunity, as the Government, just as the Opposition did on the first motion, to stand our five Members. Certainly, we had five Members in the House. We should have had the opportunity to stand our five Members and request a recorded division on the vote. That did not happen. I suggest that is the third thing which should have happened. We should have had that opportunity.

In review, there are three things which I would ask the Chair to consider: one, whether the yeas and nays were properly heard and recorded; two, whether the Deputy Speaker ever officially declared the motion won or lost, and three, whether Members of the House on all sides had that democratic opportunity to have five Members stand and request an official recorded division of the vote.

I appreciate that things happen quickly in the House. There have been many, many opportunities when we, as the Government, have given the Opposition the benefit of the doubt in the interest of doing what the majority of Members of the House want done. I suggest that in the future there will be those opportunities. That is what this place is all about. They can argue, "Sorry, Mr. Simcoe North; sorry, Mr. Lewis; sorry, Government, we tricked you because something went by." That is not the point of this place.

• (1520)

Mr. Axworthy: You fumbled the ball, that's the problem. Why not kick it in the end zone now?

Mr. Lewis: I admit I don't know all the rules. Would the person who knows all the rules please stand—other than yourself, Sir? I would ask the honorary member at the table if he does not agree that what this place is really all about is that what Hon. Members want done, properly gets done in accordance with the rules, and not only the rules of the House but the rules of fair play. I would ask the Chair and the Table Officers to examine whether in fact my three points within the point of order have validity and then I would put it to the test of Hon. Members opposite as to just exactly how they want to play by the rules of fair play.

Mr. Gauthier: Mr. Speaker, I rise very briefly on this point of order because I do not want to reflect on the decision of the Chair. However, since the Hon. Member brought that point up, I wish to remind him that on April 23 last you, Mr. Speaker, made it clear in the House that the amendments which were tabled with Bill C-15, for the purposes of debate, were grouped as to certain amendments. For example, it was ruled that Motions Nos. 23, 24 and 25 should be grouped for debate and voted on separately. That takes care of the first point. There was a decision made by the Chair on April 23. We abided by that decision. We debated this Bill for several days, the last being May 2, and on every occasion the Speaker put the motions to the House separately when so required by the ruling made by the Chair on April 23.

I do not really want to comment on the fact that the Hon. Member for Simcoe North (Mr. Lewis) takes exception or umbrage with the hearing or the sight of the Speaker because I was here. We on this side of the House were not playing tricks on the Government. We were debating motions put by this Party and by the New Democratic Party. We were under the impression that the Hon. Member knew that we were going to vote on these amendments separately and when Motion No. 23 was called, we did indeed stand, because it is our privilege to call for a recorded vote.

On Motion No. 24, we did not stand. Why we did not do so is not for me to say. I really don't know, but I can tell the Hon. Member right now that someone in the Government was asleep at the switch. We knew that, but it is not my job as Party Whip to tell the Hon. Member how to act in his capacity as either Parliamentary Secretary or being in charge of that matter. However, there was no doubt in my mind that someone goofed on that one, but that is not for me to decide one way or the other. The motion was put in due form, it was passed in due form, and as far as I am concerned, it stands in due form.

Mr. Deans: Mr. Speaker, there is a great deal which might be said about the argument which has been made by the Hon. Member for Simcoe North (Mr. Lewis). However, I want to restrict myself to one matter, that is, that it is necessary in order that a point of order be heard that it be raised at the earliest possible moment. I watched the proceedings on the television in my office. In fact, the point of order was raised at the earliest possible moment. The point of order was raised with the Deputy Speaker at the time and the Deputy Speaker, having heard the arguments, much of which has been replayed, as it were, by the Hon. Member this afternoon, in fact ruled that he had in fact dealt appropriately with the matter—as was the case. It is an affront, I might say, to the Deputy Speaker to now come into the House and attempt to have the Speaker overrule the ruling of his deputy.

I want to suggest that it is inappropriate behaviour and, with a little time, I could point to other circumstances where Speakers have pointed out to the House that where Deputy Speakers make rulings, those are the rulings, and there is no subsequent appeal to the Speaker of the ruling of a Deputy Speaker.

While the Hon. Member, in an effort to compensate for the inadequacies of himself and his colleagues at the time, may now wish to reconsider his position and have it reconsidered by the House of Commons, he should at least show the Speaker and his entire office, deputies included, the courtesy of accepting that the Deputy Speaker was given the option of considering the point of order, considered it and ruled it out of order. I would ask, Mr. Speaker, that you rule that there is no point of order and that the time being taken now is time being wasted.

Mr. Axworthy: Furthermore, it is a good amendment.

Mr. Hnatyshyn: Mr. Speaker, I rise because of the comments made by the Hon. Member for Hamilton Mountain (Mr. Deans). I want to simply indicate to him that I was able to get a copy of the "blues" after this matter arose. I believe that if the Hon. Member had gotten a copy of the "blues", he would have seen the record, as shown by *Hansard*, which is the official record of the House. As I understand it, television has not yet taken the place of *Hansard* as the official record of this House. The written word is still the official record of what has transpired in this House—

Mr. Deans: The point of order has already been dealt with.

Mr. Hnatyshyn: I think this is germane to the point of order, as the Hon. Member for Simcoe North (Mr. Lewis) has alluded to the record of the House and I am now making specific reference to the "blues" which clearly state what transpired according to the official record. If you look at the "blues", Mr. Speaker, and I have a copy in my hand, you will see that at the time in question it states, "On Motion No. 24, Mr. Axworthy moved that Bill C-15, an Act respecting investment in Canada, be amended in Clause 10 by striking out lines 43 to 48 at page 6". The Deputy Speaker said, "Is it the pleasure of the House to adopt the motion?" Some Hon. Members said, "Agreed". The Deputy Speaker, according to *Hansard*, did not then deal with the motion. He did not then, as he is required to do by Beauchesne, say, "Carried".

Mr. Deans: He said, "Adopté".

Mr. Hnatyshyn: Oh, I see. So we are hearing things which are not now in the official record.

Mr. Deans: The "blues" are not the official record.

Mr. Gauthier: The "blues"? Come on.

Mr. Hnatyshyn: So it is not incumbent upon us to take the official record as being the appropriate one? I listened in silence to the Hon. House Leader of the New Democratic Party. I would hope that he would extend the same courtesy to me. I know he is on a very weak point of order in this particular situation, but I am prepared to consider this matter in a serious way.

What I am saying, Mr. Speaker, simply is that there are three steps normally taken with respect to these matters, as you will know, Mr. Speaker. First, it is asked whether it is the pleasure of the House to adopt the motion. Then the Speaker, if he is able to discern that there are yeas and nays, would then take the second step. This House operates on the basis of the discretion of the Chair and not on the basis of some lack of acoustical ability to hear whether there are both yeas and nays because there is activity on the floor of the House. At the first possible instant, Mr. Speaker, at least one Hon. Member stood in his place to indicate that he indeed had said "nay" at the appropriate time. It was not a delayed reaction. It was an instant reaction when the Deputy Speaker moved on to the next motion.

Mr. Gauthier: That's not true.

Mr. Hnatyshyn: The Hon. Member for Simcoe North (Mr. Lewis) stood in his place and said, "I said 'nay' ". I know that there are other Hon. Members in this House who are prepared to say that they said "nay". That is the basis on which this House operates. If we are able to accept the words of Hon. Members, then we have the opportunity of having at least the process and procedure dealt with in a reasonable manner. I say to you, Sir, as you will know, Beauchesne's Fifth Edition does put very clearly the procedure of putting a question to the House. Appendix I, Item No. 94, indicates that the occupant of the Chair makes a declaration with respect to whether the matter is carried or not. I was not here, I grant you that, Mr. Speaker, and I can only go on the basis of the official transcript which is *Hansard*. If one were to say to me that perhaps the occupant of the Chair did say "Carried" It would indicate to me that the acoustics in the House are not perfect because the *Hansard* reporter did not hear the Speaker, who had a microphone on. We in the House all understand that the Government was opposed to this motion. That has been indicated in debate. The Speaker is cognizant of what is going on. This is not a technical institution. It is one in which questions should be dealt with on a reasonable basis. If it is going to be said when an Hon. Member stands in his place to say that he said "nay", then I say that we should have the same right to say that the occupant of the Chair did not say "carried". I have proof here that according to the official record the occupant of the Chair did not say "carried".

• (1530)

Mr. Axworthy: Except the occupant of the Chair said he did. Are you challenging the Deputy Speaker?

Mr. Hnatyshyn: Mr. Speaker, I allowed the hon. Opposition spokespersons to deal with this matter. It is not becoming for Hon. Members to shout down a humble servant of the House who wants to make a serious point.

Mr. Axworthy: Bring the humble servant forward then.

Mr. Hnatyshyn: The Speaker is sitting in one position in the House and Hon. Members sitting at the other end of the House from time to time indicate the fact that they are in opposition to the motion. Certainly we are not going to make our decisions about votes and change the laws on the basis of whether or not a Member has to be extremely noisy. If they say "nay" and indicate they said "nay" at the first opportunity, it seems that this is a reasonable proposition. We are not asking for any favours of the Chair. It is not undermining a ruling of the Chair. I think there is a prima facie case which can be demonstrated on the official record. We can look to other sources which may indicate that something was said which was picked up on the recording. I simply reiterate my point, Mr. Speaker, that there is a question of an acoustical problem. Members say they said "nay". I believe them and I think we should take account of that and complete the process by calling for the yeas and nays in order to decide whether the yeas or the nays have it. That is only fair. That is democratic and I suggest to you, Sir, that it would be the reasonable way to go.

Mr. Gray (Windsor West): Mr. Speaker, could I make a very brief intervention?

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, my hon. friend, the Government House Leader, has based his whole argument on what he says is the official record of the debates of the House. From what he is saying, it appears that all he is talking

about are what are commonly known as the "blues". I submit, Mr. Speaker, and it is very clearly established, that the "blues" are not the official record or report of debates. Citation 155.(1) on page 48 of Beauchesne's Fifth Edition reads:

> The *Official Report of Debates*, commonly referred to as Hansard, is the record of speeches made in the House; it also contains answers to written questions on the Order Paper.

I submit that what the Government House Leader is using as a basis for his argument is not the official report of debates. In fact, Citation 156 at page 49 of Beauchesne's says:

> The *Debates* are printed in bound volumes from time to time during a session.

I realize I wear glasses, Mr. Speaker, but I did not see any bound volume of debates. If my hon. friend is basing his argument on what is commonly known as the "blues", his argument must fail.

I would like to make one other point, Mr. Speaker. It is very clear that when the Deputy Speaker occupies the Chair, he has the full authority to exercise all the same powers with respect to decision making as the Speaker himself. This is confirmed by Beauchesne's citing the Speaker of the House of Commons Act, Section 5. It reads:

> Every act done and warrant, order or other document issued or published by the Deputy Speaker in relation to any proceedings of the House of Commons, or which under any statute would be done, shall have the same effect and validity as if the same had been done, issued, signed or published by the Speaker for the time being.

By way of conclusion, I would like to say that at this point there is no way that the representatives of the Government can impugn a decision of the Deputy Speaker by implying that in some way it has less force and effect than a ruling made by yourself. The ruling was made by the Deputy Speaker exercising, quite properly, the full authority of the Speaker. That ruling cannot be impugned by any of the interesting, but I must say with all due respect, ineffectual and weak arguments of the Government House Leader and his colleagues.

Mr. Lewis: On a point of order, Mr. Speaker.

Mr. Speaker: Order, please. Order, please. I have heard all the House Leaders and a Whip. At this point I am ready to indicate something to the House. It is very simple. The matter was raised at the time. The Deputy Speaker ruled on the matter at the time. The Deputy Speaker stands in this place as the Speaker.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Edmonton East (Mr. Lesick) on debate.

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I am indeed pleased to contribute to the debate on Bill C-15, an Act respecting investment in Canada, and Motion Nos. 27, 30 and 67 which are presently before the House. This is my first speech before this Chamber, and I would like to take a moment to offer a few of my personal thoughts on the vitally important issue of investment in Canada.

As a new Member of Parliament from Alberta, I came to the House determined to voice the views of my constituents and all the people of Alberta. As a small businessman in Edmonton, I witnessed the devastating and discriminating policies of the previous Government. During my 31 years of small business, I witnessed the province grow into an industrial power. I saw Alberta develop. With that development, I understood and shared the positive entrepreneurial attitude of Albertans.

When, following his return to office, Pierre Trudeau said, "Welcome to the 1980s", Albertans suffered the coldest shower in Canadian economic history in the name of Canadianization. To many Albertans, Mr. Trudeau's scheme of Canadianization turned out to be a lesson in isolation. When the Opposition talks about—

Mr. Axworthy: Mr. Speaker I have a point of order.

Mr. Deputy Speaker: Order, please. The Member for Winnipeg-Fort Garry (Mr. Axworthy) on a point of order.

Mr. Axworthy: Mr. Speaker, I respect the fact that this is the first speech of the Hon. Member, but there is a rule of relevance on report stage. We are dealing with an amendment dealing with the extension of time to 45 days from 30 days. It has nothing to do with what Mr. Trudeau said when he came to office in 1980. I would ask that the Hon. Member address himself to the specific amendment before the House at report stage. If he wants to engage in a larger debate on principle, he will have that opportunity at third reading. Since we have only limited time, it is very important that we deal with the amendments on the table at the present time.

Mr. Deputy Speaker: The Hon. Member knows that he should be relevant to the topic of the motions. I am sure the Member will do that.

Mr. Lesick: Thank you very much, Mr. Speaker. Canadianization is very important. It is a topic which was brought up by the Hon. Member of the Opposition. It is very important that we should understand this aspect. Confidence is very necessary for us, otherwise no one could invest in Canada. I suggest that that is the real meaning behind the motions that were presented. The other is a question of nationalism and interventionism in the economic forces which drive the market-place.

The motion was perhaps presented by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) with good intentions. Canadians recognize that in order to find new markets and create new jobs and a better future for our children, we must seek out capital from all over the world. The Hon. Member's motion dealing with culturally sensitive proposals underestimates the intelligence of the Canadian community. Placing a time delay on investment, as suggested in the amendment, will serve little purpose. We Canadians know the nature of our society. The people of the country, particularly the unemployed, want economic renewal. I believe that we know how to protect and enhance our own Canadian cultural institutions.

What we need are jobs and this legislation will accomplish that goal.

● (1540)

The amendment to extend review of investment in culturally sensitive activities to 45 days from 30 days is not necessary whatsoever. Our Government promises speed of review that is combined with efficiency. Our Government, in the short time we have been in power, has enacted more good and absolutely necessary legislation than has the previous Government. Of course, it did so after consultation with interested and affected parties.

We are prepared to be more effective and progressively decisive. Investors should not be confused. They will have more confidence in the Government.

I believe that the amendments are not necessary. They are not supported by the Government or the people of Canada, and I strongly suggest that the amendments, particularly Motion No. 67, not pass. We cannot survive in isolation. We cannot live in a cocoon, shielded from the rest of the world. We have an obligation to future generations to build on our strengths and this Bill will provide us with that opportunity.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I wish to speak to Motion No. 27 in particular because it concerns new investment in Canada. The proposed amendment would prevent the investment of new funds in new businesses in Canada and it would particularly inhibit the concept of this Bill, which is to develop our nation and to provide work and other opportunities for our children.

Although there is chronic unemployment in our nation, the New Democratic Party has moved an amendment that would require a review of new investment in Canada by some board.

Mr. Langdon: That is not what it says.

Mr. Blenkarn: Such an amendment would obstruct new and innovative people from coming to our country to create businesses. It is our responsibility to give what Canadians demanded of us on September 4. We must turn the country around and create the opportunities for men and women to work and build this nation. New investment from whatever source is important to provide the opportunity to create.

The New Democrats believe that bureaucrats in Ottawa should decide what investment is acceptable, what jobs people should have, and who should have them. The concept behind this amendment is based on the concept in every slave state where those in power direct their citizens where to work and what to do. They decide on what investment and what technology can be accepted.

Canada has put up with that kind of control for too long. It was that concept which inspired the Foreign Investment Review Act that is now being changed. It was a concept based on the assumption that the bureaucrats in Ottawa who belonged to socialist-oriented parties knew best how development should take place in Canada and how people should use their talents; what should be created and by whom.

That concept was soundly rejected on September 4. This amendment would prevent investment in Canada unless approved by a board of review. There are many type of investment that come to our country. Recently, a new Canadian in my riding had an opportunity to bring a new plastic-fabricating operation to Canada from the United States. His American contact wanted to own a good part of the business because he was supplying the money and the technology. My constituent was primarily supplying the marketing ability.

The lawyer advised the American contact of the Foreign Investment Review Act. That term alone caused the deal to fall through, until I was able to persuade the American investor that the Act was going to be changed so that new investment would be welcome in Canada.

If this amendment is allowed to pass, we would be indicating that new investment is not welcome unless permitted. In some cases, FIRA required investors to spend up to $30,000 to hire lawyers, accountants and others to process the forms that were required for permission to invest in Canada. We are saying, "Come to Canada and invest. Create jobs and opportunities and let us, together, build this country".

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 27 standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The question is on Motion No. 30 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The question is on Motion No. 67 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

• (1550)

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 31

That Bill C-15, be amended in Clause 13 by striking out line 21 at page 9 and substituting the following therefor:

"order to complete that notice and that the investment not proceed until the notice has been completed and a receipt specified under subsection (1) above has been obtained by the non-Canadians."

He said: Mr. Speaker, in the interests of expediting debate and to move the process along, I am prepared to withdraw this amendment because it was contingent upon previous other amendments which were unfortunately defeated. We seem to be back in the old spirit of not looking at things constructively any more. Obviously, because the Minister is back in the House now, things have changed. I will withdraw this amendment because it was a contingent amendment. We can go on to the next round of debate.

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) to withdraw his motion?

Some Hon. Members: Agreed.

Motion No. 31 withdrawn.

Mr. Deputy Speaker: Motions Nos. 34, 35, 36, and 38 will be grouped for debate but voted on separately.

[*Translation*]

Mr. Axworthy moved:

Motion No. 34

That Bill C-15, be amended in Clause 14 by striking out lines 36 to 40 at page 9 and substituting the following therefor:

"(*a*) an investment to acquire control of a Canadian business in any manner described in paragraph 28 where the value calculated in the manner prescribed of

(i) the gross assets acquired, in the case where control of a Canadian business is acquired in the manner described in paragraph 28(1)(*c*), or

(ii) the gross assets of the entity carrying on the Canadian business and of any other entity in Canada the control of which is acquired directly or indirectly, in the case where control of a Canadian business is acquired in the manner described in paragraph 28(1)(*a*), (*b*) or (*d*),

is five million dollars or more;".

[*English*]

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 35

That Bill C-15, be amended in Clause 14 by striking out lines 36 to 40 at page 9 and substituting the following therefor:

"(*a*) an investment to acquire control of a Canadian business in a manner described by section 28 except where that business is in the area of cultural heritage or national identity;".

[*Translation*]

Mr. Axworthy moved:

Motion No. 36

That Bill C-15, be amended in Clause 14 by striking out lines 41 and 42 at page 9 and lines 1 to 3 at page 10 and substituting the following therefor:

"(*b*) an investment to establish a new business where the assets of the new business are five million dollars or more;".

[*English*]

Mr. Axworthy moved:

Motion No. 38

That Bill C-15, be amended in Clause 14 by striking out lines 10 to 15 and lines 45 to 47 at page 10 and lines 1 to 5 at page 11.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I just want to make sure that the Hon. Member for Simcoe North (Mr. Lewis) understands that an affirmative vote—and I am reading from your ruling, Sir, of April 23—on Motion No. 34 disposes of Motion No. 35. A negatived vote on Motion No. 34 necessitates that the question be put on Motion No. 35. If that is clear, then we can proceed with debate, but I want the Hon. Member to understand that so he will not say yea when he means nay or nay when he means yea.

Mr. Axworthy: Mr. Speaker, this set of amendments focus on one of the most important clauses in the Bill. It is the area of legislation that describes what form of foreign investment is subject to review. It has been the judgment of the Government obviously that the thresholds should be changed substantially from the way in which they were constructed under the FIRA legislation.

The Government has done this by way of saying, "We want to clarify and simplify matters". At the same time, Mr. Speaker, what the Government has also brought forward by this change in threshold is a major invitation to create a vulnerability for a number of Canadian companies that would be subject, particularly in the case of indirect acquisition, to takeovers that were not constructed with any positive purpose in mind but were done, in large part, because of the manipulation and shenanigans in the New York stock market, the

"team boom pickins" kind of activity that takes place where the stock market becomes a great big game and is simply a matter of rating and pirating various forms of acquisition. In this case, you pick up a lot of Canadian holdings by automatic and inadvertent exercise of that form of high finance pirateering. As a result, Canadian companies that have been well established in Canada that provide useful jobs and economic activity can be wiped out in a flash.

By creating the threshold of indirect acquisitions at the $50 million level a whole range of Canadian subsidiaries now held by parent companies, which includes a very large number of substantially middle-sized companies, will be rolled in as part of the over-all take-up of an indirect acquisition. Canadian communities and workers will be subject to the vagaries and vicissitudes of that activity without having any opportunity for their Government to say whether it is useful, positive and of benefit to Canadians.

We introduced this series of amendments to alter the threshold relationship to make the indirect acquisition threshold the same as the direct acquisition, namely, the $5 million level.

Let me refer to the presentation before the committee of the Science Council, which has a direct mandate to look at how we in Canada can create competitive companies to deal in the international market, particularly in scientific or research related industries. If you look at the testimony of that Council based upon years of researh and years of examination, it shows that the present level of threshold will result in a number of high-tech based companies in Canada being wiped out or taken over without any opportunities for judgment or review by this Government.

Once again we go back to the basic argument we have made. There is nothing wrong with foreign investment as long as foreign investment produces something valuable for Canada, as long as it has the kind of job creation we all want and the kind of investment in new high technology products, with the ability to develop export markets. We have seen time and time again, and the evidence points it out, that many foreign-owned subsidiairies have far less investment in research and development and they prevent Canadian-based subsidiaries from competing with the home corporation in the export market. In other words, they do not provide the kind of performance and behaviour that we need if we are going to build an effective international advantage for Canada.

• (1600)

All we are saying is that companies should at least be required to demonstrate whether they are prepared to make that kind of commitment. We propose that the threshold be brought down so that it can include Canadian subsidiaries acquired in indirect forms. I fail to see why the Government has made such a major discrimination between a direct acquisition and an indirect acquisition. In fact, one could almost argue that it is more important to review indirect acquisitions than direct ones, the reason being that if foreign investors come into Canada to buy Canadian companies and know the performance, attributes and characteristics of those companies, they are less likely to tamper with or strip them down. However, if they are simply picking up Canadian companies as part of indirect acquisitions as a result of their moving, shaking and manipulating in the financial markets of another company, it does not matter whether the acquisitions are indirect ones. We have seen callousness and indifference toward indirect acquisitions by many of their own companies.

I return to my original point. Perhaps the most flagrant and at times amusing form of financial gymnastics in the United States market is this incredible shotgunning of one company after another. There is a whole new category of stock market sharks who are simply out there to try to boost up stock percentages and dividends in the American market by buying and selling companies at will. Unfortunately, the after effect or side effect is that many Canadian companies are swept up in the rush.

What will happen when the level under this Act is raised to $50 million? Suddenly an investor will look at his sheet of acquisitions and ask how he acquired a company in Pickering, in Moose Jaw or in Corner Brook. What does he know about them? Does he care about Corner Brook or Mississauga? He may say: "Let's get rid of it, sell it off, I don't care". There is no direct involvement on the part of investors in that kind of acquisition.

We have brought forth this set of amendments to ensure that the Government would at least be required to review. This does not mean to say that the Government would be required to stop foreign investment. A fallacy which has been perpetrated time and time again in this debate is that somehow the Foreign Investment Review Act stopped foreign investment. Last year it allowed $4 billion worth of foreign investment into the country, one of the largest allotments of foreign investment in the last 10 years. However, by the review procedure, it required foreign investment coming into the country to demonstrate at least that it had value to Canadians, that it would create jobs and that it would create export markets, not simply be an afterthought or or a side effect.

In coming to grips with these threshold questions, we are really coming to the very heart of our concern that by having the threshold so high, particularly in the area of indirect acquisitions, a number of takeovers will occur which will work to the detriment of many communities, and a number of victims, mainly workers in the companies, will have no recourse. There will be no responsibility or obligation on the part of the Government of Canada to protect their interest.

Those are the reasons that we make the case, once again, that our amendments are designed to improve the Bill and to make it more useful and constructive. They are not in any way designed to detract from the proper procedure or from foreign investment producing something valuable. We believe they will ensure that the review procedure is applied in a way which will make the commitments clear and defined so as to require foreign investment to show the value for Canadians, not simply be allowed to take over companies without demonstrating a major contribution which will be of benefit to Canada.

Whether by inadvertence or not, the Government is at least showing a small flicker of insight and response by allowing certain amendments to take place. Once again, if it were to show another act of inadvertence, this amendment would be the ideal one on which to show it.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, with this particular group of amendments, we come to one of the key differences which, frankly, has divided us in our debates on the Investment Canada Bill since it came before the House, in our discussions in committee, and in our attempts at report stage to dig into the substance of the Bill. We have accepted that the Government believes it is in the best interests of Canada to permit new foreign companies to come into the country, to establish new premises or new enterprises and hopefully, to produce jobs, exports and benefits for Canada. This particular set of amendments does not deal with that point of principle. However, there is a second point of principle which we feel is an important one—should we permit small Canadian enterprises, small businesses which are so important to invidual Canadian communities, to be taken over without the review process being brought to bear?

Many Conservative back-benchers have claimed to believe during the debate on the Budget that the small business sector is crucial to our economic future. I believe that strongly, on the basis of my own constituency wherein small business is a vital, vibrant and growing part of the economy, and on the basis of the small business people we met across the country during our action group tour. A tremendous, exciting dynamism exists among small firms throughout the land.

This is a government Bill, and the Government says with this Bill that it believes large Canadian corporations need the safeguard of a review process if there are takeovers from outside the country of medium-sized and large firms. If it is correct in believing that, and if at the same time it is correct in believing that small businesses are crucial to our economic future, then it is equally correct to say that foreign takeovers of small Canadians firms, which are so crucial to us, also deserve to be reviewed. I am not saying that they need to be rejected, because this is not a Bill which rejects foreign investment. It is a Bill which attempts to review foreign investment to see to it that significant benefits come to the country. If there is any sense of honesty in that purpose, if there is any sense of reality in that commitment, I urge government Members to see to it that the review process applies equally to the takeover of small Canadian firms as it does to the takeover of large Canadian firms.

I want to put before the House some of the evidence which makes it crucial for such provisions to be part of the new Act. For instance, let me present the case of Canadian Porcelain, a small enterprise with assets of just over $1 million, based in Hamilton. In the past that enterprise provided insulation mechanisms which were quite significant within the electrical industry. It was forced into receivership by the predatory dumping of its competitors. However, the affected workers got together with the community of Hamilton and discovered that the community was prepared to back them in an excited and committed way. They brought forward a proposal to take over this bankrupt company and operate it successfully as a workers' co-operative. However, at the last minute, one of the U.S. competitors which had forced Canadian Porcelain into bankruptcy came in and bought up the plant instead. Fortunately,—and I say fortunately because it is as a result of the delay which we have been able to create with respect to the passage of this Bill—the Foreign Investment Review Agency is still the law of the land. Canadian Porcelain workers will be coming to Ottawa on Thursday to meet with the Minister of Regional Industrial Expansion (Mr. Stevens), and others, to make the case that FIRA should turn down the takeover by Lapp and permit Canadian Porcelain, with its strong base of community support, to keep the industry Canadian.

• (1610)

I would now like to talk about something which is close to the hearts of many of my constituents, that is, the Windsor Spitfires hockey team, which was taken over last year by a Michigan-based enterprise. It is a small operation involving approximately $1 million to $1.5 million in assets, which would not be subject to review under the terms of the Bill before us. Yet the take-over was subject to review by FIRA. That agency saw that the investment was not stopped. Quite frankly, the hockey team needed fresh capital to keep it going. FIRA was able to see to it that a clear commitment was given by the company taking over the team. That commitment involved keeping the team in Windsor and seeing to it that it would continue to employ Canadians, in terms of both its coaching and its support staff. This was something which was absolutely crucial to hockey fans and, indeed, sport fans more widely within my community.

It is possible to go on, Mr. Speaker. The Canadian Association for the Advancement of Technology has made the case to the Government that it is the small high-tech firms which will be particularly susceptible to take over if this Bill passes as written. The association has made strong arguments to the Minister. In fact, we heard testimony in committee that the limits in the Bill should be brought down in order that small Canadian high-tech firms could not be taken over without at least a review process taking place. These small high-tech firms are absolutely crucial to our economic future. Bringing down the limits would permit the workers and shareholding partners in some of these firms to have a sense of protection in terms of their interest and their future.

We have also seen what are perhaps the most tragic cases of all in this country. I am speaking of cases where branch plants of U.S. companies are taken over by other huge corporations in the United States, or elsewhere in the world. These large multinational enterprises come to the conclusion, as indeed multinational enterprises must since they are profit-making enterprises, to shut down what now exists as duplicate facilities within their operations. We saw the case in Barrie where the Black & Decker plant was shut down. That shut-down cost 600 workers their jobs. There is absolutely nothing in the Bill before us which will protect Canadian workers employed in small and medium-sized firms which are taken over by the

great conglomerates of the world and which are subject to rationalization and some type of global profit maximization strategy.

I make the case to the House that if we accept the amendment before us, we will bring to bear a review process—not a harsh one but a significant one—to protect the interests of workers in communities with respect to small Canadian branch plants which will be subject, in the future, to the pressures of world capitalism as it rationalizes throughout the world.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I wish to comment with respect to Motion No. 34. In my view, this motion appears to deal with what I find to be the most despicable portion of the Foreign Investment Review Act. I am speaking of what happened when a Canadian subsidiary of a multinational company was transferred by one multinational to another in a world transaction made outside Canada. What happens is that a multinational may have a Canadian corporation as one of its many companies. The effect of transferring the control of the multinational involves, in effect, the transfer of the control of the Canadian corporation. Under the provisions of the Foreign Investment Review Act, the bureaucrats in Ottawa were expected to make a ruling as to whether or not one multinational company could take over the assets of another involving transactions of many millions of dollars. Indeed, in some cases, billions of dollars have been involved. These transactions took place in world-held corporations because one small entity involved in that conglomerate happened to exist in Canada. In some cases, in order to avoid the question of review, the Canadian subsidiary has been closed down completely. The thinking seemed to be, "Why bother trying to appease these people in Canada who think they know better than anyone else with respect to investment and how to create jobs?"

More important, the whole aspect of the Foreign Investment Review Act, as it operated in this sense, called into question the nature of Canada as a place to invest money and do business. This seriously hampered the investment of funds and the number of job opportunities for Canadians, perhaps in the most gross manner possible. The mover of the amendment which I am now discussing wishes to reinstate this concept if the assets of a company involve more than $5 million. Surely to goodness we are part of an international trading and development system. Some of our multinational companies are the largest multinational companies in the world. In the distilling industry alone, we have the top two distillers in the world, Joseph E. Seagram & Sons Limited and Hiram Walker & Sons Limited, number one and number two respectively. Our multinational corporations are able to deal, grow and do business. That we should say to another country's multinational, which may happen to have a branch operation somewhere in Canada that has nothing to do with the totality of its world-wide organization, that its world-wide activities are to be reviewed simply because of its operation in Canada, then we go a long way toward hurting Canada and the concept of Canada as a place where fair and free trade and open business are conducted.

• (1620)

The philosophy expressed by the Opposition seems to be that somehow the public officials know better than the business community how investment is to take place and how it is made. As a result of the attitudes in the Foreign Investment Review Act which tried to review transactions that did not take place in Canada at all and tried to review transactions for which the essence of the transactions were not Canadian at all, we have called into question the whole nature of investment in Canada. Canada is not deemed to be a fair place to put money because one cannot assign what one owns in Canada to someone else. Those kinds of transactions do not involve further foreign investment in Canada and never involved that at all. They do not involve a new takeover in Canada. They are only a matter of whether or not a multinational corporation with headquarters in Holland would take over the activities of a multinational corporation with headquarters in New York. What difference does that make to us? It is still a foreign-owned corporation. It is still part of a conglomerate.

In the view of this Government, we want to let members of the investment world know that Canada is a place to do business. We want to let them know that if they invest their assets in this country, they can sell them to whomever they wish. There are certain limitations on that and those limitations are spelled out in the Bill. They involve cultural matters and things that go to the essence of Canadianism. However, in terms of ordinary commercial activities, surely to goodness transactions of this nature should not be reviewed.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 34. An affirmative vote on Motion No. 34 will dispose of Motion No. 35. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 79, a recorded division on the proposed motion stands deferred.

The question is on Motion No. 36. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say nay.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 79, a recorded division on the proposed motion stands deferred.

Mr. Langdon: Mr. Speaker, I rise on a point of order. If I understood you correctly, a negative vote on Motion No. 34 would then require a vote on Motion No. 35. Is that correct?

Mr. Deputy Speaker: The Hon. Member is correct. However, we must wait for the vote on that motion to take place tonight in order to decide if we must vote on Motion No. 35.

The question is on Motion 38. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section (11) of Standing Order 79, a recorded division on the proposed motion stands deferred.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 38A

That Bill C-15, be amended in Clause 14 by adding immediately after line 15 at page 10 the following:

"(*e*) gross assets shall be determined as at the latest completed fiscal period at current prices in a manner prescribed by regulations."

He said: Mr. Speaker, it is striking that one of the key considerations within this Bill is the size of a given investment. There are threshold levels which set out trigger points which determine whether or not an investment will be reviewed. Yet we do not at any stage talk about how we will measure those trigger points.

This is partly a technical point and partly a substantive point. In our view, if it is not set out clearly within the Bill the way in which a trigger mechanism will be used, there is a serious danger that we could have a system in place whereby the way in which gross assets are measured for purposes of the trigger mechanism will grossly undervalue those assets. That of course would mean that takeovers that should be reviewable according to the intent of the legislation would not be reviewable because the way their asset levels are calculated leaves them under the triggering level.

The triggering level itself is $5 million in the case of a direct acquisition and $50 million in the case of an indirect acquisition. As Members of the House who are in business or who have a background in law or economics will know, many different conventions are taken to establish what constitutes the assets of a company. For instance, it is possible to look at the $5 million threshold on the basis of historical costs as depreciated within a company. On that basis, a person might easily have a company which, at fair market value, is worth $20 million, however, on its books, with historical values depreciated, it would be worth approximately $3 million. That would mean that a company which should be reviewed would escape review. Therefore, we have brought before the House a technical amendment which is designed to ensure that the substantive purpose of the Bill is achieved. The amendment states:

● (1630)

—gross assets shall be determined as at the latest completed fiscal period at current prices in a manner prescribed by regulations.

In short, we are attempting to have a value placed on assets which reflect a fair market value of the assets, rather than an artificial level which would arise from bookkeeping conventions and the operation of depreciation over a long period of time.

With respect to family-owned businesses, this is a particularly important amendment. As many Members will be aware, most family-owned businesses do not offer shares on the public stock market. Their books are likely to be calculated on the basis of historical costs and assets, and there is likely to be a depreciation charged against those historical costs in order to reach a nominal book value level. If we do not do something to ensure directly within the legislation that there is a definition of asset value which represents fair market value, then family businesses in particular will likely be taken over without the review process.

I would be particularly interested in hearing comments on this amendment from my Conservative colleagues who have experience in the accounting profession. I would like to make the point that this is an attempt to ensure that the stated purpose of the Bill, as brought forward by the Minister—that is to say, that companies with an asset value higher thant $5 million will be reviewed—will in practice be respected.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I was particularly impressed with the fact that the Hon. Member for Essex-Windsor (Mr. Langdon), in his description of the types of companies which he would want to be scourged by the amendment, would name family businesses. He said it would be those family businesses which do not keep proper records that would have to be inspected and re-audited in order to have some indication of the current value of the assets. His

attitude is that family businesses are the businesses which should be hounded by the amendment which he has proposed. Is that not typical of the New Democratic Party, to ensure that family businesses are the businesses which should have to go to some sort of re-evaluation and produce some sort of a new current eveluation system demanded in the statute with respect to determining whether their gross asset value is within in the purview of the statute?

The present contemplation of the Bill is that what is a gross asset will be defined in the regulations. That is the kind of thing which is normally left to regulations. I do not believe that any of us is really happy about regulations, but it is possible and easy to change regulations with respect to "gross assets", which is a technical term, and do that, if it does not work out, in a way which will be different as time and experience indicate.

He said that the legislation should state: "the latest completed fiscal period". What is the latest completed fiscal period? Presumably, it is the last year end of the company. So if the company is sold ten months after the year end, presumably we would have to go back to the latest fiscal period. The motion also states, "Current prices". When are the prices current? Are they current at the last fiscal period, or are they the current prices when the sale takes place? Is that not a wonderful thing for an accountant or a lawyer to interfere with or to understand? That is the very reason for which these things are done by regulations.

The amendment which was produced by the Hon. Member for Essex-Windsor is one which does not add much other than complications and problems to the Bill.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I rise briefly to indicate that we support the amendment which was brought forward by the Hon. Member for Essex-Windsor (Mr. Langdon). We believe it to be a very useful clarification of how to compute gross assets. Once again I will turn to the case which we have tried to make time and again in the House, that if the purpose of Investment Canada is to simplify and facilitate the process, that means the business community must have a higher level of certainty about what to expect. If the present Bill is left intact, as it was originally contrived, it could lead to all sorts of what might politely be called creative accounting principles in order that companies could get below the threshold levels. But by establishing clearly in the statute the formula by which those assets would be computed, that uncertainty would be eliminated. It would ensure that there would be no attempt to become manipulative or creative in determining what the assets would be.

I find it exceedingly strange that the Hon. Member for Mississauga South (Mr. Blenkarn), who has been the great crusader against over-regulation in Government, is now defending it. What a difference several months makes in terms of one's principles. How quickly they change.

The fact of the matter is that it is not a useful idea always to put things in regulation. It is better, if possible, to put them in statutory requirements, which are passed by Parliament, to have them entrenched in the legislation. That is exactly what this amendment intends to do. It intends to clarify the matter.

We think that the amendment is proper and we will support it.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 38A. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), a recorded division on the proposed motion stands deferred.

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved, seconded by Mr. Gauthier:

Motion No. 41

That Bill C-15, be amended in Clause 15 by striking out lines 9 to 13 at page 11 and substituting the following therefor:

"(*a*) it falls within a prescribed type of business that is related to Canada's cultural heritage or national identity including the publication, distribution or sale of books, magazines, periodicals or newspapers in print or machine-readable form; the production, distribution, sale or exhibition of film or video products; the production, distribution, sale or exhibition of audio or video music recordings; the publication, distribution or sale of music in print or machine-readable form; the production, distribution or sale of educational materials, or other such businesses to be further specified in regulations pursuant to this Act; and".

● (1640)

[*English*]

He said: Mr. Speaker, when debate was introduced in this House on second reading, the Minister of Regional Industrial Expansion (Mr. Stevens) extended an invitation to this House. He said, "We believe there should be full and active review in the area of cultural heritage and national identity". He said, "I want this House to help me find that concept. I want to ensure that those areas which are most vulnerable and sensitive to foreign takeovers would be adequately protected by Parliament".

During committee we spent a great deal of time looking at that concept. We had a number of very useful presentations put before us by book publishers and various different cultural organizations. They came forward with what we believe to be a very useful and important way in which Parliament itself could clearly put its statement on what it believes to be an adequate protection for national identity and cultural heritage. But once again, Mr. Speaker, the Government has changed its mind. Once again the Minister's words are not worth the paper they are written on. We might as well throw *Hansard* out, because when we come to introducing an amendment which would entrench in the statutes those areas of our cultural heritage and national identity which need protection, the Minister refuses it. He says he will leave it up to regulation, which can be rewritten at a moment's notice by Order in Council. It can be stuck away in the *Gazette* somewhere, and it means that all those organizations out there which were looking for some degree of guarantee and assurance will be denied that opportunity. That shows the total disdain this Minister has. We have seen it today. He has not been in the House during the report stage, the most important part of the debate on any Minister's Bill. Where is he, Mr. Speaker?

Mr. Lewis: Point of order, Mr. Speaker.

Mr. Axworthy: I withdraw the remark, Mr. Speaker. Let's just say—

Mr. Deputy Speaker: Order, please.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Without reflecting on the Hon. Member's presence in the House, I draw to his attention that it is not parliamentary to reflect upon the absence of other Hon. Members in the House. I would welcome it if the Hon. Member would return to the address which he was creating in the lobby.

Mr. Axworthy: Mr. Speaker, I would be more than happy to continue even though there are certain critical and strategic individuals and personalities who should be here but who are not, but I would not think of naming them.

With respect to this amendment, Mr. Speaker, the point is that this seems to be a right of Parliament. The Minister gave us the invitation which he is now ignoring. He does not want to deal with it. I know the reason why. It is because the Government really has no intention of living up to the protection and guarantee of those crucial industries.

In the last six to seven months there have been a number of important cases dealing with book publishing before the Government, with which it could easily dispense, which would provide a very clear signal to foreign investors that in crucial strategic areas we do not want foreign purchases. Yet because of the lack of attention and decision by the Minister, we now have even further takeovers. A number of new takeovers were announced in April and May by other foreign investors in the book publishing industry. It seems to me, Mr. Speaker, that the Minister is really not vitally interested in having any kind of control or restriction of foreign investment in the cultural area.

I would like to draw to the attention of the House another important and crucial area. Sometimes we have to laugh at the pretensions of this Government. It says it is the Government of the new social order. It is going to be in the vanguard of change. We had a number of people before the committee who said, "Look. The world is changing and data processing is the one area which it is crucial to protect". It is the 1980s equivalent of book publishing. People now put all kinds of things on computers. There is all kinds of software. What the computer people are saying is that there is an enormous haemorrhage of computer data processing to the United States. Close to $2 billion or $3 billion is lost every year in that industry simply because at this point in time there is no protection. Therefore, we introduced that responsibility in the amendment. We are saying, "Let's incorporate that as part of our cultural heritage and make sure that it is protected by legislation". Is the pioneer of change, the Government which is in the vanguard of the new electronic age, prepared to recognize that? No, it does not even deal with the matter. It will not even consider it. It will not give Parliament the right to make its voice heard by ensuring that it is part of the legislation. What that really adds up to, Mr. Speaker, is a subterfuge, a camouflage. This Government has no intention of providing protection for the cultural industries. It has very little interest in national identity. It does not want to have Parliament speak with a voice which will allow for that protection.

In this last moment before we start the vote, it would seem to me that those Hon. Members who listen to their conscience and feel that it is important that Parliament retain its rightful role to speak for the Canadian people and to protect our Canadian cultural and national identity, would vote for this amendment.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 4.45 p.m., pursuant to order made Thursday, May 23, 1985, it is my duty to interrupt proceedings and put forthwith every question necessary to dispose of the report stage of the Bill now before the House.

[*English*]

The question is on Motion No. 41 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), a recorded division on the proposed motion stands deferred.

Motions Nos. 50, 52 and 53 are to be grouped for debate but voted on separately and a vote on Motion No. 50 will dispose of Motion No. 52.

The question is on Motions Nos. 50 and 52 standing in the name of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), and Motion No. 53 standing in the name of the Hon. Member for Essex-Windsor (Mr. Langdon).

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 50

That Bill C-15, be amended in Clause 15 by striking out lines 14 to 23 at page 11.

Mr. Deans: Mr. Speaker, I rise on a point of order. I am very sorry to interrupt and I do apologize. However, I was meeting with the other House Leaders and we did not realize that the point had been reached where we are required to deal with the outstanding legislation. I would like to ask a question before I make a proposal. I would like to ask whether you are, Mr. Speaker, in fact, at the point of dealing with the motions which have not yet been debated but which must inevitably be put to the House in order to accommodate the necessity for divisions?

I would like, therefore, to ask, with that in mind, if you would seek the unanimous consent of the House to have all the outstanding motions deemed to have been deferred pursuant to the provisions of Standing Order 79(11) so that we can now get on with the calling in of Hon. Members and avoid the necessity of the Chair having to read each of the motions which have not yet been debated and the formalities being gone through.

Mr. Deputy Speaker: You have heard the motion of the House Leader for the New Democratic Party. Is there unanimous consent to the motion?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, perhaps we should get this clarified before we have the vote because I think there might be a disposition with respect to the votes, and I want to put the proposition forward on the basis of considerations of the opposition Parties, which I appreciate very much because there are a great number of votes. My understanding is that there may be a disposition that if the question on Motion No. 1 is put to the House, the vote on that motion will also be recorded as applying to Motions Nos. 2, 4, 6, 7, 8, 10, 11, 12, 15, 16, 17, 18, 19, 20, 23, 25, 30, 31, 32, 34, 35, 36, 38, 38A, 41, 50, 52, 53, 63, 67, 69, 70, 72, 74, 75, 76, 76A, 77, 77B, 77C, 78, 79, 80, 81 and 89.

• (1650)

The next question to be put to the House will be on Motion No. 27. The vote on this motion will be recorded as applying to Motions Nos. 68, 77A and 85.

The final question to be put to the House will be on the motion for concurrence in the Bill at report stage, and there will be a vote on this motion. I think there is agreement with respect to grouping the votes in this manner.

Mr. Speaker: Just to clarify, I understand that Motion No. 31 has been withdrawn.

Mr. Hnatyshyn: You are right.

Mr. Deans: Mr. Speaker, to the best of my ability, using my capacity to remember to its absolute maximum, I think the numbers read out by the Government House Leader (Mr. Hnatyshyn) are correct. I must confess that I had anticipated that this particular procedure would have occurred after the bells rang and after the first vote was taken. If you would allow the bells to ring now, I would have an opportunity to compare my list with the list read out. I think that what has been proposed is ideal and we would, no doubt, agree with it.

Mr. Axworthy: Mr. Speaker, we are certainly disposed to follow through on this particular pattern. I, for one, was quite prepared to stay up the whole evening voting because I do that anyway these days. However, for the sake of other Members of Parliament we would be very happy to follow this procedure. I think it is very important that we do provide for an examination to ensure that the list of motions read by the House Leader concur with our own set. I would advise you that I did withdraw Motion No. 31 during the course of debate today, so it is not included in that list.

Mr. Speaker: I take it that we will, therefore, technically deal with the question of groupings in a little while. The House will now proceed to the taking of the deferred divisions at report stage of Bill C-15, an Act respecting investment in Canada.

Call in the Members.

And the division bells having rung:

Mr. Speaker: The Hon. President of the Privy Council (Mr. Hnatyshyn).

Mr. Hnatyshyn: Mr. Speaker, you will recall the exchange that took place before the bells rang. It may be appropriate now that my distinguished colleagues in the Opposition have had an opportunity to look at the list for them to respond with respect to the groupings for the purpose of voting.

Mr. Axworthy: Mr. Speaker, in the short interval we have had, we have confirmed the number of amendments which the Government House Leader put forward just prior to the ringing of the bells. It conforms with the agreement we have made. We want to say that each amendment is important in its own right but we feel that for the facility of this House we will be able to agree that the vote on Motion No. 1 will follow

through the votes outlined. We will follow with Motion No. 27 for the second round of votes and we will vote accordingly.

Mr. Deans: Mr. Speaker, I am pleased to say that the list put on the record by the Government House Leader prior to the ringing of the bells is accurate. I want to add that in all cases the votes should be recorded as if they had been taken.

Mr. Speaker: Accordingly, the first question is on Motion No. 1. The vote on this motion will also be recorded as applying to the several motions as outlined in the agreement reached a few minutes ago earlier this day and each vote will be individually recorded.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 1

That Bill C-15, be amended in Clause 2 by striking out lines 6 to 14 at page 1 and substituting the following therefor:

"(2) Recognizing that increased capital investment and innovative technology would benefit Canada, the purpose of this Act is to provide for the notification and review of proposed investments in Canada by non-Canadians in order to ensure that they contribute to economic growth and employment opportunities, and to encourage beneficial investment in Canada by Canadians."

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

(Division No. 30)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 2

That Bill C-15, be amended in Clause 2 by striking out line 7 at page 1 and substituting the following therefor:

"technology under the appropriate terms and conditions established by the government, would benefit Canada, the pur-".

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

(Division No. 31)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

Investment Canada Act

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 4

That Bill C-15, be amended in Clause 4 by striking out lines 12 to 15 at page 4 and substituting the following therefor:

"4. The Minister is responsible for the administration of this Act and the provision of policy direction to the Agency established by section 6."

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

(Division No. 32)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 6

That Bill C-15, be amended in Clause 5 by striking out lines 20 to 22 at page 4 and substituting the following therefor:

"(*b*) assist Canadian businesses to exploit opportunities for investment and technological advancement and find Canadian buyers wherever possible to purchase businesses of value to Canada;"

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

(*Division No. 33*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 7

That Bill C-15, be amended in Clause 5 by striking out lines 23 to 25 at page 4 and substituting the following therefor:

"(*c*) carry out research and analysis relating to domestic and international investment, including research on means to achieve greater autonomy by non-Canadian controlled businesses in Canada to compete for world markets with their parent firms, and table the results in the House of Commons;".

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

(*Division No. 34*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin

Messrs.

Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 8

That Bill C-15, be amended in Clause 5 by striking out line 25 at page 4 and substituting the following therefor:

"ment and make public, where not expressly prohibited by federal legislation, the results of this research and analysis;"

Motion No. 12

That Bill C-15, be amended in Clause 5 by striking out line 34 at page 4 and substituting the following therefor:

"ance with this Act;

(*g*) regularly compile and make public information, where not expressly prohibited by federal legislation, pertaining to the performance of Canadian businesses owned and controlled by non-Canadians;"

Motion No. 32

That Bill C-15, be amended in Clause 13 by adding immediately after line 33 at page 9 the following:

"(4) the Agency will:

(*a*) make public within a reasonable time period all new businesses and acquisitions under this part; and

(*b*) make public within a period not exceeding 14 days after notification is given all proposed investments subject to review under Part IV."

Motion No. 63

That Bill C-15, be amended in Clause 21 by striking out line 25 at page 14 and substituting the following therefor:

"Canada, and shall make public his ruling including all undertakings made in connection with the investment."

Motion No. 69

That Bill C-15, be amended in Clause 22 by striking out line 4 at page 15 and substituting the following therefor:

"notice to that effect to the applicant and shall make public its decision including all undertakings made by the applicant."

Motion No. 74

That Bill C-15, be amended in Clause 23 by adding immediately after line 47 at page 15 the following:

"(*c*) the Governor-in-Council shall make public decisions described in subsection (*a*) or (*b*), including in respect to (*a*) all undertakings made by the applicant and in respect to (*b*) the reasons for its disallowal."

Motion No. 75

That Bill C-15, be amended in Clause 25 by striking out lines 9 to 11 at page 16 and substituting the following therefor:

"relating to the investment annually for a period not less than five years in order to permit the Agency to determine, and where lawful, make public, whether the".

The House divided on Motion No. 8 (which applies to Motions Nos. 12, 32, 63, 69, 74, and 75), which was negatived on the following division:

(*Division No. 35*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin

Messrs.

Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 9

That Bill C-15, be amended in Clause 5 by striking out lines 29 to 31 at page 4 and substituting the following therefor:

"(*e*) assist in the development of industrial and economic policies that affect investment in Canada and consult with labour, business and community representatives about the effects of proposals for acquisitions and new business establishments by non-Canadians on regional employment and economic growth, within the limits of confidentiality to protect commercially valuable information disclosed by non-Canadian investors;".

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

(*Division No. 36*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis
(Mrs.)
Edwards
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 10

That Bill C-15, be amended in Clause 5 by striking out lines 29 to 31 at page 4 and substituting the following therefor:

"(*e*) develop medium term and long term public and private industrial sector investment guidelines consistent with an industrial strategy that emphasizes full employment, growth, diversification, autonomy and export competitiveness of the Canadian economy;".

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

Investment Canada Act

(Division No. 37)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 11

That Bill C-15, be amended in Clause 5 by striking out lines 32 to 34 at page 4 and substituting the following therefor:

"(f) ensure that the notification and review of investments are carried out in accordance with this Act to achieve net additional employment, net technological upgrading, net new export markets, additional domestic competition, and other measurable benefits to Canada;".

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

(Division No. 38)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin

Messrs.

Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 15

That Bill C-15, be amended in Clause 5 by striking out line 34 at page 4 and substituting the following therefor:

"ance with this Act;

(*g*) encourage and facilitate the acquisition of control of Canadian businesses by Canadians in areas pertaining to cultural heritage and national identity by arranging consortia of Canadian owned businesses, joint venture arrangements and other equity sharing ventures with non-Canadians and with Canadian Crown Corporations and other means as the Governor-in-Council deems necessary;".

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

(*Division No. 39*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis
(Mrs.)
Edwards
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray
(Bonaventure-Îles-de-
la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 16

That Bill C-15, be amended in Clause 5 by adding immediately after line 34 at page 4 the following:

"(*g*) advise the Governor in Council of proposed allowance or disallowance of investments in new businesses or acquisitions by non-Canadians in accordance with the provisions set out elsewhere in this Act and seek its approval therefor; and"

and by renumbering the subsequent paragraph.

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

Investment Canada Act

(Division No. 40)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 17

That Bill C-15, be amended in Clause 5 by striking out line 3 at page 5 and substituting the following therefor:

"the government of any province or territory or any".

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

(Division No. 41)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil

Messrs.

Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 18

That Bill C-15, be amended in Clause 5 by striking out lines 6 to 9 at page 5 and substituting the following therefor:

"(*c*) shall convene industrial sector-based advisory groups consisting of representatives of business, labour, provincial and local authorities and other interested parties, to make recommendations with regard to private and government investment and related policies and priorities in their sectors in conjunction with subsection in 5(1)(*e*)."

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

(*Division No. 42*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 19

That Bill C-15, be amended in Clause 6 by striking out lines 12 to 14 at page 5 and substituting the following therefor:

"the Minister in exercising his powers under this Act, to secure notifications and conduct reviews of investments by non-Canadians under this Act, and provide to other relevant federal departments and agencies information about means to stimulate investment by Canadians in Canada."

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

(*Division No. 43*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

Investment Canada Act

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 20

That Bill C-15, be amended in Clause 6 by adding immediately after line 14 at page 5 the following:

"(2) The Agency shall have the power to ask for policy directives from the Governor-in-Council as it deems necessary."

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

(*Division No. 44*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 23

That Bill C-15, be amended in Clause 10 by striking out lines 6 to 10 at page 6.

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

(Division No. 45)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 25

That Bill C-15, be amended in Clause 10 by striking out lines 49 and 50 at page 6 and lines 1 to 43 at page 7.

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

(Division No. 46)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig

Messrs.

Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 30

That Bill C-15, be amended in Clause 12 by striking out lines 19 to 21 at page 8 and substituting the following therefor:

"an making the investment shall, at least forty-five days prior to the anticipated implementation of the investment or, if this is not possible and the Agency has been notified that it is not possible, at least one day prior to implementation, except as provided elsewhere in this Act, in the".

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

(*Division No. 48*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 34

That Bill C-15, be amended in Clause 14 by striking out lines 36 to 40 at page 9 and substituting the following therefor:

"(*a*) an investment to acquire control of a Canadian business in any manner described in paragraph 28 where the value calculated in the manner prescribed of

(i) the gross assets acquired, in the case where control of a Canadian business is acquired in the manner described in paragraph 28(1)(c), or

(ii) the gross assets of the entity carrying on the Canadian business and of any other entity in Canada the control of which is acquired directly or

indirectly, in the case where control of a Canadian business is acquired in the manner described in paragraph 28(1)(a), (b) or (d),

is five million dollars or more;".

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

(Division No. 49)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 35

That Bill C-15, be amended in Clause 14 by striking out lines 36 to 40 at page 9 and substituting the following therefor:

"*(a)* an investment to acquire control of a Canadian business in a manner described by section 28 except where that business is in the area of cultural heritage or national identity;".

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

(Division No. 50)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann

Messrs.

Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 36

That Bill C-15, be amended in Clause 14 by striking out lines 41 and 42 at page 9 and lines 1 to 3 at page 10 and substituting the following therefor:

"(*b*) an investment to establish a new business where the assets of the new business are five million dollars or more;".

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

(*Division No. 51*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 38

That Bill C-15, be amended in Clause 14 by striking out lines 10 to 15 and lines 45 to 47 at page 10 and lines 1 to 5 at page 11.

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

(*Division No. 52*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton

Messrs.

Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis
(Mrs.)
Edwards
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 38A

Investment Canada Act

That Bill C-15, be amended in Clause 14 by adding immediately after line 15 at page 10 the following:

"(*e*) gross assets shall be determined as at the latest completed fiscal period at current prices in a manner prescribed by regulations."

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

(*Division No. 53*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis
(Mrs.)
Edwards
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)

Messrs.

Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 41

That Bill C-15, be amended in Clause 15 by striking out lines 9 to 13 at page 11 and substituting the following therefor:

"(*a*) it falls within a prescribed type of business that is related to Canada's cultural heritage or national identity including the publication, distribution or sale of books, magazines, periodicals or newspapers in print or machine-readable form; the production, distribution, sale or exhibition of film or video products; the production, distribution, sale or exhibition of audio or video music recordings; the publication, distribution or sale of music in print or machine-readable form; the production, distribution or sale of educational materials, or other such businesses to be further specified in regulations pursuant to this Act; and".

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

(*Division No. 54*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 50

That Bill C-15, be amended in Clause 15 by striking out lines 14 to 23 at page 11.

Motion No. 52

That Bill C-15, be amended in Clause 17 by striking out lines 20 to 23 at page 12.

The House divided on Motion No. 50 (which applies to Motion No. 52), which was negatived on the following division:

(*Division No. 55*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 53

That Bill C-15, be amended in Clause 19 by striking out lines 8 to 26 at page 13 and substituting the following therefor:

"19. (1) The agency shall make a written submission of its recommendations to the Governor-in-Council regarding the investment application under this Part which documents the reasons for the recommendation and other interventions which the Agency has received in connection with this application.

(2) The Agency will accept and solicit interventions from parties affected or potentially affected, by the application, including interventions from provinces, territories, municipalities, workers, suppliers, customers or other affected parties."

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

(*Division No. 56*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)

Messrs.

Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 67

That Bill C-15, be amended in Clause 22 by striking out line 40 at page 14 and substituting the following therefor:

"thirty days from the date, or in the case of investments enumerated under Section 15, forty-five days from the date of the sending of".

The House divided on Motion No. 67, which was negatived on the following division:

(*Division No. 57*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 70

That Bill C-15, be amended in Clause 22 by striking out line 11 at page 15 and substituting the following therefor:

"to the applicant confirming that the investment may proceed."

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

(*Division No. 59*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest

Messrs.

Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 72

That Bill C-15, be amended in Clause 23 by striking out line 18 at page 15 and substituting the following therefor:

"notice to that effect to the applicant containing reasons why a net benefit has not been achieved by the proposal to the applicant, and advising".

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

(*Division No. 60*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 76

That Bill C-15, be amended in Clause 25 by adding immediately after line 15 at page 16 the following:

"(2) Notwithstanding the above, the Agency may, pursuant to a representation from a party which claims to be adversely affected by a breach of undertakings, or for other reasons as the Agency deems necessary, require information immediately to determine whether the investment is being carried out in accordance with the application filed under section 17, and thereby to determine the validity of the affected party's claim."

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

(Division No. 61)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 76A

That Bill C-15, be amended in Clause 26 by striking out lines 16 to 43 at page 16 and lines 1 to 18 at page 17 and substituting the following therefor:

"26. (1) For the purposes of this Act,

(*a*) where one Canadian or two or more members of a voting group who are Canadians own at least two-thirds of the voting interests of an entity it is a Canadian controlled entity, unless it can be demonstrated that a non-Canadian, or group of non-Canadians, exercises control through either its minority voting interest or through other means.

(*b*) where one Canadian, or two or more Members of a voting group who are Canadians own less than two thirds of the voting interests of an entity it is a non-Canadian controlled entity unless it can be demonstrated that a Canadian or group Canadians, exercises control either through its minority voting interests or through other means."

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

(Division No. 62)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer

NAYS

Messrs.

Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 77

That Bill C-15, be amended in Clause 26 by striking out lines 28 to 39 at page 16 and substituting the following therefor:

"(*c*) where a corporation incorporated in Canada or elsewhere that is controlled in any manner that results in control in fact whether directly through the ownership of shares or indirectly through a trust, a contract, the ownership of shares of any other corporation, it is not a Canadian-controlled entity; and".

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

(*Division No. 63*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 77B

That Bill C-15, be amended in Clause 26 by striking out lines 31 and 32 at page 17 and substituting the following therefor:

"(*a*) four-fifths of its voting shares are owned by Canadians and it can be established that no non-Canadian exercises control through its voting shares or

indirectly through a trust or a contract, or by virtue of its relationship as a creditor, a supplier or a buyer,".

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

(*Division No. 65*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 77C

That Bill C-15, be amended in Clause 28

(*a*) by striking out line 44 at page 19 and substituting the following therefor:

"Canadian business, or that is carrying on a branch business in Canada, where".

(*b*) by striking out line 4 at page 20 and substituting the following therefor:

"Canadian business, or that is carrying on a branch business in Canada, or".

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

(*Division No. 66*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann

Messrs.

Horner
Howie
James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 78

That Bill C-15, be amended in Clause 28 by striking out lines 2 and 3 at page 21 and substituting the following therefor:

"but five percent of the voting shares of a publicly traded corporation or twenty per cent or more of the voting shares of a non-publicly traded corporation or of an equivalent undi-".

Motion No. 79

That Bill C-15, be amended in Clause 28 by striking out lines 11 and 12 at page 21 and substituting the following therefor:

"(*d*) the acquisition of less than five percent of voting shares of publicly-traded corporations and less than twenty percent of non-publicly traded corporations or of".

The House divided on Motion No. 78 (which applies to Motion No. 79), which was negatived on the following division:

(*Division No. 67*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis
(Mrs.)
Edwards
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg
(Nanaimo-Alberni)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 80

That Bill C-15, be amended in Clause 35 by striking out lines 9 to 19 at page 23 and substituting the following therefor:

"(2) Any regulations prescribed by the Governor-in-Council as described in subsection (1), shall be laid before each House of Parliament on any of the first five days on which that House is sitting after they are made and shall not come into force before sixty days after they are made."

Investment Canada Act

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

(*Division No. 68*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mme)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Mlle) (Kingston et les Îles)
MacDougall (Timiskaming)
MacKay
Mailly (Mme)
Malone
Marin
Martin (Mme)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mme) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaïmo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mme)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mme) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke-Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 81

That Bill C-15, be amended in Clause 35 by striking out lines 11 to 15 at page 23 and substituting the following therefor:

"an business shall be laid before each House of".

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

(*Division No. 69*)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay

Messrs.

Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

Motion No. 89

That Bill C-15, be amended in Clause 36 by striking out lines 13 and 14 at page 25 and substituting the following therefor:

"where it has been satisfactorily demonstrated to the presiding judge that the com-".

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

(Division No. 71)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Cassidy
Copps (Ms.)
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett (Ms.)
Kaplan
Langdon
Lapierre
Malépart
Marchi
Murphy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Ouellet
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rodriguez—42.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—159.

Mr. Speaker: I declare the motion lost.

The next question is on Motion No. 27. The vote on this motion will be recorded as applying to Motions Nos. 68, 77A and 85.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 27

That Bill C-15, be amended in Clause 11 by striking out line 11 at page 8 and substituting the following therefor:

"Canadian business unless it is reviewable under Part IV; and".

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

(Division No. 47)

YEAS

Messrs.

Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Cassidy
Deans
de Jong
Epp (Thunder Bay-Nipigon)
Fulton
Heap
Hovdebo
Jewett (Ms.)
Langdon
McCurdy
Murphy
Nystrom
Parry
Riis
Robinson
Rodriguez—21.

Investment Canada Act

NAYS

Messrs.

Allmand
Andre
Attewell
Axworthy
Baker
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Boudria
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
de Corneille
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Foster
Fraser
Fretz
Friesen
Frith
Gagnon
Gass
Gauthier
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malépart
Malone
Marchi
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Miss) (Trinity)
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Nunziata
Oberle
O'Neil
Oostrom
Ouellet
Pépin (Mrs.)
Peterson
Pietz
Plourde
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—180.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 68

That Bill C-15, be amended in Clause 22 by striking out lines 42 to 44 at page 14 and substituting the following therefor:

"deemed necessary by the Governor-in-Council."

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

(Division No. 58)

YEAS

Messrs.

Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Cassidy
Deans
de Jong
Epp (Thunder Bay-Nipigon)
Fulton
Heap
Hovdebo
Jewett (Ms.)
Langdon
McCurdy
Murphy
Nystrom
Parry
Riis
Robinson
Rodriguez—21.

NAYS

Messrs.

Allmand
Andre
Attewell
Axworthy
Baker
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Boudria
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
de Corneille
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Foster
Fraser
Fretz
Friesen
Frith
Gagnon
Gass
Gauthier
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malépart
Malone
Marchi
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Miss) (Trinity)
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Nunziata
Oberle
O'Neil
Oostrom
Ouellet
Pépin (Mrs.)
Peterson
Pietz
Plourde
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—180.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 77A

That Bill C-15, be amended in Clause 26

(*a*) by striking out line 29 at page 17 and substituting the following therefor:

"the open market, the Agency as satisfied".

(*b*) by striking out line 11 at page 18 and substituting the following therefor:

"and the Agency shall so notify the".

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

(*Division No. 64*)

YEAS

Messrs.

Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Cassidy
Deans
de Jong
Epp (Thunder Bay-Nipigon)
Fulton
Heap
Hovdebo
Jewett (Ms.)
Langdon
McCurdy
Murphy
Nystrom
Parry
Riis
Robinson
Rodriguez—21.

NAYS

Messrs.

Allmand
Andre
Attewell
Axworthy
Baker
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Boudria
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
de Corneille
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Foster
Fraser
Fretz
Friesen
Frith
Gagnon
Gass
Gauthier
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malépart
Malone
Marchi
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Miss) (Trinity)
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Nunziata
Oberle
O'Neil
Oostrom
Ouellet
Pépin (Mrs.)
Peterson
Pietz
Plourde
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—180.

Mr. Speaker: I declare the motion lost.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 85

That Bill C-15, be amended in Clause 36

(*a*) by striking out line 5 at page 25 and substituting the following therefor:

"(5) A Minister of the Crown and an

(*b*) by striking out lines 11 to 20 at page 25 and substituting the following therefor:

information received in connection with the administration of this Act."

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

(*Division No. 70*)

YEAS

Messrs.

Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Cassidy
Deans
de Jong
Epp (Thunder Bay-Nipigon)
Fulton
Heap
Hovdebo
Jewett (Ms.)
Langdon
McCurdy
Murphy
Nystrom
Parry
Riis
Robinson
Rodriguez—21.

NAYS

Messrs.

Allmand
Andre
Attewell
Axworthy
Baker
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Boudria
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney

Messrs.

de Corneille
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Foster
Fraser
Fretz
Friesen
Frith
Gagnon
Gass
Gauthier
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malépart
Malone
Marchi
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Miss) (Trinity)
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Nunziata
Oberle
O'Neil
Oostrom
Ouellet
Pépin (Mrs.)
Peterson
Pietz
Plourde
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—180.

Mr. Speaker: I declare the motion lost.

The next question is on the motion for concurrence.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion) moves that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

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

(*Division No. 72*)

YEAS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Bourgault (Mrs.)
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crofton
Crouse
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraser
Fretz
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
James
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Mayer
Mazankowski
McCain
McDermid
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Peterson
Pietz
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St. Germain
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Tardif (Mrs.) (Charlesbourg)
Taylor
Toupin
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—160.

NAYS

Messrs.

Allmand	Foster	Malépart
Althouse	Frith	Marchi
Angus	Fulton	McCurdy
Axworthy	Gauthier	Murphy
Baker	Gray (Windsor West)	Nicholson (Miss) (Trinity)
Berger	Guilbault (Saint-Jacques)	Nunziata
Blackburn (Brant)	Heap	Nystrom
Blaikie	Hopkins	Ouellet
Boudria	Hovdebo	Parry
Cassidy	Jewett (Ms.)	Pépin (Mrs.)
Deans	Kaplan	Prud'homme
de Corneille	Langdon	Riis
de Jong	Lapierre	Robinson
Epp (Thunder Bay-Nipigon)		Rodriguez—41.

Mr. Speaker: I declare the motion carried.

Is there a disposition with regard to calling it six o'clock?

Some Hon. Members: Agreed.

Mr. Speaker: Do I take it, therefore, there is unanimous consent that I now call it six o'clock?

Some Hon. Members: Agreed.

At 5.38 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, June 5, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

PROPOSED PEST MANAGEMENT ADVISORY BOARD

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this brief intervention is on the desirability of establishing a pest management advisory board. In December, 1983, the Hon. Eugene Whelan, the great and former Minister of Agriculture, announced the assessment and registration of pesticides would become a public process. The Government at that time recognized the danger that indiscriminate use of pesticides poses to the public, the environment, and the economy.

There is a need for public scrutiny of new compounds being introduced to the market to ensure there has been satisfactory testing of these products with regard to human health, carcinogenic and mutogenic properties, and environmental persistence. Potential risks of a particular pesticide must be weighed carefully against the potential benefits derived from its application. It is only reasonable that the affected public be party to and have a say in the decision-making process.

The pest management advisory board was seen as a mechanism to provide appropriate public consultation. Mr. Whelan made a commitment to establish such a board, in May, 1984. The present Minister of Agriculture (Mr. Wise) confirmed his commitment to the creation of a pest management advisory board in October, 1984. The Minister also assured the House on March 1 of this year that an announcement was coming very, very soon.

We are patiently awaiting an announcement on the formation of a pest management advisory board.

Mr. Speaker: I must advise the Hon. Member that his time has expired.

COMBINES

MERGER OF UNITED PRESS WITH CANADIAN PRESS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to condemn the Government for its continuing failure to address the problems of competition in the news industry.

In January competition was substantially decreased with the merger of United Press Canada with Canadian Press. We are seeing the adverse effects of that merger in terms of coverage of Parliament today because of cut-backs in service by CP, something it would not have dared do if United Press were still functioning.

On Monday the Government went a giant step further by reversing the previous ban on newspaper publishers holding television licences. This was done without any consultation with the public. In effect, this confirmed the status of the entire Province of New Brunswick as a journalistic slum where the Irving family controls the major media, and a good chunk of the rest of the provincial economy. Other areas and cities, such as London, Ontario, have similar problems of one family or corporation controlling the means by which large numbers of people get their news.

Yet the Government saw fit to take this action well in advance of tabling its proposals for amending the Combines Act, and well in advance of the report of the committee which was appointed to conduct a review of our broadcasting system. This leaves me and my Party to conclude that, yes, Conservatives do believe in competition and market forces but only when they do not get in the way of their friends, friends who own the newspapers, and friends who hold the broadcasting licences and make hefty donations to the Conservative Party.

* * *

WORLD ENVIRONMENT DAY

TRIBUTE TO VOLUNTEERS' WORK

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, today is World Environment Day as identified by the United Nations, and symbolized by our white carnations. I am proud to bring to the attention of the House that this year's theme of Canada's Environment Week is "Environment: A Shared Responsibility".

Ceremonies today across Canada will highlight the participation by volunteers in the different environmental services from which we all benefit.

[*Translation*]

In fact, some 1,600 Canadians regularly provide the Atmospheric Environment Service with indispensable weather data. Forty inspectors spend a large part of their time monitoring and supporting the work of these volunteers.

[*English*]

There are 25 volunteer associations throughout Canada that assist in the utilization of our national parks, historical sites, and canals.

Parks Canada alone benefits from the work of over 2,000 volunteers who are involved either in conservation, reconstitution of historic events, or guided tours of historic sites for parks.

I would like to join my thanks with those of the Minister of the Environment (Mrs. Blais-Grenier) today as she issues certificates of merit to outstanding volunteers. We need their enthusiasm, and I am certain our Government's recognition of their tremendous contribution will provide further encouragement for them to increase their involvement in our environmental development.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

DEVELOPMENT OF FIRST NATIONAL MARINE PARK

Mr. André Harvey (Chicoutimi): Mr. Speaker, I am proud to rise in the House on behalf of the people of the Saguenay-Lac-Saint-Jean area, the riding of Chicoutimi and especially the residents of the Lower Saguenay, to offer their thanks to the Minister of the Environment (Mrs. Blais-Grenier).

It has taken our Government only eight months to reach a consensus with the Government of Quebec on federal participation in the Saguenay Park, only eight months, while our predecessors were still negotiating after fifteen years of discussion and useless confrontation.

In the Throne Speech our Prime Minister (Mr. Mulroney) referred to a new spirit of cooperation in this country, and I think this is an eloquent example.

Our Government is therefore proceeding with the development of Canada's first national marine park. Under the direction of Parks Canada, we shall be preparing a feasibility study with parameters for intervention to be applied in the years to come.

This study, to be conducted jointly with the Government of Quebec and wholly financed by Environment Canada, will make it possible to integrate the Saguenay Fjord in our national parks network, which will also stimulate the development of the tourism and recreation industry in the Saguenay-Lac-Saint-Jean area.

Mr. Speaker, the future looks promising for the people in this area, who were fed up with empty promises and for fifteen years had been kept isolated from any positive impact that Canada's tourist industry might have.

* * *

[*English*]

PENSIONS

EFFECT OF BUDGET

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister of Finance (Mr. Wilson) in his Budget has proposed that each senior citizen couple take a cut-back in the purchasing power of their old age pensions next year in the amount of $200. In the next five years this will amount to a cut-back of over $1,200 in the purchasing power of their pensions. This is wrong, wrong, wrong.

I appeal to the Government to listen to its backbenchers like the Hon. Member for Victoria (Mr. McKinnon) and the Hon. Member for York East (Mr. Redway), who are telling it that to cut back on old age pensions next year would be wrong.

The Budget will put 750,000 of our low-income families below the poverty line during the next several years.

The Budget has given the multinational oil companies $10.9 billion over the next five years in reduced taxes and increased oil revenues.

Last year the multinational oil companies had record profits: Imperial Oil, $533 million, up 83 per cent; Gulf Oil, $308 million, up 41 per cent; Texaco, $423 million, up 23 per cent; and Shell Oil, $123 million, up 20 per cent.

This action of asking the senior citizens to give up $200 a couple next year in order to lower taxes for the multinational oil companies which have already recorded maximum profits, is unfair, unjust, and totally obscene. The cut-backs in seniors' pensions must be restored immediately.

* * *

PENSIONS

PROTESTS AGAINST INDEXATION CHANGES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my colleague, the Hon. Member for Beaches (Mr. Young), has just returned from Moose Jaw where he spoke to the annual convention of Saskatchewan senior citizens, a group called Action Now. They passed a resolution opposing the Government's very cruel plan to deindex the old age security pension. Their motion reads:

• (1410)

Be it resolved that the Mulroney Government immediately cancel the proposed deindexation of pensions.

They are not alone. Three courageous PC back-benchers, the Hon. Member for Victoria (Mr. McKinnon), the Hon. Member for York East (Mr. Redway), and the Hon. Member

for Don Valley East (Mr. Attewell), appear to be opposed to deindexing as well. However, I want to help my friends in the PC Party get rid of this cruel and heartless proposal of the Minister of Finance (Mr. Wilson).

I have here copies of a petition which we in the NDP caucus are distributing to people in our constituencies. I have had some 252 more copies run off this morning, so I can send a copy to each Member of the House. If I can have a page, I will send 211 over to the PC Whip—

Mr. Speaker: Order.

Mr. Nystrom: —which he can distribute to his caucus; and if I could have another page, I have another 40 here for the Liberal Whip, which he can distribute to his caucus as well.

Mr. Speaker: Order. Will the page please revert to his place?

* * *

WORLD ENVIRONMENT DAY

GROWTH OF POLLUTION

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, today being World Environment Day, it is important to emphasize the impact of environmental issues on each and every one of us.

The damaging storms and tornadoes which swept through Ontario and the United States have served as a grim reminder of the enormous devastation that can be wrought by nature. Yet, far more powerful is the ability of man to alter and destroy his environment. In my own riding of Parkdale-High Park the sewage ridden Humber River is the largest source of pollution of the western beaches of Lake Ontario. PCBs and chemical spills in the Junction Triangle are a continuous threat to the schoolchildren and residents of west Toronto.

Ontario's northern lakes have become polluted to the point where they are considered dead. Our wildlife is endangered by the upset ecological balance, and acid rain has become a fact of life in most industrialized countries.

The environment is a shared responsibility between all levels of government and all nations. We must act now to protect the environment and to reverse the cycle of destruction already begun. Initiatives have already been taken by the Government with the introduction of the new automobile emission standards, and $300 million has already been committed over the next decade to the war on acid rain. I urge the federal, provincial, and municipal Governments in Canada, and leaders of all nations, to continue these efforts and to expand their commitment to dealing with this most important issue.

S.O. 21

[*Translation*]

PETRO-CANADA

ANNOUNCEMENT OF REDUCED GASOLINE PRICES

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, further to the concerns of consumers and our friends opposite, I would like to remind the House that on June 1, in accordance with the Western Oil Accord, we abolished the Canadian Ownership Special Charge. I therefore welcome this opportunity to inform the House that Petro-Canada was the first to announce a reduction in the price of gas of 0.7 cents per litre, thereby setting an example for the other companies who immediately announced they would follow suit by posting this cut in the retail price of gas.

It is high time Petro-Canada acted as a good corporate citizen, something Canadians have been waiting for for a long time, and this is the first time I have wanted to congratulate the Corporation on showing such excellent leadership.

* * *

[*English*]

TRADE

QUOTAS ON SHIRT IMPORTS FROM BANGLADESH

Mr. David Berger (Laurier): Mr. Speaker, on page 5 of today's edition of *The Globe and Mail* there is an ad asking Canadians to contribute $1 million to help Bangladesh cyclone victims. The ad is sponsored by groups such as Oxfam, UNICEF, Save the Children Fund, and Canadian Hunger Foundation.

On page 8 of the same newspaper there is an article entitled: "Ottawa to Institute Quotas on Bangladesh Shirt Imports". This measure is to be imposed in spite of the fact that shirts are almost the only product Bangladesh sells to Canada and that they do not compete with shirts manufactured in Canada but rather with imports from South Korea, Hong Kong, and Taiwan. Bangladesh is also the largest single recipient of Canadian foreign aid, and much of that aid has been for training rural women in the textile industry.

I wish to protest in the strongest possible terms the imposition of quotas on shirts from Bangladesh. I remind the Government of the public response evoked by the song *We Are the World*, and its own commitments to make the domestic industry competitive. Imposing such quotas will demonstrate that the Government has no brighter day to offer Canadians and the world; just shop-worn, regressive, and defeatist policies which will encourage dependence in Canada and in Bangladesh.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF JAMAICAN MINISTER OF YOUTH, SPORTS AND COMMUNITY DEVELOPMENT

Mr. Speaker: May I advise Hon. Members of the presence in our gallery today of the Minister of Youth, Sports and Community Development for Jamaica, Mr. Ed. Bartlett.

Some Hon. Members: Hear, hear!

● (1415)

PRESENCE IN GALLERY OF ONTARIO MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

Mr. Speaker: I also wish to bring to the attention of the House the presence in our gallery today of the Hon. Dennis Timbrell, Minister of Municipal Affairs and Housing for Ontario.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF ONTARIO SOLICITOR GENERAL

Mr. Speaker: I would also like to bring to the attention of the House the presence in our gallery today of the Hon. Bud Gregory, the Solicitor General for Ontario.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

PENSIONS

EFFECT OF BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I hope some day to have the opportunity of putting a question to the Prime Minister on his Budget, but in his absence I wish to put a question to the Deputy Prime Minister.

Yesterday I met with a number of senior citizens in Cap-Pelé, Shediac, Moncton, and Fredericton, New Brunswick. Aside from the fact that the Budget has ravaged Atlantic Canada, senior citizens in these communities wanted me to put a question to the Prime Minister, and to the Minister of Finance, with respect to living up to the promise they made to senior citizens across the country with respect to fully indexed pensions. Will the Deputy Prime Minister consult with the Prime Minister and the Minister of Finance, and prevail upon them to live up to the undertakings which they gave to the senior citizens of the country to index old age pensions fully?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I hope the right hon. gentleman, whom I know to be an honourable man, also told these senior citizens that in looking at the Budget and at the finances of Canada the projections are made in terms of what the cost of the national debt is to Canadians, inclusive of senior citizens' programs, and others to be instituted in the future. I hope he pointed this out when he was speaking to the senior citizens.

I refer the Leader of the Opposition to page 13 of the Budget. When he spoke to the senior citizens, did he tell them that the matter would be monitored as of January 1, 1986?

Mr. Turner (Vancouver Quadra): Mr. Speaker, the senior citizens of this country—

Mr. Chrétien: Giving money to the oil industry.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The senior citizens of this country remember an unconditional promise given by the Prime Minister and the Minister of Finance.

* * *

[*Translation*]

SOCIAL SECURITY

SOCIAL PROGRAMS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary. The Minister knows perfectly well that by 1990, an additional three-quarters of a million Canadians will be living below the poverty line as a result of the de-indexation of social programs. Even Members of his own party are showing their discontent, and across the country, those responsible for agencies representing senior citizens are furious.

Mr. Speaker, my question to the Minister is as follows: Is he going to listen to the comments of his Conservative colleagues? Will he acknowledge the incredible injustice and harm being done by the Budget of his colleague, the Minister of Finance? Will he recommend that the Minister of Finance restore full indexation of old age security pensions in order to meet the commitments made by his colleagues during the election campaign?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can assure the right hon. gentleman that I am always conscious of the reasonable positions put forward by my colleagues. I will also be receptive to reasonable positions put forward by members of the Opposition.

I say to the right hon. gentleman, as fairly as I can, that in looking at the projections with respect to the cost of the deficit up to the end of the 1980s and into the early 1990s, that Lalonde Budget of February, 1984, projected that the deficit would go down. When we took office, it was $5 billion more than Mr. Lalonde had said it would be, and the projections were going up. If the Right Hon. Member wants to talk to me about reality, he should go back to the February, 1984, Budget in which Lalonde said one thing and put into effect quite another thing, when he got into office. That is where he should start.

• (1420)

PENSIONS

REQUEST FOR MINISTERIAL ACTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, surely the Minister who has a portfolio which gives him responsibility for those who are retired does not want to curtail or control the deficit on the backs of the weaker elements of society, the senior citizens.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I said on budget night that this was a sneaky Budget because it contained a hidden tax on senior citizens. I would say to the Minister again today that we will fight this deindexation right to the end. I will give him one more opportunity to—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Minister said that he was willing to listen to reason. I know that he does not want to cut old age pensions in order to provide money for wealthy speculators to speculate in European art, through the capital gains tax relief. Will the Minister meet privately with his colleagues, the Minister of Finance and the Prime Minister, to tell them that the rest of his colleagues do not like this measure, that senior citizens' organizations across the country are outraged, and that his credibility as a Minister is being jeopardized?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in regard to social policy I would quote the words of a speech that was made on November 18, 1984, when the six and five discussion was taking place. At that time it was said:

> However, beyond a certain point, the interests payable on the deficit become intolerable because, from the point of view of a minister of social affairs, it is a waste of money. We must be realistic and avoid seemingly easy answers which would only prolong the economic crisis and exert even more pressure on all future social budgets.

That was a speech made by the Hon. Monique Bégin.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The Right Hon. Member might disagree with her perspective as well. I am saying to the Right Hon. Member that we do want to maintain those programs, but we cannot sustain them when more money is being paid to the bankers for servicing the debt—

Ms. Copps: To the oil companies.

Mr. Epp (Provencher): —than we are paying for old age pensions, the Guaranteed Income Supplement, and the federal share of health care costs. The Right Hon. Member's proposals actually support the bankers.

Some Hon. Members: Hear, hear!

REQUEST FOR CHANGE TO BUDGET

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister seems rather obdurate. Fortunately his colleague, the Minister of Finance, is beginning to show some flexibility. Yesterday in Toronto, according to reports, the Minister of Finance said that Old Age Security would indeed be increased if hardship emerges. The Minister knows that when purchasing power is stripped from people who are already living below the poverty line and already in hardship, a hardship is created. Therefore, that change must be made. Why will the Minister not do the correct, honourable, and just thing by insisting on that change being made before Parliament rises in June?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can read to the hon. gentleman some words that he said on June 30, 1982. At that time the Hon. Member said the following:

> Our society is in a time of crisis. That is what the Budget is doing. The deficit issue is clearly a real one and it is obviously something that cannot be wished away.

That is what the Hon. Member said.

Some Hon. Members: Hear, hear!

• (1425)

Mr. Epp (Provencher): The deficit in—

Ms. Copps: You may be laughing, but senior citizens are not laughing.

Mr. Speaker: Order, please. I think that the questioner and the Minister would both like to be heard.

Mr. Epp (Provencher): The deficit in 1982, when the Hon. Member spoke, had been projected at something like $12 billion for that year. It came in at around $19.6 billion. The deficit has doubled that on an annual basis. I think the Hon. Member understands economics. What answer would he give to Canadians? Would he tell them that he is willing to continue on the road on which they embarked, which has put the largest single amount of spending on the accounts of Canada today with respect to debt payment? How would he justify that to senior citizens?

[*Translation*]

NECESSITY FOR ACTION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I must respect the policies of the present Government.

However, I have a supplementary. The Minister realizes and knows perfectly well that pensioners are now suffering from anxiety as a result of that policy. This anxiety cannot be allowed to continue, and these pensioners need our help and your help. We must eliminate that anxiety immediately.

The Hon. Member for Victoria has said so. There have been other Members, in fact many Members among the Conservatives who agree with us. That being the case, would the Minister not agree that immediate action must be taken?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would remind the Hon. Member of the position which he took on six and five. I would say to him, as it is clearly spelled out in the Budget, that we will monitor the situation when the matter comes into effect, as projected, on January 1, 1986. I would also hope, when he is trying to be fair—and when they said that there was no minimum tax—that he would take a look at the date on which the matter is to take effect. If he did that he would realize that it is also the same time when the minimum tax will come into effect, which the Minister of Finance said. That is what he said.

An Hon. Member: Maybe.

Mr. Epp (Provencher): Mr. Speaker, I always thought that the rule in the House was that a Member's word was to be understood and believed. So, I am saying to him—

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): They obviously do not want an answer, Mr. Speaker.

MINISTERIAL RESPONSIBILITY

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Yesterday the Minister of Finance indicated that if hardship were proven the Government would be willing to take another look at the deindexation of pensions.

Day by day numerous organizations, such as the United Senior Citizens of Ontario, The National Pensioners and Senior Citizens Federation, the National Advisory Council on Aging and others have made the argument that there will indeed be hardship to seniors as a result of the proposal. I would ask the Minister, if the Minister of Finance is out looking after the interests of Bay Street and the Minister of Energy, Mines and Resources is out looking after the interests of the oil industry, when can we expect the Minister of National Health and Welfare, who is responsible for the welfare of seniors, to stand up and fight on behalf of seniors?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is exactly what I am doing, and if the Member looked at—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): That is exactly what I am doing. If he is suggesting that senior citizens are best protected by having more and more of our tax dollars going for the payment of debt rather than going toward making more money available for social programs, then I do not understand how that protects senior citizens. I suggest that he should take a look at that position. What he is asking is to have more go to the banks and to have less flexibility for the social programs which he and I want to support.

POSITION OF MINISTER

Mr. Neil Young (Beaches): Mr. Speaker, I had the opportunity today to watch the Minister on CBC television at noon, when he appeared with Mr. Hanmer from the United Senior Citizens of Ontario, and Mr. Hanmer gave exactly the same message as other organizations, and the same message that senior citizens gave me when I was in Saskatchewan yesterday. I simply want to ask the Minister again is he going to wait until these hardship cases which are projected appear on the critical list, before he will fight for seniors within Cabinet and in the country?

• (1430)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I say to the Hon. Member that that is exactly what is happening. The proposals are going forward. I keep on saying to the Hon. Member that there is no greater crushing blow on seniors, or any other Canadian, than a debt which cannot be controlled. That is the first point I make.

Second, as I have said to the Hon. Member and other Hon. Members in the House, the question of monitoring the situation which the Hon. Member puts forward was in the Budget. But I am sure that he did not say to one senior citizen—and if I am wrong, I am willing to listen to him say otherwise—that the Government has also committed itself in the Budget to take a look at the impact. I am sure that the Hon. Member did not say that to one senior citizen in the proposal he made.

Mr. Deans: What difference does that make?

Mr. Young: It was the same Minister who made the same promises during the election campaign, and every one of them was broken, Mr. Speaker. Why should they believe the Government now?

REQUEST THAT MINISTER MEET SENIOR CITIZENS

Mr. Neil Young (Beaches): Mr. Speaker, the Government and the Minister have been saying that seniors' organizations do not represent seniors. I want to say to him that they do, and the seniors have spoken up through petitions to us and everyone else. I intend to be in Toronto tomorrow to meet with seniors, and every day next week. I want to invite the Minister to come with me, to listen to the concerns of individual senior citizens so that he can start fighting on their behalf. Would he come with me? I'm not scared of them; are you?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): No, I am not. In fact I am meeting with them, and I will continue to meet with them.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): And I am willing—

Some Hon. Members: When?

Mr. Epp (Provencher): Just a minute—

Mr. Speaker: Order.

Mr. Epp (Provencher): I don't know if they want an answer or not, Mr. Speaker, or do they just want to barrack.

I say to the Hon. Member, if he is talking to seniors, to put the whole proposal forward and I will put the whole proposal forward, but don't be selective and don't use fear tactics with selected details which you want to use for your own political purposes.

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THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, with the absences in the front-bench, I would like to direct my question to the Parliamentary Secretary to the Minister of Justice. In fact I may have a cooler answer from him to clear up the confusion created by the Minister yesterday. Would the Parliamentary Secretary confirm this simple fact, that the Minister of Justice is responsible for putting the names of the two law firms in Newfoundland which employ his sons on the law agency list in the Province of Newfoundland for getting federal government legal work?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, we had several questions yesterday which generated a full exchange between Hon. Members of the Opposition and the Minister of Justice on this subject. The hon. gentleman is fully familiar with the procedures which are followed within the Department for the appointment of agents. He might have the courtesy, as a parliamentarian, to put that very personal question to the Minister when he returns to the House, if that kind of detail is required.

Mr. Kaplan: It is a very important detail, and the Minister of Justice gave some confused answers on that subject yesterday.

Mr. Hnatyshyn: You were afraid to ask him questions directly yesterday.

REQUEST THAT CORRESPONDENCE BE TABLED

Hon. Bob Kaplan (York Centre): This question is more simple, and I would like to direct it to the Parliamentary Secretary as well. Will he table today, on behalf of the Government, some very important documents; the two letters which were sent by the Minister of Justice, or on his behalf, to the two law firms in Newfoundland informing them that they were on the legal agency list, so we can look at those two letters? Will he also table today the two statements of account which have been sent by those law firms for legal services provided to the Government so that we can see who signed those two statements of account?

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I have given particulars with respect to the quantum. Those are also available in Public Accounts. I can say to the Hon. Member that, with respect to the dates and approval of the accounts, those will be forthcoming. Whether or not the actual body of the account involving income tax matters and dealing with specific persons would be able to be put before the House, is a matter on which I would like to consult with senior law officers of the Crown. I will take the Hon. Member's question as a representation, and the Minister of Justice will be back to him.

* * *

PENSIONS

MINISTER'S POSITION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have a letter from the Canadian Federation of Students which represents a half million students and young people who reject the notion that their future should be assured at the expense of the senior citizens of the country. Will the Minister of National Health and Welfare listen to the voices of the elderly, the poor, the youth, and Hon. Members of his own Party—

Mr. Dick: Louder.

Mr. McCurdy: —and put a stop to putting the boots to the elderly in this country by his Government?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with respect to the latter part of the question, I do not accept that premise, as I have already explained to his colleagues and other Hon. Members. With respect to the first part of his question, the answer is, yes.

MINISTERIAL ACTION

Mr. Howard McCurdy (Windsor-Walkerville): Are we to understand, Mr. Speaker, that the Minister is in fact going to respond to the voices all across this country and put a boot to the Minister who is putting the boots to the elderly?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think all Hon. Members would recognize that that was the same question, and the same answer applies.

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HOUSE OF COMMONS

QUESTION PERIOD—ATTENDANCE OF PRIME MINISTER

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Deputy Prime Minister. During the last two days my colleagues and I have tried to put questions to the Prime Minister regarding the Government's policy on patronage and on its conflict of interest guidelines for Ministers, but the Prime Minister has not been here.

An Hon. Member: He's hiding.

Mr. Allmand: It appears, Mr. Speaker, that the Prime Minister has been in Ottawa but has arranged his schedule to be away during Question Period. These issues, Mr. Speaker—

Mr. Hnatyshyn: Order.

Mr. Allmand: —these violations of the guidelines by Ministers, and his campaign promises on patronage, can only be answered by the Prime Minister.

Has the Government adopted a new policy for the attendance of the Prime Minister at Question Period whereby he systematically misses a Question Period—

Some Hon. Members: Order.

Mr. Allmand: —two or three days a week? Is that the new policy of the Government with respect to—

Mr. Speaker: Order. I will allow the one question, but I have to remind Hon. Members that any comment on the presence or absence of an Hon. Member is entirely against the Orders. I will allow the question, but I must advise the Hon. Member that he is getting very close on that question.

Mr. Hnatyshyn: He is going to resign soon, anyway, Mr. Speaker.

Mr. Gauthier: Who, the Prime Minister? The PM is never here, anyway.

Mr. Nystrom: So Crosbie is resigning, is he?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there have been several references today by the Right Hon. Leader of the Opposition and other Hon. Members, as well as the Hon. Member who has just now put the question with respect to the policy of the attendance of the Prime Minister in Question Period. Naturally, he intends to make himself available to the House at every opportunity. Today he is in the City of Montreal addressing a very important—

Mr. Turner (Vancouver Quadra): At seven o'clock tonight.

Mr. Nielsen: He is addressing a very important meeting with Jewish organizations and he is engaging in other activities.

Mr. Turner (Vancouver Quadra): At seven o'clock tonight.

Mr. Nielsen: I hear the Right Hon. Leader of the Opposition intervening, but the fact of the matter is, Sir, that the Prime Minister has been in Question Period— and that is his policy—answering questions during the whole of this session thus far—

Mr. Gauthier: The Budget was the last time he was here.

Mr. Nielsen: —much more frequently than the Right Hon. Leader of the Opposition or the Leader of the New Democratic Party.

● (1440)

REQUEST THAT PRIME MINISTER ATTEND

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, with all due respect, I would like to remind the House that a few years ago, when the Government of the day tried to introduce a roster system regarding the presence of the Prime Minister and his Ministers, it was the subject of questions in the House because it was a question of policy. There is no comparison between the Leader of the Opposition and the Prime Minister—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. It must be Wednesday.

Mr. Allmand: Mr. Speaker, I am glad that government Members recognize that the Prime Minister has a responsibility to be in this House and answer questions on behalf of the people of Canada. They should follow through on those cheers and make sure that the Prime Minister is here to answer questions.

Some Hon. Members: Speech.

Mr. Allmand: It is completely unacceptable—

Mr. Speaker: Order, please. I invite the Hon. Member to come to his supplementary, but I also invite Hon. Members to allow me to know whether he has come to a supplementary, by keeping quiet.

Mr. Allmand: Mr. Speaker, these are questions of policy about which only the Prime Minister can give answers, policies relating to patronage—

Mr. Speaker: Order, please. I invite the Member to come immediately to a supplementary.

Mr. Allmand: Will the Acting Prime Minister assure this House that the Prime Minister will be here tomorrow and Friday to answer these important questions?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Sir, it is the responsibility of every Cabinet Minister to answer questions of policy put by any Member of this House. It is my responsibility today, as well as that of other Ministers, on behalf of the Government, to answer questions of policy, as has been done by the Minister of National Health and Welfare for the best part of this Question Period. But neither in his first question nor in his supplementary did the Hon. Member address a question of policy to me so that I could answer on behalf of the Government, which I would be delighted to do in keeping with my parliamentary responsibility.

* * *

PENSIONS

BUDGET'S EFFECT ON INDEXATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It has been made clear, and he has heard from a number of his own caucus members, such as Don Valley East, York East, and Victoria, that he is being asked to reconsider the deindexing of seniors' pensions. Yesterday he heard from a number of national groups representing seniors across the country indicating that what he has done has been essentially a betrayal of those he set out to assist. We are aware of the multitude of groups which have met and communicated with the Minister about their concern and displeasure. He has talked about all the groups he has met who support these measures. Can he tell us what groups of senior citizens he has met who say what he is doing is the right and honourable thing to do?

Mr. Nystrom: George Hees.

Hon. Jake Epp (Minister of National Health and Welfare): The Member was right when he said I am meeting with groups.

Mr. Blackburn (Brant): The Forest Hill Seniors League.

Mr. Epp (Provencher): Just yesterday I met with the social policy reform group prior to their press conference—

Mr. Orlikow: What did they tell you?

Mr. Epp (Provencher): He asked me who I met with, and I give that as an example of people I met with yesterday.

SUPPORT INQUIRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am afraid I put the question poorly.

Some Hon. Members: Hear, hear!

Mr. Riis: All of these groups who have met or communicated with the Minister have also been in touch with the NDP caucus, telling us that they have indicated their displeasure, and that they consider his action to be a betrayal. I am asking if he has met with a single group who support the Government program of deindexation, a single group, or any seniors, and who are these groups who support his action?

Hon. Jake Epp (Minister of National Health and Welfare): If the Hon. Member is asking do all these groups—

Mr. Deans: Give us one seniors' group who supports this.

Mr. Blackburn (Brant): Come on.

Mr. McKnight: They cannot make up their minds who should ask the question.

Mr. Epp (Provencher): Is he asking do all groups that I meet support—

Some Hon. Members: No!

Mr. Deans: Name one.

Mr. Epp (Provencher): Will you give me some time?

Some Hon. Members: Name one.

Mr. Epp (Provencher): Mr. Speaker, they obviously don't want an answer.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Saskatoon East.

Some Hon. Members: One!

Mr. Speaker: The Hon. Member for Saskatoon East.

* * *

FITNESS AND AMATEUR SPORT

CANADA SUMMER GAMES—SELECTION OF SASKATOON AS 1989 VENUE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. Last week he announced the selection of Saskatoon as the site of the 1989 Canada Summer Games. These games will leave Saskatoon with new and upgraded facilities which will be used by thousands of athletes for national and international events, as well as Saskatoonians for generations to come. As part of the bid for the Games, it is my understanding that a new approach to financing the Games was undertaken. Could the Minister explain to this House the unique agreement reached between the City and the federal Government, and its potential implications for such funding in the future?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, first of all allow me to tell the Hon. Member that the choice was a most difficult one in that the bids by Regina and Saskatoon were the best bids in the history of the Canada Games.

To answer the specific question, there is indeed a new era of fiscal responsibility launched by this Government, the City of Saskatoon, and other communities, in that we are attempting to work together to raise funds from the private sector, and we are succeeding. We will be splitting any excess, which we believe there will be, on a 50/50 basis. It is these types of positive agreements which will do more for amateur sports and amateur sport facilities with less tax dollars.

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FINANCE

INVESTMENT OF PENSION FUNDS—BUDGET PROPOSAL

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Minister of Finance and concerns the Budget proposal which would allow pension funds to invest up to 31 per cent of their assets outside Canada. Will the Minister tell the House what consultations were carried out to ascertain if Canadians are willing to see one-third of their retirement savings invested outside the Canadian economy?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am very happy to answer this question because there have been some very important changes on behalf of Canadian pensioners through the pension system, in the Budget. What the Budget says is that for every dollar pension funds invest in Canadian small business, they can invest an additional $3 outside the country. The pension funds have been asking for this change for some time because it is in the interests of pensioners that their pension funds earn the best possible rate of return.

Ms. Copps: Outside Canada? Sellout. That shows your mentality.

Some Hon. Members: Quiet!

Ms. Copps: That's right; buy American.

MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, if the Government's three to one offer is taken up, the amount leaving Canada could be as high as $28 billion. A capital outflow of this order would surely increase inflation, put pressure on the dollar, and could cause the loss of hundreds of thousands of jobs. Will the Minister not admit that this measure was ill considered and needs to go back to the drawing board?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I assume that the Hon. Member is suggesting that $10 billion invested in Canadian small business is a bad thing.

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a question of policy for the Acting Prime Minister, and it concerns the appointment of standing agents by the Minister of Justice. I learned yesterday that the Minister personally appointed the firms employing his two sons. On Monday the Deputy Prime Minister said that these appointments were made on the basis of merit alone. Yesterday, his colleague, the Minister of Justice, said that they were made on the basis of merit as well as on whether, in a political sense, the appointees are known to the Government and can be trusted.

● (1450)

Does the Deputy Prime Minister agree with his colleague, the Minister of Justice, that appointments of standing agents should be made not just on the basis of merit but also on whether they can be politically trusted by the Government of the day?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, one thing I can say is that one cannot trust that kind of preamble. To say that the Minister of Justice personally appointed his sons as standing agents is false—

Mr. Deans: He didn't say that.

Mr. Nielsen: —and not in keeping with what the Minister of Justice explained to the House, in the House yesterday and in the public media accounts which I observed.

To say that I said in the House that the only criteria upon which—

Mr. Robinson: That is what you said.

Mr. Nielsen: —these appointments were based—the Hon. Member says to me: "That is what you said". That is not what I said. I did not place any words of limitation when I referred to the criterion of merit in my response. But that is the implication that the Hon. Member very untruthfully wishes to leave in the House. It does not behoove him, either as a Member or a professional lawyer, to attempt to leave that kind of impression upon the House of Commons.

CONFLICT OF INTEREST GUIDELINES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Deputy Prime Minister said on Monday that these appointments were made on the basis of merit, and merit alone. The Minister of Justice's own executive assistant confirmed to me that the Minister personally appointed the firms containing his two sons as standing agents.

Who is responsible for the enforcement of the conflict of interest guidelines which have clearly been breached in these circumstances? Is it the Deputy Prime Minister? Is it the Prime Minister? Whoever it is, when will he start enforcing

these guidelines, or are they not worth the paper they are written on?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman, having been on shaky and false ground with respect to two of the statements in his original question, now makes, what I can only assume in the kindest interpretation, an unintentional effort to compound further the falsity of the preamble by deviating from his allegation that the Minister of Justice made appointments personally, to a position where he says an officer on the staff of the Minister appointed the firms personally. That is what he just said.

Some Hon. Members: No.

Mr. Nielsen: It is totally not in keeping with his role as a Member of Parliament to attempt that kind of intentional confusion.

As far as the policy is concerned, the guidelines which existed at the time of assuming office are still in place, and the Ministers of the Crown are expected to abide by those guidelines.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

SCIENTIFIC RESEARCH TAX CREDIT PROGRAM—GOVERNMENT POSITION

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, my question is directed to the Minister of State for Science and Technology.

Could the Minister inform the House why the Government has not restructured the Scientific Research Tax Credit Program instead of replacing it with a new program? I think basic research is important, and some industries in my riding are concerned about the termination of this program.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I thank the Hon. Member for Louis-Hébert for giving me this opportunity to point out to the House that the Minister of Finance has taken steps to stimulate research and development.

[*English*]

Obviously, Mr. Speaker—

Mr. Deans: How can you read the answer to the question?

Mr. Axworthy: What a phoney.

Mr. Turner (Vancouver Quadra): Author.

Mr. Speaker: Order.

Mr. Siddon: Obviously Members opposite are not interested in listening to answers to questions in the House.

Mr. Nystrom: En français.

Mr. Siddon: Mr. Speaker, the Government has chosen to replace the scientific research tax credit with a much superior form of investment tax incentive known as a refundable research and tax credit. It will provide a much higher quality of investment on the part of government revenues to ensure that first class research projects are funded and are of particular benefit to the small and medium-sized business sector. These benefits will be of tremendous importance to the Hon. Member and her constituents.

* * *

PATENTS

PATENT EXAMINATIONS—COMPOSITION OF STUDY TEAM

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns ending patent examinations in Canada.

In the introduction to the report of the Nielsen Task Force it is stated on page 1 that the Private Sector Advisory Committee was established "to ensure objectivity, to make consultation an integral part of the process". Yet the President of the Patent Institute of Canada has said: "They never sought our views or those of anybody else we know of involved in patents". Will the Deputy Prime Minister explain why his consultation was a sham, and why all of the industry representatives on the study team, apart from representatives of a bank and an accounting firm, have come from subsidiaries of foreign multinationals?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not accept the assertions of so-called fact that are imbedded in that question. Quite frankly, I think that it does the Hon. Member no service to be critical of private sector participation in a very unique—

Ms. Copps: By America.

Mr. Nielsen: No, not by America, they are all Canadians. It does him no service to be critical of that participation in a unique exercise in public administration in this country where, for the first time, the private sector has been engaged in a government-wide review of over a thousand programs.

I might say that they have been doing that without any remuneration. For the Hon. Member to ridicule their efforts, and their consultative efforts, is rather disgraceful, if I may say so.

Mr. Berger: I do not think the Deputy Prime Minister knows what he is talking about.

TASK FORCE RECOMMENDATION

Mr. David Berger (Laurier): Mr. Speaker, what we are talking about here is being the only industrialized country in the world to grant patents without domestic examination. How

could the Deputy Prime Minister recommend abdicating Canada's technological and industrial sovereignty? How could he recommend putting over 1,000 persons in the private sector out of work, people who earn over $35 million in foreign exchange for this country? How can he recommend closing an office which earns the Government some $13 million in the 1985-86 Budget? What possessed him to make such a recommendation?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the charges which the Hon. Member makes are totally false.

Ms. Copps: Totally true.

Mr. Nielsen: The objective—

Mr. Berger: It comes from a Tory.

Mr. Nielsen: I sat silently while the Hon. Member put his question. I see no reason why he should not listen in the same kind of silence and courtesy. The objective of the task force is to review all government programs with a view to streamlining, eliminating duplication and overlap, and to deliver in a more efficient and cost effective way to the Canadian public the services to which they are entitled. That is the central objective of the task force. It is not a cost cutting exercise. It is a managerial exercise which is long overdue.

* * *

PENSIONS

CONTENT OF ONTARIO SPEECH FROM THE THRONE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In yesterday's Speech fromt the Throne the Conservative Government in Ontario stated:

—we will make strong recommendations urging the Government of Canada to compensate fully for inflation those pensioners receiving the Guaranteed Income Supplement.

If you will not listen to senior citizens, will you listen to Frank Miller, do your job, and get the Government to abandon this measure which taxes poor pensioners in order to pay for a Budget for the rich?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is not a Budget for the rich, it is a Budget for people in his own riding who have small businesses, it is for people who need jobs, and it is for people across the economic spectrum.

When the Hon. Member asks those questions he should keep in mind what is in the Budget. The matter will be monitored as of the date it becomes effective.

ENDORSATION INQUIRY

Mr. Mike Cassidy (Ottawa Centre): If you have failed even to convince the Conservatives in Ontario and Frank Miller, the Premier, can you name one group representing senior citizens, in the 4,000 miles from coast to coast in this country, which in fact has endorsed the proposal to deindex Old Age Security?

● (1500)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can give him more than one on this basis.

An Hon. Member: How many brothers have you got?

Mr. Rossi: Tell me a brother over 65 who approves.

Mr. Epp (Provencher): If I have a brother? I do not think that the Hon. Member has to hurl that across the floor. I suggest to the Hon. Member that he at least use some sense of decorum in this place.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): When I speak to senior citizens and I sit down with them to discuss the issues, as I said to the House yesterday, while senior citizens want protection against inflation and that is also what we would like to do, they do understand—

Mr. Deans: Give us one group.

Mr. Nunziata: You broke your promise.

Mr. Epp (Provencher): —that one cannot continue spending the amount of money on debt, that leaves the country—

Mr. Deans: One group, please.

Mr. Epp (Provencher): The Hon. Member can put up one finger, two fingers, and if he has more he can put those up too.

Mr. Deans: Name one group.

Mr. Epp (Provencher): I say to the Hon. Member, surely when I speak to senior citizens and put the proposal forward, do not think that they also do not have an understanding of Canada's reality.

Some Hon. Members: Hear, hear!

Some Hon. Members: One group.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of eight presented by Hon. Members on Tuesday, June 4, 1984, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Longueuil (Mr. Leblanc) and certain petitions presented by the Hon.

Member for New Westminster-Coquitlam (Ms. Jewett) do not meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

WITHDRAWAL OF COMMENTS MADE ON RADIO PROGRAM

Mr. Speaker: I am in receipt of a number of questions of privilege. I propose to deal with them in the order in which they were received.

I have been advised that two Members who had earlier indicated an interest have withdrawn their questions of privilege.

Therefore, the first question of privilege of which I have received notice comes from the Hon. Member for York South-Weston (Mr. Nunziata).

Mr. John Nunziata (York South-Weston): Mr. Speaker, last Thursday during a wide-ranging interview with *News Radio* I made certain comments about the Speaker which the long-standing traditions of the House would prohibit me from making.

Those comments were reported in certain newspapers on Monday. Out of respect for the House and the Chair, I withdraw those specific comments completely and unequivocally.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think the Hon. Member would allow me to say that I appreciate deeply what he has done.

Some Hon. Members: Hear, hear!

CORRECTION OF STATEMENT MADE DURING QUESTION PERIOD

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on Monday, June 3, during Question Period I said that Robert Pittman, a Newfoundland lawyer, had been the campaign manager for the Minister of Justice. Yesterday the Minister of Justice said that I was wrong and that Mr. Pittman never worked in his campaign.

I have checked with sources in Newfoundland and I am told that Mr. Pittman was not the campaign manager for the Minister. On the other hand, a Mr. Finton Aylward, senior partner in the same firm as Mr. Pittman—

Mr. Hnatyshyn: Order.

Mr. Allmand: —was a senior campaign manager in the Minister's leadership campaign, and the firm Aylward, Morris, and Pittman was awarded legal business by the Minister.

I apologize to the House for the error I made, but the principle in my question on Monday remains the same.

Mr. Speaker: The Hon. Member for Don Valley East is rising on a question of privilege?

* * *

POINT OF ORDER

STATEMENTS MADE BY MR. NYSTROM AND MR. RIIS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, two Hon. Members, the Hon. Member for Yorkton-Melville (Mr. Nystrom) and the Hon. Member for Kamloops-Shuswap (Mr. Riis), incorrectly used the name of my riding, Don Valley East, implying that I have a position that differs from that of my Party and my Government about the change in senior citizens' pensions included in the Budget.

The Minister of National Health and Welfare (Mr. Epp) has explained our Party's position in a clear and sensitive way today and several times in the House this week. I agree with his position. I also wish to make it crystal clear that I stand totally behind all the provisions—

Mr. Speaker: Order, please. Is the President of the Privy Council rising on the business question, or is the Hon. Member for Yorkton-Melville rising on a question of privilege?

Mr. Nystrom: I rise on the same point of order. I am sorry, but I thought the Hon. Member was a man of conscience and would defend the seniors in his riding.

Some Hon. Members: Order.

Some Hon. Members: Show respect.

Mr. Speaker: There is no point of order raised.

Mr. Attewell: Mr. Speaker, I rise on a point of order.

Mr. Speaker: I apologize. I take it the Hon. Member is rising on a point of order and I will hear him when we get through routine proceedings. Is it a point of order or a question of privilege arising out of Question Period?

Mr. Attewell: Yes, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Gray (Windsor West): Mr. Speaker, I think the President of the Privy Council would be delighted to be given the opportunity to have a question asked about the business of the House and get the attention of the public away from the mess that his Government has got itself into over the Budget.

Mr. Hnatyshyn: Mr. Speaker, I have such great respect for the House Leader of the Official Opposition that I will not tell him we took a laughter gauge on that comment and it received one out of 10.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I would recommend that maybe he could grow the mustache which the Hon. Member for York South-Weston (Mr. Nunziata) shaved.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The business for tomorrow, Mr. Speaker, will be as requested by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). It will be third reading stage of Bill C-15. We hope to finish that off, and, if necessary, have a vote tomorrow. I will be consulting to see if we can just have a voice vote.

Mr. Deans: Mr. Speaker, at the risk of pushing things too far, is there any way that we might find out, maybe, what we might do perhaps on Friday?

Mr. Hnatyshyn: Mr. Speaker, the answer to that question is yes.

Some Hon. Members: Oh, oh!

Mr. Deans: Mr. Speaker, would it then be appropriate to ask what method we might use to find out?

Mr. Blackburn (Brant): Carrier pigeon.

Mr. Hnatyshyn: The method would be to ask the business question on Thursday, Mr. Speaker.

Mr. Deans: Mr. Speaker, now that we have got to the point, are we going to operate on a day-to-day basis? Or would it be possible for the Government perhaps to provide us with more than one day at a time?

Mr. Stevens: Stick around, Ian.

Mr. Hnatyshyn: Mr. Speaker, as the Hon. Member knows, we have been in the process of consultation. I believe it was either the Hon. Member for Hamilton Mountain (Mr. Deans) or a very good look-alike who sat in my office for two hours a day over the course of the last few days discussing the business of the House. He will fully understand the fact that, once we have a chance to carry on these discussions in the full spirit of co-operation for which we are all so famous, I will try to give him, at the earliest possible date, an indication of business, not only for Friday but into next week. All I can say to the Hon. Member is that I am consulting with my colleagues, and we are looking at the list of legislation. I hope to discuss the business for the next week in answer to the Business of the House question tomorrow.

Mr. Blackburn (Brant): We will not sleep until we find out.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

LABOUR, EMPLOYMENT AND IMMIGRATION—THIRD REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour of tabling the third report of the Standing Committee on Labour, Employment and Immigration concerning immigrant entrepreneurs.

[*English*]

In accordance with Standing Order 69(13) I request the Government make a comprehensive response to our third report.

HEALTH, WELFARE AND SOCIAL AFFAIRS—THIRD REPORT OF STANDING COMMITTEE

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Health, Welfare and Social Affairs in both official languages.

* * *

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition from three places in Saskatchewan, North Battleford, Saskatoon East, and Moose Jaw in which the people from those ridings indicate they would like the PC Government to index the old age pensions to the actual cost of living on a quarterly basis as promised in the 1984 election campaign.

● (1510)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have the honour to present a petition from a series of people in various Saskatchewan ridings, most of which are PC ridings.

Mr. Hnatyshyn: How would you know; you have never been to Saskatchewan?

Mr. Nystrom: Quoting people from the City of Saskatoon, the riding of the Government House Leader, these people are calling upon the Government and the Minister of Finance (Mr. Wilson) to drop this crazy and cold-hearted idea of deindexing the Old Age Security pension. They want their pensions to remain indexed. I am very pleased to present a petition on their behalf.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition on behalf of 80 senior citizen residents in my riding of Ottawa Centre who protest the Government's decision to deindex after it made a promise not

to interfere with Old Age Security. They petition the Government of Canada to reinstate the full indexation. In view of the concern about this issue, my telephone number is: 995-9511—

Mr. Speaker: The Hon. Member knows better.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, this is the third day in a row that we in the New Democratic Party have been presenting petitions from residents of our own constituencies and indeed from constituencies all across Canada. I have another dozen today from constituents of mine, and indeed from all parts of British Columbia, protesting the cut-back in the Old Age Security caused by partial deindexation and asking for full indexation of the Old Age Security benefits.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 335.

[*Text*]

IMPORTING OF UNLICENSED WHEAT

Question No. 335—**Mr. Althouse:**

1. Are penalties imposed at the border to those persons who attempt to import unlicensed wheat illegally into Canada and, if so, what are they?

2. How many such charges have been made by border officials in the past four years and what is a list of such charges?

Hon. Perrin Beatty (Minister of National Revenue): 1. The imposition of penalties for attempted importations of unlicensed wheat into Canada is determined by the circumstances involved. Where there is a clear attempt to smuggle, misdescribe or undervalue, the goods are subject to seizure and forfeiture under the Customs Act, as well as the imposition of monetary penalties. Where there is merely an attempt to import wheat without the benefit of an import licence, the goods are subject to the provisions of the Canadian Wheat Board Act and regulations and the imposition of any penalties for infractions thereof comes under the purview of the Canadian Wheat Board. In these circumstances, customs detains the goods under Section 22(2) of the Customs Act and refers the matter to the Canadian Wheat Board. Section 22(2) of the Customs Act provides the authority for customs to detain goods of which the export or import is prohibited, controlled or regulated by or under any Act of Parliament and further stipulates that the goods will be dealt with as provided for by the controlling legislation. Generally, the goods are refused entry and subsequently re-exported from Canada or destroyed.

2. The Department of National Revenue, Customs and Excise has no record of any seizure actions being effected for attempts to smuggle, misdescribe or undervalue importations of wheat. While, on a daily basis, customs detains controlled goods on behalf of numerous other government departments and agencies, it does not maintain statistics in this regard.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all notices of motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—CHANGES IN THE OLD AGE SECURITY PROGRAM

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on a point of order.

Mr. Deans: Mr. Speaker, I just sent out for the Hon. Member for Beaches (Mr. Young), in whose name the motion stands. He will be here momentarily. He is discussing matters that were raised during Question Period just outside the door and is finding some difficulty getting through a rather large crowd. I know, however, that he is making his way in and will be in his seat almost immediately, if he is not already there.

Mr. Young: Mr. Speaker—

Mr. Speaker: Order, please. I thought the Hon. Member for Hamilton Mountain was rising on a point of order about the need to check the microphones in this place, since clearly some Hon. Members in the House believe that they are not working. That explains the volume at which they make presentations, occasionally.

Supply

Mr. Neil Young (Beaches) moved:

That this House condemns the Government for failing to keep the following promise made by the now Prime Minister in July, 1984:

"A Progressive Conservative Government intends to re-establish the full indexing of old age pensions to the cost of living beginning January 1, 1985."

He said: Mr. Speaker, at the outset I want to indicate that I take absolutely no pleasure in talking about the Budget, particularly the aspect of the Budget which the motion specifically addresses.

It is all a matter of fairness. The Conservative Budget of May 23 is not fair to our families, children and, most of all, our parents. Nothing epitomizes the unfairness of this Budget more than the deindexation of the Old Age Security program. Every senior citizen in Canada will have $100 taken out of his or her pocket in 1986 because of the Budget. In 1991, that will have risen to $680 per year, for a massive five-year cumulative total of $6.6 billion slashed from the Old Age Security Program. Hardest hit will be elderly women, the most vulnerable group in our society, 60 per cent of whom are single elderly women now living below the poverty line.

Further, deindexation of the Old Age Security pension is a direct attack on Canadian women—our mothers and our grandmothers. Deindexation will entrench inequality for Canadian women in the most regressive manner by condemning the poorest elderly to ever greater depths of poverty. There are 800,000 Canadian women over the age of 65 who are so poor that they receive either the full or partial income supplement. Over 60 per cent of single elderly women live below the poverty line. By 1991, the Government will have taken a cumulative total of $4.2 billion out of the handbags of our mothers and grandmothers.

The Government is refusing to listen to the women of Canada; to the National Action Committee on the Status of Women, which represents over 360 women's groups; to the Canadian Advisory Council on the Status of Women; and to other organizations which have condemned this attack on elderly women. The Government should heed their message.

As I said earlier, it is a question of fairness. The Budget can only worsen because of deindexation a soft word that couches harsh reality. It is a word which the Prime Minister (Mr. Mulroney) never mentioned to Canadians during the election campaign of last summer. In fact, during that campaign the Prime Minister made a solemn pledge that "a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis". That promise has been broken. As a result of the Government's self-described tough but fair Budget, Old Age Security payments will be deindexed so that they are no longer fully inflation proof. Payments will not be adjusted to reflect the effects of the first 3 per cent of inflation. That is certainly tough, but it is definitely not fair. Pensioners have every right to sue the Conservatives for breach of promise.

In the weeks leading up to the Budget, the Conservative Government went out of its way to talk about a Budget which would be tough but fair. What we have seen is the Minister of unfairness, the Minister of Finance (Mr. Wilson), use the word "fairness" over 20 times in his budget speech. In the days since the Budget was introduced, the Prime Minister, his Cabinet and Conservative back-benchers, are travelling the country hoping that if they say the words "tough but fair" time and time again, Canadians will believe them. I say to the Prime Minister that no public relations campaign, no matter how slick, can disguise the fundamental unfairness of the Budget. Nothing can disguise the fact that this is a rich person's Budget.

No aspect of government affects the lives of all Canadians in such a massive way as does a Budget. Nothing better illustrates a Government's sense of fairness than a Budget and the distribution of wealth in our society. A Budget demonstrates fundamentally the type of society a Government wants to see for its citizens, what kinds of programs it wants and who pays the taxes. A Budget also reveals the soul of a Government. This Budget reveals that the Conservatives have no soul. This Budget is unfair and it is tough, but only on ordinary Canadians.

When it comes to ordinary Canadians, there is only one hand that takes. However, when it comes to big business, one hand takes a little but the other one gives back more. By 1990-91, the Government will have collected $4.1 billion more in personal income taxes and $2.6 billion more in consumer taxes, but corporate taxes will be reduced by $2.2 billion—tough measures for ordinary Canadians but more tax giveaways to the corporate few. The terrible truth is that the Budget hurts the most vulnerable people in Canadian society. I am speaking of the unemployed, families, the poor, native people, women, the young, seniors and the farming community. Yet the most privileged Canadians—the wealthy and large corporations—will actually receive more than what they already have. This is the Conservative Party's concept of fairness—less for those who need it most and more for those who need it least.

● (1520)

What hope does the Conservative Budget give to the 1.4 million jobless Canadians? The unemployed, particularly Canada's youth, many of whom are still waiting for their first job, are not given any reason for optimism. Indeed, their hopes of finding a job are diminished. Every economist knows that when you combine the tax increases and the spending cuts which are contained in this Budget, we stand to lose close to 50,000 jobs this year and 100,000 jobs next year.

The Minister of Finance attempts to argue that his Budget will be a boon to small business, that that sector will be able to create jobs. The Minister needs a refresher course in Economics 101. The fundamental reason for business to invest and expand is the prospect of being able to sell. This Budget takes over $500 out of the pockets of the ordinary family. Even Ruben Bellan, a leading Canadian economist, had the following to say about the Government's Budget: "The reduction in buying power will hurt every business in Canada".

The Conservative Government was given a mandate for jobs and fair taxes. Instead, Canadians were presented with a

Budget which ignores jobs and intensifies unfairness. Nothing more startling illustrates this unfairness than the shabby and mean-spirited way in which the Tories treat Canada's pensioners. Every senior citizen in Canada will be adversely affected by the Budget. The old age pension will decline by 3 per cent each year due to deindexation.

As I have said before, deindexation may sound mild enough. However, the impact of deindexation will devastate the living standards of Canada's elderly—our parents and grandparents. The annual cut to each and every Old Age Security cheque to each and every pensioner in Canada will be $100 in 1986; $205 in 1987; $315 in 1988; $431 in 1989; $553 in 1990; and $680 in 1991.

By the year 1991, the Conservative Government will be saving $2 billion on the backs of Canada's elderly. The Government is taking money out of Canada's inadequate pension system—a system which already fails to provide the elderly men and women of this country with retirement in dignity. The Government is taking money out of the pockets of Canada's pensioners while some 1.8 million seniors live in poverty. The Government is condemning the poorest seniors to ever deepening poverty.

The deindexation of pensions means that the incomes of Canada's senior citizens will be subject to the ravages of inflation. It destroys the hopes and dreams of senior citizens for a decent retirement income. It is a shameful attack on the children of the depression—today's seniors who grew up in tough economic times, who came of age in the war years and who have contributed so much to Canadian society. Surely they have the right to retire in dignity.

I say to the Prime Minister that Canada's seniors have paid, and paid handsomely. He says that the Budget rewards those who get up half an hour earlier. That is a cruel joke to play on Canadians who have worked hard all their lives. Show some compassion, Mr. Prime Minister, and remove this contemptible deindexation measure from your Budget.

The Prime Minister has a double standard of fairness. He keeps his election promises for more money to the big oil companies and breaks his promises to Canada's seniors. During last summer's election campaign, when the Government was looking for votes, the Prime Minister promised full indexation of pensions. He promised full indexation would be restored on January 1, 1985. It is patently unfair for the Prime Minister to promise to restore the indexation of pensions for Canada's seniors during the election and then actually slash their benefits in the Budget.

I ask Hon. Members to consider the following. While this Government slashes old age pensions, it is giving $2.4 billion to big oil companies. It is giving $600 million to the rich through the capital gains giveaway. It is giving $235 million to the richest Canadians by increasing and fully indexing the contribution limits for RRSPs. It is giving a further $2.2 billion to corporations through reduced taxes.

I repeat, the Conservatives have two standards of fairness—one for the privileged few, the wealthy and large corporations, and another for Canada's elderly. The Minister of Finance is distressed that there are far too few rich people in Canada. In making that type of statement, I wish he would take a look at what he is doing to the seniors in the country and consider the plight they happen to be living in. It is out there. I know the Minister of National Health and Welfare (Mr. Epp) knows and understands that completely. I just wish the rest of the Cabinet would fully understand it. I hope the Minister of National Health and Welfare takes up the suggestion I made to him earlier today in Question Period. I hope he does come with me to visit senior citizens. If he does that, it will give him increased ammunition to fight within Cabinet to make the Government reverse what it is doing to old age pensioners in the country.

When the Liberal Government planned to deindex pensions in 1982, the present Minister of Employment and Immigration (Miss MacDonald) called it the meanest move in the Budget. The present Minister of Finance, who was at that time the Opposition's finance critic, and now is the Minister of unfairness, said that the Liberals' plan to deindex pensions "put the boots to those who are hardest hit in the economy today, the low income people and pensioners".

In fact, at that time, the Conservative Party spent $30,000 to take out full-page newspaper ads across the country in which it condemned the Liberals' plan to deindex pensions. It said it would be harmful to Canada's elderly. In that ad, it urged Canadians to send a mesage to the Government. I make the same appeal today. I urge anyone out there who is listening to this debate and who has listened to Question Period and what has been going on in this place since the Budget came down, to do exactly what the Conservative Party was asking him or her to do back in 1982, that is to say, to deluge this place with letters, petitions and telegrams so that the Government will clearly understand that what it is doing does not have the support of elderly Canadians, or even of those Canadians who are contemplating retirement.

I wish to make an additional point. I say this anticipating hoots of derision from Members on the government side. In this country, pensions are a non-partisan issue. Pensions affect everyone in the country. I do not care how you lean, whether it is in partial support of the Conservative Party, the Liberal Party, the New Democratic Party, or even the Rhinoceros Party. What the Government is doing through its Budget will affect every senior citizen in the country, everyone who is contemplating retirement and anyone who looks forward to retirement in the few short years ahead.

• (1530)

The Government is just not listening to the message being sent to it by senior citizens across the country. As I said before, the Prime Minister and the Minister of Finance should take their own advice by responding to the message sent to them by social policy groups and senior citizens' organizations from coast to coast.

Deindexing old age pensions has been condemned by Canadian Pensioners Concerned, United Senior Citizens of

Ontario, Action Now in Saskatchewan, the National Pensioners and Senior Citizens Federation, the Association of Jewish Seniors, the National Action Committee on the Status of Women, the National Anti-Poverty Organization, the National Council of Welfare, the Government's own National Advisory Council on Aging and numerous other groups. My colleagues and I in the New Democratic Party are going to make sure that the Prime Minister and the Government get the message. This unfairness to Canada's seniors must be stopped.

I say again that the New Democrats have launched a cross-country campaign for the reindexation of pensions. Our Party has fought tirelessly to ensure that Canadians could and would retire in dignity. That is our commitment. The Prime Minister and Conservative Members have broken faith with Canadians, and in the coming days and weeks, the New Democrats will continue to fight to have full indexation of old age pensions restored.

I know that the constituents of Conservative Party Members have begun to call Conservative Party Members to place their objections before them. I ask Members of all Parties to consider that. In the Tory caucus, there is an excellent opportunity for Conservative Members to go nose to nose with the Ministers who are doing this to the constituents whom Tory Members are supposed to represent. Conservative Members have an opportunity to join with the New Democratic Party to say to the Government that enough is enough and we ain't going to take it any more.

Mr. Riis: Mr. Speaker, I have a very short question to ask the Hon. Member. The Minister of National Health and Welfare (Mr. Epp) has been saying that he has spoken with a number of different individuals and groups about the deindexing of pensions. I know that my friend, the Hon. Member for Beaches (Mr. Young), has also been travelling around the country meeting with certain groups. I was wondering if he would be prepared to share with us the observations that he has made as he has come into contact with seniors' groups and particularly with a number of seniors' groups in western Canada.

Mr. Young: Mr. Speaker, I would be pleased to do so. First, I should say that last weekend, in response to what the government Members were saying, which was that they believed that the seniors of the country supported what the Government was doing, just out of curiosity I visited two senior citizens' apartment buildings in my constituency. I knocked on every door and told those who answered that I was there to talk about Old Age Security and what the Government was doing. I did not have to say anything more. I had a petition with me, and every single pensioner signed that petition. Members of my caucus went back to my constituency the same weekend and got exactly the same response.

Yesterday I went to Regina and Moose Jaw to attend a convention of the Action Now group, the seniors' unbrella group in Saskatchewan. Senior citizen after senior citizen had no hesitation in saying to me that what the Government was doing was wrong, that it was obvious that the Government is in the pocket of big business and that it was not listening to the senior citizens of the country. They said that the only groups the Government is interested in listening to are the big corporations, the Bay Street boys and the oil companies. If senior citizens are saying that to me, they are most certainly saying the same thing to Conservative Members who were elected to represent the interests of the people of their constituencies. By not speaking up and opposing this action, they are in violation of their duties.

Mr. Ravis: Mr. Speaker, I listened to the Hon. Member for Beaches (Mr. Young) with great interest. I would like to tell a little story that goes back to August of last year when I visited a senior citizens' home, St. Anne's, in Saskatoon. One lady there asked me if the Government could bring about economic recovery so that people could get back to work and start paying their taxes again so that the Government could afford to pay seniors their pensions. It seems to me that she put the whole issue in a nutshell. She understood that her pension cannot come from a printing press but that it had to come from an economy with some substance and foundation.

I am not very happy about sharing the burden of this debt. Senior citizens are not happy, corporations are not happy and people who earn over $40,000 per year who are being surtaxed are not happy. However, when we took office last fall, it was made very clear to us that the debt was about to wreck the country. As someone said not too long ago, let us try to make some decisions in this Parliament while we can still make decisions. If we do not make them now, the decision-making power will be taken away from us and put in the head offices of banks and lending institutions outside this country.

Has the Hon. Member for Beaches really given this issue a broad view or is he just zeroing in on one particular item? I agree with the Hon. Member that everyone has a burden to share. I would like to think that those senior citizens who are able to help us share the burden will do so. We look forward to their assistance. I would be very happy to hear from any senior citizen in my constituency who cannot afford to pay 27 cents per day, because I would like to talk to that senior citizen.

Mr. Young: Mr. Speaker, I would be delighted to reply to the Hon. Member. Members who have been Members as long as I have know that I always take the broad view of things.

Mr. Andre: Yeah?

Mr. Young: I am totally unbiased and I take an objective point of view.

Mr. Epp (Provencher): From a socialist point of view, you are right.

Mr. Young: The Minister of National Health and Welfare knows that. Usually I do not find myself in disagreement with the Minister of National Health and Welfare.

Mr. Andre: At least you're smiling.

Mr. Young: I'm smiling at the Minister of National Health and Welfare.

I personally find this part of the Budget to be deeply offensive. I find it deeply offensive to the senior citizens who were told time and time again that the Government would not touch the pensions and would in fact restore full indexation on pensions. Government Members made that promise at the time of the six and five program.

Whether one takes a broad view of the Budget or a narrow view, a commitment was clearly made to every senior citizen during the election campaign, following the election campaign and during the discussions on the benefits paper. That is what I find so offensive. I think the question of deindexation of pensions must be addressed, regardless of what else is in the Budget.

I would like to say to the Hon. Member for Saskatoon East (Mr. Ravis) that a number of senior citizens who were at that convention I attended yesterday signed the petition that was presented today by the Hon. Member for Churchill (Mr. Murphy). Those senior citizens were extremely angry about what the Government was doing to them. I would like the Hon. Member to take that into account.

As I indicated earlier, any Budget must be seen in the light of how it addresses human concerns. It cannot treat people as a bunch of statistics. Last summer, when they were looking for votes, government Members promised us heaven and earth in the way of pension improvements, but they have reversed their position today and say that things have now changed.

Conservative Members can use a host of arguments to try to justify their position, but I do not think they will be able to convince senior citizens. I do not think that this will wash one little bit. People see this particular item of the Budget as being a betrayal of what the Government promised them, and they ain't going to accept it. I think the Hon. Member should understand that. He is in for the fight of his life over this one issue. If he thinks that the business community has power, he should just wait until he sees "grey power". Those people will knock him flat on his keister.

Mr. Gustafson: Mr. Speaker, I would like to make a comment on the remarks of the Hon. Member for Beaches (Mr. Young) who spoke of Saskatchewan. On Monday, I went to the Assiniboia Gravelbourg nomination convention in the riding of Assiniboia at which 1,000 Conservatives were gathered. It was interesting to note that the Budget was the subject of discussion. I had senior farmer after senior farmer tell me that, due to the Budget, they had been saved from a lifetime of work. The farmers told me that under the former Government, they would have lost the only pension program which they had. Senior farmer after senior farmer complimented us on the Budget.

● (1540)

I say to the Hon. Member who has just spoken that the Budget has brought a very positive response from Saskatchewan. It has been well received that we have kept intact the principle of universality. The people of Saskatchewan are very pleased with the Budget.

Mr. Young: Mr. Speaker, I cannot let that go without some comment. He was talking to Conservatives. I am talking to Canadians.

Mr. Epp (Provencher): What is the difference?

Mr. Young: I thought that the Government was elected to represent Canadians generally, not only Conservatives.

Some Hon. Members: Oh, oh!

Mr. Young: Mr. Speaker, I could go out and talk with a bunch of NDPers and they would firmly condemn the Government, in principle, because it has given them a Budget which will hang them. I am not only speaking with NDPers, I am talking to Conservatives as well. Conservatives were on the hot line show yesterday and they did not agree with the Government. I have spoken with Liberals and they do not agree with the Government. I am still waiting for the day when government Members will come into the House and tell me that Cabinet Ministers have spoken with seniors and that they are prepared to identify the people with whom they have spoken. I have not seen any evidence of that. Government Members were asked time and again today with whom they have spoken. We asked them to give us names or the names of groups. But we did not receive an answer. Once government Members can come into the House and tell us that, I will listen to them a bit more closely than I have in the past.

Mr. Deputy Speaker: The period for questions and comments has now expired. We will now resume debate with the Hon. Minister of National Health and Welfare (Mr. Epp).

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased to participate in the debate and to put forward various points of view. The Hon. Member for Beaches (Mr. Young), and I, despite our political differences, are very good friends. I would like to tell him, when he speaks to the Conservatives of Canada, that they are Canadians as well. While it might have been a slip of the tongue—

Mr. Young: The heat of debate.

Mr. Epp (Provencher): That is fine. He can be selective with whom he chooses to speak and I can be selective with whom I choose to speak. That debate could take up a lot of time in the House. I do not think that would be very useful. I think we must return to the point of the debate.

He has a position—and I say this to him from an objective point of view, though he may question my objectivity—which the NDP has generally held. That position is to spend more money, spend ourselves out of debt and out of a burgeoning increase in the debt load and the servicing of the debt. Members of the NDP believe that if we keep on spending, we can turn around the economy. I happen to disagree with that philosophy. However, I do not disagree with him that his Party has been consistent in putting forward that philosophy. While

I fundamentally disagree with it, I would say to him that in that sense he has been very consistent. I will have further words about the Liberals, because they have other viewpoints on deindexation which have been expressed before. We could spend a long period of time debating that.

However, I know that the Hon. Member is a precise man. I think he should take a look at the motion which is before the House. I hope he has read it. In fact, I went to the Table to ensure that there was not a printing mistake in the Order Paper. The Table gave me a signed copy, which bears the signature of the Hon. Member, so I know that the motion is exactly the same in the Order Paper as the motion which he put forward last night for debate today. I do not know if he has read it, but I will. It states:

A Progressive Conservative Government intends to re-establish the full-indexing of old age pensions to the cost of living beginning January 1, 1985.

If he took a look at the Budget, he would see that the plan is to come into effect on January 1, 1986. So what he is asking the Government to do is exactly what the Government is doing. I hope he will vote for the very thing which the Government is now doing.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I will try to help the Hon. Member out of his dilemma. I really think that what he wanted to talk about was January 1, 1986.

Mr. Young: You are right.

Mr. Epp (Provencher): Thank you. That is between friends. I am sure that he and other Members would want to commend the Government for having done exactly what they have asked the Government to do.

The only other point, which is more critical, that I would like to make on the motion, is that it is exactly that kind of imprecision that creates fear among senior citizens. It is from that point of view that I would suggest to the Hon. Member that he should be very careful when he puts forward a position or a point of view to make sure that it is the entire story.

When he asks for petitions, he should give senior citizens, in respect to them, the full details of the issue which is facing not only senior citizens but the entire Canadian society. If he does that and if he still receives the same response, I will respect that response. But I would ask him, please, not simply to put forward to a group of people, who need the explanation, a petition which is against the Government and its proposals and ask them to sign it. I do not think that is of any great benefit to those who sign it and whose names are then used in the House. It will not change the situation as far as clarity and understanding are concerned.

I know the Hon. Member will say that the motion was taken directly from the Conservative election manual. That is correct. I am pleased that he quoted the manual correctly. However, it does not do anything for clarity in this debate.

Let us look at the situation as Canadians, not as New Democrats, Liberals or Conservatives. Here is the situation. In February of 1984 when the Lalonde Budget was brought down, it was projected that the annual increase in the deficit which Canada had been experiencing would turn the corner and start to decrease. In addition, it was projected that the trend would continue into the 1990s. But when we became the Government, elected by the Canadian people, those projections and what was in the public domain in terms of public information had no relationship to the reality of September 4, 1984. In fact, the reality was that the deficit, which had been announced and projected even during the election campaign, was up to $5 billion more. But even that possibly could be controlled. What was even more worrisome was that the projections for the annual deficit were so large that the very ability to maintain the programs for which the Hon. Member works and fights as do I and other Members of the House, was being seriously jeopardized by the cost of servicing the debt. For example, next year the debt was to go to $38 billion on an annual basis. By the end of this decade it was going to be $40 billion on an annual basis. By the early 1990s it was to be $50 billion. So before many years hence we, as a Canadian society, were going to have a debt of $400 billion.

● (1550)

Let me put that into perspective, if I might, Mr. Speaker. At the present time, most of the cost of servicing the debt leaves our shores and goes into bankers' hands. I am sure the Hon. Member is not comfortable when I say that his proposal gives more to the bankers. I am sure he never thought he would ever have to defend that position. But if the Hon. Member looks at the situation clearly, he will see that we the Canadian society, are spending today from the federal share of health care, approximately $11 billion on an annual basis. He will see, for example, that on old age pensions and on the Guaranteed Income Supplement we spend another $11 billion. Therefore, the Canadian society spends approximately $22 billion on those two absolutely essential programs. But we are spending more on the servicing of the debt right now than on either of those programs. It is now up to $25 billion.

If we project just four or five years down the road, Mr. Speaker, and we look at the debt load which we are going to have not only as the Government but as the Canadian society, and if we annualize that at a 10 per cent interest rate—which I think most Hon. Members in the House would say is a reasonable number to project in view of the present circumstances—then the cost of that debt on an annual basis will have jumped to $40 billion.

The very relationship to the programs we want to maintain as Canadians, if it is not jeopardized today, it surely will be jeopardized in four or five years down the road. I cannot change that fact in any way I want. The debt is not a benign giant but rather something which the people of Canada asked this Government and this House to deal with. I have said as openly as I know how, in Question Period and in other locations, that had I been in other circumstances, I would obviously have opted for other options. But I say to Hon. Members that today more than 50 per cent or thereabouts—let us use that as a base figure—of our expenditures at the

national level are in my Department of National Health and Welfare and in servicing the debt. I say this to members of the New Democratic Party in as straightforward a manner as I know how. They say, "Don't bring in any cuts. Don't bring in any reductions. Bring in taxes on the rich". But keep in mind that this change will come into effect at the same time as the minimum tax, which was pointed out by the Minister of Finance (Mr. Wilson), that is, on January 1, 1986, if I have the date right. But those Hon. Members do not tell the people about that side of the equation. So I am saying to them very directly; they know and I know that there is no money tree out there from which, if one shakes a certain branch, one will get more money without pain and will be able to sustain these programs without turning around that ship of state, that deficit and that load.

Mr. Waddell: You didn't have any problems with the oil companies, did you?

Mr. Epp (Provencher): Surely they can understand that. Creating jobs was mentioned in the Budget. Surely, the best job that we can give Canadians is a permanent job. And if deficit financing is as successful as the socialists put forward, why is it that we have this large debt?

Mr. Waddell: Because you gave away too much money to the oil companies. You gave them $2 billion.

Mr. Epp (Provencher): And why do we have 1.4 million unemployed—

Mr. Waddell: Because you have monetarism.

Mr. Epp (Provencher): —of which 500,000 are under the age of 24. So I say to the Hon. Member, if his system works so well, why hasn't it worked?

Mr. Waddell: Because we have not been in government. You are in government. The Liberals were in government. We have been in the Opposition, remember?

Mr. Epp (Provencher): And you will stay there. I will change my opinion about the Liberals and the New Democrats after I see what happens in Ontario. I do not know how you are going to defend that, but that is for you to worry about and not for me. I say to the Hon. Member very directly, please put that forward.

The other point the Hon. Member likes to make is that we have not maintained universality. That is also not the case. We have maintained universality. Every Canadian who is eligible for old age pension at age 65 still receives it, as they received it before the Budget, as they received it after the Budget, and as they will receive it as well on January 1, 1986.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): While I might have my philosophical differences with the New Democratic Party, I must mention the Liberals. Here they are rising in their places and telling us that this is a dastardly act. Let me read what my immediate predecessor, the former Minister of National Health and Welfare, the Hon. Monique Bégin, said. I do not believe she was ever accused in this House of being very concerned about the deficit. At the time she was speaking, the annualized deficit was $19.6 billion. Let me quote the following from *Hansard* of November 18, 1982, at page 20801:

> I emphasize this last point because, in spite of the position taken recently by the New Democratic Party, there are people in this House and throughout Canada who believe that we can simply increase the deficit by a few hundred million dollars to achieve our pressing objectives. However, beyond a certain point, the interest payable on the deficit becomes intolerable because, from the point of view of a Minister of social affairs, it is a waste of money.
>
> We must be realistic and avoid seemingly easy answers which would only prolong the economic crisis and exert even more pressure on all future social budgets.

That is the point, Mr. Speaker, and I say to my Liberal and New Democrat friends, that is the point. Have they looked at the demographic figures ten years from now? Have they looked at demographic figures 15 years from now? That is why, for instance, there were changes to the Pension Benefits Standards Act, which the Hon. Member of the New Democratic Party knows full well will help people to plan for their pension futures. But do they say anything to the old age pensioners about that? No, they leave that out. They will not say anything like that. And, Mr. Speaker, there is absolutely no question that if people will rely throughout our history only on the OAS and the GIS, they will be at or near the poverty line. Surely it is better for us today to start planning for the future so that these programs that we all want to maintain can be preserved. I say to the Hon. Member of the New Democratic Party, don't ask us to give the international bankers more. Don't defend the bankers. Defend the old age pensioners for a change.

● (1600)

I could go through speeches by the finance critic or the health critic for the Liberal Party, as well as others, but I say to all of them: Yes, we have maintained the principle of universality, and what we are also trying to maintain, through Bill C-26, for example, through the spouse's allowance, and through changes to the Pension Benefits Standards Act, is the ability of Canadians to invest and create jobs for the future.

Yes, I am sure the Hon. Member has many small businesses in his riding, people who do not consider themselves rich and who had to pay capital gains tax when they sold the business. I say to him, start believing in your neighbours, the people up and down your street. They can do more for the economy than this or any Government can do. Surely people can look after themselves better than either you or I can with rhetoric. Look at the StatsCan figures which came out yesterday, and keep this in mind: if we are going to continue down the road we have been on, the cost of servicing our debt will become so great that the programs and pensions we have for those who reach 65 a few years from now will be unsustainable. Let us not get into that trap. Let us make the decisions today which will turn that around and give not only our senior citizens some hope, but also those who are in the workforce today and those who want to start their own businesses. Let us give them

the hope that they will not be crushed by a tax burden which they cannot maintain.

Mr. Riis: Mr. Speaker, I have just one question I want to put to the Minister. He had a great deal to say about the need to reduce the debt being the reason for a reduction in increases to the pensions Canada's senior citizens will receive. But he omitted reference to the billions of dollars which he knows are given to corporations each year. By these corporations' own admission, these breaks produce no gain whatsoever. The President of the Bank of Montreal spoke to the Canadian Manufacturers' Association in Toronto and said that the corporate sector is awash in corporate tax expenditures. That tells us that there is a lot of money which could be saved if there were some rationalization of the corporate tax expenditure side of the Budget.

Rather than take nearly $1,500 over the next five years out of the purses and pockets of senior citizens, why did he not look at that corporate tax expenditure side of the account and use that to reduce the deficit?

Mr. Epp (Provencher): Mr. Speaker, I, the Minister of Finance and the Prime Minister, as well as others, have said that the size of the debt is such that all of us have to share in its reduction. The Minister of Finance has said to the Hon. Member, as well as others in this House on numerous occasions, that what the Hon. Member calls loopholes and others call incentives, that is, the matter of corporate taxation, is something he is looking at very carefully to see if there can be some changes to meet some of the points the Hon. Member has made. But I say that no matter how we rejig it, let us not leave the impression with the Canadian people that there is a magic money tree and that shaking it will have no effect on our trade, our competitiveness, or the ability of corporations to continue to create jobs. Let us look at these issues but not in isolation or in the belief that there is a painless way of reversing a situation where we have no control over 25 cents out of every dollar we spend. If there is one section of the Budget which operates by itself without any decision being taken by this House or the Government, it is the payment of interest on our national debt.

I say to the Hon. Member that he should take the Minister of Finance at face value when he says he will bring in changes regarding a minimum tax as well as the corporate tax structure. I have my dates right and I hope the Hon. Member has his right. The Minister has said that the minimum tax will come into effect on January 1, 1986. I am sure that the Hon. Member, being an honourable person, will go back to Kamloops and put all those positions forward to the seniors in his riding before he asks them to sign any petition.

Mr. Berger: Mr. Speaker, I have a great deal of respect for the Minister of National Health and Welfare (Mr. Epp). I have had the privilege of spending some time with him in the House and in its committees and elsewhere, and I respect his opinion. However, notwithstanding that, I was somewhat concerned about the tone of his comments. He sounded more like the Minister of Finance than like the Minister of National Health and Welfare. I say that knowing that the deficit is a matter of concern to all of us here in this House. The Minister confirmed that when he quoted statements made by the previous Minister of National Health and Welfare, Madam Bégin, and by other members of our Party. However, he knows as well that in grappling with the deficit and trying to reduce it over a number of years, any Government has choices. There are different ways to try to bring the deficit down. When the six and five policy was introduced by the previous Liberal Government, full indexation of the OAS and GIS was assured for those living at the poverty line, those who received the full GIS. Perhaps I am not expressing myself entirely correctly, but the effect is the same: those who received the full GIS also received an extra payment to compensate for the amount they did not get by reason of capping the OAS.

This is the kind of sensitivity to the poorest elderly Canadians that we are asking of this Government. We are not asking the Government to throw out its whole budgetary policy—well, perhaps we are, but not on this particular point. We are simply asking the Minister to provide full cost of living increases for those living at the bottom of our income scale.

I would also point out to the Minister that his Government has just increased the maximum for RRSP contributions. Whom will that benefit? This was the recommendation of a number of task forces, yes, but perhaps because of the urgent situation we are in that should have been postponed for a period of time. The people who can afford to make those contributions could perhaps postpone those contributions for several years in order to help the elderly poor in our country. That is the kind of choice which this Government appears not to have made in this Budget.

So I appeal to the good judgment of the Minister. He is not going to win this argument by just talking about the deficit; he also has to address the question of choices which any Government has to make in dealing with that deficit. Our opinion is that some of the choices made by this Government in presenting this Budget were not judicious ones and do not do justice to all of the elderly in our country.

● (1610)

Mr. Epp (Provencher): Mr. Speaker, the Hon. Member puts forward some very lucid points. He is absolutely correct when he says that we must remain sensitive.

However, let me point out what is in the Budget. His Party and the New Democratic Party plan to tell senior citizens throughout the country that their income will be cut immediately, and they project that to 1990-91. They can do so for political reasons, if they wish, but in doing so I have not heard them say that the Minister of Finance has made a provision in the Budget to monitor the situation when this plan comes into effect on January 1, 1986.

The Hon. Member's suggestion of increasing the GIS was one option. He accuses me of sounding like the Minister of Finance. I have the responsibility in Cabinet and to the country for those client groups that specifically receive services from my Department. I suggest that this includes almost every

Canadian because our computer bank at the Department of National Health and Welfare contains a list of almost 18 million Canadians. My Department deals with almost every Canadian.

The Hon. Member may think that I sound like the Minister of Finance, but I say to him that I want more programs, just as the former Minister of National Health wanted more programs. I want more for spouses. I am pleased that the Government is introducing Bill C-26. I am pleased that the disability change was made in the Budget and that another 120,000 Canadian families who are looking after disabled members will get an extra benefit. I am pleased that we have been able to maintain the indexing on the basis of the Budget.

However, I suggest to the Hon. Member that Canadians must make choices, and that the difficult decisions that this Minister, the Government and Members of the House must make is whether our society can continue to increase the 25 per cent of our expenditures which now go to service the debt. Can we increase that amount *ad infinitum*, or must we make the decision to turn that deficit around and to allow future generations of Canadians the opportunity to have jobs and the ability to pay for services? While there is no social contract in a social welfare state, there is the concept of intergenerational responsibility.

The Hon. Member, myself and all Canadians who are in the workforce have a resopnsibility to pay our taxes for those who are over the age of 65 and who had worked when salaries and incomes were generally lower. I gladly accept that responsibility as a Canadian and I believe all Canadians accept that responsibility.

However, I suggest to the Hon. Member that there must be a balance. If this process continued, in years to come I would not sound like a Minister of Finance but, rather, like a Minister of National Health and Welfare who would be pleading for revenues which I know would not be available to maintain the programs which existed. That is what I and my successors would be pleading for, but there would not be that revenue. That was the option I had to consider and that is why I made this choice.

Mr. Deputy Speaker: The period of questions and comments has expired. Resuming debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, frankly, I listened with some astonishment to the plea by the Minister of National Health and Welfare (Mr. Epp) for Canadians to restrain themselves. He called particularly upon senior Canadians and those currently living below the poverty line to tighten their belts in order to pay for intergenerational transfers.

His Government has had a litany of bloated spending that would cause any taxpayer to shudder. The Government sanctimoniously pleads with Canadian taxpayers to tighten their belts. However, let us consider what the Government has done in its first eight months in office. One of the first actions taken by the chiefs of staff was to double ministerial staffs. The total cost to taxpayers of Canada for this was $15 million. There were 54 VIP flights in the first 45 days in office, which cost $345,000.

The Minister of National Health and Welfare is telling senior citizens who are currently living below the poverty line to give more. Meanwhile, his Party shells out money for designer Christmas trees. The Prime Minister (Mr. Mulroney) spent $24,000 to fly the November economic statement to the Premiers. Presumably he has not learned of the value of Canada Post, and so had to spend $24,000 to send the economic statement to the Premiers.

The First Ministers' Conference in Regina cost the Canadian taxpayers $500,000 under the flag of the Government and the presidential seal of the Prime Minister. The Prime Minister's budget alone, which increased by 57 per cent, cost Canadian taxpayers a further $2.6 million. Presumably, Conservatives had to make sure that all their carpets were blue because renovations to Tory offices amounted to $131,158. The total price tag for those few changes, excluding the Marcel Masse trip from Ottawa to Vancouver for $19,000; the Harvey Andre $12,600 flight from Ottawa to Saskatoon; the Pat Carney Ottawa to Calgary to Vancouver trip for $17,456; and the Marcel Masse trip from Ottawa to Algeria to Greece for $57,000.

Mr. Deputy Speaker: Order. I ask the Hon. Member to refer to Ministers by their portfolios.

Ms. Copps: Yes, Mr. Speaker. The trip of the Minister of Communications (Mr. Masse) from Ottawa to Algeria to Greece and back cost the Canadian taxpayer $57,000. The total cost to Canadian taxpayers for renovations and bloated office staffs was some $54,921,508.

Mr. Andre: A fraction of what Lloyd Axworthy spent on his office.

Ms. Copps: I realize that it is painful for the Government to hear the facts. The Minister of National Health and Welfare stands in his place and not only breaks his word but the word of the Prime Minister to the Canadian people. He pleads with senior citizens to bear the brunt of deficit reduction. He is calling upon senior citizens who are currently living below the poverty level in this country to allow their budgets to be reduced by $30 on a monthly basis and to make payments so that his Government, under the leadership of the Prime Minister and the Minister of Energy, Mines and Resources (Miss Carney), can pay a further $2 billion in tax dollars to the multinational oil companies.

If the Minister of National Health and Welfare is truly serious about calling upon all Canadians to share in the sacrifice, he would not have joined with the Minister of Finance (Mr. Wilson), the Prime Minister and the Minister of Energy, Mines and Resources in an absolute tax giveaway to the multinational oil companies, which is being paid directly from the pockets of our poorest in the country. It is hypocritical of the Government to call upon seniors to make those sacrifices when that Party promised during the election campaign that no matter what cuts or changes were made, they

would not be made on the backs of those who can least afford to pay—our senior citizens. That promise was spouted by the Prime Minister in his own tome *Where I Stand, the New Tory Leader Speaks Out*. The book was printed some two years ago, and presumably he has not had a conversion on the road to Damascus. Let us hear what the Prime Minister had to say some two years ago, about indexing benefits for senior citizens. He said: "Beginning with politicians and senior public servants it should become a priority to reduce and eventually eliminate and outlaw indexed contracts and benefits, including indexed pensions in line with inflation.

Clear and justified exceptions should be made for mothers' allowance and all other social programs designed to protect the ordinary and disadvantaged Canadians from the ravages of inflation for which they are not responsible".

● (1620)

Those were the words of the Prime Minister two years ago when he told the Canadian people where he stood. Where does he stand now, Mr. Speaker? Where does he sit? We cannot even find him in the House of Commons.

We see that he made those same promises again during the election campaign. The Tories said quite clearly, and it is alluded to in the motion before the House today, that the Tories are committed to reinstating complete indexing of old age pensions to the actual cost of living as of January 1, 1985.

What did the Minister of National Health and Welfare have to say in this House less than six months ago on the issue of indexing? Let me quote from the House of Commons debates dated December 21, 1984, when the Minister said:

> I can confirm that the regular indexing of the Old Age Security, the Guaranteed Income Supplement and the family allowance will be increased as of January 1, 1985—

I realize that the Minister of National Health and Welfare may not have won his battle in Cabinet. I realize that the hawks in deficit reduction have prevailed upon the Conservative Party to ensure that the deficit is reduced on the backs of those who can least afford to pay. I would have thought that, at the very least, the Minister of National Health and Welfare would have had the courage to stand up and explain, on the one hand, why this Government is calling upon senior citizens to make this sacrifice and, on the other hand, why the Government is prepared to give away a half a million dollar capital gains write-off to the top 4 per cent in our society who can afford to take advantage of it.

The facts are clear. This Budget is not a fair Budget. This is a Budget which gives to the rich. It will ensure that a family of four earning $200,000 a year over the life of this Budget will actually, if that family takes into account the capital gains write-off, pay $2,352 less in taxes as a direct result of the Budget measures which punish senior citizens. At the same time, a family of four earning $15,000 a year, not exactly living in the lap of luxury in Hamilton, St. John's, Newfoundland, or in Vancouver, will pay $413 more in taxes as a direct result of these Budget measures.

I congratulate those Members on the government side of the House who had the courage to tell the people what they think about the measures of the Wilson-Mulroney Budget and what they think about this Government's complete turnaround in its promises to senior citizens.

[*Translation*]

Mr. Speaker, the Minister of National Health and Welfare (Mr. Epp) has referred to promises. He referred to promises made by the Liberals, but what he did not tell Canadians and what he did not make clear today in the House is, that while he is asking the elderly who are most in need to shell out $30 a month for this Budget, he is giving more than $2 billion to the oild multinationals, because this Government has rejected the energy policy option proposed by the former Government party, the Liberal Party.

The Conservative Party has shown Canada its true blue colours in the Budget, that cold blue blood that gives a cold shoulder to Canadians who are most in need.

Frankly, Mr. Speaker, I am ashamed of the fact that Conservative Members are not rising in their seats to tell the Minister of National Health and Welfare, the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) who made so many promises and who promised several times here in the House and outside the House that the Government would not make any changes whatsoever in the pensions paid to the neediest in Canadian society, our senior citizens.

[*English*]

I do not know whether a promise from a Tory means the same thing it means to other Canadians. I think what we have at issue here is not only the financial hardship and devastation which will be faced by hundreds of thousands of senior citizens, apolitical and of all political stripes, but also the credibility of this Government and this Prime Minister who promised the Canadian people that universality was a sacred trust, that they would not touch indexing at the expense of senior citizens, and that they would not reduce the deficit at the expense of those who can least afford to pay.

We see that the very words of the Prime Minister have shown themselves to be simply a blarney sham, simply a fraud to encourage the Canadian people to cast a ballot for a Party which pretended to be something it was not.

This Budget, this measure, this attack on senior citizens is the true colour of the Conservative Party of Canada. The Conservatives tried to adopt neo-Liberalism during the campaign. They tried to tell the Canadian people that they were going to protect our older people and create jobs for our young unemployed Canadians. But we see, Mr. Speaker, that the moment the Tories get their clutches on investment power in Canada, they give to the multinationals. They give to pension funds which are going to invest outside of Canada.

My colleague, the Hon. Member for Trinity (Miss Nicholson), today in the House raised a very important point about the philosophy of the Conservative Party. She pointed out that as a direct result of budget changes this Government has now

permitted private pension funds to invest some $30 billion outside the country. When the Minister of State for Finance (Mrs. McDougall) was asked why she would permit this $30 billion outflow of capital which will mean hundreds and hundreds of thousands of Canadian jobs, she said that the companies asked her to do so because they wanted to go where they could get the best rate of return.

That sounds to me strangely like the kind of mentality and the kind of position expressed by the Prime Minister when he told *Fortune* magazine that Canadians cannot compete, that Canadians cannot offer the best rate of return, so let us send our billions and billions of dollars of pension funds out of the country to the United States and to Europe; let us send our capital gains write-offs of half a billion to purchase diamonds in South Africa or condominiums in Florida.

If this Government had an ounce of conviction about Canadian job creation and if it had an ounce of conviction about reducing the deficit, not on the backs of those who can least afford to pay, at the very least it would have made provision in this Budget for tax measures which would have ensured jobs in Canada for Canadians. But we see quite the opposite, Mr. Speaker.

With a single flick of the pen, the Minister of Finance has said to people in charge of pension funds across Canada, "Take your money elsewhere. Do not invest in Canada. Do not invest in Canadians. Go to Switzerland, go to England, go to the United States. Go where you can get the best rate of return". Any economist will know that this $30 billion potential outflow of capital from Canada will not only result in the loss of hundreds of thousands of jobs, jobs which allegedly the Minister of National Health and Welfare and the Minister of Finance are here to protect, but it will also result in a further depression of the dollar, which has been driven to new lows as a result of Tory policies.

The purchasing power of those senior citizens, who are already being grabbed for $30 a month as a direct result of tax measurs, will see their purchasing power further decreased by a dollar that will have less and less value on the international market.

• (1630)

Those same economists will tell us that this particular measure in the pension fund will result in an unprecedented level of inflation for Canadians. It shows quite clearly that the Government does not have faith in Canada. The Government does not believe in investment by Canadians in Canadian jobs for Canadians. The Government does not believe in indigenous industries which are not based upon a multinational influx of capital that will leave as soon as times get tough. The Government is only interested in lining the pockets of the rich, the pockets of the wealthy, and the pockets of those Canadians who financed the campaigns which led to its election.

For the first time Canadians can finally see the face of the Prime Minister and the face of the Government. When times get tough, they look to our senior citizens, to people who are now living below the poverty line, to pay the price for the gifts they are giving to their cronies and friends. Again I am speaking about the $500,000 capital gains tax write-off. Most senior citizens could not think of earning and putting together $500,000 in their lifetime, never mind setting it aside for a capital gains write-off. Most senior citizens are scraping so that perhaps they can have one meal of meat in a week. This did not stop the Minister of Finance from giving another little loophole to all people who travel abroad. The Minister of National Health and Welfare did not mention that in his cut-back discussions. He did not tell Canadians about this other little goody, that the Minister of Finance had decided that anyone who left the country for more than 48 hours would be allowed to bring in $100 of goods tax-free. Presumably most senior citizens who are earning the base OAS and the GIS are not in a position to make trips very often outside the country.

Who will be the beneficiary of this particular tax write-off? Presumably it will be business people who travel for a couple of days of meetings in New York or in Washington. Presumably it will be politicians who travel outside the country. It certainly will not be the ordinary steelworker or ordinary senior citizen who will have the chance to take advantage of this other giveaway by a Minister of Finance who seems intent on propping up his friends in high finance at the expense of ordinary Canadians.

I think there is unrest in the Tory ranks. For the first time we have seen Conservatives who have the courage to stand either inside or outside the House and dissociate themselves from the policies of the Government. I know they are receiving telephone calls. I know they are receiving responses from angry, hurt, betrayed and distrustful senior citizens who are saying to them: "I voted for you. I cast my ballot for the Conservative Party because I believed the Prime Minister when he said that universality was a sacred trust". They cast their ballot for the Conservative Party because they believed it when the Minister of National Health and Welfare promised that he would not touch the indexation of the OAS and the GIS. Those people believed the Conservative Party but, in one fell swoop, in one budget measure, a message has gone out loud and clear to Canadians, especially senior Canadians, that the Government and its Prime Minister cannot be trusted to keep their word.

[*Translation*]

Mr. Speaker, I was glad to see that a number of Conservative Members had the courage to speak out, either in the House or outside the House, and tell Canadians that they did not agree with the Wilson-Mulroney measures. I want to urge all Members who have a conscience and who want to meet the needs of the neediest in Canada to rise and speak out. If we work together, we could take the advice of the Right Hon. Prime Minister (Mr. Mulroney)—

[*English*]

He said in his book that to compromise was not a sin, that he believed he could back off when he had made a mistake. The Government has made a mistake. Let us all get together

and unanimously endorse a policy to reindex the Old Age Security and the Guaranteed Income Supplement. It would be work well done by all parliamentarians.

Mr. Gormley: Mr. Speaker, I have a question for the Hon. Member for Hamilton East (Ms. Copps) and a few comments, perhaps by way of a preamble. First I should like to compliment her on the reading material which she has brought to the House. It is improving somewhat, and I hope it continues to improve.

It would not come as a surprise to most of us from Saskatchewan farms that this Member, I suppose from the heart of industrial central Canada and of course speaking officially on behalf of the Liberal Party, would be so opposed to the exemption on capital gains tax. I want the record to show what I have to say, as I bring copies of the House of Commons *Hansard* back home to thousands of farmers who eke out a living on six, seven or eight quarters of land. Capital gains tax is their life savings. This is their pension in the ground on which they toil. The Hon. Member referred to neo-Liberalism. Good Lord, old Liberalism was bad enough! The Liberal Party of Canada does not want the capital gains tax exemption for my farmers, for all Canadian farmers. I think that should be on the record for people to see the Liberal Party and its true colour.

I should like to direct my specific question to the Hon. Member and to draw her attention to a recent Statistics Canada report which indicates that by the beginning of the 21st century one in four Canadians shall be 65 years of age or older. The present 12 per cent of senior citizens, 12 per cent now and ever growing, will be 25 per cent by the year 2000. I should like to ask this Hon. Member, this distinguished representative of the Liberal Party of Canada which bequeathed to all Canadians a $35 billion per year deficit, an accumulated deficit of $200 billion: Who will pay in the year 2000 for the valuable programs which are now universal to all Canadians 65 years of age and over and shall continue to be universal to these Canadians? Who will pay? That is what I should like to ask the Hon. Member.

Ms. Copps: Mr. Speaker, I thank the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) for his question. It is unfortunate that he has not been participating in the budget debate. If he had, he would have known that this Hon. Member for Hamilton East has already spoken on the capital gains issue with respect to farmers. Having a little background in agriculture myself, I am certainly aware of the fact that an all-Party committee in the last House of Commons recommended that the capital gains exemption be lifted completely for farmers, so that there would be no ceiling on capital gains exemption for the farming community.

Unfortunately, in this particular Budget, the Minister of Finance has chosen not to offer what he promised to farmers. That promise was a complete exemption from capital gains. Instead he has chosen to offer a wholesale sell-out to the so-called 4 per cent of the investment community which can purchase condominiums in Florida and to offer them the capital gains write-off. If the Minister of Finance had been listening to the Hon. Member, he would have followed up on his suggestion to assist farmers. There is no direct assistance for farmers in the Budget. The only assistance they receive is the capital gains write-off if and when they sell their properties. It is great if one wants to close up shop but, if one wants to survive or to continue to eke out a living, there is nothing in the Budget.

If the Hon. Member were sincere about a capital gains write-off, he would move an amendment. I encourage him to move the amendment—and I will support him on it—which will allow a capital gains exemption for the farming community alone and will in fact retire the rest of that $125,000 cash bonanza for the rich and put it into a pool for senior citizens who are paying not for past Liberal sins but in particular for the cash bonanza which the Government has given to the very wealthy.

This capital gains write-off is a sham. It offers a write-off for investment of Canadian dollars outside the country. In the same way, the pension fund changes mean a potential outflow of $30 billion of Canadian investment funds to other countries where they can obtain better rates of return. We in the Liberal Party believe in Canada. We do not believe that we have to go to the United States, to Europe or to other countries to obtain better rates of return on our investment. We are prepared to put our money where our mouth is. Unfortunately the Government, by permitting a $500,000 capital gains write-off with no conditions attached—no conditions for farmers, no conditions for Canadian investment, no conditions for Canadian job creation—has created a bonanza for the rich which is being paid directly by our senior citizens.

• (1640)

Do not try to pass that scam off on the Canadian people. Do not try to tell them that it is as a result of past Liberal woes that this deindexation measure is being introduced. It is being introduced to make your pay-offs to the multinational oil companies, as well as your payola to that 4 per cent of the Canadian population who can take advantage of a $500,000 capital gains write-off. That is what the seniors of Canada are paying for. They deserve to know the truth.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Chicoutimi (Mr. Harvey) for a question or comment.

Mr. Harvey: I want to make a few comments, Mr. Speaker, because if the Official Opposition keeps this up the elderly will have the impression that their pension payments will be cut in half. But the facts are different and, keeping in mind the election promises and the need for the Government to get a handle on the deficit, I think it is important to follow up on our election promises in a moderate way. As to the elderly, their pensions will indeed continue to increase regularly.

Mr. Speaker, we have to remember that the Budget provides for full indexation of the guaranteed income supplement and

this, of course, will be reflected in higher old age security pensions. Still, the Government is committed to honour general agreements of $1.6 billion with the Province of Quebec, and that is bound to have an impact on the life of Quebecers.

Among other things, Mr. Speaker, over two years the Government will pay out $550 million in spouse's allowances to senior citizens. But that is not enough for the Opposition. It is never enough, Mr. Speaker, but who else but them so mismanaged everything in the past 20 years that, after such waste by the Liberals, we now pay $3 million an hour in interest alone? All I can say is that our Government must curb the rising deficit while moderately fulfilling its election promises. We will certainly honour our commitments before the end of our mandate. I have a question for my colleague. In the newspaper *La Presse*, definitely not a gossip tabloid, economic affairs columnist Frédéric Wagnière wrote this before the Budget was tabled:

> Economic growth is stymied by a lack of investments, true enough, but investments are in turn discouraged by high interest rates and the deficit's voracity on capital markets. A higher deficit just might create temporary jobs but, unless something changes in the pattern of public outlays, additional expenditures would not produce permanent investments. To remedy the situation, the Federal Government must reduce the deficit, to encourage companies to invest and take advantage of the drop in interest rates.

Mr. Speaker, in eight months the situation in this country has proved that controlling Government spending is the most promising factor in creating jobs—200,000 new jobs.

I would like to ask the Hon. Member what she thinks of the journalist who was urging the Government before the Budget was brought down to control its spending. That is what we are doing with the Budget. We are reducing the deficit by 80 per cent through cutbacks in Crown corporations, Members' pensions, and through a freeze on regular departmental budgets. I would like to ask her whether the Government's policy, which has the support of financial journalists . . . whether it is not in line with the new economic reality in Canada.

Ms. Copps: Mr. Speaker, the new reality is that the modified promises referred to by the Hon. Member are so many burnt out candles, according to me and according to all Canadians. When the Hon. Member talks about modifying the pensions of the elderly, to me it is like an amputation where instead of taking off the whole arm, they only amputate the hand. Mr. Speaker, if we cut off the hands of the neediest in our society, they cannot fight for their rights in this country.

[*English*]

When the Hon. Member speaks of a modified promise, in Conservative language that translates into a lie. There was a statement made in the House by the Prime Minister and by the Minister of National Health and Welfare that indexation of Old Age Security and the Guaranteed Income Supplement would not be touched. It is being touched by this 3 per cent a year measure. It does not take an economist to figure out that over the lifetime of this Budget, it will mean $30 less for each senior citizen. I am prepared to say that it is not an amputation of the whole arm; it is an amputation of the hand. When you leave senior citizens without hands, it is a disgraceful act for all Members of Parliament.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have the opportunity to rise this afternoon to say a few words on this most important topic before us. The reason we are here today is because the New Democratic Party, after seeing what was happening in terms of Old Age Security in Canada, thought it appropriate to set aside an entire day of debate in the House of Commons to allow Members to express their views as to just how they perceive this particular course of action flowing from the Budget brought in by the Minister of Finance (Mr. Wilson) a few weeks ago.

In a sense, the motion we are debating condemns the Government for failing to keep a promise. I distinctly remember back to the summer of 1984 when the Prime Minister (Mr. Mulroney) visited my constituency during the election campaign. I believe he visited it twice. During both visits he clearly indicated to groups of supporters that the one item he felt extremely strongly about was the matter of indexation of pensions. He felt strongly that senior citizens should not be ravaged by the increases in inflation which the country was experiencing and continues to experience. He expressed the concern that their pensions, be they modest already, would at least be protected. He made a solemn promise to the people of Canada and, as I say, to the people of Kamloops-Shuswap, that full indexation of OAS would be one of the first priorities of the Government.

I do not see how one could be any more precise than that. That is just what he said. He said it time and time again during the election campaign. I am sure Members opposite sitting in the government benches today said the same thing during their campaigns. I am sure when they were saying it, they were doing so in an honest, positive and forthright way. After all, that is what their leader said. That is what the present Prime Minister said.

We have called for a special debate today in the House of Commons because that solemn commitment made to the seniors of Canada has been broken. This is a serious matter. Earlier in the day, the former Member for the constituency of Winnipeg North Centre, the Hon. Stanley Knowles, was in the House. He fought for years and years to obtain a decent pension for those who retire at the age of 65. I admit we still have a way to go to achieve that end. It is an appalling situation when hundreds of thousands of senior citizens still live below the poverty line in terms of their incomes. I am referring to "incomes" and "poverty lines" as described by the Government through Statistics Canada.

What motivated Members of the New Democratic Party to call for a special debate was the fact that the Government decided to deindex OAS. Deindex is one of those neutral terms. For many Canadians, I suspect it has little meaning as they hear it day after day. They know it has something to do with pensions. However, what does the term mean to a senior citizen? It reminds me of other neutral terms which President Reagan has made famous. He refers to the deadly MX missile

as the "peacemaker" of all things. It is one of the most deadly weapons known to man. I am reminded of the war in Vietnam. At that time, the statistics referred to "hits". What the term really referred to was the bombing and burning of entire villages, inclusive of the innocent women, children and elderly inhabitants of those villages. At that time, the "daily body count" was referred to. What that really meant was the thousands of innocent people who were murdered in the rice paddies and jungles of Vietnam. Body count, hits, peacemakers and deindexation are neutral words. They belie what is really taking place.

● (1650)

I think it would be appropriate for us to take a moment or two to identify precisely what the deindexation of OAS will mean to senior citizens of Canada. In 1986, senior citizens will each lose $64 from their annual OAS income. That is not to say that OAS will not be in place, but that based on what senior citizens should expect to receive through indexation which protects them from inflation, they will receive $64 less in 1986. In 1987, they will receive $171 less than they should expect. By 1988, senior citizens will receive $284 less than they should expect. In 1989, it will be $402, in 1990 it will be $526 and in 1991 it will be $680. It goes on and on.

In the next five years, senior citizens who are collecting OAS will each lose a total of $1,447. This is a very serious matter. I do hope that government Members have a chance to respond to my comments during the question and answer period because in the next five years, every single senior citizen in Canada will lose through deindexation $1,447.

I will not even discuss what this loss will mean to the communities through a loss to each senior citizen over the next five years of nearly $1,500. I do not want to discuss what that will mean to the small business communities. I simply want to speak about what this means to senior citizens.

In 1991, we will have slashed from the purses and pocketbooks of all the senior citizens across Canada $6.6 billion. If we add up what all the senior citizens of Canada will lose by 1991 as a result of this provision, it will total $6.6 billion. This is an extremely serious matter. It is taking place at a time when most senior citizens are simply struggling to survive.

My mother and father are two of those struggling senior citizens. They receive OAS and GIS benefits. The lifestyle that they are able to afford today is a very modest one. When I find that the Government is going to take from the pocketbooks, rip from the hands and slash from the wallets of senior citizens $6.6 billion over the next five years, I say that something is very seriously wrong with the Government's approach to reducing the deficit or whatever else it wants to use to justify this unbelievable measure.

Needless to say, hardest hit will be senior women. Today, 60 per cent of senior women are living below the poverty line. This measure will simply make that situation worse. Today, in 1985, 1.8 million senior citizens live below the poverty line. They live in poverty, but the Government is now planning to take, over the next five years, nearly $1,500 from each of their incomes. That is why we felt it was appropriate to have this debate today. That is why we are collecting petitions from every area of the country. To be fair about this, we are trying to bring some pressure to bear on the Minister of Finance and the Minister of National Health and Welfare (Mr. Epp), who are responsible for this dastardly deed.

Over the last number of days as this problem has sunk into the minds of the people across the country, the airlines coming to Ottawa have been filled with delegations representing all kinds of organizations that have concern for seniors. The Association of Jewish Seniors from the metropolitan area of Toronto representing 5,000 seniors, the Ontario division of the Canadian Pensioners Concerned representing 10,000 seniors, the United Senior Citizens of Ontario representing 300,000 seniors, the National Anti-Poverty Organization, the Canadian Council for Social Development, the National Council of Welfare, the National Action Committee on the Status of Women and the National Advisory Council on the Status of Women are representing hundreds of thousands of senior citizens across this country. As these groups have visited the Minister of Finance and the Minister of National Health and Welfare and Members, they have been unanimous in their condemnation of the deindexing of senior citizens' pensions.

The Minister of National Health and Welfare says that he has been talking to all kinds of senior citizens' groups and meeting with individuals. Today during Question Period, I asked him if he could, to enlighten the House, name a single one of whom he has spoken. We know of all kinds of groups that have approached the House of Commons saying that they condemn this measure because it will cause undue pain and suffering and will result in hundreds of thousands more senior citizens reaching poverty levels. I asked the Minister if he could name a single group which supports him. He could not do so. He mumbled and fumbled around and bafflegabbed a little bit, but he could not name a single group in Canada that supports this particular aspect of the Budget. I find that despicable.

The Minister of Finance has said that he cannot bring in a minimum tax at this time because he must consult with a variety of groups and with the provinces. Perhaps that is fair. He said that he could not now bring in changes to the corporate tax system because he must consult for months and months with the various corporations and corporate organizations. However, there was no consultation, no discussion, no visitation and no meetings before the Government imposed the deindexing of senior citizens' pensions.

Government Members spoke to no one. As a matter of fact, as I indicated at the outset of my talk, they misled the people of Canada. The Prime Minister and government Members said that they would not deindex pensions. They are honourable Members. I suppose the people felt that they had to trust the Prime Minister when he said that he would not do that. It came as a real surprise when that in fact was exactly what he did.

I would like to urge the Minister of Finance, the Prime Minister and the Minister of National Health and Welfare to

start listening not only to Parliamentarians from the New Democratic Party and the Liberal Party who, in their role as opposition Members, feel an obligation more than ever before to represent the voices of seniors as we hear them through petitions and the letters we are receiving, but to listen to government Members as well. After all, we have heard the Hon. Member for Don Valley East (Mr. Attewell), the Hon. Member for York East (Mr. Redway) and the Hon. Member for Victoria (Mr. McKinnon), though they are Conservative Members, condemn this particular aspect of the Budget and encourage the Minister of National Health and Welfare, who says that he fights for seniors, to do just that. They are urging him to meet with the Minister of Finance to say that this measure is unfair, unjust and must be stopped.

The Minister of National Health and Welfare explained to us earlier today that the reason he is supporting this grab from senior citizens is that we need to reduce the deficit. We all know that we must reduce the deficit. However, there is a more appropriate way to do that than on the backs of those people who built this country. Our parents, our grandparents and our friends fought during the wars and were here during the Depression years. They built this country. To ask them to shell out an extra $1,500 each over the next five years in order to assist us in reducing the debt is, I think, absolutely inappropriate. If we need money, and we do, to reduce the debt, let us go elsewhere for it.

Let us recognize that each year we as a Parliament approve in one form or another tax concessions to large corporations to the tune of billions of dollars. Many of those tax concessions or, as I call them, tax loopholes, are not required and are non-productive. Perhaps they have never been required. However, because of lobbying in the past, we have introduced this measure and that measure. There are dozens of them on the books. Anyone who is honest will say that many of these tax giveaways to corporations are non-productive and do not result in any gain to the country. As a matter of fact, they sometimes result in a net loss to the country. I am thinking of the tax deductions that exist for corporations that are able to deduct the cost of money used for mergers and take-overs. It results in job lay-offs. It results in corporate concentration which is not necessarily in Canada's best interest. Let us turn to some of those people.

• (1700)

We have heard of the capital gains provision in the Budget. The people who make their living from capital gains will not have to pay any tax on the first half million dollars which they accumulate over the next few years. That would be appropriate for farmers who are selling their land to provide for their pensions. It could also be appropriate for small-businessmen who use that money for the same purpose. However, if that provision is used by people to obtain capital gains from investments in the Caribbean, Hawaii, Florida or Palm Springs, is not right. We are asking senior citizens to pay an extra load, while at the same time the folks who speculate in international markets do not have to pay capital gains in Canada. It is not right. I would hope there would be one Member in the House, particularly from the Conservative benches, who would stand up and say that the provision for capital gains which is derived from land speculation should not be condoned. I cannot believe it.

It is not only members of the New Democratic Party who have been saying that it is a problem. Newspapers have been filled with editorials about it. I would like to quote from an article which was written by Leonard Shifrin, who writes regularly on economic issues. He has written a number of articles about the Budget, and I would like to read into the record one paragraph of one of the many articles. The article reads:

> Eliminating the first three per cent of inflation indexing means pushing the poorest pensioners $100 further into poverty next year, $200 further the following year, and so on—an appalling prospect under any circumstances. But giving that money to rich investors through effectively scrapping the capital gains tax is, as one social activist put it, "breathtakingly evil."

As parliamentarians, we are all aware that a number of tax breaks have been given to certain individuals. Mr. Shifrin's article continued:

> According to the most recent figures from Revenue Canada, the half-of-one per cent of tax filers with incomes over $100,000 account for 43 per cent of all capital gains.
>
> That means in 1990, when the new capital gains exemption is in full effect, those with incomes over $100,000 will get more than $600 million in tax benefits.
>
> In that same year, the poorest senior citizens—supplement recipients—will lose $700 million in pension benefits.

Pensioners will not receive the pensions which are due to them, while at the same time certain individuals, particularly those in the upper income levels, will receive hundreds of millions of dollars in additional tax breaks.

A few days ago in Montreal, the Minister of Finance bemoaned the fact that there were far too few rich people in Canada. What we are hearing today from a number of individuals is that we have far too many poor pensioners in Canada. The capital gains provision will place more pensioners below the poverty line. I do not understand why people, of any political persuasion, would support this policy, which is taking money from the purses and wallets of senior citizens, and at the same time giving hundreds of millions of dollars in tax breaks to upper income earners in Canada.

It has been a privilege to have had the opportunity to participate in this debate. I hope that my colleagues opposite will explain how capital gains which is derived from land sales in Florida will be a good thing for Canada, when the Government is asking the senior citizens to bear a very great burden.

Mr. Fennell: Mr. Speaker, it is interesting that NDP members continue to talk about owning a condominium in Florida and making a capital gain on that property. Today, most Canadians who own properties in Florida place them in corporations. Otherwise, if anything should happen to the owner, the property would be subject to succession duty, which consists not only of the capital gain, but also of the base value of the property. Therefore, all Canadians have been advised to place the property in a corporation. That capital gains would not be of any benefit to the corporation, it would only be of benefit to

the individual. I cannot rationalize the Hon. Member's statement that the people who own property in Florida will realize a capital gain. It will not work. It is not there to be made.

The Hon. Member and I have been colleagues in the House for the last six years. He and I have talked about various investments. He has given to me some very sound recommendations. I am sure that, personally, he is in favour of the capital gains provision, because he knows that it is important to have investment by average Canadians in the economy. I would like to hear his personal feelings. I would like to have him forget that he is a member of the NDP for a minute.

Mr. Riis: Mr. Speaker, somehow I feel that if I am not standing here in a loincloth and living in a cave, then I am not a responsible New Democrat. I cannot believe the criticism which has been levelled at me. I happen to know a number of New Democrats who are in business. They run successful businesses. I find the line of discussion a little peculiar.

First, I do not think that I mentioned the matter of a condominium in Florida. I tried to explain, during my presentation, that the particular aspect of deindexation was asking a senior citizen, over the next five years, to forgo increases of almost $1,500. The Minister of National Health and Welfare explained that the money was required to reduce the debt and that senior citizens would not get what they were promised during the election campaign because of that. In my remarks, I said that there might be other ways to reduce the debt. I do not think that it should necessarily be done on the backs of senior citizens. I indicated that capital gains could be used and I quoted from a learned economist who frequently writes in various publications in Canada. One of his articles reads:

—the half-of-one per cent of tax filers with incomes over $100,000 account for 43 per cent of all capital gains.

In other words, we are talking about a very select few. While I support the capital gains provision as it pertains to farmers and small-businessmen, I do not support the fact that people can obtain capital gains from land speculation in Palm Springs, or by selling property in the swamps of Florida, and that they will not have to pay capital gains on their activities outside Canada. Surely, we should treat Canadians with some respect. We should recognize investment in Canada, not on a global scale. If the provision was restricted to Canadian farmers and small-businessmen, then I would feel much different about it. Why not collect the hundreds of millions of dollars which will be lost each year in forgone taxation, rather than collecting it from the senior citizens of the country?

Mr. Fennell: Mr. Speaker, the Hon. Member did not respond to the point which I made. I would like to make another point. I would ask him not to use statistics such as those which he used. He talked about 43 per cent of capital gains going to people who earned over $100,000. The provision is limited to $500,000, which will be phased in over five years. It will only affect, in today's dollars, small businesses. There is a small smoke-shop in my riding which, when it started, was worth approximately $10,000. Now it is worth approximately $250,000. We are not talking about wealthy Canadians. Of course, they will receive a benefit on the first $500,000. The provision is benefiting the small-businessmen. The Hon. Member for Hamilton East (Ms. Copps) said that she would support unlimited capital gains for farmers. Farmers with $500,000 in investment have a fairly substantial operation, and $500,000 is a reasonable investment for a small business. That is what it is addressed to. It is not going to be even the amount of money which is shown in the Budget. I challenged that figure already, by the way. It is not even that amount of money in the first two years. It is a small amount of money. Keep in mind that Hon. Members opposite are interested in creating jobs and we are interested in creating jobs. This is going to create jobs because it is going to encourage people like us, if we were not in this place, to start businesses and create jobs and employ Canadians.

• (1710)

Mr. Taylor: Mr. Speaker, both the Liberal Party and the New Democratic Party are using a tactic, which I think is a scare tactic, on the seniors of this country, and that goes against the grain. The Hon. Member for Kamloops-Shuswap (Mr. Riis) fell into the same trap today. I thought he was going to miss it when he started because he said, in connection with the lack of indexing on the old age security, that a pensioner would lose, I believe, $64 in 1986. That is bad enough. That is $5 a month and $5 is an awful lot to some of our senior citizens.

Then the Hon. Member goes on and goes on and tells us that by 1991 we are going to take $6.6 billion out of the pockets of the senior citizens. The Hon. Member knows that that is not correct. A Budget is made for one year. The national energy policy, which is one of the worst policies I have ever seen, did not last forever. The next Budget made some changes in it. Again, who knows, inflation may go down and there will be no loss whatsoever.

The Opposition is assuming the worst possible picture of the highest inflation, and then extending it for years, when those Hon. Members know very well that Budgets come down every year. They are assuming that that is the case. When one uses that type of tactic, in my view it is a scare tactic, and that is not being fair to the senior citizens of this country. There is no way that $6.6 billion is going to be taken out of the pockets of our senior citizens. Our senior citizens know that. What bothers me is when a little lady who has spent her life working and depends on her pension starts to fear that these large sums of money are going to be taken away from her. That is a scare tactic. It's not right. You can tell her that she may lose something if inflation goes up, or if inflation remains at the same point in 1986, but let us not go into 1987, 1988, 1989 or 1991. That is not being fair to the senior citizens of the country. I would bring to the attention of all Hon. Members in the Opposition, including both leaders, that when they use this type of argument, they are being unfair to the senior citizens of this country.

Mr. Riis: Mr. Speaker, I would like to respond briefly to my hon. friend. The inflation rate in this country has been in

excess of 3 per cent for many years, as the Hon. Member knows. Every projection I have seen for the next decade indicates that we can expect something at least in that range, if not higher. When a Government brings in a Budget which says it is going to deindex OAS, we assume that that is what it is going to do. We do not assume it is going to do that for just the next three months or even 12 months. If the Government says it is going to do that, we can only assume that that is what is going to happen over the next number of years.

The point I want to make, just to clarify for the Hon. Member, if that is what he wishes, assuming that the rate of inflation does not go under 3 per cent, and assuming that the Government does not change its policy, which I hope it does—my colleagues and I are going to do everything possible to make sure that policy is changed—then it will cost every senior citizen over the next five years an extra $1,447. That is what it will do unless the Hon. Member and his colleagues change their minds. I hope they do change their minds.

Mr. Taylor: You are saying "if".

Mr. Riis: Of course, I am saying "if" they don't change their minds—

The Acting Speaker (Mr. Charest): Order. The period for questions and comments is now over. Resuming debate.

[*Translation*]

Mr. Leo Duguay (St. Boniface): Mr. Speaker, I welcome this opportunity to speak to the motion before the House today. Further to comments made by the Hon. Member for Bow River (Mr. Taylor), I would like to talk about some of the positive aspects, since fear has been the watchword this afternoon.

Mr. Speaker, the Budget measures proposed by the Minister of Finance (Mr. Wilson) respect the universality of Old Age Security pensions. That is positive. Benefits to pensioners who are in need will continue to be fully indexed to the cost of living. That is positive. The Guaranteed Income Supplement, in addition to veterans' benefits, will be fully indexed to the rate of inflation. We must also remember that the universal Old Age Security pension will be partially indexed.

Let us be positive, Mr. Speaker, This afternoon, I had two reasons to be particularly pleased when I heard the Minister of National Health and Welfare (Mr. Epp) give the House the assurance that the Government would be studying closely the situation of elderly Canadians who are largely dependent on the government pension plan, to ensure that benefits paid to pensioners are adequate and will be increased if resources permit. That is positive. I think the Opposition could at least have noticed some of the positive aspects they heard about this afternoon. This decision will make it possible for the elderly to maintain a standard of living where they will have both quality of life and security, something they had yet to experience.

The Government is also to be congratulated on following up the recommendations of the Special Parliamentary Committee on the Disabled and the Handicapped. That is positive and should be mentioned when we are talking to Canada's senior citizens. In fact, some 185,000 disabled will benefit from changes in the definition of disability for income tax purposes. A new definition has been developed in order to respond more satisfactorily to the special needs of all Canadians with serious handicaps.

Mr. Speaker, there is more. The Government is also to be congratulated on the proposals tabled by the Minister of Finance to amend the Pension Benefits Standards Act, which are aimed at improving the minimum standards for private pension plans regulated by the Act.

The proposed changes will make it possible for a greater number of employees to join pension plans and will give them the right to participate in the administration of pension funds. From now on, employees will get pension entitlement after two years of participation in a pension plan and will retain their pension entitlements when they move to new jobs. That is something concrete. Moreover, the new standards will require that pension plans provide benefits to surviving spouses of pensioners and, in case of marriage breakdowns, the value of pension entitlements will be split equally. Finally, pensions plans will be required to provide equal pensions to women and men retiring under the same circumstances.

When we add to this reform the improved tax incentives for retirement savings through higher deduction limits, we can rightfully say that these changes will further encourage Canadians to provide for their retirement years and set up for themselves adequate pension funds.

The PC government has also confirmed its commitment to a reform of the Canada Pensions Plan, including provisions for homemakers' pensions.

[*English*]

I am pleased to have the opportunity to respond to this motion put forward by the Hon. Member for Beaches (Mr. Young). The motion speaks of commitments made during the election campaign, and I welcome the opportunity to describe exactly what we said then and what we have now done. We are committed to offering senior citizens the means to preserve their independence, their privacy and their freedom. These were the terms set out by our leader, the now Prime Minister (Mr. Mulroney), on July 26, 1984, in a Progressive Conservative Party program to reform public and private pension plans.

• (1720)

I would like to draw to the attention of Members of this House the over-all objectives: independence, privacy and freedom. It is even more important to note that when we made policy initiatives and announced them this summer during the campaign, we emphasized that the new Government was going to take office at a time when interest rates were high and the recovery was fragile. In that context, policy commitments were

to be introduced over the course of our mandate, to complement and enhance our Party's national program for economic renewal.

I would like to suggest to Members of the House that it is in the context of a high deficit, high unemployment and a fragile recovery, that Government actions and Government choices have to be judged. With a deficit of about $35 billion, and debt charges of $22 billion, the debt has become a burden which cannot be ignored. Senior citizens have told us that they understand how difficult this Budget is on them, but they also understand what I have just said. Every responsible Canadian should be concerned when his or her Government spends more to service the debt than it spends on health care, pensions and transfers to the provinces for health and welfare.

When Canadians recognize that they currently spend more on servicing the debt than they do on health care and pensions, they know that someone has to take action. Surely such a situation, if left untended, cannot but further restrict individual decisions and government action in the future.

I heard the Hon. Member for Hamilton East (Ms. Copps) this afternoon use the analogy of an amputation, and she had no preference between amputating the hand or the arm. Let me tell you that Canadians understand it is always preferable to have an amputation than to have a slow and painful death. I believe that a Government acts in a fiscally and socially responsible manner when it proposes to get the deficit under control because it understands that not doing so will handicap our efforts to do things for senior citizens in the future. In trying to bring the deficit under control, we know that doing so provides the conditions necessary to retain social policies.

The worst thing we could do for people for people who depend on our social programs would be to ignore the problem until it was too late. Moreover, I further believe that every able Canadian should share in the burden of deficit reduction as they will also share in the recovery. There is no Canadian, young or old, fortunate or not, who wants the responsibility for sustaining unemployment. Equally, I know all Canadians are willing to contribute to the effort to increase employment and improve productivity.

Through its decision to modify indexation, it is important to note, of both revenues and expenditures, this Government will be successful in spreading the burden of deficit reduction as widely as possible while still retaining a degree of protection against unexpectedly high levels of inflation. Any increase in inflation above 3 per cent will be fully compensated.

There is one promise which this Government has kept above all, the promise we made to Canadians during the election campaign that we would allocate scarce resources to those most in need. A high degree of protection against inflation is maintained for pensioners in need. Full indexing has been maintained for those in receipt of the GIS and for payments to veterans. As well, as soon as the legislation can be passed, an additional 85,000 low income widows and widowers between the ages of 60 and 65 will become eligible for the spouse's allowance benefit. The vast majority of those who will benefit from this particular Bill are women who have been financially dependent for most if not all of their lives. There is no denying that these widows are amongst the poorest members of our society.

In the briefs moments I have had, Mr. Speaker, I tried to talk about positive things. However, I have some concerns. Members of Parliament were elected in September to speak for their constituents and to bring to this House the legitimate comments made by their constituents. Canadians voted for a change in September, but I believe, because I knocked on a lot of doors this summer, as did a number of my colleagues, that Canadians also wanted in their representatives a measure of a change in attitude. I have heard examples this afternoon of an attitude amongst Members of Parliament which I deplore. I heard the Hon. Member for Beaches say this afternoon in this House to those of us on this side that we are in for the fight of our lives. It concerns me enormously that a Member of Parliament would stand in this House and tell us that he and others are going out on the streets of Canada to orchestrate fear, start a fight and bring it back here to the House of Commons.

Members opposite, by their performance today and because of some things I have read in newspapers this past week, have spread fear among senior citizens in the same way that confidence men bilk people of their savings. I heard some of those Members talking about asking for signatures on a petition. It is not the responsibility of a Member of Parliament to walk around the country and say to people: "This Government is hurting you; sign here and we will do something about it."

Some Hon. Members: Shame!

Mr. Duguay: On September 4 Canadians expressed confidence in this Government. We are acting in a way which responds to those things they said to us so clearly about putting the country's economy back in order. We are doing that. There are numerous examples of very positive things which have taken place. Since September we have created over 200,000 jobs, 89,000 in April alone. Today the Standing Committee on Labour, Manpower and Immigration brings down its third report. It talks about entrepreneurial immigration and suggests that would create 200,000 jobs and bring in over $7 billion of investment. We have done things to encourage in Canadians a confidence in their own ability, an ability we know they have.

What I have seen in this House today and what I have heard being said by Members opposite is that if we strike enough fear in the poor and aged, they will respond by signing petitions and we can get the Government to move back to the position of the former Government, that if you spend more money, somehow everything gets better. It must be made clear that when they say spend more money, they get that money from the same people they are now talking about trying to protect.

Canadians are prepared to share the good and the difficult in this Budget. I, too, have had calls from senior citizens, and let me tell what they expressed to me. They expressed a concern that their pensions will no longer be fully indexed.

Yes, every Canadian has expressed a concern in that the Budget effects them all, but every senior citizen who has had a conversation with me has ended up by saying that they understand this Budget is for the benefit of all Canadians and even though they are going to have a part in paying for the difficult financial situation the former Government gave us, they support it wholeheartedly and they are behind this Budget.

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

• (1730)

Mr. Boudria: Mr. Speaker, my question to the Hon. Member concerns some of the measures in the Budget, particularly the indexation of pensions to senior citizens. There are approximately 6,000 senior citizens in my riding, each of whom will lose $100 a year as a result of the Government's disastrous Budget. That is an amount of some $60,000 that will be lost to senior citizens of my riding. Would the Hon. Member tell us if he believes it is fair that Lawrence Hanigan and Roy McMurtry, two Tory losers, will receive increases in salary of $38,000 a year and $22,000 a year for a total of $60,000 a year? Will he ask his Minister to cancel the salary increase of those two individuals and restore the indexation of the pensions of my constituents?

Mr. Duguay: Mr. Speaker, I am pleased to respond to that question. Let me tell the Hon. Member that I too have a large number of senior citizens in my constituency. Many of them understand the meaning of the word "lost". The Hon. Member just entered the House, so he may have missed some of my earlier comments about striking fear in the older people in this country. Let me tell him about the fear that he just tried to strike into people. When we talk about something being lost, it is the loss of something that we already had. He is talking about incremental increases which would have been added if full indexation had been continued. No senior citizen will be losing money that he or she is currently receiving. They will be receiving more money than they had before. They simply will not be getting the full indexation that would have applied.

Mr. Boudria: What school of economics did that come from?

Mr. Duguay: Your projections are like what was said by the Club of Rome in the early 1970s when they used population graphs and studied food supplies to come to the conclusion that soon there would be nothing to eat on this planet. This is the kind of fear he is striking in senior citizens, and he ought to be more responsible as a Member of Parliament.

Mr. Boudria: Mr. Speaker, is the Member denying that senior citizens of this country will be losing $100 a year in real, inflation adjusted dollars? If he is denying that, will he table the statistics to prove otherwise? Everyone else, including backbenchers of his own caucus, have admitted that. If he does not, perhaps he could show us just how he calculates that my constituents and his will not be losing $100 each, in real inflation adjusted dollars, because of that disastrous Budget?

Mr. Duguay: Mr. Speaker, it should be very clear that when a Member of Parliament has to talk about the future of real, inflation adjusted dollars he cannot provide any real figures to support the future any better than I can.

Mr. Parry: Mr. Speaker, in responding to the Hon. Member for St. Boniface (Mr. Duguay), I would ask him to consider some figures reflecting very real losses. It is easy for him as a Member of Parliament to say that these losses to Canadian pensioners are national. He will not collect his old age pension for some 25 or 30 years. Therefore, it is rather easy for him to talk about what is and what is not a loss than it is for pensioners who will be suffering that loss. The annual cut to each pensioner in Canada as a result of deindexation will be $100 in 1986 and 1987. It will be $205 in 1988.

An Hon. Member: If they live.

Mr. Parry: The Hon. Member says "if they live". I hope the Tory Party, as a mass, is taking it somewhat more seriously than that. It will represent $315 in 1988; $423 in 1989 and $553 in 1990 because just as interest compounds when it is added, so accumulative reduction in an increase that would otherwise take place also compounds when it is deducted.

The Hon. Member accuses members of my Party of spreading "fear and misery", I believe were his terms. Then he quotes a study of the Club of Rome, saying that there will not be enough food left for people to eat. While I know that he was not specifically referring to Canadian senior citizens, he knows how easy it is for things to be taken out of context in the House. Are senior citizens telling him that they are prepared to bear these cuts? Is he, unlike the Minister of National Health and Welfare (Mr. Epp), able to name a single senior citizen organization that says that senior citizens in fact support these cuts and are prepared to see them go ahead as a result of the Budget?

Mr. Duguay: Mr. Speaker, it is the third time that a member of his Party has read the same numbers into the record. We heard them the first time.

Mr. Boudria: You didn't understand them the first time.

Mr. Duguay: Those figures imply future reductions that are based on their projections. They do not take into consideration the fact that Budgets are presented in the House annually, as indicated by the Hon. Member for Bow River (Mr. Taylor). They do not take into consideration that on January 1, 1986, the minimum tax will be brought in at the same time as these changes.

The point I am making is that Canadians are better served by their Members of Parliament when these questions are put into a broader perspective than focusing on one or two details and scaring senior citizens into believing that they must pay for all of the deficit reduction. The truth is that senior citizens and all Canadians have been asked to pay a little bit for the preservation of those things which we, as Canadians, have come to take for granted. Give senior citizens the choice of this minor reduction in their pensions—

Mr. Boudria: I thought you said a minute ago there was no reduction.

Mr. Duguay: Senior citizens have acquired a great deal of wisdom through their years. They know that the Government of Canada provides health and welfare benefits and transfer payments which go to other services which they use. Canadians know that this is a contribution that they are being asked to make for the benefit of their country, and I hope they will not be fooled by the fear tactics that I have seen in the House and before the press.

[*Translation*]

Mr. Harvey: How refreshing it is to listen to one of our colleagues, Mr. Speaker, especially when it is the Hon. Member for St. Boniface (Mr. Duguay) who has clearly perused the Budget Speech, or at least the part we are dealing with now. I find it most unfortunate and deplorable that members of both the Official Opposition and the New Democratic Party should seize this opportunity to revive this period of the election campaign when they spread a wave of panic among our senior citizens who came to fear that the coming to power of a Progressive Conservative government would mean major cuts to their Old Age pensions.

Mr. Boudria: How right they were!

Mr. Harvey: Nothing of the sort has happened. What we should tell our senior citizens is that if the government does not get this country's deficit under control, all social programs will suffer, and that senior citizens will not be penalized in any way by the recent budget. Quite the contrary! The government will achieve deficit control by dealing with the 400 Crown Corporations which were created and poorly administered by the Liberals. That is where the Government wants to step in. I am convinced, Mr. Speaker, that what is going on at this time is very serious because all rationality is taken out of the Budget Speech. If it were possible, those people would make projections up to the year 2000. It is very serious! No one can predict what the inflation rate will be in 1988, 1989 and 1990. What we should tell the senior citizens is that their pensions will continue to increase gradually, unlike the sectors of Government spending most affected by the cut-backs.

The Acting Speaker (Mr. Charest): Questions and comments are now over. The Hon. Member for Saint-Jacques (Mr. Guilbault).

● (1740)

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am also happy to make a modest contribution to the debate during this allotted day, and I would like to begin by congratulating the Hon. Member for Beaches (Mr. Young) on having introduced this motion, since it allows us to pursue the discussion of this issue in the House. What our friends opposite do not seem to realize, Mr. Speaker, is that the debate on the deindexing of old age security pensions has extended outside the House of Commons and that, whatever may be said in this place, it is impossible to open a newspaper, to listen to the radio or to watch television without reading or hearing comments by groups who are shocked at the way senior citizens are being treated by this Budget. The motion of the Hon. Member for Beaches therefore gives us an opportunity to do in this House what everyone else is now doing throughout the country.

Mr. Speaker, I find this Budget unfair and immoral in its treatment of senior citizens. A short while ago, the Hon. Member for St. Boniface (Mr. Duguay) told us that, in discussing this issue today, we were trying to scare people, but I must tell him that matters have reached another point because senior citizens are no longer afraid. Perhaps they were scared before the Budget was brought down. Now, it is too late to be afraid, the damage is done and senior citizens will suffer. The time for fear is past. It is now time for senior citizens to grieve and to fight. Do not accuse the Liberal Party of Canada of spreading fear! Senior citizens are well aware of what is happening to them. You can read it everywhere! Go to your constituencies! Some of you Conservatives have already been quoted this morning in the newspapers as reporting the message you received from senior citizens in your riding. Senior citizens realize that they will be losing money even though the previous speaker would have us believe they would not. It is quite simple. Indexing will be reduced by 3 per cent next year. Everyone knows that there will be some inflation. It is obvious that this will mean less purchasing power. It is quite clar.

The Hon. Member for Kamloops-Shuswap (Mr. Riis) said that, from what he could figure out, the cumulative loss in the purchasing power of a senior citizen would be $1,447 during the next few years. It is interesting to note that, by a strange coincidence, the Canadian Press, which made its own calculations, concludes that the loss in the purchasing power of senior citizens during the next five years will amount to $1,500. This does not come from the Liberal party or the New Democratic Party. These figures were arrived at by the Canadian Press. And if Hon. Members opposite would do their own calculations, they would come up with very similar figures.

The $1,500 amount figured out by the Canadian Press assumes a mere 4 per cent rate for inflation over the next few years. But we all know that inflation may, and unfortunately will probably exceed 4 per cent. What this boils down to is that senior citizens are being treated in an immoral, and again unfair way. What we find unfair is that this Government is asking those who are most in need, those who in our society have the least to contribute to reduce the deficit. When the Government says that the deficit must be reduced, I think that everybody agrees, not only in this House but all across Canada. But I would like to see how the Government would go about trying to convince senior citizens, who are in dire straits, that they must share in reducing the deficit. This is what we are opposing. This is what an increasing number of social

groups across Canada are opposing. They are not opposing the Government's fiscal responsibilities, but the improper way it is dealing with the deficit problem.

[*English*]

Fiscal responsibility is a virtue. We agree with that. It is not a vice. The Minister of National Health and Welfare (Mr. Epp) seems to have turned into a Minister of Finance this afternoon and told us that we have to control the deficit. Everyone agrees with that. Where people disagree, where we disagree in the Opposition and where many more people disagree, more than the 40 of us and the 30 New Democrats, the thousands upon thousands of people, with the policy of the Government is when the Government asked the people who are the neediest to contribute to the reduction of the deficit. That is wrong. It is not the objective, not the goal, but the way, the means to do it. It is particularly wrong at a time when the Government has just shelled out a bonanza of $2.5 billion to the multinational oil companies through the Western Accord. How can the Government do that on the one hand and then ask the people who can bearly make both ends meet to contribute to the riches and to reduce the deficit?

[*Translation*]

When the Government is giving a present to a small number of people in Canada—and statistics show that a mere 4 per cent of Canadians pocket approximately 75 per cent of capital gains realized each year in Canada—when the Government gives them a tax holiday on capital gains without any obligation whatsoever, without requiring that the tax thus saved be invested to create jobs, without ever asking them to show how such a tax holiday will serve the best interests of Canada, I say that we cannot in the same breath ask for a contribution from those who are the most in need.

And the Progressive Conservative Party knows that very well. During the last election—I have here a document issued by the Progressive Conservative party outlining . . . it is a press release put out after a Conservative caucus meeting held in Sherbrooke on July 26, 1984. Not only there was the commitment to restore full indexation of Old Age Security as of January 1985, not only that, but on the first page, I will quote a paragraph which clearly shows that the Progressive Conservative Party understood those who are the most in need in our society. I am quoting three lines only: "These statistics show that more than 60 per cent of single women and 40 per cent of single men 65 and over have incomes falling below the poverty line".

With their eyes fully open, the Progressive Conservative Members have decided to launch an attach against those in our society who are the less in a position to defend themselves. And this in itself is cowardly and ill-advised.

[*English*]

One thing promised was that this Budget would be tough and fair. At least one promise has been kept, but it has been kept in reserve. It is tough on the poor and it is fair on the well off. That is something we cannot swallow on this side of the House. We will not accept it and we will fight for a long time. The Government will come to realize that we are not alone in this fight. We are here on the floor of the House of Commons just like a drum resounding what is being said on the streets of our nation. This Government has failed to recognize the difficulties of our older people.

This Government is asking for a sacrifice that our seniors cannot meet. This is the problem the Tories have to face. I am thankful the Minister of Finance (Mr. Wilson) has started to show flexibility. I am happy to hear him say that he might do something if financial conditions improve. He would be well advised to do that because he has no clue at this time about the way this movement could snowball across the country.

We are not scaring the old people. We are simply here delivering the message they are giving us on their behalf. They are not giving their message just to us but to Conservative Members of Parliament. They are probably also giving their message to the one independent Member of Parliament we have in this House.

As a matter of fact, let me outline what is happening within the Tory ranks. In the press this morning was the headline "Tory Backbenchers Battle Cabinet on Pensions". Let me quote a very respected Member of the Conservative Party, the former Minister of National Defence, the Hon. Member for Victoria (Mr. McKinnon). He is quoted as saying that senior citizens "don't like" partial deindexation and that he would like to meet the senior citizens who, according to the Minister of Finance, "like it or appear to be in favour of it". He continued by indicating that senior citizens "are not stupid . . . They know that if there's 4 per cent inflation, their old age pension benefits and Guaranteed Income Supplement for the most needy pensioners is not going to go up by 4 per cent". Also he indicated that the Government had not "proved to me that that's where they should save money", and added:

● (1750)

I'm biased about this, but I'm glad we have a couple of months to come to our senses.

I think he is right and, with the opening shown by the Minister of Finance, maybe the Government will come to its senses. The Hon. Member for Victoria is not the only one who has spoken out on this. Another Member in a completely different category, a new Member who does not have the experience of the Hon. Member for Victoria, the Hon. Member for York East (Mr. Redway), said:

I have had more telephone calls to my constituency office on this particular issue from senior citizens than I have had on anything else . . . since I was elected to Parliament.

That is clear enough. I understand the position of Hon. Members on the government side. I have sat on that side for years. I know it is not easy to stand and openly criticize the Government. I realize that. However, for God's sake, would it not be possible for discussions to take place within the Conservative caucus? Within the confines of walls, issues can be aired; Members can say what they have on their minds. They can tell the Minister of Finance that he has to do something

about the pleas which they have received from pensioners in their ridings. However, I am grateful that a handful of Conservative Members had the courage to make these comments in public. Perhaps they are afraid that the discussions which have been going on behind closed doors are not sufficient. I am thankful on behalf of senior citizens that these Members have spoken out. If they had not done so, people would be left to believe that all Conservative Members felt that it was right to deindex the pensions. I would not like that because I would like some of them to be re-elected the next time; perhaps not as many as the last election but some of them.

[*Translation*]

As I said, Mr. Speaker, the members are not the only ones to object to the ruthless measures against senior citizens, especially those most in need. Now, one thing should be clear. We are not worried if the pension of a bank president or the old age pension of Mr. Trudeau, the former Prime Minister, are deindexed, but we are concerned about recipients of the guaranteed income supplement. Those people have no other income and most of them are under the poverty line. This is what concerns us as well as an increasing number of people throughout Canada.

This morning, I read that some groups were protesting the provisions of the budget dealing with senior citizens including the National Action Committee on the Status of Women, an organization highly considered in the country, the National Council of Welfare, the National Organization against Poverty, the Advisory Committee on the Status of Women, the Canadian Council on Social Development. All those organizations object to the measures included in the budget to reduce indexation for needy persons.

Those people have stated, and I quote: "The income of the poorer and most vulnerable among our senior citizens will be reduced over the years." They understand that the income of older persons will be reduced and I can only repeat very seriously what may seem presumptuous for a political party with only 40 members in this House, that we will continue to fight as long as the Minister of Finance (Mr. Wilson) does not alter his budget. I wish that warning to be perfectly clear and unequivocal.

[*English*]

We will not drop this fight until the Minister of Finance has decided to do something to correct this most blatant inequity, in our opinion and in the opinion of thousands of people across the country. We will not be alone, we 40 Liberals and 30 New Democrats in this House of Commons. Thousands of people agree with what we are saying. We are simply repeating what they are telling us. I see the Parliamentary Secretary is starting to nod his head.

Mr. Scott (Hamilton-Wentworth): I will tell you what I am hearing.

Mr. Guilbault (Saint-Jacques): Maybe, maybe. I should like to refer to another aspect of the Budget. It has been indicated in the press and in various studies that 750,000 people will be pushed below the poverty line because of that deindexation. This is something that we cannot accept. This is something which we will fight. I repeat that we will fight to the end. Members on the government side of the House will probably be surprised to see the energy we will put into it.

[*Translation*]

What surprised me this afternoon as I listened to the Minister of National Health and Welfare (Mr. Epp) was, probably owing to Cabinet solidarity, the unexpected change in his attitude. Ministers of National Health and Welfare have generally been the defenders of the most underprivileged in our society, the elderly who get the guaranteed income supplement, but this afternoon he spoke as a Minister of Finance whose job is to control the deficit. That is the kind of speech he made. Surprisingly enough, he told us that benefits will not be guaranteed to the elderly 15 or 20 years down the road unless we immediately reduce the pensions now paid to the poorest Canadians. Strange indeed.

Mr. Boudria: Shame!

Mr. Guilbault (Saint-Jacques): Yes, shame is the word to describe the situation.

All Ministers of National Health and Welfare have been that way, and even before the Budget the present Minister was hailed as the defender and champion of the poor. I am sure that Cabinet solidarity makes it harder for him to say clearly what he thinks in public, and I can appreciate that, but I dare hope he has already been in touch with the Minister of Finance to straighten out the situation.

We would not go back to the old system when old age security pensions were raised now and then by the Party in office. It was almost blackmail since the elderly never knew whether pensions would go up or not. Since 1976, indexation has been a regular process on which senior citizens can rely and which had become a must in our society. That is why the Party I represent—

[*English*]

Mr. Dick: Mr. Speaker, I rise on a point of order. I was wondering whether the Deputy House Leader of the Official Opposition wanted to carry on the debate on this matter, considering that the Party which proposed it does not have a Member in the House.

Mr. Mazankowski: That is the NDP.

Mr. Dick: That is the New Democratic Party. It does not have a soul in the House.

The Acting Speaker (Mr. Charest): That point of order is out of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I will just answer that point briefly. We are not here to support the New Democratic Party or the Conservative Party. We are here to

support the aged and poor people who cannot look after themselves. That is all we are trying to do. I do not care who is present in the House. I know for what I am fighting.

[*Translation*]

The Acting Speaker (Mr. Charest): It being six o'clock, it is my duty to inform the House that pursuant to Standing Order 62(11), proceedings on the motion have expired. This House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, June 6, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion) moved that Bill C-15, an Act respecting investment in Canada, be read the third time and passed.

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

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I rise to participate in third reading of a Bill on which we have spent a lot of time over the past six months. I think it is worth hearkening back to the brave predictions of the Minister in December when he said that we would be through all this in January. It is now close to the middle of June, and we still have one final opportunity to try to convince the Government that it is necessary to reconsider seriously many of the ambitions which it has put forward.

While this particular Investment Canada Bill may not have generated wild surges of public opinion over the last two or three months, I predict that in years ahead it will be a matter of increasing public importance, concern and anxiety, and that the consequences of the actions taken by the Government will be as devastating and as disastrous for many ordinary Canadians as the actions taken in the present Budget. Unfortunately, too many Canadians will have to live with the consequences of this Bill. It is not an academic matter.

The Government has talked a great deal about jobs. It said that its primary ambition was to provide a change in foreign investment practices. I have no quarrel with that basic and very important preoccupation, because that has been our preoccupation as well in debating this Bill. We have been equally concerned about the jobs of Canadians and about the number of jobs which will be lost as a result of the actions taken by the Government through Investment Canada. We are concerned about the number of closed communities and industries which will have their technological advantages stripped. We are concerned about the way in which the capital will be used, not to produce employment, but simply to provide for unfair advantage.

Over the last several months we have seen that this Bill is really a blinkered ideological vision of a kind of continental dependency upon the United States. If anything has been galling about the remarks made by many Conservative speakers, it is their lack of trust and confidence in the country. They have said that we must base our economic renewal upon foreigners and that we must go ahead and depend upon their ability to invest in this country, not upon our own.

It is interesting that they turned down a number of amendments to the Bill which we introduced that would have made Investment Canada truly an agency to encourage Canadian investment. The reason they were turned down was because their primary interest, as we saw in the speech of the Prime Minister (Mr. Mulroney) in New York several months ago, was to go cap in hand to the corporate leaders of the multinationals and say: "Help us out". It is an awful admission of a new Government that it must rely upon those outside our borders to be the architects of our economic renewal. Somehow there has been this blind, almost voodoo-like belief that if all Conservative Members gather around in a circle and chant to themselves long enough and hard enough, economic growth will happen and somehow a form of mystical osmosis will take place.

Let me put forward, for example, a very critical contradiction which we see in the Bill between one set of economic policies and another. The Government has said clearly that it is interested in freer trade in Canada and that it wants to promote opportunity for Canadians to have a wider, broader market for their goods. I suggest that that is a very reasonable and useful issue to debate and examine, but if that is its concern about relying upon freer trade, then surely to goodness it has to re-examine exactly what it is doing in Investment Canada. What we are seeing here is the erosion of the ability of Canadian-based companies to compete more effectively in a freer international environment. If there is any one strong message which has come through all this debate, it is: Let us give our companies a fighting chance in this new, tough, competitive world. In fact, what this Bill will bring, if enacted, is the erosion, a reduction and elimination of that ability.

• (1110)

I am afraid what we will discover is that if we move on simultaneous fronts to this so-called open-door investment policy, without the ability to determine what the behaviour and performance of Canadian-based subsidiaries will be, we will find ourselves with a handicapped economy in regard to its ability to produce world markets. I would like to be precise in this regard. There is something in the order of 16,500 major enterprises in this country. Some 10,000 of those are foreign

controlled. That is the highest percentage of foreign ownership in any country in the world. I would suggest if we move toward any form of continental or world free trade market, even as we proceed under the present GATT negotiations to a further reduction by 1987, that many of these subsidiaries will be required to act in a way which will substantially limit their independence of action.

We in the Liberal Party have great faith in Canadian entrepreneurs. What we have to pay particular attention to is the testimony given by Professor Glen Williams of Carleton University before the committee. He pointed out that contrary to the nice and pure economic models of a continental economist that if you look at the actual performance and behaviour of foreign-owned companies in Canada, there are a number of major institutional and structural impediments to their acting in a similarly economic and beneficial way when compared with Canadian-owned companies.

For example, we know that the demand for imports by Canadian-based subsidiaries is about five times higher than that of Canadian-owned companies. This is even with regard to raw materials. In other words, corporate headquarters sends down the message that these companies must buy from the parent, whether it is at the best price or from the most effective or productive enterprise. As a result, we are faced with companies which have become inefficient producers. We find that in areas such as data processing and in the purchase of machinery and services that the ambition of most Canadian-based subsidiaries of foreign-owned companies is to buy overseas at a much higher level and frequency than Canadian-based companies.

I would make the case to you, Mr. Speaker, that if foreign-owned firms bought their machinery and supplies in Canada to the same extent Canadian-owned firms do, then there might have been close to 300,000 additional jobs in Canada than there actually were in the past year. The actual economic subtraction of jobs in the country, which was created by this import demand of Canadian-based subsidiaries, has lost us close to 300,000 jobs in one year alone. The Minister is fond of saying that it is not a perfect world and that we will not see a total turnover. However, the point I am making is that the continued dependence upon this type of foreign ownership results in a substantial economic withdrawal from the country.

May I also point out that one of the major economic problems we face as a country is our balance of payments. This has an important impact on the rate of our dollar and our international financial standing. Last year, foreign-owned firms sent something in the order of $24 billion out of the Canadian economy. That amounts to approximately 30 per cent of their total sales. At the same time, Canadian-owned firms sent only $5 billion out of Canada, or some 8 per cent of their total sales. In other words, through this incredibly high dependence on foreign ownership, we have major financial leakage in the country.

The point I am making is that the Government is talking about opening the doors of trade, ensuring that Canadians can compete more effectively, while through the Bill before us it is maintaining and, in fact, enhancing, the type of handicap the Canadian-based companies have to compete with in an international environment. Canadian companies do not get the world product mandate. They do not get the R and D. They have a much higher level of dependence upon imports and sales. As Professor Williams also pointed out, they are subject to some of the whims and caprices of their parent corporations.

• (1115)

For example, let us look at what happened to Canadian General Electric in the past few months. The dividend sheet did not satisfy the stockholders of the new owners of the American-based General Electric Corporation, so the American-based president of that company ordered a stripping of the dividends and assets of Canadian General Electric to help bolster the balance sheet of the American-based company. What did that do to Canadian General Electric's ability to provide for more export markets and to provide for a stronger job-creation ability in Canada? It did nothing. In fact, it substantially reduced its ability to do those things.

In debate in the House and in committee, the Minister has been fond of trying to paint opposition Members as being afraid of the outside world. He should stop pretending that his own recipe for continental dependence and reliance upon the decisions of others is a fearless, new, brave entry into the economic order. I suggest that he is the one with the false bravado and that he has not been prepared to deal in a proper parliamentary way with the parliamentary and committee processes.

The Minister was not prepared to even look at constructive amendments that would help this Bill, amendments that would stay true to its objectives, but would improve upon them. That was probably one of the most disdainful performances by a Minister of this Parliament that I have seen in a long time. It was only through the total inadvertence and miscalculation of Members opposite that we were able to bring in a major amendment which the Minister had simply treated as a nuisance. It is an amendment that will protect people in the real estate field.

Evidence was given before the committee, as the Minister would know if he had bothered to read the record, indicating that the exemption related to real estate transactions was one of the things that led to the major real estate flips in Toronto and could lead to other forms of financial shenanigans like the Seaway and Greymac affair in which people were using foreign-owned, numbered companies based in Lichtenstein with no notification requirements.

We introduced an amendment to block that loophole and to make sure that foreign investment in real estate would be subject to review and notification. Fortunately, because government Members fumbled the ball, that provision will now be part of the law of Investment Canada. That did not happen because of any interest, responsiveness or sensitivity on the part of the Government but only because of the persistence of the Opposition.

Since then, a number of commentators have thanked goodness for the existence of that amendment because the figures in the Budget relating to the capital gains exemption and the proposals for the 6 per cent sales tax on materials will do nothing for renters but provide a greater risk for them. We introduced an amendment to provide protection for them.

What is before us is another example of Conservative camouflage. Conservative Members are saying that the economic renewal of Canada will be totally dependent upon the decisions of others who live outside of Canada and are saying that that is the new spirit of entrepreneurship that will exist in Canada. That is a total turn-around. It is the kind of thing that turns the world on its side, such as we have seen with other provisions of the Budget.

All kinds of groups came before the committee including Nova Corporation, McMillan, Binch and the Canadian Labour Congress. They all said that they were seriously concerned, as we move into the new international environment, about the capacity of Canadian companies to produce and respond to new competition, and they felt that that situation had to be corrected.

• (1120)

It is even more ironic if we look at the Budget. The Budget contains one of those grand ironies which we observe from time to time in Parliament. The Government, through its actions on pension benefits, is now offering a three-for-one sale to all pension funds in Canada. In attempting to entice them to invest in small business, the Government took off the lid so that $30 billion of pension funds can be invested in foreign ownership. That, together with the capital gains exemption, will mean that Canadians can now invest in Florida real estate, Swiss art or Chinese watches. The whole thrust of the Budget encourages an outflow of capital from Canada. Yet, the Minister has told us that the economic renewal will be based on capital which flows into Canada from other countries.

The Minister of Finance (Mr. Wilson) has opened up all kinds of sluice-ways which will ensure that billions of dollars of Canadian capital will pour out of the country. I predict that the net reduction which we have seen in the past two years will be geometrically multiplied over the next two or three years. It is ironic and silly. One part of the Government does not know what the other part is doing. Government members are falling all over themselves and contradicting each other with respect to the economic policy of the Government. There is no central strategy. There is no blueprint. It is a make-work project. The Government is the great critic of make-work projects, but it is the ultimate make-work project. Government members make the economic policy by the seat of their pants. There is absolutely no harmony to it other than the rhetorical flourishes.

However, if we look at the hard economic facts, the Minister of Finance is encouraging capital to leave Canada and the Minister of Regional Industrial Expansion (Mr. Stevens) thinks that some capital might flow into Canada. At the same time, by the admission of his own officials, the investment community in New York and other major foreign capitals, we are told that the net increase of new capital coming into Canada will be marginal.

It is no wonder that one of the most influential economic analysts in Canada, Informetrica, has predicted that by 1986 there will be a net loss of 80,000 jobs in Canada. This Government is the great producer of jobs? What the Government is bringing forward is such an economic horror show that it will scare off capital and jobs and leave a number of Canadian workers and communities vulnerable to takeover. Our technology will be stripped from companies and we will lose our ability to have an effective and competitive force in world markets.

Aside from the basic flaw in the economic reasoning of the Government, we object strongly to the way in which the Bill arrogates star chamber powers to the Minister. I defy any Member of this House to come forward with a piece of legislation which concentrates so much power and control in the hands of one Minister without any form of accountability. The Minister does not report to Cabinet, nor does he report to Parliament, yet he will be making decisions which will be worth billions of dollars and will affect every region of Canada without any cognizance except his own.

We saw how correct the Minister was in his flip-flop on the Domtar issue. He had to be soundly slapped down by the Prime Minister, by Members of the Opposition and the Quebec caucus because he had been insensitive to the economic interests of that region. We will find time and time again that the Minister, who has never shown much responsibility for economic development in the regions, will cause the Government incredible problems. I do not mind that. That is the Government's problem.

The amendments which we have tried to introduce would substantially improve the ability of Parliament to deal with these matters, and they would have made this better legislation. With that point, needless to say with the one exception of the amendment which we proposed—which we believed was a positive step forward—we will oppose the legislation.

• (1125)

Mr. Kilgour: Mr. Speaker, through you to the Hon. Member, I hope he will be the first to agree that economics and getting people back to work was not the long suit of the Government of which he was a Minister. Will the Hon. Member tell the House just where—and I mean this quite sincerely—his economic policies differ from the social democratic economic policies of the people to his left?

Mr. Axworthy: Mr. Speaker, if we could change the rules of Parliament to give me another 20 minutes, I would be glad to comply. The Hon. Member's question gives me an opportunity to clear up some mythology which has been perpetrated recently that somehow this Government, even in its first eight months or nine months in office, has been the great job creator. I would point out to the Hon. Member, because I was the Minister of Employment and Immigration for three years

that we created as many jobs in 1980 as this Government is creating now. Between 1975 and 1979, in two of those years, we created 350,000 jobs, which is 100,000 more jobs than this Government will be creating this year. It seems to me, Mr. Speaker, that suggests that our economic policies were working pretty effectively. We had a very strong and major commitment.

During the period of recession, I would remind the Hon. Member because he was an Hon. Member of this House, we made a very clear, conscious decision that rather than exacerbating the problems of the worldwide recession we were all facing, we would maintain major investments in job-creation programs. We had the special capital recovery program with major investments into the municipalities. We had major job-training programs on which $1.4 billion was to be spent this year, which is about $500 million more than the Hon. Member's Government is spending on job training and development skills. Those were our kinds of interest.

As far as our philosophy is concerned, we believe that this country is a mixed enterprise. It needs investment by both private and public capital. It needs a partnership between the public and private sectors. It does not have some kind of fixed ideological blind side which says that only private enterpreneurship will work. We believe that the two, in combination, will work and we feel that that is the best prescription we can offer to the Government at this time.

Mr. Kilgour: Mr. Speaker, the problem with all that the Hon. Member has just said is that—if my memory is sound—Canada had the highest rate of unemployment amongst the OECD countries for 1984. In other words, what the Hon. member's Government was doing was not working. It was working less well for the economy than any of the OECD countries from the standpoint of creating jobs. Does that not perhaps suggest to the Hon. Member that we have to try some new things such as encouraging the private sector?

Mr. Axworthy: Mr. Speaker, first, I would take issue with the Hon. Member. We did not have the highest unemployment figure. We only have to look at his Conservative compatriots in Great Britain to find a much higher unemployment rate than this country has faced. What Great Britain does not have is the kind of very severe regional disparities we do. There is a very thin economic base in parts of the Atlantic Provinces, in parts of northern Quebec and northern Ontario, and in parts of the area which the Hon. Member and I share as Hon. Members from western Canada. We have a large native population where there is no economic base. That is where the kind of public support about which we are talking is needed.

I have no argument with the need for new policies. I think that any Government at any time has to be always searching for better and alternative ways. One of the last acts I undertook as a Minister was in a major area of deregulation in the transportation industry, which I feel was a useful thing to do. I wish the present Minister would follow through on it. He has been holding back. That is an area where we could relieve a lot of government regulation and allow the private sector management to make their own decisions.

I agree that there are all kinds of areas where new innovation can be undertaken, but I am suggesting that if the Government's intention in this Bill, Investment Canada, is to encourage Canadian investment, it is going about it the wrong way. There is not much encouragement of Canadian investment. In fact, the argument we have made all along is that it is a total dependency upon foreign investment to help the Canadian economy. If the Minister had brought in a real Investment Canada Bill, we might have been prepared to support it.

• (1130)

Mrs. Mailly: Mr. Speaker, I have a comment on what the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said about his Government putting more money in the Budget for training than we did. We were told by officials of Employment and Immigration when we looked into past programs, particularly the program for students, that the Liberal programs were very costly to administrate. That was why so much more money had to be put into the programs. The young people got less out of that program than they will out of the Challenge 85 program put together by the Minister of Employment and Immigration (Miss MacDonald) for this summer. That seems to have been symptomatic of a lot of the programs his Government put forward. They were very costly in overhead and encrusted with bureaucratic rules. A lot of people were doing much less than they will in some of the programs we are now developing. This is one factor he should keep in mind when he is bragging about more money being put in his programs. It was not necessarily a very efficient spending of money.

[*Translation*]

Mr. Speaker, I am wondering whether the Hon. Member realizes that Motion No. 24 was adopted by inadvertence the day before yesterday simply because there had not been sufficient advance notice that the question was going to be put. Contrary to what he claimed a moment ago, the amendment did not change anything since we had already taken that situation into account and solved the problem that existed in 1976. The only possible outcome of his amendment motion was to re-establish FIRA's previous standards in that respect and, his claim notwithstanding, the situation remains unchanged.

[*English*]

Mr. Axworthy: Mr. Speaker, the fact is that the average cost of a summer job under our program was about $3,000 per student, which is a very economical way of putting a lot of students back to work. It also managed to get a lot of people working very quickly, which this program is not doing. A lot of students are still waiting because of the delay in getting applications out. I do agree that using the wage subsidy is a useful approach, but I would remind her that we pioneered that approach. We brought in the NEED program in 1983. We put up $500 million and we were able to generate $700 million of private investment at the same time. We proved that

we could generate a fair amount of private, voluntary and provincial sector capital, and I am glad to see that the new Government has picked up on that, but I do not think they should claim paternity for it because I introduced the program in 1983.

As to the other matter, I simply say that she should go back and read the amendment. Under the Bill as presented, all real estate transactions were exempted from any requirement for notification or review. They are now subject to that review. Therefore, a very important area of investment which was totally ignored by the Government will now be subject to at least notification. It will give the agency concerned the opportunity to determine whether there are untoward things taking place, so I think it is a very important protection for the tenants. I hope the Hon. Member will use her good offices to encourage the Minister of Regional Industrial Expansion to use that particular measure in an effective way because he does not seem to care much about whether he really reviews things or not.

Mr. Speaker: The Hon. Member for Assiniboia (Mr. Gustafson). Very short, please.

Mr. Gustafson: Mr. Speaker, it is very evident that the Hon. Member is not in touch with the reality of what is happening in the field. In the oil fields of his own province, as well as in Saskatchewan, because of the direction this Government has taken on both Canadian and foreign investment, I can tell you, Mr. Speaker, that it is booming today, something that did not happen under his Government. If you go to Estevan, Weyburn, or Melita, Manitoba, the Member's own province, you will find that unemployment is the lowest ever. There are 35 or 40 drilling rigs working today when there was only one when his Government was in power. The confidence which has been displayed—

Mr. Speaker: I have to advise the Hon. Member that the 10 minute period for questions and comments has expired. Debate.

Mr. Axworthy: May I respond?

Mr. Speaker: I have to advise the Hon. Member the 10 minute period for questions and comments has expired.

Mr. Axworthy: Could I just be allowed to respond briefly to—

Mr. Speaker: I have to advise the Hon. Member that the 10 minute period has expired. Debate.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I rather welcomed the fact that you first called upon the Hon. Member who has just spoken because it gives me an opportunity to speak immediately after him. I wanted an opportunity to hear him out once again, to weigh whatever arguments he may put forth with respect to the Bill before us at third reading stage, because I have been looking at some 45 hours in the House and 40 hours in committee for something of substance which I feel would make a significant contribution to this debate on the legislation we are now considering. I am disappointed again. The tragic thing as far as the socialist axis over here is concerned, is that they will not accept the raw facts of the past. Perhaps 10 years ago the Hon. Member could have risen in his place and said many of the things he said today, but why does he do it in 1985 when we have a record of 10 years to judge what their policy with respect to FIRA has led to?

I want to be mainly very positive today. I think we are entering a new era. I also think it is very unfortunate that, before the new era even begins, people attempt so desperately to discredit the legislation and take us back to the past and make arguments which have proven to be unworkable. Let me give the facts. Since FIRA was put in place, up until the end of 1984, the total inflow of direct foreign investment in this country dwindled to $3.2 billion.

Mr. Axworthy: From what?

Mr. Stevens: I say it dwindled because we find that while there was a very refreshing inflow back in 1972 and earlier, year by year, accelerated by the National Energy Program in 1980, we find that it went into a deficit position in 1981 and 1982. In 1980 this country had a net inflow of only $180 million. In 1981 there was a net outflow of $2.9 billion. In 1982 it was a net outflow of $2 billion. In 1983 it was $150 million of net inflow, and in 1984 it was $1.8 billion net inflow.

Mr. Axworthy: Not bad.

Mr. Stevens: If we add up the figures—

Mr. Axworthy: You just destroyed your argument.

Mr. Stevens: Can you believe it, Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry—

Mr. Axworthy: That is not a bad record, $1.8 billion.

Mr. Stevens: He says that is not bad. A Conservative Mulroney Government says that kind of record is totally unacceptable in Canada.

Some Hon. Members: Hear, hear!

• (1140)

Mr. Stevens: It is unacceptable because in the 10 year history of FIRA, the net inflow was $3.2 billion. The inflow to the United States from other areas of the world during the same period was $111 billion. If we had had even 10 per cent, which people say is the fair share for Canadian participation, we would have had $8 billion more of foreign investment in the country than we actually enjoyed. That is the record which the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) says is not bad. That is totally unacceptable.

What can be said about the so-called Canadianization on which members of the previous Government like to comment? During the FIRA years, Canadianization amounted to $16 billion. However, 42 per cent of that was due to the state

taking over and nationalizing Canadian companies. The net amount of private Canadianization was $9 billion. I am very pleased to be able to say today that in nine months, through a new sense of confidence in the country, we have been able to facilitate privatization on behalf of Canadians to the amount of $6.6 billion.

Some Hon. Members: Hear, hear!

Mr. Stevens: Here is the record. The Gulf Canada deal alone, amounting to $5.6 billion, raises the level of Canadianization in the petroleum and gas industry from 40 per cent to 45 per cent. In addition, we were able to facilitate the Texaco deal, amounting to $485 million of Canadianization. The acquisition by Corena-Bancorp amounted to $39 billion. The acquisition of Dominion Life by ManuLife amounted to $157 million. The Imperial Life acquisition amounted to $360 million. Other companies acquired over $6.6 billion in total assets. I can only suggest that that comes from the new sense of confidence that Canadians are once again feeling in their own country.

Some Hon. Members: Hear, hear!

Mr. Stevens: It is interesting that as this socialist axis has tried to delay the Investment Canada Bill, we have been getting on with the job of creating jobs in the country through the approval of various non-Canadian investments totalling almost $4 billion, which will result in 26,000 jobs being either saved or created in the country. That is the difference between the facts and the type of discredited argument put forward by the Hon. Member.

That is the background. I will now speak about the future. The Hon. Member for Winnipeg-Fort Garry said that we were not getting on with the positive aspects. Passage of the Investment Canada Bill would give the agency the power to do something positive. Under Section 5, there is a specific provision which will, for the first time, enable Investment Canada to go forth and seek Canadian and non-Canadian investment which will help to create the wealth and jobs that the country needs. That is why I am anxious for the legislation to be passed. To the very best of our ability we must prepare ourselves to deal with a volatile economic climate in the world today. In anticipation of the passage of this legislation we have been talking to agency officials about that.

We believe that we must accept the world in the competitive state to which it has evolved. To that end, the Investment Canada Bill will help us to bring together Canadians and non-Canadians in partnership deals, and to blend technology, capital, and people for the productive creation of jobs in the country. We ask all Members of the House to join our spirit of enterprise because it is that spirit of enterprise which will give our economy the momentum it has been lacking for over 10 years.

Some Hon. Members: Hear, hear!

Mr. Axworthy: So much for the future, now let's come back to the present.

Mr. Stevens: By actively encouraging and seeking out investment, Investment Canada will attract new ideas and technologies, give Canadians access to new markets and new capital, and most important, contribute to the creation of new jobs. It is totally inexcusable that the previous Government left areas such as Cape Breton Island with a 29 per cent unemployment level. That will not continue under our Government. The Hon. Member has asked me to speak about the present. Since the Budget was announced, 36 new initiatives have been proposed, which will be announced in due course, with respect to the island of Cape Breton alone.

Some Hon. Members: Hear, hear!

Mr. Stevens: That is the type of action that will be seen from this Government. Jobs will be created where they are needed in this fine country. Mr. Speaker, do you notice that when the Hon. Member for Winnipeg-Fort Garry hears of success, job creation, and an expression of interest in bringing down the 29 per cent unemployment level in Cape Breton he runs from the House?

It is clear that international investors see Canada as a superb location for joint ventures and licence arrangements. We should go out and capitalize on that feeling. Canadian businesses have considerable market experience in the North American market. We suggest they can capitalize on this. We can gain through our technology leadership. We can gain through our tremendous knowledge in marketing, distribution, telecommunications and transportation. These are the things we are hoping to make more positive use of. We should not say no to the non-Canadian who may want to participate. We should be saying in a positive way "let us sit down and talk about it, and if there is enough benefit for Canada, by all means come in and join us in our new prosperity".

• (1150)

Mr. Blackburn (Brant): Those are heady words.

Mr. Stevens: Many non-Canadian companies have established or are establishing in Canada to serve North American and even world markets. This is something we would like to develop further. We believe Canada can be held out as virtually the ideal location to get established not only to serve Canada and its people, but the people of North America. It is a stepping-stone. Let us be proud of it. We have one of the finest peoples and one of the finest countries in the world. Why up to this date, certainly not under the previous Government, have we not been willing to work with non-Canadians in developing that tremendous potential?

I would suggest that many Canadian corporations with expertise in advanced technologies and experience in the North American market are ready to join forces with non-Canadian investors and corporations to capitalize on that expertise and experience to which I have been referring. These kinds of international ventures with Canadians and non-Canadian businesses can have a distinctively positive impact on our economic growth. To bring about the economic growth Canada must have, Bill C-15 will help us to present the most positive and

inviting image of our country and ourselves to Canadian and non-Canadian investors alike.

The world recognizes Canadian accomplishments, and we should recognize that. This is the way of the future. There is a will in this country to stimulate investment. There is a determination to revitalize the economy. There is a new-found commitment on the part of the Canadian Government to consult and co-operate with the business community, with the labour community, with the provincial governments, all to ensure that most positive and productive relationship possible. The new investment policy imbedded in Bill C-15 is a plan for collaboration for a concerted effort by the public and private sectors.

Investment Canada will work closely with other federal departments. It will, of course, work with our Canadian embassies in foreign lands, with our consulates, and with business associations across the country to promote investment and jobs here. This is a joint venture between all of the important players in Canada for the benefit of all Canadians.

Some Hon. Members: Hear, hear!

Mr. Stevens: I would suggest to Hon. Members, as is so evident in the debate that has developed in this House, that the two Opposition Parties are voices from the past. They feel because they have put programs in place which have been discredited, such as FIRA, being reactionaries, they do not want them changed. They say maintain the old, even if "old" is not working. We say let us change to the new. There is a better way.

Canadians want to break with the past. During the election campaign last fall, Canadians told us they wanted to see FIRA replaced with a more practical and dynamic investment policy. We have done that with Bill C-15 now before us. Bill C-15 is practical and a dynamic investment policy.

As we know, a recent Gallup poll showed that the majority, 62 per cent, of Canadians think that the Government should encourage foreign investment here. Bill C-15 will do that while retaining a review mechanism to safeguard our national interests. In voting today for final passage of Bill C-15, we are voting with the mood of this country. People want what is in Bill C-15. I invite all Members to vote with the Canadian public. Sixty-two per cent of Canadians say we are right, and as far as the unemployed are concerned, they know we are right.

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, it is very good of the Minister to bring statistics before the House this morning. I would like to ask him from where his statistics come. I have in front of me statistics most recently released by Statistics Canada that deal specifically with gross in-flows of direct foreign investment into Canada. This is, after all, and I am sure the Minister will agree, what we should be looking at in order to test the impact of FIRA.

According to these statistics, Mr. Speaker, the record looks something like this: In 1980 inflows by foreign investors for direct investment in Canada amounted to $4.2 billion; in 1981, they amounted to $4.7 billion; in 1982, $3.9 billion; in 1983, $3.5 billion and in 1984, $3.6 billion. If you include as well the purchases, the acquisitions, undertaken by specific foreign companies of Canadian businesses, those figures change slightly, but basically you have a period from 1980 through 1984 when in fact the statistics from Statistics Canada demonstrate very little change whatever with respect to inflows of direct foreign investment into Canada.

I have identified the source of my statistics. I have been very precise about what they represent. Could the Minister please comment, first, on these statistics? Second, could he give us a sense of where he got the outlandishly different statistics which he claims represented direct inflows of foreign investment into Canada?

Mr. Stevens: Mr. Speaker, perhaps unwittingly the Hon. Member for Essex-Windsor (Mr. Langdon) has demonstrated once again why the New Democrats working in such close conjunction with the previous Government have led us into the type of deficit position we have. The figures to which the Hon. Member refers are gross figures. He does not take into account the funds that have been leaving the country. It is the net figure that is the important figure. You can see a clear illustration of the woolly type of thinking that comes out of the socialist ranks.

Mr. Blackburn (Brant): Outflow has nothing to do with FIRA.

Mr. Stevens: They are talking about figures without taking into account what is the net position at the end of the year or the day or the month. The figures which I gave are the most meaningful ones on balance. Has Canada attracted more investment or has more investment gone out of the country in the various years to which I referred? If Hon. Members check that, they will find that on balance the net inflow into Canada was $3.2 billion over a 10-year period.

• (1200)

Mr. Langdon: Mr. Speaker, is the Minister aware that the statistics, which provide all sorts of details with respect to both inflows and outflows, demonstrate that by far the great bulk—and I could give him the specifics—of the outflows about which he speaks represents acquisition of direct investment interest from non-residents by residents of Canada, in fact the very Canadianization process to which he referred positively and approvingly within his speech? Why does he bring those statistics into the debate? They undermine his position rather than support it.

Mr. Stevens: Again the Hon. Member, presumably unwittingly, raises something to which I referred earlier. The fact is that 42 per cent of what he refers to as Canadian residents are Canadian Governments. It is a nationalization program to which he is referring, wherein almost $7 billion of the figures

that they attribute to Canadianization are federal and provincial Governments taking over concerns which used to be foreign-owned and, in the case of Petro-Canada or something like that, simply calling them Canadian without making it abundantly clear that it is nationalization and state ownership about which they are talking.

Mr. Axworthy: Mr. Speaker, when the Hon. Minister refers to a woolly statement, I would only say, looking across from me, that it is the first time I have ever seen a goat with wool between its ears. The fact of the matter is that I have never heard such incredible, economic convolution in all my life.

The Minister points to net capital outflow. I presume this is a Minister who has some economic responsibilities in the Government. Is he so blind and so ignorant that he is unaware of the fact that the United States has become the central focus of large movements of capital from every country in the world because of its high interest rates? The entire international monetary system is being put in real jeopardy by the inflationary push around the world, and the Minister does not even take note of that fact. God knows why we are in trouble with the Budget, if this is the kind of economic analysis we receive from the Government's chief economic Ministers. Of course there is a net outflow of capital, as there is a net outflow of capital from every other country, because of the policies taken by the Reagan administration and because interest rates are drawing that flow into that country.

If this is to be a reasonably responsible debate, it seems to me that the Minister has some obligation to display—and I know he loves to tell a good story, not get confused by the facts—a tidbit of relevance to reality.

If the Minister is so concerned about the net outflow of capital to the United States in particular, did he personally oppose the proposal and proposition put forward by the Minister of Finance (Mr. Wilson), which has taken a very large pool of capital under pension funds, some $30 billion according to the estimate in this week's edition of the *Financial Post*, and is offering it as a carrot in a three-for-one sale so that large pension funds can now have enormous leakages of Canadian capital into foreign countries in order to get them to invest in small business? If he is as concerned about net accounting as he seems to be, why did he agree with such a proposal, which will have as its end result a massive haemorrhaging of Canadian capital out of the country, not being used for investiment here at home?

Mr. Stevens: Mr. Speaker, the Hon. Member refers to the phenomenal interest rate increases which have occurred. However, he is overlooking the facts, and it is the facts with which I want to deal today. During the years to which I referred, Canadian interest rates were consistently higher than American ones. The fact is that in 1981, at a time when we had a net outflow of capital of $2.9 billion and higher interest rates than the United States, the Americans with lower interest rates had a net inflow of $22 billion. In 1982, we had a net outflow of $2 billion, with higher interest rates than the Americans. At the same time, the Americans had a net inflow of $10 billion. Those are lost jobs in Canada that we are talking about.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

Mr. Langdon: Mr. Speaker, I rise, first, on a point of order if I may. According to the Order for today, lengths of speeches are pursuant to Standing Order 35(1). Unlimited time exists for the Minister moving the motion and the Member replying immediately after the Minister. I just want to confirm whether that is correct.

Mr. Axworthy: Mr. Speaker, I rise to speak to the point of order. Once again, due to a certain hesitation on the part of the benches opposite, when it became the initial responsibility of the Minister to rise to his feet to move the motion, he did not. Therefore, we stepped in and Mr. Speaker ruled, before you took the chair, Sir, that the speeches would be limited to 20 minutes. That was the basis upon which both the Minister and I made our remarks, and I presume the same standard would apply.

[*Translation*]

Mrs. Mailly: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: With due deference to my House colleague, Mr. Speaker, I want to say that it is not the way things happened. The fact is that the Chair read the proposed motion to amend the Bill and asked whether we agreed. Those who did said yea, and that is when the Minister rose. The Chair realized that the Opposition did not seem to appreciate what was going on, that the amendment was going to be defeated, and the Whip of the Official Opposition then rose in a hurry and urged his colleague to stand up, and that is how they got sidetracked—

Mr. Gauthier: I want to set the record straight, Mr. Speaker. What the Hon. Member has just said is completely wrong.

The Acting Speaker (Mr. Charest): Order, please. I think it is out of order anyway.

In answer to the question of the Hon. Member for Essex-Windsor (Mr. Langdon)—

[*English*]

That would have been the case, had the Hon. Minister of Regional Industrial Expansion (Mr. Stevens) risen first to address the Bill. In these circumstances it is the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who rose in the House, so we are proceeding according to the rules with 20-minute speeches and 10-minute periods of questions and comments.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, thank you for clarifying that matter. I must say that it is a

pleasure to come to the end of this debate, frankly, because the debate has been an exercise in fallacious arguments and in trying to push through, in an arrogant fashion, what can only be considered irresponsible legislation. I hope, after the Bill is finally shoved through the House, that there will be some return to civility on the part of the Government.

• (1210)

I actually hesitated to intervene in the debate this morning because I expected that somehow out of the rafters of the House the ghost-like voices of Sir John A. Macdonald and John Diefenbaker would be heard. I can almost hear their voices now. I can hear Mr. Diefenbaker, with jowls shaking, looking down in concern at the Government and seeing its vision—this new vision for Canada of a stepping-stone society. The national policy of John A. Macdonald has become a stepping-stone economy of the Minister of Regional Industrial Expansion (Mr. Stevens).

I believe that tells us what this historic debate has actually brought us to in the House of Commons. I think back to the initial press conference of the Minister quite some time ago and his idle prediction that within two or three months the legislation he proposed would be law. It is not law. First, it is not law—and I am explaining here why we have fought it so strongly—because it is a deeply flawed, dangerous and irresponsible Bill born not out of the concerns and needs of the economy but, rather, out of ideological myth. It is a Bill shaped not to suit the modern conditions and challenges which the economy faces but, instead, the whims of a reactionary Minister.

It is a Bill which has been supported by fallacious and irrelevant arguments of which we just recently had an example with respect to the statistics brought before us today. We have heard arguments which have been designed to obscure what the Bill is attempting to do, as opposed to confronting the serious problems our country faces and trying to do something about them. For the Conservative Government of the country, the arguments surrounding the Bill have been an exercise in propaganda, not an exercise in honesty. The Bill before us has been driven through the House with insensitivity and a type of autocratic arrogance and pride which has made the whole process unhappy, graceless and an insult to the parliamentary traditions of the country. It has been the process typical of a bully, not of an economic leader.

I wish to say how pleased and proud I am of the New Democratic caucus. In its struggle, that caucus has helped to keep the Bill before us from becoming law. I am pleased about that for two reasons. First, as a result of that action, certain takeovers in the country have been subjected to the process of review under FIRA. Had the Bill been in place, they might not have been subjected to a review at all, or to a much weakened process of review.

I am reminded specifically of the workers from Canadian Porcelain who met with the Minister this morning to ask that he intervene and see to it that their community-based co-operative would have a chance to realize its hopes and aspirations within their community. These workers would not have found it possible to look for redress had we not delayed the Bill, which gave them a chance under the provisions of FIRA. Second, I think it important that the Bill be seen now as part of a broader Conservative economic strategy—an economic strategy which the Budget has brought out clearly to the people of Canada. It is a strategy based on providing handouts, and all sorts of abject support, to foreign investors, speculators and the large oil companies of the country. These are the people who have received the benefits. The people who have paid the price have been the pensioners, the women who looked for action in the Budget and received none and the youth of the country who looked for job expansion and found nothing.

The Bill before us is part of the huge and mighty redistribution which the Government wants to see put in place. It is a redistribution which will hurt the vast majority of the country while helping the foreign investors of whom the Minister speaks. However, this will occur at the expense of our people, our small-businessmen, our young people and pensioners. It will come about at the expense of those who have borne the burdens of raising us all, those who provided the economic support with which the country was built. The flaws, errors and omissions in the Bill before us are truly outstanding.

The Bill before us illustrates an exercise in draftmanship which, frankly, leaves one standing appalled. There are loopholes in the Bill through which it will be possible to drive not just locomotives but dirigibles. There are loopholes in the Bill which will permit the takeover of a branch plant of a branch of an American company without any review process whatsoever. The Bill does not provide for review of branches, just of subsidiaries. There are loopholes in the Bill which do not even allow for the definition of the asset level which is to be considered for purposes of the threshold in the Bill. Again, it will create a field day for lawyers who will be able to make use of that piece of inadvertent or, perhaps, intentional, disaster which is built into the Bill.

It is a Bill which provides new power for the Minister. What I have referred to as the octopus of Canada will have yet one more tentacle over which the minister will have control. It is a Bill which speaks of promoting investment in Canada; yet, it does not have a single specific recommendation within it to extend and support Canadian-owned business. We attempted to remedy that by putting forward an amendment which dealt with a specific mandate for the Minister to assist Canadian-controlled businesses. It is the New Democratic Party which supports Canadian business, not the Members who sit on the government benches. Of course, the Conservative majority voted down that amendment.

The Bill before us has thresholds so high that important enterprises in key communities across the country will no longer be able to turn to Government for the type of bargaining support on takeovers which should be in place. It is a Bill which has rejected important and useful suggestions for new criteria to be looked at in trying to assess net benefit. Unbelievably, the Conservative majority in committee who

looked at the Bill actually voted down the criteria dealing with whether or not a foreign company attempting to take over a Canadian firm had a viable economic record or not.

● (1220)

The amendment asked if the foreign company did in fact show in its home country that it was a viable economic actor. Even those in the most abject of Third World countries know that they have to look at the financial viability of a company that is taking something over within their domain. However, this Government does not know that. It would not put that provision into the Bill.

For all its empty talk about commitment to equality for women, for the disabled and for other minority groups, the Government rejected suggestions that the employment equity record of a company in its home country be examined. Therefore, we have a Bill before us which is fatally flawed and backed by the most fallacious arguments of which we can conceive. If I were to put my professorial hat back on in order to grade the economic reasoning of the Minister of Regional Industrial Expansion, I fear that he would be lucky to get an "F".

In the logic that the Minister has put forward, there is nothing that justifies the Bill that has been brought before us. The Minister has spoken of the great decrease in direct foreign investment inflows into this country. In the question I posed to the Minister, I quoted the actual statistics from Statistics Canada that demonstrate very clearly that in the measure that should be looked at, the direct inflows of foreign investment from outside to Canada, because those are the inflows that were supposedly discouraged by FIRA, there has been no significant decrease whatsoever.

The Minister spoke of making Canada part of the world. I hate to have to enlighten him, but we are perhaps the largest trading country in all of North and South America. The aggressiveness in our trade outshines spectacularly that of the United States, a country which trades far less than Canada.

Mr. Stevens: That's not true.

Mr. Langdon: It is absolutely true. In fact, 25 per cent of the Gross Domestic Product of Canada is traded while something in the order of 11 per cent of the Gross Domestic Product of the United States is traded.

Mr. Stevens: But they are 10 times as big.

Mr. Langdon: Those are facts and they show that we trade far, far more than the United States. Because we trade more, we must be aware of what is happening in the international economy. We must be aware of the fact that country after country supports its companies that are battling in the world market-place. France, Britain, Sweden, Switzerland and Japan have powerful programs designed to allow them to trade aggressively, effectively and powerfully; in fact, so much so that they outbargain this Minister flat-footed in the case of automobile quotas, for example.

Those countries are supporting their companies and their people because it means jobs in their countries. Our Minister is stripping away one of those important instruments that permits us to support our companies in the world market. He is not introducing us to the world, he is throwing Canadian companies out into that tough, harsh market-place without the kind of support which any responsible, modern, democratic Government should provide.

The Minister speaks of giving workers jobs. There is no one in this House who is more committed to getting jobs for the 15 per cent of Canadian workers who are out of work than I am. This Bill stops the process of review, but the review process is what gets us those jobs from foreign investment. Anyone who looks with honesty at the reality of the operation of foreign companies and large conglomerates throughout the world will recognize that there are problems. Those companies seek to benefit their home countries and they need to have pressure applied on them to get research and development jobs in Canada, to buy machinery in Canada and to make other purchases in Canada. That is what the review process does. It is to get jobs for Canadians, not to cost jobs for Canadians. By cutting out the review process, the Minister will cost this country jobs. He should be prepared to admit that rather than trying to cloak what he is doing in fallacious arguments.

The Minister should also recognize the fallacy of the other great argument he brings forward, which is that FIRA created a false image of Canada throughout the world. Let me suggest that there is an easy answer to that question. I would suggest that he buy a set of billboards and that he take out some advertising in New York and London. He should buy a set of billboards on which his slogans appear and put them in Paris. That would be no problem. However, he should not use that excuse to change crucial pieces of legislation that support Canadian communities and protect Canadian jobs.

In putting this legislation through the House, let us recognize as well that the Minister at every stage has tried to cut off debate and to block witnesses. There were 28 witnesses who wanted to speak to the Regional Development Committee but were prevented from doing so. Responsible amendments were brought before the House by the Opposition but only the one that got through by mistake was accepted. Thank God for that one.

We have before us a Bill which is faulty and irresponsible and which has been backed by fallacious arguments. It is a Bill which has been rammed through the House in as nasty and autocratic a manner as one could imagine. It is a Bill which turns its back on the real challenge of the future which is to Canadianize our economy.

We on this side of the House are proud of Canadian businesses. We are proud to support Canadian businesses that are fighting in the tough international market-place. If that is what nationalism is about, I am proud to be a nationalist. I am proud to accept a term which the Minister seems to think is a dirty word. To me, nationalism means standing up for the interests of our country, helping our businesses to get the kind of fair break that they deserve against huge giants which are

far bigger and more powerful than the companies we have here in Canada. I am proud that there are now Canadian-owned multinational companies that can operate throughout the world. I want to see more of them. I want this country to be a key actor in the world economy but the way to have that happen is not through this faulty, shoddy piece of legislation. It will happen by taking leadership, by passing up this kind of ideological myth-making and by facing the future rather than running away from the past.

Mr. Stevens: Mr. Speaker, I wonder if the Hon. Member could give us a few more details on his billboard economics. How many billboards would he propose to put in New York? What would he have these billboards say? What kind of a budget would he allow us as far as these billboards are concerned?

• (1230)

Mr. Langdon: Mr. Speaker, frankly, I thought that I would put the Minister's face on each billboard. Second, I thought that we simply could have a quote from the Minister which would say: "Open for business—Canada welcomes foreign investment". If the Minister had wished to have endorsation messages from the spokespeople for his Ministry and each of the opposition Parties, I suspect that we would have been quite pleased. I doubt that he would want our faces on the billboard as well, but I would certainly be prepared to add a clause which would say: '.We, too, welcome foreign investment in the country". We believe, under the review mechanisms which exist, that foreign investment can make a real contribution to the country.

I suspect that we could probably have paid the costs of the billboards by cancelling a few of the trips to New York, London and Paris which have been made by Ministers who have tried to deliver the message. If it is propaganda in which we are interested, billboards represent a magnificent option, compared to this gutting legislation which will hurt communities and workers across the country.

Mr. Friesen: Mr. Speaker, the Member began his remarks by saying that we were speaking from an ideological position. I do not know why he should be surprised at that. We spent the entire campaign telling Canadians that we wanted to open up the country to foreign investment. He has been speaking for 20 minutes on his ideological position. Are we not entitled to speak on our ideological position?

He went on to say that we used fallacious and irrelevant arguments. Well, if we have a philosophical position, it is based on the premise of a free market system, on an investment policy, and on the jobs which will flow from that philosophy. It is all right for him to say that the arguments are fallacious and irrelevant, if he continues to argue from his socialist position. Of course, our position will look irrelevant and illogical if he has a socialist mind-set and tries to apply his arguments to a free market system. If he will think for a moment of a wholesome free market system, then he will see that the arguments which flow out of the legislation are totally relevant, logical and that they hold water.

He said that the process has been an insult to the parliamentary tradition of Canada. Wait a minute. We spend about eight weeks last summer arguing for an open business economy in Canada. As a result of that campaign—and his Party voted to have FIRA made stronger—we elected 211 Members. Is it not logical to assume, as those arguments were ventilated for eight weeks, that the Government which was elected on that platform should be entitled to its legislation? It seems to me that is parliamentary tradition.

The task force on reform visited the United Kingdom a few weeks ago. The thrust of the U.K. Government's entire parliamentary calendar was that once a Government is elected and it follows through on the manifesto which it presented during the election campaign, then it is entitled to the legislation. The Hon. Member should not say, because he is arguing from a socialist position against our philosophy, and because we have imposed closure, that we are violating parliamentary tradition. We are simply following through on what we said we would do.

He also argued that the Bill will redistribute across the country. Of course it will. The socialists would like to have it done through a central agency. We want to distribute on a freedom basis in order to let the market forces work. It does work.

Last week I received a news release from a company in British Columbia. Partly as a result of the cancellation of the National Energy Program, that company is now able to build a fertilizer plant in my riding. That will provide 1,300 jobs during the construction period and it will provide 200 jobs when the plant is in operation. That is what this kind of program does. Opposition Members want to have direct job-creation programs. That is what this kind of a market-oriented program will do.

If the Hon. Member wants to argue from his socialist position, he should say that he is a socialist, that he is arguing from a socialist philosophy and, therefore, the legislation seems illogical to him. I would ask the Hon. Member to please not say that when we argue from a free market concept we are illogical. He should not impose his arguments on our philosophy.

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, I have tremendous respect for Conservative ideology. I believe it is a particular world view which is consistent, logical and incorrect. Nevertheless, it is deserving of respect. I would welcome debates of the sort to which the Hon. Member has referred. However, in the House, we are talking as Canadians representing our constituents; 1.5 million of whom are out of work. We should be talking about practical, real and immediate ways to get the country going once again. This is not a debating society in which we trade views with respect to philosophy. As I see it, this is a parliamentary chamber in which we try to grapple with the economic problems of the country, in a pragmatic and realistic way.

We look at the facts and try to assess what we are doing wrong and attempt to correct it. I believe that is useful. It is something for which the people of Canada pay us to do. On the fringes, occasionally it is useful to indulge in an ideological exchange. Some day I might have a debate about why, in my basic commitments, I would call myself a socialist, but we are not talking about that today. We are talking about practical pieces of legislation. To debate that in a pragmatic, careful and serious manner is important to the future of Canada. We should not be ideological about it. We should not let our ideological baggage shape what we do. We should let reality shape what we do.

The Hon. Member suggested that parliamentary traditions were important to understand. I agree. Certainly, the Government was elected on the basis of a great many promises last summer. Most of those promises have been broken. God knows why the Government did not break this promise, as I would have welcomed that. The point is that parliamentary tradition permits a full presentation of alternate points of view. As well, it permits the capacity for the ordinary people of Canada to have some input. What bothered me most about the way this was done was that 28 witnesses from across this country wanted to testify and they were prevented from doing so by the Conservative majority who railroaded this Bill through.

● (1240)

The Acting Speaker (Mr. Charest): The period for questions and comments has now expired. We shall resume debate.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I am not going to dwell on the negative side and on the past like the Hon. Member for Essex-Windsor (Mr. Langdon). Like the Minister of Regional Industrial Expansion (Mr. Stevens), I see myself as a Member for today and tomorrow, and I therefore prefer to concentrate on the very positive aspects of this legislation.

Mr. Speaker, I have been listening carefully to Opposition Members on this Bill. They painted such a terrifying picture of the harm done by foreign investment that I found it hard to believe they were merely doing it out of partisanship or some kind of phobia. I went around my riding to find out for myself what the facts were about foreign ownership in Gatineau. I found, Mr. Speaker, that, contrary to what the Official Opposition and the New Democratic Party Opposition have been saying, foreign companies established in Gatineau since the beginning of this century and new companies added since then tend to re-invest in their facilities as much as Canadians do. Furthermore, Mr. Speaker, they do as much as, and in some cases even more than, some Canadian companies do for research and development. They do not abruptly close down unprofitable plants in the riding, they do not export tremendous sums of money to their own country, thereby harming our currency, and they have not managed to impose any regulations that would affect our sovereignty or economic growth. On the contrary, they are very responsible members of our community.

Furthermore, Mr. Speaker, they are not restricting Canadian branches to the domestic market, excluding them from markets in their own country or anywhere else in the world. Mr. Speaker, I would like to mention a specific example. That example is ERCO, a branch of Albright & Wilson Ltd., the United Kingdom's second largest producer of chemical products. This company's products are manufactured in seventeen countries and distributed throughout the world. Albright & Wilson Ltd. is part of Tenneco Inc., a larger U.S. industrial conglomerate whose activities include oil, gas pipelines, chemical products, shipbuilding and insurance. In fact, ERCO is one of those multinationals which our colleagues opposite are so fond of criticizing. ERCO, Mr. Speaker, started in 1887 and the town of Buckingham on the Lièvre River. At first, the plant produced elemental phosphorus for the Canadian match industry. Elemental phosphorus was obtained from locally mined apatite and extracted using electric power generated by the falls of the Lièvre River. Until 1950, ERCO's production operations were restricted to Buckingham, the site of its first plant. Today, 35 years later, ERCO Industries has five branches, including the Buckingham plant. It is one of the largest Canadian companies with annual sales of $214 million. Mr. Speaker, ERCO is the sole Canadian producer of elemental phosphorus and industrial phosphate, and the largest producer of sodium chlorate in the world. Its products are sold both domestically and internationally. The company even has a warehouse in the United States to supply the American market. If we look at the sales figures, 61 per cent of sales are in Canada, 33 per cent in the United States and 6 per cent elsewhere.

As for research and development, ERCO has had its own separate services and its research and development centre for 30 years. It is located in Toronto, Ontario, and employs twelve experts, six of whom are Ph.D.s, and ten technicians and office staff. They also have a technical library, and the company spends nearly $2 million annually on these research services.

● (1250)

Furthermore, Mr. Speaker, each plant has a group responsible for development which reports to the plant's management. Speaking of management, Mr. Speaker, ERCO is fully Canadian, from the president down to the employees, and has been for 25 years. All decisions are made in Canada, including the decision to re-invest half of the profits in modernizing and expanding the plant, which was started ten years ago. Mr. Speaker, the situation differs completely from the image we have been given of foreign companies.

Mr. Speaker, I could name a few more: CIP, for instance, which was a U.S.-owned company and now belongs to Canadians, not because we wanted to Canadianize it for ideological reason but because it was so well managed that it had become

very attractive to probably our largest investor in Canada, Canadian Pacific. I am referring to Maclaren, a very prosperous family-owned company which was sold quite recently to the Noranda group. Did Noranda start laying off employees right away? It did not! It modernized the plant and is now training and re-training employees in the most advanced pulp and paper technology. And what is more, Mr. Speaker, Noranda is also part of an international complex.

I was comparing a foreign company and a Canadian company to demonstrate that their behaviour is the same. Maclaren is now starting a re-forestation program that will benefit our forests in the Outaouais area. And like ERCO, which is a foreign company, Maclaren has joined me and the Municipality of Notre-Dame-du-Laus in seeking a solution to a situation where a sawmill was closed because of a lack of markets, and as you know, Mr. Speaker, the lumber market is in very bad shape. So this is not exactly the picture we have been given of the typical foreign company that wants to invest in Canada.

Mr. Speaker, earlier we were talking about a poll that said that the majority of Canadians favoured foreign investment. On June 3, there was a headline in the Ottawa newspaper *Le Droit* which said: Yes to foreign capital! Interestingly, I looked at the breakdown of this poll, and it says here that the 62 per cent who were in favour of foreign investment included 50 per cent of the respondents who were NDP supporters, and who made up 18 to 20 per cent of the group. This means that a large number of Canadian NDP supporters are for foreign investment. In addition, nearly two-thirds of the Liberals are in favour of foreign investment, and of course a very large majority of Conservatives are in favour of foreign investment in this country. The question asked in this poll was: In your opinion, should Prime Minister Brian Mulroney encourage or discourage foreign investment in Canada? So 62 per cent said: encourage, and 19 per cent said: discourage. As I explained before, the answers did not depend on the politics of the respondents, since they all seemed to think there was something good in it.

Mr. Speaker, it is therefore a fallacy to say that only a small minority of very wealthy pro-U.S. capitalists who are too scared to develop their own economy are interested in foreign investment. On the contrary, Mr. Speaker, they are very sophisticated people with a vision of Canada and nationalist hearts beating in their chests, as the Hon. Member for Essex-Windsor said. But they do not equate nationalism with statism, it simply means they are proud to be Canadians and they want to protect our quality of life. That is not closing the door to foreigners who do come up with excellent ideas and are prepared to work with us to solve our problems.

Mr. Speaker, this brings me to the many allegations that we failed to keep our election promises. As I said before, what the Opposition calls promises we call solutions we wanted to bring to our problems. Our goal was to find solutions to our problems, including the shortage of investment capital. We look upon foreign capital as a source of development financing, and there is no reason to close our door. FIRA had a negative impact, so much so that a Conference Board of Canada study concluded that one of the problems created by the review agency was that it attracted much political and doctrinal intervention. An example of that was the oil industry, Mr. Speaker, a sector which was already creating jobs and whose future employment opportunities were very promising. A good many Gatineau residents found jobs in Western Canada's oil industry, not to mention others on the payrolls of manufacturing plants related to the petroleum sector.

Mr. Speaker, this fear of foreigners and this propensity for nationalizing potentially profitable companies had a predictable effect: the country's economic development came to a standstill and this was a significant factor in our slide into a recession even worse than that experienced by neighbouring countries with which we compete. The bottom line was that they nationalized a disaster when they could have put their bets on a very dynamic sector that could have helped us cushion the impact of the impending world-wide crisis. No, Sir, they undermined and weakened the industry because they chose to take a doctrinal and ideological approach rather than see it as an economic development sector.

That, Mr. Speaker, is precisely why I listened with great concern to what Hon. Members were again telling us this morning. They have not changed their tune and they did not come up with anything new. They maintain that we did not listen to Canadians, but I think we did and the polls bear me out. What is more, Mr. Speaker, I sit on the standing committee of the House which studied this Bill, and we heard many witnesses who shared the views of the Hon. Member for Essex-Windsor and those of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). We heard them out, we made notes of what they had to say, but then we also paid attention to other people who appeared before the committee to tell us they firmly believe that the review agency as it is structured did impede Canada's growth. There has to be some screening in key sectors, particularly those related to our culture and our identity as Canadians. But statistics did show that this mechanism slowed down the decision-making process to the extent that barely 5 or 6 per cent of all applications ever came up for review.

Well, Mr. Speaker, it would have been illogical to ignore the fact that economic experts and most people in Canada were urging us to do something about the agency because it did not foster development. That is precisely what we did, after listening to hours of discussions and evidence by various witnesses, and it must be kept in mind that this Bill contains a safety valve. There will be review levels and protected sectors, but what is even more important is that this Bill reflects a very positive attitude toward investment.

The Hon. Member for Essex-Windsor (Mr. Langdon) mentioned France a while ago; he gave that country as an example

and said that France promotes domestic investment, and I imagine he meant that it discourages foreign investment of at least is not as favourable to foreign investors as Canada will now be. I was in France recently, Mr. Speaker, as President of the Canada-France Parliamentary Association and I was taken around various regions by Socialist Members of the Government who took me to such places as the Dordogne, and I also visited Alsace with a Centrist Member of the National Assembly. Everywhere I found that these parliamentarians, whether Socialists ou Centrists, all said: You know, our greatest problem is to update our industries; the major problem is that our nationalized industries are not up to date; we had a lot more problems with Renault than with Peugeot; during the crisis, Peugeot acted with courage and showed good management as it should have done. They tightened their belts, made changes in job training and became more competitive, while Renault, because of the state bureaucracy, was slower to react, which caused us to lose markets, and we are now in difficulty.

Therefore, Mr. Speaker, even in France where there is a Socialist Government, people realize that the economy is a reality and has nothing to do with theory, rhetorics and ideology. This Bill falls pretty much into line with the attitude now prevailing in France as well, because the Government there had to acknowledge the mistake it made early in its mandate in creating artificial jobs in the public service. It made mistakes in discouraging the private sector, and it now finds that the answers to its problems are the same as those we are suggesting. Therefore, I am quite ready to support this Bill. We shall be watchful in this case as in the case of our other pieces of legislation, such as the incentives for Canadian businesses that deal with the Government to provide equal opportunities for women. It is through this type of legislation, and I am not talking about Bill C-15 which deals with investment, but about the Bill introduced by the Minister of Employment and Immigration (Miss Macdonald), that we shall be in a position to ensure equality for women. I therefore find it passing strange to hear my colleagues speak about foreign investment as though it were a multi-headed monster which will swallow us, emasculate our men, eliminate equal opportunities for our women and ruin our cultural sector.

I think that Members opposite should try to live in this day and age. It is good to live today, better than yesterday, and it will be even better tomorrow.

The Acting Speaker (Mr. Charest): Questions, comments. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has the floor.

Mr. Gauthier: Either the Hon. Member for Gatineau (Mrs. Mailly) is dreaming in colour, Mr. Speaker, or she has not followed the debate. We have never said that foreign investments were bad for Canada. We have said that the foreign control of the Canadian economy was not particularly desirable. We have criticized the Bill in a constructive way in an effort to improve it. We have never said that foreign interests are not welcome in Canada. Far from that! They are quite welcome, but we would like them first to be subjected to a review process to make sure that Canada—

An Hon. Member: One o'clock!

The Acting Speaker (Mr. Charest): I am really sorry. It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock, the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MEMBERS OF PARLIAMENT

STATEMENTS BY MR. CROSBIE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, while the Minister of Justice (Mr. Crosbie) yesterday put on a display of fireworks full of sound and fury, after his display of the day before in the House of Commons, for the most part this signified nothing. His remarks concerning the Hon. Member for Hamilton East (Ms. Copps), calling her "baby", a "titmouse", and a "poltroon", while being cheered on by other members of the Government, finally exposed the Tory attitude toward the women of the country.

What an insult to women to hear the derogatory remarks—

Mr. Dick: Is she a woman?

Mr. Boudria: —of the Minister of Justice, responsible for equality of women, whose feeble mind could only find one area in which to criticize the distinguished Member for Hamilton East, that being the fact that she is a woman.

Derogatory and sexist remarks such as "baby" and "poltroon" ought to be made unparliamentary. What is a poltroon? It is a worthless wretch. That is what the Minister of Justice and his cheering cronies on the other side consider a woman who stands up for herself on issues that she strongly believes in.

We remember the women's debate last summer during the campaign. Where is all the Tory concern for women now? "Poltroon" sums up how the Tories see women. First, broken promises, and now insults. Not only the Minister of Justice, but the whole Tory caucus, owe women an apology. Instead of letting him flounder like a bellowing, beached whale, the Tory Members gave that discredited Minister a standing ovation. The Tories promised—

Mr. Speaker: I regret to advise the Member that his 90 seconds have expired. The Hon. Member for Kenora-Rainy River (Mr. Parry).

* * *

[*Translation*]

OLD AGE SECURITY

REQUEST FOR FULL PENSION INDEXATION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the Leader of the New Democratic Party (Mr. Broadbent) received a telegram yesterday containing the following resolution, and I quote:

Whereas according to a survey conducted by the National Advisory Council on Aging, Government allowances constitute half of the total income of the elderly in Canada;

Whereas the elderly have paid and are still paying, with good grace, taxes and income tax to ensure they have some protection so they will at least be able to meet their basic needs;

Whereas the Mulroney Government was elected on its promise to eliminate the ceiling on indexation of Old Age Security Pensions imposed by the Trudeau Government;

Whereas Mr. Mulroney has admitted that the measures announced by Mr. Wilson are a violation of the promises made by the Progressive Conservative Party in 1984.

The Quebec Senior Citizen's Federation demands that the Mulroney Government reinstate full cost of living indexation for Old Age Security Pensions, retroactive to January 1, 1985.

Yesterday, the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand) refused to meet this group. Next Wednesday, the Leader of the New Democratic Party will be meeting the group in Montreal.

As New Democrats, we challenge the Right Hon. Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson), the Minister of National Health and Welfare (Mr. Epp)—

[*English*]

Mr. Speaker: I regret to advise the Hon. Member that his 90 seconds have expired. The Hon. Member for Bow River (Mr. Taylor).

* * *

AGRICULTURE

FARMERS' FINANCIAL DIFFICULTIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, during the last three years more than 1,400 families lost their farms, while in 1979 there were only 25 foreclosures. Why the difference? Well, in 1979 Canadian agriculture was prospering, with good crops and good prices. As a result, in order to widen their base and increase their productivity, ambitious farmers borrowed capital from banks anxious to lend. Then came 1981 when the prices for wheat and cattle dropped below the break-even point.

During 1982 and 1983 prices stagnated and interest rates soared, pushing up farmers' debts. Some banks foreclosed, and now there are some 50,000 Canadian farmers experiencing serious financial difficulties. Unless something positive is done, some 1,700 more may go under, and the banks will own a lot of land.

Why do the banks expect repayment when a farmer has no crop? Farming is a long-term business, and not a one or two year operation. If the banks would make their loans over a 20 or 25 year period, most of the farmers would survive. We cannot afford to lose these farmers. Surely when we can send a man to the moon we can solve this problem. Remember, the land will not be moving away, and I do not want the farm families to be moving away either.

* * *

CANADIAN PACIFIC RAILWAY

TREATMENT OF COMPANY PENSIONERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I would like to bring to the attention of the House the plight of over 600 CP Rail pensioners and over 400 pensioners' widows in my riding. We learned last week in Moose Jaw that tentative contracts signed by CP Rail and three of its national unions included agreements which eliminated VIA Rail passes for CP employees as well as for pensioners or their widows.

The present employees of CP Rail have the union bargaining team to represent their concerns and have supposedly received something in exchange for the elimination of the passes. While this may not be acceptable to the rank and file of the brotherhoods, they can now vote on whether or not to ratify this agreement. However, what choice do the pensioners have? Who speaks for them at the bargaining table? These pensioners worked hard for many years, often under adverse conditions, with low salaries. They now receive low pensions without the benefit of indexing and, to add insult to injury, they are now to lose their rail passes.

I call on all Hon. Members of the House to contact CP Rail and union officials in their areas, to indicate total disapproval of this agreement. I further call on CP Rail to take leadership in this area, and immediately reinstate the VIA Rail passes for all pensioners.

* * *

[*Translation*]

THE BUDGET

COMPLEXITY OF PROVISIONS—IMPACT ON SMALL AND MEDIUM SIZED BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, with the exception of accountants and tax lawyers whom small businessmen will have to hire to understand the entire implications of the new budget, very few Canadians will take advantage of those measures allegedly meant to create jobs. This

was acknowledged by the Panel sponsored by the Ottawa-Carleton Economic Development Corporation that met to consider the Budget.

The task force which included two accountants and two lawyers stated and I quote:

[*English*]

The capital gains exemption will do little or nothing to stimulate investment, because it rewards investment decisions that would have been made without the tax benefits.

[*Translation*]

The capital gain exemption is a $125,000 gift to the rich.

The Budget was supposed to set a climate of confidence for investors in small- and medium-sized businesses but according to an expert on the task force:

[*English*]

—that confidence just isn't there. Everyone has taken the attitude that you've got to take advantage of some of these tax breaks right now because the rules could change very easily.

[*Translation*]

Rather than rewarding investors for investments already made in the country or abroad by giving them a capital gain exemption, such exemption should be restructured to stimulate investments made in Canadian concerns after the Budget. It would be more effective to stimulate investments in small- and medium-sized businesses and thus to create jobs.

* * *

[*English*]

FITNESS AND AMATEUR SPORT

MULTI-SPORT EVENTS—GOVERNMENT POLICY

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am shocked and disappointed to learn that the Conservative Government has decided not to assist any more multi-sport events in Canada for the rest of this decade. The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) admits that this moratorium on financial support will impede cities from seeking such events into the early 1990s. The new policy in fact requires Canadian organizations holding the franchise for specific multi-sport games to secure a statement of support from the federal Government before beginning the process of selecting a Canadian host city, if they hope to receive federal funding.

This interference by the Conservative Government in Canadian amateur sport is part of one more broken Conservative election promise. The Conservative Party committed itself "to maintaining the highest level of federal support for amateur sport in Canada". The Conservative Government now plans to channel its "limited financial resources towards the funding of our high performance athletes".

The Prime Minister (Mr. Mulroney) and the Conservatives have forgotten how important international sporting events in Canada are in inspiring young Canadians to become high performance athletes. They have now given the boot to organizations and cities across the country, including London, Ontario, in its bid for the 1991 Pan American Games, and Thunder Bay, Ontario, in its hopes for the 1991 Nordic Games. At the same time the Charitable Donations Tax Credit, also promised by the Conservatives last summer, has not been included in the May 23 Budget.

Mr. Speaker: I regret to inform the Hon. Member that his time has expired.

* * *

[*Translation*]

SOCIAL SECURITY

GOVERNMENT POSITION

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, how distressing it is to hear day after day in the House Liberal Members blame the Progressive Conservative Government for everything under the sun. Among other things, they rake this Government over the coals with respect to pension indexation, yet when they were in office they capped the indexation at 6 per cent, which was a loss of 50 per cent in inflation.

Another admission they never make either, Mr. Speaker, is that they never told widows and widowers aged 60 to 64 that the Liberal Government forgot all about them when it was in office. Well, we did think about them. Liberal and NDP Members alike mislead the elderly by not telling them the whole truth. They do not repeat the words of the Minister of Finance (Mr. Wilson) in the Budget speech, so I will quote them for the Liberals:

The Government will review the adequacy of payments in light of future circumstances and will increase them as resources permit.

This week, Mr. Speaker, I held a conference for senior citizens in my riding and all of them did understand because I gave them a fair and positive explanation—I repeat, fair and positive.

Finally, Mr. Speaker, we are up against a negative Opposition. They were bankrupt of ideas, so nothing has changed for them. When they sat on the Government benches they could do no wrong. Now that they are in Opposition, nothing doing, they still want to be in the driver's seat as if theirs were the sole and only Party entrusted with the truth. How pitiful and regretful!

• (1410)

PARLIAMENT

THIRTEENTH MEETING OF CANADIAN AND EUROPEAN PARLIAMENTARIANS

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, earlier this week, it gave me great pleasure as a delegate from the Canadian Parliament to attend the 13th Annual Meeting of Canadian and European parliamentarians.

Mr. Speaker, yesterday we were cousins, and today we have become friends. After having attended the workshops and the discussion meetings together, we will be in a better position tomorrow to understand the wishes and needs of one another, and to work together at reaching solutions that will be profitable for both groups.

* * *

SOCIAL SECURITY

SITUATION OF ELDERLY AFTER PRESENTATION OF BUDGET

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to give all Members in this House, and to you too, Mr. Speaker, an idea of the monthly budget of senior citizens from whom the Minister of Finance (Mr. Wilson) is requiring a sacrifice.

To start with, they get $605.20 a month. Their rent is $240 per month; hydro $21.47 per month; heating $57 per month; telephone $17; fire, theft and life insurance $20.83; water tax $5; food $216.50 per month, or $50 per week, or $2.40 per meal.

All that is left after deducting the above items is $27.40 per month. Out of those $27.40 per month they must buy clothes, drugs that are not covered by health care, dental care, glasses, household maintenance, appliance repair, transportation, newspapers and recreation.

Mr. Speaker, I would appreciate it if the Minister of Finance, the Minister of National Health and Welfare (Mr. Epp) and the Right Hon. Prime Minister (Mr. Mulroney) would tell senior citizens where they are going to cut their costs. Will they be cutting on meals, will they cancel their insurance?

Mr. Speaker, I feel it is invidious to ask our senior citizens, who built this country, to make still more sacrifices.

* * *

ENERGY

SITUATION OF GASOLINE RETAILER

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, a very special case has just been referred to me. The owner of ten gas stations in Hamilton, Guelph, Oakville, Mississauga and Kingston, a well-established independent distributor who has been operating for eight years with 120 employees and a volume of sales of over 14 million gallons a year, has been in a very precarious situation since 1982. After being forced to close seven of his stations over the past three years, he has been dealt an even harder blow. Even though this might seem hard to believe, this distributor must purchase gas for his business from the Sunoco company, his main supplier, which sells him this product 1½ cents more than to its own gas stations.

In conclusion, Mr. Speaker, I must say that this operator has already suffered heavy losses and is just about ready to simply close down. In his own words, and I quote:

[*English*]

It is inconceivable that such a thing happened in a country supposedly supporting individuals' rights and freedoms. There is no control, and independents have their heads under the guillotine.

There is a grave problem in southern Ontario. At the moment majors can lower their selling price, or otherwise provide their subsidiaries with special support of some kind, and independents are left hanging there in the situation where they are losing their shirts, not their shorts.

ORAL QUESTION PERIOD

[*English*]

PENSIONS

INDEXATION—ELECTION STATEMENT BY PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have been waiting for some time to ask a question of the Prime Minister relating to the Budget. It is a question that has been put to him before in this House, to his Minister of Finance, and to the Minister of National Health and Welfare repeatedly.

Last July 26 in Sherbrooke the Prime Minister swore that he was totally committed to:

—reinstate complete indexing of old age pensions to the actual cost of living.

Those were his words.

Why has that promise been broken in the Budget? He must have been listening to what our senior citizens and, indeed, what the country have been saying, from one end to the other, about this broken promise to our retired people and the elderly in Canada. Will the Prime Minister use this occasion to confirm his promise that he made to the people of Canada last July, and reinstate indexation of old age pensions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the serious problems facing the elderly, and all Canadians, is the state of the public finances.

Ten years ago we were spending approximately $1 in every $9 of revenues to service the debt. It is now $1 in $3. The debt has gone from $18 billion to $190 billion, and built into the system is a possibility of a $400 billion deficit. Where would the elderly be if, to service this debt, it required 40 per cent and 50 per cent of government revenues? That is exactly the tragic heritage we were left by the Liberal Party. Everybody knows that we must begin to deal with it, beginning with the senior citizens to whom we owe so much.

We will be conducting ourselves in such a way as to bring down inflation and to keep it down, to make sure jobs are created, that new strength is brought back to the economy so we can do not just what we have been doing for our elderly and others but more, because the elderly are entitled to everything that a grateful nation can provide.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

LABOUR MARKET DEVELOPMENT STRATEGY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is not the language the Prime Minister was using during the election, either about the deficit or about our senior citizens.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The fact remains he has left another broken promise on the floor of the House of Commons.

The Prime Minister and his Minister of Finance have been telling senior citizens living in poverty, in defence of this Budget that they have to suffer in the name of some grand new job creation strategy.

I have in my hand a secret document entitled "Communications Plan—Labour Market Development Strategy". This plan is a plan for announcing a job creation strategy on June 18. The Government plans, apparently, to implement six programs. This document was signed three days ago by the Deputy Minister of Employment and Immigration, who said that we have to be careful here because these programs—I am using his words, Mr. Speaker—"look very much like the old approach to programming".

This Government in the Budget—

Mr. Speaker: Order, please. Order, please. This is a very long preamble. Does the right hon. gentleman have a question, please?

Mr. Turner (Vancouver Quadra): I do, Sir, and I hope to the response to this question you will apply the same even-handed treatment.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Apologize.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Why does that Budget parade a new series of job programs when the Deputy Minister in the document says, "We have to try to dress them up because they are the same old programs?"

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not seen the document to which my right hon. friend refers. I will tell you one thing, Mr. Speaker, that we do not have to dress up because it resembles in no way what transpired before, and that is the 201,000 new jobs that have been created since this Government was sworn in—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —including the 89,000 new jobs created in April alone, which represented the largest single monthly job creation initiative in almost five years in Canada. That is brand new compared to what the Liberals were doing. That is solid job creation, which means the beginnings of a return to sustained prosperity in Canada.

Some Hon. Members: Hear, hear!

• (1420)

BUDGET STATEMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this document makes clear that the Conservative Government is still coasting on old Liberal programs and, what is more, the document relates to jobs which will last for only 16 weeks. In the Budget the Minister of Finance and the Prime Minister talked about a long-term private sector strategy. Why does that strategy conflict with the document which the Hon. Minister of Employment and Immigration will table in about a week? What an extraordinary gap in philosophy as paraded in the Budget and revealed in the Minister's own document!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am delighted the Hon. Member finally got around to recognizing that there is a new labour market strategy in place. May I tell him that the very first program coming out of that is Challenge 85, which was put together for young people, or students, this summer. Some 67,000 young people have benefited from that program so far, as against the 50,000 last summer who did not have career-related jobs—67,000 as against 50,000.

Some Hon. Members: Hear, hear!

Miss MacDonald: I can also tell the Hon. Member that this labour market strategy puts into effect something which the previous Government never did, that is, the provision of multi-year funding for the labour market strategy.

Mr. Speaker: Order, please.

STATEMENT ATTRIBUTED TO DEPUTY MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I remind her of her statement in the House on April 16 that the whole plan moved away from short-term, job-creation dead-ends which used to be in effect. Does the Minister agree with her Deputy Minister who said in this secret document: "Individuals should be therefore expected to spend a reasonable length of time on projects, at least 16 weeks". Does she think that 16 weeks is long-term job creation?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am really so pleased, after all this period of time, to see members of the Liberal Opposition taking some interest in jobs and training. Day after day I have been sitting here waiting for them to ask about it, and they have not opened their mouths.

Some Hon. Members: Hear, hear!

Miss MacDonald: We have not gone the route of the Liberal Party in trying to bypass the provinces and the private sector in developing this new strategy. We have worked with the other economic and social partners to put together a strategy which will provide training and job creation for some 400,000 Canadians.

OPINION OF DEPUTY MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, unfortunately that opinion is not shared by her Deputy Minister who indicated in the same document, signed three days ago: "There is a risk of serious misinterpretation if these terms and conditions of the new employment programs are read in isolation. They look very much like the old approach to programming". Her own Deputy Minister is now on record as telling the almost two million unemployed Canadians that the Government has failed to bring in new ideas. Will she admit that the eight months' hoax on Canada's unemployed is up, and that she should table the programs in the House today, instead of waiting until June 18 to bring in a gussied up version of "Second-hand Rose"?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member always thinks that she can dish it out, but I have not noticed that she has been able to take it.

Some Hon. Members: Hear, hear!

Miss MacDonald: One of the things which the Government has done, so far in eight months in office, was to put $2 billion into job creation and training; $2 billion in eight months. It has been able to do something which the Hon. Member for Winnipeg-Fort Garry could not do during the time that he was Minister of this Department. He could not get long-term funding. He had to go on *ad hoc* measures, one after the other, because the previous Liberal Government did not believe in anything but *ad hoc* measures. It would not take a long-term view of the need for training and job creation. That is what is different. The question is one which deals with job creation and training, and already some—

Mr. Speaker: Order. Answers are becoming long, too.

* * *

FINANCE

DEFERRED CORPORATE TAXES—INTEREST CHARGE REQUESTED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Government proposes to raise some $245 million from its proposal to deindex old age pensions. Yesterday the Minister said that if there had been any other way to meet the deficit needs, he would not have supported such deindexing. Would the Minister now be prepared to recommend to his Cabinet colleagues that an interest charge should be placed on the deferred taxes of corporations? If so, would he do so in order to protect the needs of pensioners, who would therefore not have to pay the additional amounts, and to raise for the Treasury of Canada in excess of $500 million?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is the responsibility of the Minister of Finance to announce any changes to the tax structure. I return to the position which I took yesterday in the House. When we look at the structural debt of the country and the effect of that debt load—the cost of the debt, the servicing of the debt on a day by day basis, and its effect on social programs—we realize that that is money which could have been better used had we not had that debt. That is the issue with which we have to deal, not only to preserve the programs but to get the matter turned around.

GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not recognize that the deferred taxes of the major corporate sector are indeed a debt to the country? Does he not, therefore, think that it would be appropriate to ask those who owe the country many billions of dollars at least to pay interest on the money they owe, in order that the costs to senior citizens do not have to be raised?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me explain to the Hon. Member that those credits have been earned over the years by companies. In earning those credits, those companies have created the jobs which I think the Hon. Member is pleased have been created. I should remind him that the major thrust of the Budget is to create more jobs by encouraging the private sector, and by reinforcing the clear record of success over the past nine months, wherein 201,000 jobs have been created by the private sector which is responding positively to the new direction of the Government.

Oral Questions

AMOUNT OF DEFERRED TAXES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, recognizing that a deferred tax is a tax which one might presume should be paid at some point, is it not more reasonable that those who owe the country billions of dollars in deferred taxes should, at the very least, pay a reasonable interest for the deferral so that we do not have to reduce the incomes of those who worked to create this country by reducing their pensions, and thereby reducing their ability to purchase and provide for themselves?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if we follow through with the direction in which the Hon. Member wants to go, if he wants to wipe out the forest products industry, the mining industry, and the steel industry in Hamilton, an industry which supports many workers in this riding, we will see fewer jobs in those industries, and that will be on his head.

* * *

● (1430)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM EUROPEAN PARLIAMENT

Mr. Speaker: I should like to indicate to the House the presence in our gallery of Mrs. Eva Gredal, Member of the Danish Parliament, who is the leader of a delegation from the European Parliament. The delegation is in Canada for the thirteenth annual meeting of the Canada-Europe Parliamentary Association.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

OLD AGE SECURITY

FULL INDEXATION OF PENSIONS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, to hear our new Robin Hood, 1985 version, who takes from the poor to give to the rich, he wants to get rid of the elderly altogether. My question is directed to the Prime Mnister, Mr. Speaker.

The day before yesterday, six national organizations denounced the Budget brought down by the Minister of Finance. Yesterday in Quebec City, the three main organizations that represent over 200,000 senior citizens asked me to put the following question to the Prime Minister: Will the Prime Minister undertake today to restore full cost of living indexing for Old Age Security Pensions, as he solemnly promised to do during the election campaign?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would refer the Hon. Member to what he said on November 30, 1982. I would also refer him to what the former Minister of National Health and Welfare said in the House, that is, that if the deficit is allowed to continue, then the very money we are spending on the debt load is money that we cannot use for social programs. In fact the Hon. Member said he supported that type of approach in his speech in 1982. It is strange that he does not support the same approach now in 1985.

[*Translation*]

SITUATION OF ELDERLY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the lack of an answer from the Right Hon. Prime Minister is an insult to Canada's 2,500,000 senior citizens, and shows a blatant lack of courage.

Does the Right Hon. Prime Minister have the courage to ask the elderly when, after they have already paid their rent, telephone bill, food bills, $50 a month, they have only $27.40 per month left to buy clothes, toothpaste and soap which have now been taxed by the Minister of Finance, does he have the courage to ask them to make one more sacrifice?

Does the Right Hon. Prime Minister have the courage to rise in the House and tell them what they will have to give up?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is not what the Hon. Member was saying in 1982. Two years ago he was saying the exact opposite of what he is saying today. This is one of the most hypocritical and most typically Liberal statements ever heard in the House of Commons.

Shoemakers have the worst shoes.

Mr. Malépart: Mr. Speaker—

Some Hon. Members: Sit down.

Mr. Malépart: —I would like to ask the Prime Minister to withdraw his words.

[*English*]

Mr. Speaker: The Hon. Member for Vancouver-Kingsway.

* * *

ENERGY

WESTERN ACCORD—OIL COMPANIES' REVENUES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. Just a minute ago the Prime Minister said that the elderly are entitled to what a grateful nation can provide. I wish to offer the Minister a second option in this regard. Considering that the oil industry has received a windfall, according to them, of

$600 million a year as a result of the Government moving to world oil prices, is the Minister prepared to recommend to the Government that it take at least one-half of that $600 million back, in terms of a windfall profit tax, so that the elderly will not have to pay for job creation in Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to protest the Hon. Member's continual misrepresentation of the facts in terms of the Western Accord. He constantly ignores the fact that all benefits from the Western Accord are to be channelled into new jobs and job creation.

Some Hon. Members: Hear, hear!

Miss Carney: Mr. Speaker, because I believe the Hon. Member to be sincere in his duties as energy critic, I wish to draw to his attention to a recently released study by Informetrica. I have a rough copy in front of me on my desk. The study indicates that, compared to the pre-Budget base case it uses, the Western Accord would generate a cumulated total of 405,000 person-years of employment in the period 1985 to 1990.

Some Hon. Members: Hear, hear!

Miss Carney: The issue is jobs and job creation. I wish the Hon. Member would take notice of that.

REQUEST FOR TAX CHANGE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I invite the Minister to return to her riding of Vancouver Centre and tell her constituents why she is giving money to the oil companies and taking it away from the seniors.

Some Hon. Members: Hear, hear!

Mr. Waddell: I wish to direct my supplementary question to the Minister of National Health and Welfare, since he is the one who is responsible here. I will give him a third option, if he likes.

Is the Minister prepared to recommend to Cabinet that it take a piece of the Petroleum Gas and Revenue Tax back in the form of a revised taxation in order that seniors will not have to pay for this so-called job creation? In effect the Government has given to the oil companies what will amount to $5 billion over the next five years.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the premise on which the Hon. Member bases his question is entirely wrong. Jobs have to be created. Jobs create wealth. Jobs create for all of us an opportunity—

Mr. Waddell: Why do the seniors have to pay?

Mr. Epp (Provencher): Jobs create wealth, which allows us to put our social programs in place. The Hon. Member knows that. He has told us to spend more and more, even if we do not have it. That is why we are spending more money today, for debt servicing for bankers. He is supporting the bankers who have said that we should raise the debt.

Mr. Waddell: I am not. I am supporting the seniors, not the bankers.

Mr. Epp (Provencher): The Hon. Member wants the bankers to have more. He would have us take it away from the old age pensioners.

Mr. Waddell: That is wrong, and you know it.

* * *

EMPLOYMENT

LABOUR MARKET DEVELOPMENT STRATEGY

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is for the Minister of Employment and Immigration. It, too, concerns the secret communications plan for the labour market development strategy.

I was deeply chagrined when I read in this document that Conservative Members of Parliament would be receiving more detailed information with respect to the proposed programs than Opposition Members. In fact the communications plan calls for a more specific and distinct information kit for Conservative Members of Parliament. This is an abuse of the privileges of the Members of the House. It is a blatant politicization of the Minister's Department.

Why does the Minister propose to give preferential treatment to Conservative Members of Parliament? Why is she discriminating against Members of the Opposition? Will she give the House her personal undertaking that, when the program is unveiled, each and every Member of the House of Commons will be given the same information to bring back to their constituents?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am delighted to have all the pre-publicity for the labour market strategy. I hope we will continue to talk about it every day until it is formally announced. I tell all Members of the House that it is my intention to bring all the details with respect to this worthwhile project before all members of the Canadian public.

MEDIA INTERVIEWS

Mr. John Nunziata (York South-Weston): Mr. Speaker, that is not what the document says. The document signed by the Minister's Deputy Minister says that there will be a separate, more detailed kit for Conservative Members of Parliament. This is a serious matter. It infringes upon the rights of each and every Member of the House.

In view of the fact that the document not only discriminates against Members of Parliament but also against the media, since it speaks of selective interviews with *The National* and *Canada AM*, and since it also speaks of a plan to—

Mr. Speaker: Order, please.

Mr. Nunziata: Is this the Minister's idea of openness and fairness, or is it just another example of the Conservatives' cynical manipulation of the media?

• (1440)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do appreciate the promotion. I really do. If the Hon. Member wants to go beyond *The Journal*, beyond *Canada AM*, and beyond some of the other national programs, to invite the participation of all those in the Press Gallery, I would certainly welcome requests for interviews. I will be glad to explain to the press all the details of the labour market strategy, a strategy that is designed to put hundreds of thousands of Canadians to work, something that the previous Government ignored and overlooked for far too long.

Some Hon. Members: Hear, hear!

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[*Translation*]

OLD AGE SECURITY

IMPACT OF DEINDEXATION OF PENSIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister is aware of recent statistics showing that the increase in the number of elderly people will be greater and faster in Quebec than in Canada as a whole. The people of Quebec will therefore be more severely affected by the impact of the deindexation of old age pensions. My question is this: Why did the Minister choose to withhold $245 million from retired people by deindexing old age security pensions when he had a fourth option—he could have collected $600 million by maintaining the capital gains tax?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): The philosophy that underlies that question is one which has been held by members of the NDP for a long period of time. That philosophy is that those who create wealth, who have property, who farm, and who run corner grocery stores, do not create jobs. I say give those people a chance. Let them use their investments. They are the ones who create jobs and build the country. As they create wealth, we will have money for social programs. That applies to Quebec as well as to every other part of Canada.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister had four options but has chosen to go with the 4 per cent of rich Canadians who claim capital gains taxes. When will the Minister start standing up for those who rightfully fall within the jurisdiction of his Department, the senior citizens, rather than for the small percentage of rich people who rip off the taxpayers?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, who are the rich the Hon. Member is trying to identify? They are farmers in our ridings. They are fishermen along the coasts and in the inland fisheries. They are the men and women who own small businesses across the country. They are the blue-collar workers who can now invest and hold stock in Canadian companies. Those are the ones he says are ripping us off.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): He will turn right around to claim that we should create more jobs when we do not even have the wealth to do so. I am saying that we should start creating some wealth in order to protect the programs we have.

Some Hon. Members: Hear, hear!

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THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Prime Minister. I would like to ask the Prime Minister to put aside the insults, the bombast, and the stonewalling that we have heard from Ministers for the last few days about the appointment of the Crosbie sons by their fathers.

Some Hon. Members: Oh, oh!

An Hon. Member: Fathers?

Mr. Kaplan: I would also like to ask him to put aside the protestations of good character—

Mr. Speaker: Order, please. May I ask Hon. Members to let me hear the question?

Mr. Kaplan: I would like to ask the Prime Minister as well to put aside the protestations about the good character and integrity of the Minister of Justice because that is really not the issue. How can the Prime Minister justify these appointments within the clear language of the guidelines against conflict of interest which clearly prohibit precisely what the Minister of Justice has done?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the need for balance and reasonableness must intrude. In regard to guidelines I would point out to my hon. friend, who was a Minister of the Crown, the following comment:

> I would remind you of our decision not to apply the requirements of these guidelines to our spouses and dependent children. The notion that husbands and wives may wish to pursue careers and activities independent from each other is

increasingly prevalent in our society and I believe we are agreed that it is unfair to impose restrictions considered unacceptable to society as a whole.

That was a letter issued to Ministers by the former Prime Minister, Mr. Trudeau, on April 28, 1980, in regard to those guidelines. I think what the former Prime Minister was trying to say was that there is a degree of—

Mr. Kaplan: What about these guidelines?

Mr. Mulroney: You can send it to me, but I have a copy of it, if that is the case.

There is a need for balance and reasonableness in this entire matter. The Minister of Justice is a man of unimpeachable integrity. He has made a statement to the House which severs any relationship that may have come about through his Department with his sons in this case. I think that the explanations provided by the Minister are reasonable and appropriate.

Having said that, I would like to acknowledge that the guidelines are very much in effect and force, and that all Ministers are obliged to respect them in all ways, including appearance. We must seek to avoid even the appearance of a conflict of interest.

CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, that portion of Mr. Trudeau's letter was meant to excuse wives and children from following the guidelines. It was not meant to excuse Ministers from following the guidelines. Ministers are obliged to follow the guidelines. If their wives and children want to get into businesses of one kind or another, Mr. Trudeau was telling them that the guidelines did not necessarily apply to them. However, the guidelines certainly apply to the Minister of Justice. He has appointed his children as legal agents in the Province of Newfoundland, something which is clearly contrary to the words of the guidelines. The exculpatory language indicating what children and spouses can do has nothing to do with what Ministers can do. The integrity of the Minister of Justice is not directly the issue; it is his conduct.

How does the Prime Minister get justification for these appointments out of such clear language? Is he telling the Canadian people that these guidelines are a farce?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, not at all. We view the guidelines with the utmost of seriousness. They must be honoured by all Ministers, not only in reality but in appearances to the contrary that might emerge, inadvertently or otherwise. That is why the Minister of Justice, whose name has been synonymous with integrity in Newfoundland for 100 years, made the statement that he did.

Mr. Parry: Even when he was a Liberal?

Mr. Mulroney: Even when he was a Liberal.

Some Hon. Members: Oh, oh!

Mr. Mulroney: But that was provincially.

I think that the explanation given by my hon. friend, the Minister of Justice, was both human and proper. May I say, recognizing that my hon. friend has every right to put the question, that I think the question diminishes the value of his efforts and he diminishes himself in the eyes of Canadians by persisting in this line of attack.

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CORPORATE AFFAIRS

SALE OF GENERAL BAKERIES LTD. TO GEORGE WESTON LTD.

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Acting Minister of Consumer and Corporate Affairs. In view of Dominion Stores' sale of its subsidiary General Bakeries Ltd. to the food industry giant George Weston Ltd., resulting in the loss of still more jobs for Dominion employees and even less competition in the food industry, will the Acting Minister of Consumer and Corporate Affairs instruct the Combines Investigation branch to assess this acquisition and ascertain if it offends against relevant legislation?

● (1450)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Director of Investigation and Research systematically reviews all large-scale transactions, and he will be reviewing this one as well with a view to determining whether or not the merger may have implications for the provisions of the Combines Investigation Act. I am sure he will be carrying out his statutory duties as he has an obligation to do so under the Act.

* * *

PENSIONS

BUDGET IMPACT ON INDEXATION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In defending the Government's position to cut full indexation of old age pensions, which will affect the mothers and grandmothers of Canada, by $4.2 billion between now and 1991, the Minister said that he had no option. I would like to give him a fifth option.

Would he not admit that if his Government had reinstituted the higher levels of income tax which were paid by the rich, and cut by the Liberal Government in the MacEachen Budget, it would have brought in $1.7 billion, and his Government would not be known as the purse snatcher of the nation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again, I do not believe that the premise on which that question is based is accurate.

Ms. Copps: Jake's a fake!

Mr. Waddell: You said you did not have any choice.

Mr. Speaker: Order, please.

Mr. Epp (Provencher): He has the same message. He just keeps on yapping and he is not even speaking from his own seat.

The point is to create jobs. We need jobs in Canada for the young. We need jobs to create wealth. Surely that has to be the first point of consideration. The other point which I would make, and I made it yesterday in a speech, so he can see it in the debates which were held yesterday, is that he has left out, throughout the entire debate, when he speaks either in the House or to seniors, that the minimum tax which the Minister of Finance said clearly in the Budget would take effect in 1986 is the same period of time when the matter of indexation will take place. I would ask him to take a look at the Budget, at both sides of the issue, and to be fair about it on both sides of the issue.

MINISTER'S POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the same Minister. During this Question Period we have given the Minister five options. He has risen and defended those who make their money from capital gains. He has defended those who make their money from windfall profits. He has defended those who are not paying their fair share of taxes. Who, on that side, will defend the old age pensioners?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will, and every one of my colleagues does.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The reason I have rejected every one of his options is that they are based on the same principle. That principle is: create a larger debt; take more money in tax dollars and pay it out in debt servicing. That was included in every one of his options. Those are options which have not worked. We have got an annual $35 billion debt. We have an accumulated $190 billion debt. It has not worked. Despite all that spending, there are 1.4 million unemployed people. Those are the reasons why we had to change the course.

Some Hon. Members: Hear, hear!

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SOCIAL SECURITY

EXPANSION OF DISABILITY DEFINITION

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It is my understanding that in the recent Budget, by virtue of expanding the definition of disabled, 120,000 Canadians will receive additional social benefits. I would like the Minister to explain how many of the 120,000 are senior citizens.

Some Hon. Members: Oh, oh!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I find it passing strange, when a question of that nature is asked, that the Liberals do not want to hear the answer.

Mr. Lapierre: We know the answer.

Mr. Epp (Provencher): Under the present tax provision the definition for disability, namely, that a person can reduce their taxable income by a certain amount because of a disability factor, was based on what has sometimes been referred to as traditional disability criteria, such as a person who is bedridden, in a wheelchair, or blind. We thought it should be expanded to include, for instance, families who look after members of their family who are mentally retarded. We expect that an additional 120,000 Canadians, and their families who are fulfilling that responsibility, will be eligible. I will have to get back to the Hon. Member on the number of seniors whom it will affect.

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HOUSE OF COMMONS

QUESTION PERIOD—ATTENDANCE OF PRIME MINISTER

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. In the Conservative campaign booklet, "PC pocket politics", during the election campaign the Conservative Party said:

> Government must be accountable to the people of Canada . . . accessible government begins with respecting the role of Parliament . . . We will return Parliament to the forefront of legislative activity—

Some Hon. Members: Hear, hear!

Mr. Allmand: If those promises mean anything at all, they mean that the Prime Minister must be here to answer questions which only he can answer with respect to violations of the conflict of interest guidelines and promises which he made with respect to patronage during the election campaign.

Has the Prime Minister introduced a new system, or has he given instructions to his staff whereby he will attend Question Period only two or three days per week? Does his staff set his schedule in accordance therewith? If he has, will he give the House the memo which sets out the instructions for attendance at Question Period?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it is widely known that I stay away from the House because I am terrified of the Hon. Member.

Some Hon. Members: Oh, oh!

Ms. Copps: You would not answer the senior citizens, would you?

Mr. Mulroney: The Hon. Member has never gotten over her feeling of sadness that, when she leaves Queens Park, something good happens.

Some Hon. Members: Hear, hear!

Mr. Foster: What have you got against Frank?

Mr. Nystrom: Would Bill Davis like that?

Mr. Speaker: Order, please.

Mr. Mulroney: I was away for about 15 business days in Europe, Regina, Moscow, and elsewhere. My attendance record, adjusted for government business, is approximately 65 per cent. The attendance of the Leader of the Opposition and the Leader of the NDP is just about the same. He should make the allowance that I had to travel.

When the NDP get into it, with what they're doing in Toronto their new slogan must be: "If you will be my valentine, I will be your concubine".

Some Hon. Members: Oh, oh!

* * *

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Prime Minister did not answer my question. As a matter of fact, his flippant answer to my serious question is a clear violation of what was said in the Speech from the Throne, when he said: "The purpose of my Government is to renew the confidence of Canadians that Parliament is truly the voice of the people and that Government is their servant". Is the Prime Minister serious about his priority on Parliament? He did not answer the question which was put to him by my hon. colleague. I will put the question to him again, and I will quote from the conflict of interest guidelines. They state:

> Ministers shall not accord preferential treatment in relation to any official matter to relatives or friends or to organizations in which their—

Mr. Speaker: Order, please. Members who are yelling and telling me that that is not a supplementary question are making it impossible for me to tell whether it is supplementary because I cannot hear the question. Would the Hon. Member please come to his question?

Mr. Allmand: Mr. Speaker, if one closely examines that item in the conflict of interest guidelines, how can the Prime Minister justify the Minister of Justice appointing his sons for legal business—

• (1500)

Mr. Speaker: Order. Now that I have heard it, the question is clearly not supplementary.

Point of Order—Mr. Allmand

FISHERIES

FISHING BY FOREIGN VESSELS OFF WEST COAST

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans, who just stepped behind the curtains. The Minister expressed serious outrage at the time when he found out that the East Coast fisheries were being abused by foreign fishing fleets. Yet on the West Coast there are no observers for the foreign fishing vessels, there is no monitoring of the interception by Japanese and Asian fishermen, and there is certainly no research, or high seas tagging program. Would the Minister care to explain to this House why on the East Coast there can be studies, investigations, monitoring and observers, and there is nothing on the West Coast?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Yes, I can, Mr. Speaker. It has something to do with the 200-mile limit.

MINISTER'S POSITION

Mr. Ray Skelly (Comox-Powell River): I wish the Minister would take some time to inform himself exactly on what the difference is. His officials in committee indicated there was not one dollar for observers, monitoring or research, and high seas tagging. How can the Minister justify being the Minister of Fisheries and Oceans and failing to fulfil completely the responsibilities he has to the West Coast fishing industry?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the interceptions to which the Hon. Member is undoubtedly referring are well out into the Pacific and beyond our 200-mile limit.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of four petitions, presented by Hon. Members on Wednesday, June 5, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) do not meet the requirements of the Standing Orders as to form.

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POINTS OF ORDER

LEGITIMACY OF SUPPLEMENTARY QUESTION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, during the Question Period when I put my first question it had to do with the seriousness with which the Prime Minister (Mr. Mulroney) considered the Question Period. When he gave me an answer to that question, I wanted

to test the answer he gave to the first question in my supplementary question because he had not answered questions we had put to him previously. I do not understand how you, Mr. Speaker, could say that that second question was not supplementary to the first which had to do with the Prime Minister's attitude with respect to questions in this House relating to matters about which he can only answer.

I would like you, Mr. Speaker, to explain to me in the House how you ruled that that second question was not supplementary to the first?

An Hon. Member: You don't question rulings.

Mr. Speaker: It appeared to me that the question which was being put as a supplementary question was not a supplementary question.

REQUEST FOR TABLING OF DOCUMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, during the Question Period the Prime Minister quoted at length from a letter of the former Prime Minister, the Right Hon. Pierre Trudeau. I would like to ask that the letter be tabled in accordance with the usual practice.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am not one to peer over the Prime Minister's shoulder, but that was a separate document altogether, with an extract. It was not a letter.

Mr. Blackburn (Brant): Well, then, table that.

Mr. Speaker: Order. I saw, as the Speaker, the Prime Minister referring to a document.

Mr. Hnatyshyn: It was not a letter.

Mr. Speaker I am prepared to reserve with respect to the "blues", but the question has been put as a point of order and relates to the rules in Beauchesne with regard to the tabling of a document which is referred to in the House. However, I am prepared to reserve and look at the "blues".

Mr. Hnatyshyn: Mr. Speaker, I think that there is clear precedent with respect to the types of documents which should be tabled, and they are of an official nature, clearly, to start with. I would like to have an opportunity of addressing this matter so we can have a precise ruling. If an Hon. Member, for example, brings in a set of notes from which to refresh his memory, with an extract from another document, I hardly think that that is the kind of document which would be contemplated by Beauchesne, or under our rules. But I would like to address that whole question at a subsequent time.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise on the same point of order. The Prime Minister (Mr. Mulroney) said that he was quoting from a letter from a former Prime Minister. He gave the date. In accordance with the rules of this house that letter should be tabled now so we can see the total relevance.

Also, through you, Mr. Speaker, to the House Leader, I would ask if the Prime Minister would also inform us whether he has discussed with the Clerk of the Privy Council whether it is in order to table a letter from a Prime Minister of a former administration.

Mr. Speaker: The second half of that document creates a greater difficulty for me. I take it the Hon. President of the Privy Council (Mr. Hnatyshyn) is asking me to defer making a decision so that he can prepare an argument. I have heard a case put with regard to the citation which claims that a statement was made in Question Period in which a letter was quoted. The only way that I know of that I can test that is to wait until I see the "blues". I think perhaps, in the circumstances, all I can do is to wait to read the "blues", but I am open to representations on that, I suppose.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to give notice now that if you hear argument on this point from the Government House Leader, I intend to offer an argument on the same matter, with your permission.

Mr. Speaker: I accept that as well.

Mr. Kaplan: Mr. Speaker—

Mr. Speaker: The Hon. Member has not finished his point of order?

Mr. Kaplan: Mr. Speaker, I was misled by what was said into believing that there was a letter from which the Prime Minister was reading. If he was reading from a document, I want my request to apply to that document from which he was reading, letter or not.

Mr. Speaker: I accept that. I think that under the circumstances I will have to reserve and try to determine what was said in Question Period, whether there was a reference made, on the understanding that both House Leaders will make representations.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, the document was quoted today. It is that document we want to see. It is not a document which may be produced tomorrow. The rules are very clear. You have said that yourself, Mr. Speaker. I would rather that you do not, Mr. Speaker, go and see the "blues" which will be published within an hour or two. The Prime Minister (Mr. Mulroney) has left the House, and that is his privilege. He probably left with the document, but it is that document we want to see. When someone refers to a document in this House, he has to produce the document, if a request is made. We do not see why we should wait until tomorrow to see the document. It is that document we want to see.

Mr. Speaker: I understand the point that the Hon. Member for Saint-Denis (Mr. Prud'homme) is making. Since, I take it, the document has left the House, or the letter or whatever it is, I do not think it makes any difference at this moment whether I reserve my ruling until I review the video tape because, I

take it, the point the Hon. Member was making relates to whether the document should leave the House once it has been put under appeal. There is no way that I know of that I can make the document magically reappear.

An Hon. Member: Why can't you?

Mr. Speaker: There are limits to the Speaker's authority and powers, I assure you, and one of them is making papers appear.

I will, therefore, reserve and come back to the House with a judgment on this matter as quickly as I humanly can. It will be this afternoon some time.

ALLEGED INACCURATE STATEMENTS

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, on June 3, the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) made a completely inaccurate statement—and I refer to *Hansard* at page 5325—alleging that I had appointed my chief campaign organizer as a legal agent of the Department of Justice in matters involving, I think he said, drugs at approximately $200,000 a year. That statement was completely untrue and incorrect. This person, Mr. Pittman, has never done any work for me of a political nature at all.

The Hon. Member further worsened these false statements in the House yesterday, on June 5, when I was out of the House. I am back in the House today, Mr. Speaker. I rushed back from Toronto to be here for the Question Period, but there were no questions asked by the hon. gentlemen opposite. They haven't got the backbone, of course, of an India rubber man.

At page 5439 of *Hansard* of June 5, the Hon. Member for Notre-Dame-de-Grâce-Lachine East admitted he was wrong. He said that Mr. Pittman never worked in my campaign. He said he checked with sources in Newfoundland and was told that Mr. Pittman was not the campaign manager, but a Mr. Finton Aylward, senior partner in the same firm—and I quote:

—was a senior campaign manager in the Minister's leadership campaign, and the firm Aylward, Morris, and Pittman was awarded legal business by the Minister.

That was his statement. But let me correct the record, Mr. Speaker. Mr. Aylward was not a senior campaign manager in the Minister's leadership campaign, although he certainly was a supporter, as was, reportedly, just about everyone in the Province of Newfoundland in that campaign. I therefore say that these are false allegations and I want to point out that the firm of Aylward, Morris and Pittman was on the list of legal agents even in those days, so long ago, when the Liberal Party was in office. They somehow got on by mistake.

• (1510)

Mr. Foster: That was when you were a Liberal.

Mr. Crosbie: Mr. Speaker, could I point out to the House that Mr. Paul Dicks received $120,329 in 1983-84 while he was President of the Liberal Association of Newfoundland. A supporter of the Right Hon. Leader of the Opposition (Mr. Turner)—

Mr. Speaker: Order.

Mr. Crosbie: —Mr. Ed Roberts, got $75,000 during the period that the Right Hon. Leader of the Opposition was Prime Minister.

Mr. Speaker: Order.

Mr. Crosbie: He was a friend of the Right Hon. Leader of the Opposition, but none of this was pointed out by the hon. gentleman from Notre-Dame-de-Grâce-Lachine East.

Mr. Speaker: Will the Hon. Minister resume his seat?

Mr. Crosbie: Sorry, Mr. Speaker.

Mr. Speaker: Deeply, I can tell.

ROUTINE PROCEEDINGS

[*English*]

INTERNATIONAL LABOUR CONFERENCE

TABLING OF DOCUMENT

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I have the honour of tabling in both official languages copies of a document entitled *Canadian Position With Respect to Conventions and Recommendations Adopted at the Sixty-eighth and Sixty-ninth Sessions of the International Labour Conference* produced following the Geneva Conferences of June, 1982, and June, 1983.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader to tell us his plans for the business of the House over the next several days in light of the rather extensive discussions he has been having with myself and the NDP House Leader today and for some days previously.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I thank the Hon. Member for his question. As you know, we will conclude consideration of third reading of Bill C-15 this afternoon. Tomorrow the business of the House will be item No. 20 standing under the heading of Government Business on the Order Paper. That motion relates to an amendment to the Constitution of Canada with respect to the consideration of legislation in the Senate. The business for

Monday, Tuesday and Wednesday of next week will be Bill C-31, an Act to amend the Indian Act, followed by Bill C-51, an Act to provide borrowing authority. I hope that the House will be able to conclude consideration of both these Bills by the end of Wednesday.

Finally, I would like to announce that I am designating Thursday of next week as the final allotted day in the current supply period.

* * *

PETITIONS

IMMIGRATION REGULATIONS ON FAMILY REUNIFICATION

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I rise to present a petition on behalf of the Community Coalition on Immigration, an organization representing the Chinese, Filipino, Portuguese, Latin American, Caribbean and South Asian communities in the city of Toronto. The petition requests that amendments be made to the immigration regulations as they relate to family reunification. The petitioners beseech the federal Government to expand the current definition of the family reunification classification to include sons and daughters, brothers and sisters over the age of 21, regardless of their marital status.

CHANGES TO OLD AGE SECURITY ACT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour to present once again a petition from hundreds of elderly people protesting their being used as fodder in the war on unemployment and for the benefit of the rich in this country.

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the privilege to rise in my place to present a petition on behalf of a group of citizens from British Columbia. The undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of the Old Age Security program in Canada.

Mr. Rod Murphy (Churchill): Mr. Speaker, for the third time this week I have the honour to present a petition signed by Canadians from all parts of Canada indicating that they are very upset with the fact that the Government broke its election promise to index old age pensions to the actual cost of living on a quarterly basis. They ask that this House make sure that the Conservatives keep that election promise.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, it is my privilege to present a petition on behalf of more than 150 people, mostly from the Province of British Columbia, protesting the cutting of the indexation provisions of Old Age Security. They demand that full indexing be restored, as was promised by the Conservatives prior to the last election.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present petitions from citizens primarily from Vancouver and environs who protest the fact that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing Old Age Security pensions. The losers will be the poor, the unemployed and women. The petitioners humbly pray that the House of Commons reinstate full indexation.

Mr. Steven W. Langdon (Essex-Windsor): I, too, have a petition from a number of Canadians who call upon the Government to change its policy regarding deindexation. They make very clear their opposition to these serious policy changes in the Budget.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour to present to the House a series of petitions, mostly from the Cities of Coquitlam, Vancouver and Burnaby, in which the petitioners request that the Government reinstate full indexation of the Old Age Security program in Canada.

IMMIGRATION REGULATIONS ON FAMILY REUNIFICATION

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from some 1,724 Canadians, mostly from Toronto, requesting that the Immigration Act and regulations be changed so as to allow sons, daughters, brothers and sisters, regardless of their marital status, over the age of 21 years, to immigrate under the family reunion program.

CHANGES TO OLD AGE SECURITY ACT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have petitions from a number of people in Canada who are protesting the deindexation of pensions. They point out that the erosion of their pension rights will occur at a rate of $100 for 1986 up to $680 by 1991, and they request that full indexation be put into effect.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and privilege of presenting a peititon from many residents of Vancouver who protest the cruel and insensitive action of deindexing old age pensions. They call upon the Parliament of Canada to restore full indexation for old age pensions.

[*Translation*]

DOOR-TO-DOOR MAIL DELIVERY

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I have the honour to present to the House a petition signed by 1,700-odd households of the City of Mercier, in my beautiful riding of Châteauguay, asking the House to make representations to Canada Post for door-to-door mail delivery in that community. Those citizens maintain that as taxpayers they are entitled to the same services as those provided for all other Canadians.

DEINDEXATION OF OLD AGE SECURITY PENSIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to present a petition signed by many residents of the City of Vancouver in British Columbia. The petitioners are against the Government's proposed deindexation of old age security pensions, and they point out in their petition that the people most severely affected in Canada are the poor, the unemployed and the women.

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I, too, rise to present a petition signed by numerous people in New Westminster and Burnaby, British Columbia, near my area of Vancouver-Kingsway. They ask that the House of Commons reinstate full indexation of the Old Age Security program. I can tell your Honour that my office is literally flooded with phone calls with respect to this particular issue.

* * *

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO REPEAL

Mr. Don Blenkarn (Mississauga South) moved for leave to introduce Bill C-242, an Act to repeal the Corporations and Labour Unions Returns Act.

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

Some Hon. Members: Agreed.

Mr. Blenkarn: Mr. Speaker, this Bill will save money for employers and employees, indeed the entire private sector as well as the Government. In my view and that of many others, this Act is redundant and an unnecessary burden on business and individuals generally.

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

* * *

● (1520)

QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I request that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the third time and passed.

Mr. Speaker: When we adjourned, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) had been given the floor for a comment. I will therefore recognize the Hon. Member for a comment, but, in the circumstances, will end the period for questions and comments after that time.

Mr. Gauthier: Mr. Speaker, I guess we will have to read our rules some day to find out exactly what happens when a Member is not in the House following an adjournment and the question period has to be followed through. I would love to have the Member for Gatineau (Mrs. Mailly) here to address my questions to, but I will just make a short comment. We all understand the difficulties of trying to be in two or three places at the same time.

[*Translation*]

Mr. Speaker, I would like to comment briefly on some of the remarks made by the Hon. Member for Gatineau (Mrs. Mailly). In a speech which, I assume, was intended to be constructive, she made a few statements which surprised me somewhat. She said, for instance, that Opposition Members had painted a terrifying picture of the legislation before the House, in other words, of Bill C-15. Maybe terrifying for her, but I can assure her it was in an attempt to be constructive, to amend the Bill and to make some important changes, that we proposed some 94 amendments, most of which, 92 in fact, were rejected by the Government.

The Hon. Member, as I said before, made some rather surprising comments. If I understood correctly, she said that the foreign companies in her riding re-invest just as much as Canadian companies do. I would ask her to review the figures she gave the House, because if Bill C-15 applies to Canada as a whole, then we are not talking about Gatineau or one particular area, we are talking about the whole country, and foreign companies certainly do not invest as much as Canadian companies. That is the whole point. I am not talking about the question of foreign investment in Canada. We have always said they were welcome. What we do not want is foreign control of our companies, our industry and our trade. We want to try and be masters of our own house and our economy, in order to be able to compete internationally.

The Hon. Member also stated that foreign companies in her riding were doing as much research and development as Canadian companies, if not more. It may well be that in Gatineau a few foreign companies are doing research and development, but generally speaking, Mr. Speaker, in Canada,

and we only have to look at the official figures provided by Statistics Canada last year, and we have the figures for the years 1973, 1975, 1977, 1979, 1980, 1982 and 1983, I have them here, the table has been published . . . It is false to say that foreign companies do as much research and development as Canadian companies. Not much is done in Canada, and that is the problem. We would like to see more.

The Science Council has said we will have to tackle this problem and try to do at least the bare minimum of research and development to provide incentives and create jobs. It is absolutely false to say that foreign companies in Canada do more research and development, and I would ask the Hon. Member to remove her blinkers and take an objective look at the situation here in Canada.

The Hon. Member also claims that foreign companies do not export Canadian profits and funds abroad. Mr. Speaker, I submit that we would need only look into the Canadian entity, the business which multinational firms are doing in this country to realize that they are not here out of the kindness of their corporate hearts or because of our expertise, but to make money, something for which I do not blame them, but we, on the opposition side, would like to encourage Canadian, American and foreign firms to come here to create jobs which would benefit Canadians and possibly help us recover the control over our economy.

The Acting Speaker (Mr. Charest): Resuming debate. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has the floor.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I thank you very much for recognizing me, Mr. Speaker. I am somewhat bitter as I rise today because I had hoped that the government would have shown more patience, indulgence and comprehension during this debate on Bill C-15, and would have made possible for both government and opposition members to express their views concerning this important piece of legislation, the purpose of which is to establish an agency called Investment Canada.

[*English*]

Bill C-15 is indeed an important piece of legislation. It may be the only important piece of legislation which has been before the House in the last seven or eight months. We in the Official Opposition have considered Bill C-15 at second reading, committee stage, and for the short time we were able to debate it, at report stage. We have put forward our arguments and suggestions in a forthright and responsible manner. We see an impatient and sometimes arrogant Tory Government which is deaf to all improvements. We see a Tory Government using its huge majority to stifle debate and put a halt to the normal democratic process in the House by allowing only one more day of debate on third reading. This is the day. We have only one day to discuss third reading of a very important piece of legislation, Bill C-15. I regret that, Mr. Speaker.

[*Translation*]

In fact, what the Minister of Regional Industrial Expansion (Mr. Stevens) has said and done here clearly demonstrates that there is no room here for a constructive debate, that there is no room according to him for constructive criticism or for the submission of valid alternatives. I find this deplorable, Mr. Speaker. I truly regret what the Minister has done, what the Minister imposed on the House and what the Opposition has tried to improve. The Minister has decided not to continue. The majority obviously wins in a democracy, but it is still deplorable, and I, for one, suggest that the Minister would have been well advised to be present and listen a little more during the debate. Even his Parliamentary Secretary would have benefited by being present in the House to listen to what the opposition had to say.

As I was saying, Mr. Speaker, I feel somewhat bitter as I rise to deal with the third reading, because I think it is important that all those who have been involved at the various stages of debate on this bill . . . I think it is of paramount importance to let Canadians know that the Liberal Party of which I am a member, the Official Opposition which has tried to improve this bill, is not against foreign investments. Quite the contrary! We are and will continue to be in favour of foreign investments, and to work very hard to persuade international financiers to consider Canada and to invest in our country. What we reject and will continue to fight against is foreign control over our economy.

• (1530)

In my opinion, there is not a single Canadian who does not understand that if we want to take our rightful place in this world, in this industrialized and, in many cases, post-industrialized world, if we want to take our rightful place on this planet, it is absolutely essential that we first gain control of our economy.

Mr. Speaker, it is quite obvious that Bill C-15 will do nothing to help us achieve this objective. This Government, which is seemingly rudderless and which abdicates any form of leadership in an area such as investment so important for job creation, has imposed closure, and told us that, no, it does not want to allow a proper and thorough screening of foreign investments and prefers to put its confidence in businessmen, and to say: Come, Canada is for sale. Mr. Speaker, we say that this is not the right thing to do. What we must do, and let us hope that this Government will see the light, is not only to promote foreign investments, but also to ensure that such investments are in the best interests of Canadians.

In an area as important as foreign investment, the Tory Government is telling us: Let us trust foreign investors; it is not up to us to ensure that their investments will benefit Canada! I deplore such an attitude, Mr. Speaker, which lost us technologies and skills in the past, for instance in the famous AVRO case, where an aeronautical company closed down

under a Conservative Government during the 50's, as Hon. Members will recall, causing the loss of an important aeronautical technology and Canadian researchers left Canada because they could not find jobs in this country at the time.

This same attitude is being shown today by the Minister of Regional Industrial Expansion (Mr. Stevens). We have only to look at the case of Mitel. They brag that they got a British company interested in investing in Mitel, a Canadian company. That is all very well, but the difference between myself and the Minister is that I am quite willing to welcome foreign capital, but only if it is invested in a company which remains fully owned and controlled by Canadians. Exactly the opposite happened in the case of Mitel, Mr. Speaker. We have witnessed a foreign takeover of a Canadian company which admittedly had management problems, but was one of the most important high technology companies in the world, credited with fantastic breakthroughs in its field in the last ten years.

Mr. Speaker, the second reading debate on Bill C-15 was relatively short. As we know, what is discussed at the second reading stage is the principle of the Bill. At the report stage, we believed in the good faith of the Government and we really thought that we would be allowed to make constructive amendments to strengthen the Bill. But no! What did we see? We once again saw the Minister and the Government who were afraid of debate and of constructive suggestions. As I said earlier, we introduced nearly 94 motions, only one third of which were discussed. The rest were shelved because of closure. The Government said: No, we are not interested. When imposing closure, the Government gave no valid reason for its arrogant decision, and to add to the insult to Canadians, the Tory backbenchers have been rather idle during this debate. They have not taken part, but then they rarely do so. They are like obedient sheep, and I find this very unfortunate because they represent 211 constituencies and millions of voters. However, their voice was not heard during this debate. This is not democracy, Mr. Speaker.

[*English*]

We on this side of the House have participated in this debate in good faith. We put forward our ideas at second reading and at committee stage. We tried to do it at report stage. As I said, before closure was so rudely introduced, we thought that we would be able to discuss and amend this Bill constructively. We are attempting to have, at least during third reading, some semblance of constructive viewpoints put forth by the Government, but we have not had that.

We heard the Minister this morning tell us about net outlays of cash and gross outlays of cash. He talked to us about many, many things in a way that is probably confusing to many Canadians and to many of us in this House. In fact it comes down to what the purpose of this legislation, be it the old FIRA which will disappear with the passage of this Bill, or the new Investment Canada Bill. The purpose of this Bill is to try our damn best to interest foreign capital in Canadian development, but with an objective that would be in the interest of Canadians. First there should be notice and review of the supposed takeover and then a follow-up to make sure that it is in the interest of Canada and the interest of Canadians and that there will be from this inflow of capital jobs and other benefits to Canadians.

We did have the satisfaction of finding the Tories somewhat, if I could use the words, "asleep at the switch" on Tuesday last when the question on Motion No. 24 was put to the House. We were pleased, I must say, to have obtained this important change in the Bill. I think it has a very strong impact on the rental housing market. I sincerely believe we will have a better protected market for rental properties. The experience in this field, of course, brings to one's mind the notorious SeawayTrust and Greymac affair in Toronto of several months ago when we saw inflated transactions carried out by numbered companies affecting some 13,000 apartment renters which caused havoc and undue anxiety. If it had not been for the FIRA legislation at the time and the provincial government which intervened, I think some people would have been hurt unjustly.

I recognize the good in the FIRA legislation as it existed. I think this amendment of ours, Motion No. 24, will make it possible for rental properties when they are the object of takeovers to be reviewed as to whether they are in the best interest of Canadians.

This Government has claimed that consultation is to be the cornerstone for its dealings with Canadians, that it cares, that it will listen and act accordingly. This is not the case with Bill C-15. Not a single Opposition suggestion was accepted willingly by the Tories. I bet senior citizens and middle-income Canadians are glad the Tories listened to them in putting forward what I call the purse-snatcher Budget which they brought in. What about the indexing reductions senior citizens will have to face in the years to come? I am sure those ordinary Canadians wanted to pay more taxes and get smaller pensions. It is totally irresponsible, unwise, and without precedent that a Government breaks its word so much on a so-called sacred trust.

● (1540)

Sometimes I wonder whether the Government has any credibility, whether one can believe its word. In my view it goes along aimlessly, day by day. We could quantify very easily the measures which it has taken over the last months in committing, for example, patronage scandals, left and right, without giving the country any real leadership. Bill C-15 exemplifies the lack of direction on the part of the Government.

I should like to address some aspects of the Bill, one of which is its impact on research and development.

[*Translation*]

Mr. Speaker, it is common knowledge that there are jobs in research and development. Research and development with respect to new products in Canada generate many jobs. On the other hand, the screening agency and the change that is proposed by the Government could, at least in my humble

view, be considered from a somewhat more critical viewpoint. I think there are three major consequences to the change in the screening agency as we knew it, and to the establishment of the agency known as Investment Canada.

Over the last two decades, Mr. Speaker, without exaggeration, we have experienced a significant acceleration in the interdependence of countries as involved in the global economy. Foreign trade has been a factor of growth, both for us and the others. To be a full partner in the global economy network, a nation must control its economic base, from which it will derive its strategy at the world level. And where the economic base of a nation is owned by foreign interests, that nation's power of decision at the international level is displaced and significantly reduced. Recent economic history, the oil conflict in particular, the global debt crisis, the protracted recession of the 1980's, show without a shadow of doubt that the interests of creditor nations always outweigh those of debtor nations.

Foreign control may also result in a loss of national identity. This also affects the international economic policy, especially where a nation's most sensitive sectors such as the cultural and the communications sectors, are controlled by foreign interests. But although the domestic production of certain activities may be more costly in terms of net economic costs than their importation, regulations favouring Canadians may be the only real means of checking such activity.

There are also consequences with regard to technological progress. This is my second point. As we know, Canada has been striving for a number of years for an international presence in the fields of research and development. We all know about the space arm, developed in this area, which is one of the very successfully innovative developments this country has made in the space industry.

It will be remembered, Mr. Speaker, that the National Science Council has often stressed the point that Canada was not a great performer in that important area of research and development. We were often reminded that foreign multinationals had a tendency to concentrate their research and development activities in their own countries, and because of that they ignore the scientific potential of Canadians.

The Hon. Member for Gatineau (Mrs. Mailly) pointed out this morning that in her constituency, things were different. She said: "Oh, at home, you know, CIP is a company that does a lot of research and development". I am not sure, I will check, but generally speaking most countries . . . CIP is a Canadian company but, as a rule, foreign companies do less research and development than Canadian companies.

All we need do is refer to Statistics Canada. My source of information is simple enough, a Statistics Canada publication entitled "Industrial Research and Development", Catalogue No. 88-202 of June 1984, the most recent. We see in the table that Canadian companies invest 1.4 per cent of their sales in research and development. American companies here in Canada spend less than 1 per cent—.9 per cent to be precise. The same is true of other countries, and that is where the problem lies. Foreign companies are inclined to do technological research and development in their own country and import it in other countries where they have branch plants. It stands to reason that foreign companies would prefer to import their new technology and do little if any research and development here, be it in car manufacturing, high technology, space research, ordinary mechanics, engineering and so on.

Mr. Speaker, we believe that we must promote—and try to enforce, if necessary—basic respect for Canadian initiative. We are trying to make them understand that investment is welcome in Canada, and it is. But come here in the interest of Canadians, do your research here, develop new products of international quality which we can sell on world markets, and help us develop our natural resources. But do not try to buy Canada, it is not up for sale!

The Acting Speaker (Mr. Charest): Questions or comments. The Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. B. Tardif).

Mrs. B. Tardif: Mr. Speaker, I am always amazed to hear my colleague from Ottawa-Vanier (Mr. Gauthier) suggest that the government imposed closure when a bill has been considered for over 80 hours in the House and in committee and when the opposition has resorted extensively to filibuster tactics. As we know, on the second reading to which the member for Ottawa-Vanier just referred the opposition introduced a motion for a six-month hoist and rather than debating the philosophy of the bill, they carried an aimless series of discussions. When the bill was sent to committee, the opposition once again tried to delay the consideration of the bill with its numerous amending motions. In the House, we saw what the approach of the opposition was. It is somewhat surprising but we know precisely what has been the behaviour of the opposition up to now.

On the other hand, I would like to ask my colleague what he thinks about the results of a poll published on Monday last in the newspapers especially in a fine one, *Le Soleil* de Québec under the headline: "A majority for foreign investments in Canada". Two Canadian out of three hope that Prime Minister Mulroney will promote foreign investment rather than discourage it, with only 19 per cent. A small minority, that is 9 per cent, is satisfied with our present policy and an equal number are undecided.

Mr. Gauthier: Mr. Speaker, both questions of the Parliamentary Secretary puzzle me somewhat. In the first place, when the debate began on December 7, 1984, we had four days in the House. This is not much when we consider that the Tories held some bills for months when they were the opposition. It cannot be said that four days are too much. In January, the bill was debated for six days in committee and there were 14 sittings, two of which with the minister. This is

not much. There was surely no exaggeration. A large number of witnesses could not be heard.

• (1550)

That is not consultation.

As far as I am concerned, Mr. Speaker, this Bill has not been the subject of an in-depth study by the House. That is the Government's fault. The Government imposed closure.

As to the second question of the Hon. Member, namely whether Canadians want foreign investment, of course they do. There is no problem there. I always said so. I doubt if there is a Member of the Official Opposition or anybody else here who ever claimed that we are against foreign investment. Quite the contrary, we have always said: Welcome here, but we are not for sale. And when we hear that Canadians are satisfied with the previous legislation—Yes, I know, a recent poll shows that Canadians are satisfied with foreign investment controls. I agree with you that we started off with a major percentage held by foreigners. There is no denying it, we became buyers with the help of the FIRA legislation, the review agency which admittedly has been extremely useful to Canadians by enabling them to buy back their own economy, in many cases, and to develop it as they saw fit.

For me, the problem is not there. The problem is that we have to keep trying to attract foreign capital to this country. If we read the same newspapers—*Le Soleil, Le Droit,* the *Globe and Mail* and other outstanding Canadian newspapers—we see for instance that American bankers are not interested in investing money in Canada because profits are hardly worth the trouble. We all know the American monetary policy, the basic policy of very high interest rates. What do you expect, the Hon. Members knows I have often said that foreign investors go where they can make a profit, and that is quite normal. I say that there is nothing wrong with profit, I am all in favour of profit, but it has to be to the advantage of Canadians and Canadian jobs. We agree on that, I do not think there is a problem. What I am saying. Mr. Speaker, is that the Bill under consideration will not accomplish more than the previous legislation did, and it might even accomplish less if only because we will no longer have adequate power to control, review, scrutinize and sometimes screen foreign interests that are not particularly favourable to Canada. That is the main issue of this debate, the main point we have been trying to make throughout. Again I would like to make Hon. Members understand that I am not against foreign investment. I am against take-overs by foreign interests.

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

A supplementary for the Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. B. Tardif).

Mrs. B. Tardif: Mr. Speaker, I would like to comment on what was said by the Hon. Member for Ottawa-Vanier.

When he says that we will no longer be reviewing investments to be made in Canada, he may have overlooked the fact that Investment Canada will review a certain percentage of such investments, namely those over $5 million if they are direct investments and those over $50 million for indirect investments.

I think it is most unfair of my hon. colleague to say in the House that we shall no longer be reviewing foreign investment.

Furthermore, in the first part of his speech, the Hon. Member said that we had cut off debate. He forgot to mention how they proceeded to cut off serious debate on the second reading of a Bill in this House. When the Opposition moved a questionable motion in the House to postpone consideration of a Bill for six months, I think that was the first motion that prevented us from giving serious consideration to this Bill. And the situation the Hon. Member is complaining about today was in fact created by the Opposition.

The Acting Speaker (Mr. Charest): The Hon. Member for Ottawa-Vanier.

Mr. Gauthier: Mr. Speaker, regarding the first point made by the Parliamentary Secretary, she is right and I apologize. There is a review when a direct take-over worth $5 million or an indirect take-over worth $50 million is involved. That I overlooked. I thought I knew everything there is to know about this legislation, but I acknowledge my mistake and if I did not already say so before, I apologize.

As far as closure is concerned, the Government proposes and we are trying to dispose of the legislation here in the House, and when the Government proposes certain things and does not have the patience to let Members take the time to discuss them, I am sorry, but I refuse to believe that 40 Liberals and 30 New Democrats are in a position to scare 211 Progressive Conservative Members. That is just not true! The Government proposes often and it disposes as it wishes, and I can talk here until I am blue or red or purple or whatever in the face, but it will not make any difference at all and it will not change history, because the future of this legislation is already of foregone conclusion: at 4.45 p.m., the bells will ring and we will vote whether we want to or not, because the Government has so ordered. The Government does not want any more debate. It has imposed closure and it has said: We have had enough, we are going to vote. I do not blame them. That is what a majority is for and I should know, but I say it is not right.

[*English*]

Mr. Angus: I have one question for the Hon. Member, Mr. Speaker. First, I would like to congratulate him and his Party on getting the one amendment through, even though I suppose we might all agree it was through the back door.

Does the Hon. Member suggest that this Government will use the same approach as the last one and approve 95 per cent, if not more, of applications which apply under the real estate

section? Alternatively, does the Hon. Member think this is a provision which will be ignored, just as FIRA provisions were in the last year or two of its operations?

Mr. Gauthier: Mr. Speaker, in answer to the question, of course, I hope not. I hope the Government will see the light and use this chance to screen, if that is the proper word, foreign investment takeovers of rental properties. I believe we have added some teeth to the provision, although they are not the tiger teeth I would have liked to see.

Mr. Epp (Provencher): Not a full set!

Mr. Gauthier: That is right, not a full set. Rather, it is just a small tooth in the Bill which will probably be useful at the right moment in order to prevent foreigners from speculating and inflating real estate prices in Canada to their multinationals or corporations. I believe the Government should take advantage of Motion No. 24.

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, the reality we face today is that there are far too many Canadians who do not have jobs. We need to create jobs for Canadians. We have said this many times in the past. Bill C-15 certainly honours my Government's commitment to this end.

Foreign investment can stimulate our economy. The Foreign Investment Review Agency only hindered our participation in the competition to attract foreign companies to invest in Canada. One must ask why. Why for over 10 years was the previous Government content to abandon the goal of attracting the necessary equity investment to our country? FIRA put a severe crimp in the important of equity capital. This is an economic tragedy. Canada is rich beyond belief in land, materials, natural resources and the ability of workers. However, we find it very difficult at times to raise sufficient capital to take advantage of our magnificent and abundant investment opportunities.

Canada needs equity capital. We need it desperately. Some 600,000 jobs were lost due to the hostile ideology of the previous Government toward a toothless monster called foreign investment. That is not what my Government is about. We fully recognize that Canada needs, in real terms, nearly $100 billion over the next six years to create the opportunities necessary to create new jobs. We are firmly committed to doing this. Bill C-15 is one of the mechanisms by which we can achieve our goals. This Bill fulfils an election promise made by the Minister of Regional Industrial Expansion (Mr. Stevens) on behalf of the Conservative Party on July 18, 1984. Then on September 4, the Canadian people sent a loud and clear signal to Ottawa giving us a new mandate for change. We were elected to make positive changes for Canadians because the Canadian people were tired of the same old, empty promises made by a tired, old Government. We campaigned hard on a promise of change, and Bill C-15 is proof of our sincerity and our determination to fulfil our mandate.

• (1600)

Members of the Opposition have tried everything to stall this change. We must ask ourselves why they insist on preventing positive and productive legislation. Undoubtedly it is because they never wanted to keep a pledge or a promise, and perhaps this is the reason they do not know how to deal with a sincere Government, a Government dedicated to change.

Foreign investors felt harassed and unwanted by FIRA. Merely the name of the agency was enough to disinterest many companies wanting to build a solid Canadian-based company. FIRA became an over-zealous, meddlesome nuisance which subjected prospective investors to a tangle of red tape, delay and frustration in the screening process. The irritant for businesses was going through the process, and the agency was perceived by some investors to be so burdensome that they did not even bother to apply to invest in Canada.

In June 1984, the Development Minister of Nova Scotia said that FIRA deprived Nova Scotia of foreign capital needed to create jobs and that foreign investors had contributed substantially to economic growth and job creation in that province. He added that Canadian investors cannot match the economic boost Nova Scotia received from foreign-based employers.

A West German ambassador has said that FIRA tended to inhibit German investment in Canada and had a deterrent effect on smaller industrial firms which shied away from the expense and bother of the red tape of that kind of agency. The British Trade Minister said that FIRA is an irritant and a barrier to foreign investment and that it is much easier for a British company to invest in Seattle than in Vancouver.

It is sobering to guess how much further ahead we would have been in job creation and output if we had not been forced into the narrow economic nationalism of the last 20 years. Canada lost many potential gains in the world markets of technology, investment and trade. This decline must not be allowed to continue.

Investment Canada eases the regulations facing corporations whose shares are publicly traded. A corporation in which the majority of voting shares are owned by Canadians, by Canadian-controlled companies or by Governments which meet the requirements will be considered to be Canadian under this Bill. Under FIRA, at least two-thirds of the voting shares had to be Canadian before a publicly traded corporation could be allowed to acquire firms without government interference.

Bill C-15 strengthens the incentive for publicly traded firms to increase Canadian participation and autonomy. Bill C-15 dissolves much of the oppression felt by much of the business community about FIRA and in its place it establishes an effective Act that protects Canadian interests but protects them in a positive and constructive way. Investment means jobs. Investment means more choice for the consumer. Investment means a better standard of living. Investment means faster growth.

Bill C-15 is not just of benefit to those of us on this side of the House. Each and every Member and their constituents will

see the positive and real benefits that will come from the jobs that will be created by the foreign investors who will bring new capital to all areas of Canada.

One of the largest contributions from foreign investment is its contribution to Canada's economy through new job creation. As Canada began to recover from the recession, foreign-controlled firms contributed more to job creation than Canadian-controlled firms in some sectors. In 1984, in the manufacturing sector, foreign firms accounted for proportionately more new spending than Canadian firms.

Based on the estimate of the World Bank, $100,000 in new investment is required to create one new job in an industrialized country such as Canada. That translates into roughly 74,000 jobs being created by foreign investment in one year alone if $7 billion is invested. We cannot afford to snub this kind of investment. Our jobless cannot afford and will not accept going without meaningful work simply because of false fears and hysterical paranoia that we will lose our Canadian identity solely because we are encouraging foreign investment. The 1.4 million unemployed want to be put to work and it does not matter if they work for a Canadian or a foreign-owned firm. A job means work and an end to unemployment.

Foreign companies that invest in Canada are good corporate citizens. Located in my riding of Sarnia-Lambton is a very large industrial base for the petrochemical industry which contributes much to the economy of the riding. Imperial Oil has established in Sarnia its largest research and development centre in Canada and is firmly committed to continued R and D in Canada and the rest of the world. This company is committed to Canada, committed to employing Canadians and committed to contributing to a growing economy.

According to a poll recently conducted by the University of Waterloo's Laurier Institute for Business and Economic Studies, fewer than one-third of Canadians consider the issue of foreign investment in Canada to be a serious problem. A survey of 3,000 people across Canada revealed that at the beginning of the year, Canadians were positive about foreign investment in Canada. As recently as June 3, a headline from Ottawa's *The Citizen* indicated that more foreign investment was OK and that according to a national poll, 62 per cent of Canadians are positive about it. As a matter of fact, a similar poll indicated that of political supporters, 70 per cent of Conservative supporters, 62 per cent of Liberal supporters and 51 per cent of New Democratic Party supporters were positive about more foreign investment in Canada.

On May 6, an article in *The Globe and Mail* indicated that the British felt that the best news to come from Canada this year was the impending replacement of FIRA with Investment Canada. The Canadian-U.K. Chamber of Commerce in London believes that the new Act will allow potential investors to resume normal business rather than having to enter FIRA offices armed with corporate lawyers to do battle. British companies have contributed more than $6 billion to Canada, equivalent to 9 per cent of all foreign investment.

Investors from all countries are caught in the absurd vacuum of having to deal with the old Foreign Investment Review Agency while waiting anxiously to see what will be the final outcome of this legislation. We are confident that all investors will be pleased and will respond positively with new investments in Canada with the passage of Bill C-15.

Bill C-15 will erase the previous decade of hostility toward foreign investment. In 1980, the National Energy Program and the tough, regulatory FIRA actively encouraged foreign companies to consider other alternatives to investing in Canada. In the years following the introduction of the NEP, we witnessed an outflow of capital which sadly characterized the investment climate in Canada. After these devastating outflows of direct foreign investment funds of $1.4 billion in 1982 and $4.6 billion in 1981, Canada is now returning to a positive balance.

Contrary to what some would like to believe, Bill C-15 does not abandon our wish to develop a truly Canadian industrial strategy. However, we refuse to be bound by the tight, restrictive practices of the NEP and FIRA. Bill C-15 aims to bring together many different types of investors. We recognize that there are Canadians who wish to enter into a business relationship with non-Canadians to develop a business, industry or other activity. These non-Canadian investors will bring with them new technology, new equipment and new ideas with a view to serving the whole of the North and South American market as well as meeting the needs of Canada.

Investment Canada recognizes that there are many needs to be served and that we can no longer afford to treat Canadian needs in isolation. We tried that for over 10 years and we watched in desperation as the unemployment rate rose from 5 per cent to over 11 per cent.

• (1610)

Bill C-15 is fully cognizant of the many diverse yet similar interests of both the Government and the investment community. Clause 5 of the Bill recognizes some of the positive aspects which we perceive for Investment Canada. First, we need to encourage business investment which is deemed to be appropriate by the Minister. Second, we want to assist Canadian businesses to exploit opportunities for investment and technological advancement. Third, both interests are served with research and development and analysis relating to domestic and international investment. Fourth, we will assist each other with an exchange of information services, with the aim of facilitating economic growth in Canada. Fifth, it is the aim of the Minister to develop an industrial and economic policy for Canada. Last, we will ensure that the notification and review of investments will be carried out in accordance with the legislation. I assert that those six principles will provide the most positive and secure investment climate. We have not thrown caution to the wind. We have become realistic and in tune with the needs of the 1980s.

Bill C-15 provides a suitable review process of non-Canadian investment over certain thresholds. With respect to direct acquisitions, the Bill will review those applications which involve an investment over $5 million. It will mean that if the investments involve $5 million or more, there will be a review

which will involve 90 per cent of the investment in dollar terms, and 80 per cent of that which was previously reviewed will be exempt. We feel that a $6,000 price tag attached to reviewing little corner stores is too high a price and is not productive for the Government. Instead, the Government proposes to review indirect acquisitions of $50 million or more and direct acquisitions of $5 million or more. That will allow us to review those bigger ticket items which possibly need to be reviewed, while leaving the smaller acquisitions alone. We are eliminating the wasteful ways of the previous Government. We are putting our own house in order and making productivity a number one priority when a government process is involved.

I think the past Government lost sight of that with its many years in office. It is still unable to shake that attitude in opposition. We are proposing from the very start to perform like any private sector business and to make ourselves concerned with productivity and cost.

Another major change which we are proposing is to introduce some sensibility and reasonableness with respect to the amount of time which will be allowed for the review process to be completed. We have simplified and streamlined the procedure. There will be a 45-day limit for notice of acceptance or non-acceptance. The Minister should be able to contact all interested parties and come to a decision within that 45-day time limit. However, in cases which are detailed and intricate, or if the Minister needs more time, we propose a 30-day extension. If the Minister still has not made a decision after 75 days, the application is deemed to have been approved. That is a positive amendment to the very ambiguous and drawn out review process which was associated with FIRA. We believe the applicant deserves fair treatment and should not be strung along waiting for the Government to make up its mind. If the business community were to operate in such a fashion, very little would be accomplished. Government should be no exception.

I have spent my time during the debate dealing with the inefficiencies of the past legislation and the positive amendments which we have put forward in Bill C-15. I feel I must now turn my attention to the one reservation which has been put in place. For any proposed investment which we have deemed to be of a cultural nature or of a national identity nature, we feel that there should be a review process, regardless of the size of the investment. We realize that many businesses involved in cultural activities do not have their importance judged solely by their balance sheets. We cannot and should not attach a dollar figure to such companies. We feel that firms in economic activities such as book publishing, media-related businesses, film production and distribution, deserve special attention. We propose that if an investment falls within a prescribed specific type of business activity which is related to Canada's cultural heritage or national identity, a review should take place.

Few people would reasonably suggest that Canada should heedlessly ignore our cultural autonomy or sovereignty. We certainly do not suggest that. We merely want to encourage foreign investment by creating a better climate for investment. That means an end to the policing, the regulations and the red tape. We also recognize the need to protect the national sovereignty in energy, banking, the communications media, telecommunications, film and book publishing industries. We have implemented that with the addition of the cultural policy component. That also shows our appreciation of the special consideration which must be given to the culturally-related industries.

In closing, I would like to say that I am honoured to have participated in the debate today on Bill C-15. I would also like to say that it is the commitment of the Government to adopt an approach of consultation rather than confrontation in our attempts to develop an economic strategy. The Prime Minister (Mr. Mulroney) has stated that "the Government is there to assist—and not to harass the private sector in creating new wealth and the new jobs that Canada needs". That new attitude is incorporated in the Bill respecting investment in Canada. It is the beginning of instilling a new confidence in all sectors of the economy.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, the Hon. Member for Sarnia-Lambton (Mr. James) has made the usual contradictory speech which government Members have been making on this legislation. On the one hand, we hear about all the reasons for which we must have foreign investment and, on the other hand, we hear a variety of points being stated as to the way in which the Minister will supervise the matter. That suggests to me that members of the Government are not sure that the route which is being taken is the proper one. In spite of their protestations about narrow economic nationalism, I believe they fear that foreign investment might not do the job. The Member has evinced the supine and dependent attitude that we have seen time and again from government Members that they hope to get in on good things in the United States, or that foreign investment will bring us what we do not have the ability to do in this country. The Member has evinced that attitude perfectly well.

What evidence does he have that foreign investment has brought us prosperity in the past, or that it has, in a national sense, created the kind of employment which we need. What evidence does he have that it has not closed the door in the past to Canadians who would like to exploit high technology in the country? Is there evidence that it has not closed the door to investment opportunities for Canadians by filling markets with companies which are completely controlled by outsiders so that it is not possible to buy stock in those companies? Has it done anything for Canadian exports when foreign interests have established enterprises in Canada which explicitly are not in the export business? They end up exporting only one thing—the profits which they make selling their products at high prices to Canadians.

There are several matters which one can cite in criticism of foreign investment. They are ones which government Members, in supporting Bill C-15, have not addressed properly. We have not had a real demonstration of the values of foreign investment against these critical observations. So I challenge the Hon. Member to provide evidence for his claims that poor,

desperate Canadians who have not been able to find work—thanks to the policies of the last Government and this Government—are going to get anything better from foreign investment of the sort the Hon. Member is calling for and that which the Government has proposed in Bill C-15.

• (1620)

Mr. James: Mr. Speaker, certainly I do not think there is any sort of contradiction at all. We are saying, as a Government, and Investment Canada is saying, that we are very interested in foreign investment coming here, investing and starting up industries which are going to provide jobs. The common argument of the Hon. Member's Party is that foreign investment brings no new technology but simply exports everything, including the profits. The experience I have had in my riding, which is very important to me, is that 95 per cent of the direct employment is from foreign investment. There is a major research and development centre, probably one of the major centres in Canada, in my riding. We have Imperial Oil, with a research and development centre for Exxon. We have Dow Chemical Canada, which is a multinational corporation. Some of these companies employ over 2,500 employees.

It is very difficult for me, coming from the kind of riding I do, to say that foreign investment is not good. A lot of those companies located in the Sarnia area over 30 years ago. So I guess that this is a good track to run on. The concern is how many companies like the Dow Chemicals, the Exxons and so on, we scared away with the FIRA type of legislation.

Mr. Speaker: I will recognize the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) for one supplementary question, then I intend to hear argument with regard to the tabling of documents requested earlier today.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I suggest, perhaps in response to what the Hon. Member for Sarnia-Lambton (Mr. James) said, that to argue the situation of one riding as opposed to the nation is quite an inadequate case.

Let me turn to another matter. The Hon. Member has also suggested that Investment Canada will provide incentives for Canadian companies to increase their shareholdings. There has been talk at various times about this legislation improving Canadian and foreign investment. I am curious to see what the Hon. Member would have us believe in that particular area of encouragement to Canadians.

Mr. James: Mr. Speaker, one response I would have is that, from my experience in the business community, a lot of the larger corporations, the multinationals, in getting into new businesses, are more interested in not having them solely under the wing of the major company, and they are looking for Canadian investors to be part of that or to be the major owner of those kinds of businesses.

I think the Hon. Member probably understands that that has become very prevalent in Japan and in some other places in the world. I think there is a tremendous potential for that sort of thing and, hopefully, we will see in Thunder Bay as well as in Sarnia major corporations now working with the individual investors, the latter being the suppliers for those major companies.

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POINT OF ORDER

MR. KAPLAN—REQUEST FOR TABLING OF DOCUMENT—RULING BY MR. SPEAKER

Mr. Speaker: Hon. Members earlier asked me to allow argument to be made with regard to the question of the potential tabling of a document which was referred to in Question Period. Is the President of the Privy Council (Mr. Hnatyshyn) or the Hon. Member for Windsor West (Mr. Gray) ready to make argument?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, perhaps I could start this off. Some days I find it rather difficult to understand exaclty some points of order—I shouldn't say "some days", every day I find it difficult to find out what the points of order of members of the Official Opposition are. I try to be as accommodating and co-operative as possible. If I understood exactly what they wanted, and if it were a legitimate point of order, I think we could deal with it. However, there is no question today that reference was made by the Prime Minister (Mr. Mulroney) to a letter written by the former Prime Minister, the Right Hon. Pierre Trudeau, to the then Deputy Prime Minister and Minister of Finance, the Hon. Allan J. MacEachen. The date of that letter was April 28, 1980. As I understood the point of order, Mr. Speaker, it was that that document which was cited should be tabled.

I am not quite sure what the point is. The document which was referred to by the Prime Minister has been tabled. It is a sessional paper. It was in fact, as I recall it, tabled on May 1, 1980, by my predecessor, the Hon. Yvon Pinard, and it is now a public document. Perhaps I do not quite understand what the Official Opposition is driving at, but I take it that those Hon. Members are referring to the reference in Beauchesne with respect to citing state papers. There was a reference by the Prime Minister to a document which is already a public document. It has already been tabled in the House of Commons. It is a sessional paper of the previous Parliament.

I simply make those observations at this point, not from the point of view of trying to obstruct the point of order but rather to suggest that perhaps it is not a legitimate point of order, unless I have my understanding of the request of the Hon. Member for York Centre (Mr. Kaplan) all wrong.

Hon. Herb Gray (Windsor West): Mr. Speaker, at the time the Government House Leader objected to the tabling of the letter which was read in the House by the Prime Minister (Mr. Mulroney), he did not say that in effect the request was unnecessary because the document was already a public document.

Mr. Hnatyshyn: I said that in my seat.

Point of Order—Mr. Kaplan

Mr. Gray (Windsor West): He attempted to argue, when on his feet, that there may well have been grounds for withholding that letter from Parliament and the public. I want to make sure that it is understood that even if that document had not already been tabled in the House on May 1, 1980, it was a document which, under the clear precedents of this House, had to be tabled. The document in question was cited, so that, I submit, Mr. Speaker, under the terms set down in the precedents it would have to be tabled in this House, if requested.

Mr. Beatty: It is all rather academic at this point.

Mr. Gray (Windsor West): I just want to make sure that the suggestion the Government House Leader made earlier this day that somehow there were valid grounds for not producing the letter—even if it had not already been made a state paper, as the Government House Leader did not say—would not be a valid argument because the document in question was in fact quoted and was specifically used to influence the debate in the Question Period. I just want to make very clear, Mr. Speaker, that these are circumstances which would require the tabling of the letter, if that request were made.

It may be that this document is already a public document because it was tabled in the House on May 1, 1980. If that is the case, we will request copies of the document so that all can see what the letter is about and the context in which that document was used.

To conclude, Mr. Speaker, I would just like to stress that even if that document had not been tabled on May 1, 1980, the precedents are very clear that once we had requested that document, after it had been quoted at length in the House by the Prime Minister, it would have had to have been presented to the House in response to that request.

Mr. Hnatyshyn: Mr. Speaker, I now see what the Hon. House Leader of the Opposition is talking about, so I believe I can now address the point of order. What the Hon. House Leader tries to raise by way of a point of order is, of course, a hypothetical situation. I could not understand how the Opposition could be referring to a document which was already a public document, saying that it had to be tabled twice. So of course I was on my feet, as I usually am, trying to do the right thing. I said then to the Hon. House Leader of the Opposition that we could spend days, months, indeed years, tabling documents over and over and over again.

● (1630)

However, that is not the question. The Hon. House Leader of the Opposition is trying to have you, Mr. Speaker, rule on a hypothetical situation with respect to some document which may some day be quoted from, and to make a blanket observation with respect to documents quoted by a Minister of the Crown. There are a number of different types of documents, and I do not think I have to take any more time of the House on this except to say that in this particular instance it is fair to say that clearly it is quite proper for a Minister of the Crown to quote from a public document. I do not think there is any question about that. That disposes of a point of order, I submit, with respect to what has transpired. That is precisely the admission made by the House Leader: the document is a public document. I do not think it would serve any purpose to speculate here. We can read Beauchesne's and consider each situation on its own merits, but I do not think we want to make some sort of general rule for the future with respect to categorizing any document which is quoted as being liable to be tabled. I think we have to look at each case on its own merits.

Mr. Speaker: Clearly the general point is correct. The Speaker can only be asked to rule on whether a particular document quoted from is covered by Beauchesne's. There are precedents on this question, and I am not quite sure that the Hon. Member for Windsor West (Mr. Gray) concluded. Is he arguing that the document should be tabled?

Mr. Gray (Windsor West): Mr. Speaker, if the Government House Leader (Mr. Hnatyshyn) is now saying that this document was tabled in 1980 and is therefore a public document, then I will be happy to send, in the appropriate way, for a copy of this paper. But I want to state at this time that that was not what he was saying earlier today. He was raising objections of a procedural nature. It is only later in the day, a few moments ago, that he informed the House that the document had been tabled. If he had said that right after Question Period when the point of order was raised, then we would not have got into this discussion. But I also want to make sure that a precedent is not inadvertently created which undermines the existing precedents concerning the necessity to table documents once they are quoted from in debate or in Question Period.

Mr. Hnatyshyn: Certain types of documents.

Mr. Speaker: As Members would expect, I have reviewed the tape and the statement as well as the precedents. That is what I am supposed to do. There is a very clear precedent from 1977 on exactly the same matter. Mr. Speaker was asked to rule and he said:

> Yesterday on a point of order respecting the tabling of documents we dealt with a point concerning a document which was referred to by the right hon. Prime Minister (Mr. Trudeau) during an intervention . . . he indicated that he quoted from a document which . . . was a public document and that he was prepared to table it if the Chair saw no objection.
>
> The Chair concluded, and I think properly, that he saw no—
>
> —impediment to tabling a public document . . . if the Prime Minister is prepared to table it, the tabling will take place at the earliest opportunity.

That was the citation at the time. I think, given the precedents, it would be appropriate to ask that the letter which was quoted from be tabled.

Mr. Gray (Windsor West): Mr. Speaker, in light of what you have just said, I formally ask that the document in question now be tabled.

Mr. Speaker: I think I already said that this is appropriate. Given the precedents, having been asked to rule on the question, the only ruling I can make is that such a request is in

order and the letter already referred to, which is in the Archives according to the references made, should properly be tabled. There is nothing which prevents a document from being tabled more than once, if I can put it that way.

Mr. Beatty: It is in the mail and we will have it to you by July.

Mr. Hnatyshyn: Mr. Speaker, I am sure the people of Canada who are watching this whole process are sitting spellbound in front of their television sets, wondering how Parliament works.

I take great pleasure, Mr. Speaker, in tabling for the second time a document which purports to be a copy of a four-page letter dated April 28, 1980. It is from the Prime Minister of the day to the Hon. Allan J. MacEachen, now of another address, and I hope it will satisfy the curiosity of the Official Opposition.

* * *

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the third time and passed.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, this may be a hard act to follow.

I rise to end the debate on Bill C-15, third reading of the Investment Canada legislation, and I do so with regret. I think this will be a day that will go down in history as the start of at least an uncontrolled sell-out of this country. The principle of the Bill is not whether there should be foreign investment, but how foreign investment shall come into this country. Shall there be some kind of control? Shall there be a mechanism to ensure that whatever dollars are brought in to create wealth, it is done for the benefit of Canadians?

I want to start by giving you and this House, Mr. Speaker, an example of the negative side of uncontrolled foreign investment. A number of us in this House spent many hours this morning learning about the impact of one such foreign company on the livelihood and lifestyle of some Canadians. I am speaking of the foreign owned company Reed Paper. That company came to Dryden, Ontario, purchased a mill and extracted what it could from the forests. It did not reinvest in the mill but it did dump 20 tonnes of mercury into the English-Wabagoon River system. This legislation once again opens the doors and removes the controls which would prevent this kind of thing from happening again. These companies have as their prime motivation the extraction of profits from our country. They do not come in here with goodwill and good faith to help a community. They come in here solely for how much money they can make and take back to their shareholders.

It is this kind of attitude that we are concerned about. That is why we want legislation which will provide effective control. We do not want to say that investment cannot come in, but we want to be able to say, "Here are our rules and here is what you must do in our country. You must provide job guarantees. You must meet our environmental laws and regulations. You must protect the communities you invest in. You must not arbitrarily decide to close your company because you want to regroup in your home country". We saw so much of that in the Province of Ontario a number of years ago. We heard about the legacy of those kinds of decisions this morning. We heard how we as a society contributed to allowing a company to destroy the livelihood of two native bands in northwestern Ontario. They were self-sufficient. They had full employment. They were not on welfare. But today, as a result of the decisions by that company, 80 per cent of those people are on welfare. Disease and alcolholism is rampant. It is a shame what we have allowed to occur in the name of foreign investment and *laissez-faire*. We must ensure that we learn from the past for a change. Let us not open the doors again. Let us ensure that we have a say in what happens, in how money is spent for the betterment of society as a whole.

• (1640)

I compliment my colleagues who put forth many amendments on this legislation in an attempt to make this Bill somewhat better. Admittedly, some of the amendments were an attempt to reverse the direction of the Bill. We need to work within Canada to create a climate that will encourage people to invest at home. This week we heard from one of the major employers in my riding as well as in the ridings of my colleagues the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) and the Member for Kenora-Rainy River (Mr. Parry), with regard to the company's attitude toward Canada. It indicated clearly that it did not have the confidence necessary to invest in Canada. It is going to the United Stated because its partners in the United States did not have the confidence in Canada to invest here. Changing the rules will not mean that more dollars will flow in. Something else must happen.

A report on entrepreneurs was tabled in the House yesterday. The Government is trying to bring money in from foreign lands by allowing immigration on the basis of worth and willingness to invest. The Government defines an entrepreneur as someone with money rather than someone with an idea who will work hard and create wealth. The Conservatives have taken the same approach as they have accused the Liberal Government and the NDP of wanting to take, that is, to throw money at a problem. The only difference is that they accuse us of wanting to throw public money whereas they want to throw private money. They do not want a strategy for the investment of money to create jobs and wealth.

Mr. St. Germain: There is no public money left. We're broke.

Mr. Angus: I grant that in terms of the current state of the Treasury there may be some shortfalls. However, if we started to ensure that the oil companies and multinationals paid their

fair share, the money would be there to make some sound investments on behalf of the people of Canada rather than to sell them out as the Government is doing with this Bill.

This is a sad day for Canada. The Government does not want to lead, it wants to respond. It does not want to take the initiative to say that foreign investment by itself is not good. The Government does not want to admit that public opinion sometimes has to be translated into the proper perspective and plans. Eighty per cent of Canadians want greater control of our economy by Canadians. The Government should be working on getting the savings out of the bank. That will not happen through capital gains and RRSPs. The Canadian population is much too—if you will pardon the expression—"conservative".

Some Hon. Members: Hear, hear!

Mr. Angus: That is small "c" conservative as opposed to big "C".

An Hon. Member: Back to parks and recreation.

Mr. Angus: It has been suggested that I should go back to parks and recreation. At least we knew how to plan for the betterment of Canadians.

Mr. Epp (Thunder Bay-Nipigon): They are busy privatizing that too.

Mr. Angus: That is right, they are busy privatizing parks and recreation these days.

The clock is moving forward to the end of what little gains were made over the last 10 years to control our own destiny. In conclusion, I will be proud to stand up as a Canadian to vote against this legislation.

[*Translation*]

The Acting Speaker (Mr. Charest): It being 4:45 p.m., pursuant to order made Thursday, May 23, 1985, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the Bill now before the House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Gander—Twillingate (Mr. Baker)—Fisheries—Codfish—Size of West German catch. (b) Government position; the Hon. Member for Laurier (Mr. Berger)—Consumer and Corporate Affairs—Closing of Patent Office—Government position; and the Hon. Member for Spadina (Mr. Heap)—Refugees—Report on method of determining status. (b) Minister's position.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the third time and passed.

The Acting Speaker (Mr. Charest): The question is the following one. Mr. Stevens, seconded by Mr. Hnatyshyn, moves that Bill C-15, an Act respecting investment in Canada, be read the third time and passed. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The House divided on the motion (Mr. Stevens), which was agreed to on the following division:

(*Division No. 73*)

YEAS

Messrs.

Attewell	Champagne (Champlain)	Crosbie (St. John's West)
Beatty	Charest	Crouse
Belsher	Clark (Brandon-Souris)	Dantzer
Bertrand (Mrs.)	Cook	Darling
Blais	Cooper	Daubney
Blenkarn	Corbett	Della Noce
Bourgault (Mrs.)	Cossitt (Mrs.)	Desjardins
Brightwell	Côté (Lac-Saint-Jean)	Desrosiers
Brisco	Crofton	Dick
Caldwell		Dorin
Cardiff		Edwards
Carney (Miss)		

Messrs.

Ellis
Elzinga
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fraser
Fretz
Friesen
Gagnon
Gass
Girard
Gormley
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault
(Drummond)
Gurbin
Hardey
Hawkes
Hnatyshyn
Holtmann
Horner
James
Jardine
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
La Salle
Lawrence
Layton
Leblanc
Lesick
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacKay
Mailly (Mrs.)
Martin (Mrs.)
Mayer
McDermid
McKinnon
McKnight
Merrithew
Minaker
Mitges
Mulroney
Nickerson
Nielsen
Nowlan
O'Neil
Paproski
Pennock
Peterson
Plamondon
Plourde
Porter
Price
Ravis
Reid
Reimer
Roman
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Stackhouse
Stevens
Suluk
Tardif (Mrs.)
(Charlesbourg)
Taylor
Towers
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Warner
White
Winegard
Wise
Witer—120.

NAYS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Berger
Blackburn
(Brant)
Boudria
Copps (Ms.)
Deans
de Corneille
Epp
(Thunder Bay-Nipigon)
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hovdebo
Isabelle
Johnston
(Saint-Henri-Westmount)
Langdon
Lapierre
Malépart
Manly
Marchi
Murphy
Nystrom
Penner
Pépin (Mrs.)
Prud'homme
Rodriguez
Turner
(Vancouver Quadra)
Waddell—35.

And the Clerk having announced the result of the vote:

Mr. Dick: Mr. Speaker, I rise on a point of order. I was wondering whether you might inquire of the Clerk, of the Hon. Member for York South-Weston (Mr. Nunziata), with respect to this matter. I believe the Hon. Member came into the Chamber after the vote was well under way.

Ms. Copps: Sore winner!

Mr. Dick: It is against what we call the customs of this place to enter or leave the Chamber while a vote is being taken.

Mr. Nunziata: Mr. Speaker, indeed, I did arrive after the vote had started. I was not certain whether or not I would be permitted to vote.

Some Hon. Members: Oh, oh!

Mr. Nunziata: Mr. Speaker, I did stand up to vote when my name was called. Had I been here on time, I would have voted with my Party in the negative.

Mr. Speaker: I declare the motion carried. However, one of the recorded votes will have to be unrecorded, given the honesty of the Hon. Member.

Motion agreed to and Bill read the third time and passed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Speaker: Is there unanimous consent for the House to proceed to Item No. 133?

Some Hon. Members: Agreed.

* * *

AIR TRANSPORT

SUGGESTED SUBSIDY PROGRAM FOR AIR TRANSPORT IN NORTHWEST TERRITORIES

Mr. Thomas Suluk (Nunatsiaq) moved:

That the Standing Committee on Transport be empowered to study and report on:

(1) design and implementation of a direct subsidy program on passenger and freight air transportation in the Northwest Territories in an effort (a) to allow residents in remote areas access to affordable air travel (b) to encourage professional, business and tourism development throughout the area (c) to improve intercommunity development and trade throughout the area;

(2) adoption of the recommendations of the Air Transport Committee report on the adequacy of air services in northern and remote areas, to eliminate where applicable federal sales tax, excise tax and airport fees;

(3) design and implementation of venture capital program to enable air carriers operating in northern and remote areas to acquire appropriate aircraft for northern and remote operations.

He said: Mr. Speaker, it gives me great pleasure to rise today to propose my first Private Members' motion.

Some Hon. Members: Hear, hear!

Mr. Suluk: My motion addresses the matter of northern air transportation services, an issue of grave importance to my constituents in the riding of Nunatsiaq and, indeed, to all residents of the Northwest Territories.

Before I go on, I would like to take this opportunity to thank the wonderful people of Nunatsiaq who have sent me to Ottawa to represent them.

The Northwest Territories occupy a vast geographic area of 1.3 million square miles, approximately the size of India. With its rugged terrain, unpredictable weather conditions and lack of a developed transportation infrastructure, it is not difficult to see why the evolution of transportation services in the Northwest Territories has been slow. Its population is sparse in relation to the land mass it occupies. Some 47,000 residents are scattered throughout the Territories, with many located in small remote communities with little or no access to year-

round road, rail or marine services. Just over one-half the population lives in small urban centres, such as Yellowknife, Fort Smith and Frobisher Bay, while the other half lives in isolated settlements in the rural outreaches of the North.

My riding of Nunatsiaq is characterized by these small rural communities. There are 33 communities ranging in size from 35 to 2,700 people which make up the riding of Nunatsiaq. Of the 17,000 who inhabit my riding, over 85 per cent are of native descent, the majority Inuit.

Large distances exist between communities in my riding and in other regions across the North. With little, if any, road access, and infrequent marine services limited to the brief summer months, air services have assumed vital roles in northern development. There is a heavy reliance across the North on air transportation services for the movement of goods, foodstuffs, materials and people. As the transporter of necessary supplies, the air industry has assumed an essential role throughout the Northwest Territories.

Political, social, economic and cultural development are all perilously dependent upon the fragile transportation network of the North. However, problems abound when a fragile transportation system is linked to such community development, and the price northerners pay for this dependence is high. Personal travel costs are often prohibitive. The cost to import goods from other parts of Canada is also very high.

Air fares are costly and unaffordable to most northerners. Goods and foodstuffs reflect inflated prices, with the cost of transportation a prime factor. For example, a 10-pound bag of potatoes sells for about $15 in the northern community of Pond Inlet, while the same bag of potatoes can be bought for just over $3 at an Ottawa grocery store. Among other factors, the price difference is attributed to the cost of transporting the food product to the North.

Most northern communities face similar high costs on all food items. Northern food costs are usually more than double the price paid for similar items in the south. Yet, most northern residents earn incomes well below those of our southern neighbours. The personal freedom to travel throughout the North and to other parts of Canada is considered to be a luxury limited to business and government and employer-subsidized travellers. Air travel in the North is costly and air fares are as much as 15 per cent to 40 per cent higher than air fares in the south for similar distances. For example, the one-way economy fare between Regina and Winnipeg, a distance of 331 miles, is $121. By comparison, the fare between Rankin Inlet and Repulse Bay in the North at a similar distance is $233. A ticket from Resolute Bay to Frobisher Bay, a distance of 1,000 miles, costs $355, while a fare between Montreal and Winnipeg is only $254.

● (1720)

To fly from Cambridge Bay to Pelly Bay, a distance of 388 miles, costs about $486, but a flight from Calgary to Vancouver at a slightly greater distance is only $139. I could go on comparing fares but inequalities are too numerous to mention. Suffice it to say that intra-regional and North-South air travel is costly and the further North one travels, the more obvious the discrepancies become.

Freight rates are slightly more equitable, but they still prohibit importation of a large amount of goods without a substantial cash outlay. Most communities in the North, therefore, rely on the annual re-supply by ship and barge to import large quantities of dry goods at more equitable prices. This activity generally occurs during the brief summer months following the break-up of the ice. Most communities receive only one re-supply annually. As well, inadequate docking, port and unloading facilities exist in many northern communities, and spoilage and loss of goods due to damage is often high.

Sea lift is also considered to be a less efficient mode of transporting goods to the North. Not only are the risks greater but the time required to prepare for marine re-supply is lengthy. It generally takes eight to twelve weeks to prepare sea lift orders and an additional eight to twelve weeks before the orders are delivered to the communities. The requirement that all orders must be prepaid also limits any benefits to Government, private businesses, co-operatives and individuals.

Generally the transportation of goods across the Territories comes through three corridors. The western Arctic is served by air, road and barge out of Edmonton. The central Arctic is served through Winnipeg by rail, ship and air, and the eastern Arctic through Montreal by ship and air only.

For eastern Arctic residents, the reliance on air transportation is most apparent. If one lives in Grise Fiord, Canada's most northerly community, for example, all of one's food, goods, construction materials and supplies come through or from Montreal. At a distance of over 3,500 kilometres, it would be similar to living in Montreal and having all of one's essential supplies coming from Paris without benefit of jet service for most of the route. Just imagine the logistics, costs and inconveniences such a venture would generate. Add inclement and unpredictable weather conditions and you will have some idea of the harsh realities facing many northerners, Mr. Speaker.

The high cost of transporting goods and the high cost of personal travel to and within the North is prohibitive to many northerners. This becomes especially significant when we stop to assess the economic profiles of northern communities and particularly those in the Riding of Nunatsiaq. High unemployment and low-wage economies across the North are among the many factors that inhibit the use of air transportation services. Extra cash on hand for air travel simply is not available to many northerners and particularly to low-income earners.

The Territories have one of the highest unemployment rates in Canada and were at 17 per cent in December 1984. In my riding, this percentage fluctuates from a low of 5 per cent in one community to a high of 41 per cent in another. As well, the smaller, more isolated communities of the North, characteristic of my riding, usually lack a modern economic base and have low monetary incomes.

As well as high unemployment, residents in the North face some of the highest costs of living in Canada. For example,

Keewatin residents in Central Arctic communities face living costs ranging between 50 per cent and 79 per cent higher than those of residents in their supply base of Winnipeg. Yet the most recent average income reported for Keewatin residents was only $11,521.

Kitikmeot residents in the more northern semi-western Arctic region face even higher costs, ranging from a low of 70 per cent more than Edmonton prices for Cambridge Bay residents to a high of 139 per cent more for residents of Pelly Bay. Yet Kitikmeot residents earn an average annual income of only $8,324.

High transportation costs impact on many other areas of northern living as well. They not only directly affect the cost of living by inflation the costs of goods but also indirectly affect it by forcing employers to pay higher salaries to compensate for higher employee living costs, thereby increasing the costs of local goods and services.

Because few can afford it, intra-regional and North-South travel for pleasure is severely curtailed. Traditional family ties are threatened when family members living in separate locations cannot afford to visit and interact with one another. The affordability factor contributes to the sense of isolation and sometimes imprisonment felt by northerners who have no alternative travel opportunities to air travel.

Tourism and business development are also directly affected by high transportation costs. Substantial capital is required to begin new businesses and to expand existing ones. Most often the supplies and construction materials needed to begin or to expand such businesses are ordered from southern Canada. This is a costly venture creating high operating costs which are generally passed on to consumers in final prices.

The northern tourism industry experiences similar difficulties. An important economic industry in the Territories, it is heavily reliant on the transportation industry for the movement of people to and within the North. In 1983, between the months of June and September, an estimated 44,000 people visited the Northwest Territories. Over 29,000 people visited the Fort Smith region in the western Arctic, while less than 10 per cent of those who visited the North visited communities in my riding. Of that number, 66 per cent were travelling on business and not pleasure-related duties.

A number of factors can be blamed for the lack of tourist traffic throughout my region. It is less well developed as a tourist region than the western Arctic, air fares and travel distances are greater, accommodation costs are high, and travel schedules are often less reliable.

An informal survey of some hotel operators in my riding showed that the bulk of business generated by accommodation facilities comes from Government, business travellers and construction crews working on community projects. Of course, there are exceptions of this, but the majority of operators questioned said that incentives such as cheaper air fares are needed to attract more tourists to the region.

Very few northerners appear to be travelling in the North for pleasure. An informal survey of passenger profiles at northern airports in the riding showed a high percentage of the travel being generated by Government, business travellers, individuals attending meetings and people travelling to medical facilities. Another survey showed that during the summer months, only 15 per cent of all travellers in the North are local residents. Based on the relatively essential nature of air services to these communities, I find this percentage to be quite low.

Most northern communities with which I have corresponded argue that cheaper air fares and freight rates are necessary if renewed economic vigour is to be realized across the North. Such incentives are needed to stimulate multi-development of the Territories and to allow individuals access to the personal freedom of travel.

Who, therefore, is travelling in the North? My research indicates that one of the biggest financial supporters of northern air services is the Government of the Northwest Territories. It estimates that approximately $31.5 million will be spent on air transportation alone for business-related travel by all of its Departments in 1985-86. Singular costs include $800,000 for circuit court travel, $4.8 million to transport patients from remote communities to regional hospitals in the North, and $3.1 million to transport patients to facilities outside of the Territories. Last year an additional $4 million was spent on air charters. Freight costs for all modes of transportation is put at an additional $20 million. If the Government were to withdraw its use of northern air services, the industry would in all probability be jeopardized.

• (1730)

Research also indicates that a number of what could be called inequitable or discriminatory factors influence the eligibility of northern travellers. While exact figures are not available, some northerners, especially those employed in the public sector, receive generous northern allowances designed to reduce living costs and to enhance northern living. Approximately 44 per cent of those employed in the North work in the public sector and are eligible for those types of benefits, which include vacation travel assistance, settlement allowance or isolated post allowance, and a non-taxable accommodation allowance.

A number of private businesses, especially southern-based companies, also offer similar incentives to bring employees to the North and to keep them there. However, for many northerners such benefits do not exist. They must shoulder the full burden of northern living costs without any of the special allowances which are accrued by northern public servants.

In light of all the complicated yet inter-related factors, I am proposing that the Standing Committee on Transport be empowered to study northern living and air transportation costs to see if federal subsidies on air passenger and freight transportation would improve the current situation and stimulate northern development. I believe such subsidies are necessary if northerners are to enjoy a standard of living comparable to that of their southern neighbours. They would have the effect of reducing the costs for food and goods, and would

encourage travel, business development and other economic opportunities throughout the North.

The air industry would benefit from increased utilization, and air services would undoubtedly be enhanced.

Southern Canada currently benefits from generous federal subsidies which are designed to improve transportation services across Canada. The air subsidies, while currently under close government scrutiny, appear to be designed to encourage the development of air services in areas where carriers are unwilling to undertake services. As well, surface carrier subsidies seem to be aimed at decreasing transportation costs to a point where regional economies are competitive in the export of agricultural and manufactured goods. Northern transportation concerns do not fit either criteria, and it is argued by northerners and the Government of the Northwest Territories that some special consideration should be given to northern residents and to their unique situation.

I have tried to highlight some of the positive effects such subsidies could encourage, and it appears that they are necessary, if not essential, for the enhancement of northern living. It is my contention that until such initiatives are undertaken, many northerners on restricted incomes will remain unable to afford the air services on which they are so dependent. As well, other initiatives should be undertaken which are designed to reduce the operating costs of air carriers serving northern and remote areas. Any economies realized would be passed on to the consumer, who would benefit from reduced air fares and enhanced services.

While subsidization would, in all probability, continue to be a requirement for some northerners, amounts could lessen over time as air industry costs decline.

Most carriers serving the North are readily able to identify cost pressures unique to serving the northern environment. Those costs are generally included in the fare structures. The factor with the greatest significance is fuel costs. Fuel accounts for as much as 30 per cent of the total operating costs of northern air services, and those costs are generally passed on to the consumer.

In light of the limited time which I have, I would propose that what I have recommended, and what might be tabled later, be sent to the Standing Committee on Transport in order that the recommendations be studied in more detail to see if, indeed, the cost of air travel in the North could be subsidized. The subsidies would then, in turn, lower many of those costs which Governments, such as the Government of the Northwest Territories, pay for services from the south.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to compliment the Hon. Member who introduced this Private Member's motion. I recognize that it is his maiden speech and I would like to pay my respects not only to his presentation, but also to the importance of the issue which he has raised. However, I regret that he was forced to bring it forward because, in fact, what he has recommended was in place last fall, in early September, but was wiped out by an act of the present Minister of Transport (Mr. Mazankowski). That is unfortunate. It means that we have lost a full year's time in which to deal with the very critical and serious matters of northern transportation. We are having to start all over again.

I would point out to the Hon. Member that he has recommended a number of steps which run totally contrary to steps that were announced in the Budget. Those steps substantially reduced the budget of the Department of Transport and substantially increased the requirement of the Department to raise user fees, fuel taxes, and other things which will add to the costs of northerners as well as to those of other people in the country.

I would like to comment on the history of this matter. Last year we brought in a new domestic airline policy for Canada, after holding extensive hearings across Canada. It had, as its primary objective, the introduction of a much higher level of competition in the air industry. The announcement which was made last April recognized that northern Canada had special characteristics. At that time, the Canadian Transport Commission did not have a full opportunity to examine what would be the exact specifics of the requirements of northern Canada. As a result, when I introduced the policy, we set up, on a temporary basis, a demarcation line which separated the country into two zones. There was a southern zone in which the new competitive airline policy would be applied, and a northern zone was established to provide time for further study. Last April, I referred these matters to the Standing Committee on Transport. Almost a year ago, the same reference was given to the committee. However, when the new Government came into power on September 4, it did not carry through with the reference. Unfortunately, those important matters have lapsed for a full year. That time could have been effectively used to pursue the matter of northern transportation. Because the present Government would not have anything to do with nasty Grits, it simply put it on the shelf. Now it is up to the Hon. Member to revive the matter. I agree with his objectives and goals, but, unfortunately, it is unnecessary because the matter was previously before the standing committee.

Furthermore, at that time there was a venture capital program to help airlines in northern parts of Canada, the remote areas and small communities in buying new equipment. We did not need a new program. There was already a program which was introduced last April. That program had a $10 million allocation. It was not money which was newly brought from the Budget. I reallocated money which was already in the budget of the Department of Transport. We set aside those funds. We started working in places like northern Manitoba, the Atlantic provinces and the northern parts of Canada. We were working with local communities and local airlines because we recognized that one of the primary problems in providing a new deregulator—or, as I used to like to call it, a "more liberalized air environment" in Canada—was the very poor equipment, and that is still true, I believe, in the northern parts of Canada. I have found, as I travelled, that there are a

lot of 40-year-old DC-3s flying around, and that situation does not give adequate, proper and sometimes safe care to northern travellers.

● (1740)

We introduced that capital program. It was in place. But it was wiped out in the November statement of this Government.

Mr. Forrestall: It was an inadequate program.

Mr. Axworthy: It was a very effective program because the communities and the airlines were beginning to negotiate as to how they could use it. I know there is a tendency in this House for Hon. Members on the government side to stand up and say, "Boy, everything you guys did before was all wrong", but I simply point out that we did some things right and the present Government did some things wrong when it came to power. It wiped the slate clean, and now the program has to be reintroduced by means of this motion.

I have no argument with its being reintroduced but Hon. Members opposite should recognize that their Government was responsible for eliminating what in effect is asked for in this motion. I think it is very important to take note of that history, although we have now acquired the remarkable facilities in this House to rewrite history. It is said that everything started on September 4. But I can tell you, Mr. Speaker, that when it came to deregulating the airlines, it started several months before then. I would like to say to Hon. Members that I only wish the Government had the same interest in pursuing that policy. In fact, I find it wonderfully ironic—and I find many things ironic about this Government—that it can give us this rhetoric about getting Government off the backs of private enterprise and getting rid of all of the government regulations when in fact the Government has slowed down the deregulation process which we put into place. The steps we introduced last spring have in effect been put into limbo.

I would say, Mr. Speaker, that if we had the power to amend, I would have been very happy to provide further amendments to this resolution. For example, the Transport Committee should make a full examination of the role and responsibility of Air Canada under the new airlines domestic policy. Unfortunately, the Prime Minister (Mr. Mulroney), in one of his off-the-cuff, shoot-from-the-hip policy statements said that they could not look at Air Canada. It was very clear, when we introduced the new domestic airline policy, that we could not have a proper deregulated atmosphere when we have a Crown corporation which has 65 per cent of the business. Yet this Government has in effect eliminated the opportunity to pursue the matter of how we deal with a more advanced and expanded deregulated atmosphere. It cannot deal with that properly until it comes to grips with what to do with Air Canada. The Prime Minister, as is his wont, has again forestalled that opportunity.

I wish, Mr. Speaker, that the Hon. Member had provided even further terms of reference for the Transport Committee to look at how we can continue to develop the second phase of the new domestic airline policy which was brought in last spring. There are a number of things which could be done. I mentioned Air Canada, for one. There have to be major amendments to the National Transportation Act on the whole question of public convenience and necessity, again giving consideration to the proper exit and entry of airlines into these areas, and there has to be proper attention paid to the labour relations side of the problem, because we will not have a more effective airline policy until there are proper policies put in place.

I make the case personally that there should be a much higher level of employee participation or ownership in companies like Air Canada. When we sold Nordair off last year we gave the employees 10 per cent of the ownership, which has provided a very substantially different set of labour-management relationships in that company. So my point is, Mr. Speaker, that I think the Hon. Member has brought to the attention of this House a very important item but he has not gone nearly far enough.

Let me also address something else which I deeply regret. The Hon. Member talked about the impact of high prices and cost of air travel in the North. I would say that it is an extreme case in the North, but the same problem also affects travellers in the south. Perhaps there is no area of the economy which is more price-sensitive than air travel. One can almost have a direct inverse relationship between price and volume of use. Yet, from the time this Conservative Government came into office, it has substantially increased the cost of air travel. It increased the airport fees, the fuel tax, the landing fees, and even last week it brought in a motion rescinding my decision not to charge for the carts which people use to carry their baggage around airports. This has to be the meanest minded group of people in the world. But I know why the Government did that. It has been recaptured by that Department, which has the notion that everything has to have a name tag and has to be charged for. But there are all kinds of travellers coming into Canada. They arrive with their shillings or their pfennigs, and when they arrive at the airport and try to get a baggage cart for all of their luggage, they will not have the 50 cents to buy the baggage carts. But this Government, in a very dominant, nonsensical move, has reintroduced that charge.

My point is that the Hon. Member should recognize that these are the very things he has asked for in his motion. He says, "Let's have subsidies to offset the higher cost of fuel, landing fees and other things". Well, Mr. Speaker, it is his Government in the last eight months which has substantially increased those costs.

Mr. St. Germain: We had to increase them because of all the money you squandered in Manitoba.

Mr. Axworthy: I would just say, Mr. Speaker, that if there is any place which deserves to have a lot of money spent on it, it is the Province of Manitoba. If Hon. Members want to get into debate about that, I would just say that, unfortunately, this Government is now taking away all the money which was used to provide jobs in Manitoba and it will reap the conse-

quences, but that is the problem of the Hon. Members opposite.

There is one basic fallacy in debating this motion. The Hon. Member is asking for direct subsidies. I would point out to the Hon. Member that the Department of Transport has had $800 million reduced from its budget between now and 1990.

Mr. Forrestall: Where is that from?

Mr. Axworthy: From the Budget papers. It is $150 million per year plus a few extra tag-ons. I would say to the Hon. Member that he had better watch out for those freight subsidies in the Atlantic Provinces because they are on the list of the Deputy Prime Minister (Mr. Nielsen) for examination as well. He had better read those papers because he is going to be in trouble in his area, just like many other Hon. Members, because of the prying and poking of the Deputy Prime Minister.

The fact is, Mr. Speaker, that the budget of the Department of Transport has been substantially reduced. The Government has increased the cost of air travel, and now we have an Hon. Member from the government side asking for direct subsidies. I would say to those Hon. Members that it is not consistent, that there is a contradiction in this respect. I would also say to the Hon. Member that, in addition to putting his reference in front of the committee, I would strongly recommend that he use his place in caucus to make arguments to the Minister of Finance (Mr. Wilson), to the Deputy Prime Minister, who is in charge of the slashing, hacking brigade, and to the Minister of Transport (Mr. Mazankowski). These Ministers have been responsible and are responsible for substantially restricting the ability of the Department of Transport to provide its services. At the same time, they are slowing down the deregulation efforts which would have provided a more competitive atmosphere.

I would like to make one further comment, Mr. Speaker, which I think has to be carefully examined when the matter does go before committee. To what degree can we permit and expand the role of competition in northern travel? When the hearings were held last spring during the time when we were developing our new air policy, there was a natural fear and anxiety on the part of many northern residents that the one source of air travel that they now experience—I will not say "enjoy"—might be lost if there was more competition brought in. I was surprised, however, at reading the transcripts of the CTC hearings—because we had sent the CTC off to do further study—how many representations were made in front of that committee to the effect that there really was a requirement for further competition, that the monopoly situation which is enjoyed by many air carriers in that province was being used as a way of jacking up prices and at the same time providing lousy service. I would, therefore, express some question, really, as to why it is that the Hon. Member's motion, in dealing with the matters of northern transportation and air services in particular, did not raise more effectively the role of competition in that area.

• (1750)

I think one of the focal points of committee examination should be how the CTC can substantially reduce its regulatory control of northern air transport services without at the same time abandoning its responsibility to protect those areas where it is an essential service. I suggest that perhaps a better way of doing it would be to use the test of whether air transport is the sole means of transport for the community. That might be a better test of whether it should be a competitive or non-competitive environment rather than using the geographical demarcation line which is based on airline policy. As I said to an Hon. Member, I would be more than happy to give some testimony to the committee on this matter of the allocation and use of resources.

History is catching up with this Government. It now has one of its own Members having to recommend to the Government that it do something that it had undone about nine months ago. For that I applaud him, his courage, wisdom and judgment. He is recommending what a Liberal Government had already introduced, and it is too bad we had to lose this much time. I hope that when the committee has the opportunity to study this reference more carefully, it might want to broaden the reference because there are many questions not contained in the resolution on how to achieve a more effective form of air service in the North.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, there are three or four comments I would like to make at the outset. I want to join with the former Minister of Transport in congratulating the Hon. Member for Nunatsiaq (Mr. Suluk) on bringing forward the resolution in front of us at this time. I also want to acknowledge the fact that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), in his former role as Minister of Transport, did pursue some of these areas. While we as members of the Opposition at the time agreed that he was headed in the right direction, there was some concern that perhaps he was not going far enough. The Hon. Member will be aware that there is on the Order Paper a motion to refer the report of the CTC on northern transportation, particularly that involving remote areas, to the Standing Committee on Transport together with all the appropriate authority and power to hear witnesses and travel, so that it can bring the matter to a conclusion, we hope, this fall.

The points and observations of the Hon. Member for Nunatsiaq have been listened to. His representations have been made to the Minister and to others concerned. I think the Minister of Transport (Mr. Mazankowski) would want me to say that he shares, in this particular area, the concerns not only of the Hon. Member who represents the great eastern Arctic but also the views and concerns expressed by the former Minister of Transport. In that sense I am pleased to make those acknowledgements and to join with both speakers in indicating that there is a sense of urgency with respect to this matter.

I might have wished that the CTC, in its hearings, had gone further. Indeed, as we kept abreast of the hearings and

representations, we might easily have thought there would be 150 recommendations, but in their wisdom they have left us with three or four. However, in those recommendations I think lie the seeds of the motion concerning the enormous difficulties facing the people for whom the aeroplane is not a luxury at all but an absolute necessity. Distances, times, access to health care, friends, families and businesses, all require adequate air service. I use the term "adequate" not necessarily advisedly; perhaps it is a more than adequate air service and perhaps what we need is a first-class air service. As someone who had operated in the area of general aviation—and lost my shirt, to tell you the truth—I know and understand the difficulties of operators having to use old aircraft and equipment. I also know the cost burden of new equipment. So we in this Chamber have a task in front of us and, hopefully, very soon the committee will be able to undertake precisely that which is recommended in the motion in front of us.

I know the Hon. Member for the Western Arctic (Mr. Nickerson) might want to make an intervention, and while I have acknowledged the role of the former Minister of Transport with respect to the difficulties up North, let there be no misunderstanding about the role played by the Hon. Member for Yukon (Mr. Nielsen), the Hon. Member for the Western Arctic, and the former Member for what was then the Eastern Arctic.

Mr. Murphy: Same name.

Mr. Forrestall: I apologize, I have forgotten. This problem has been with us for a long time and the problems are well known to us. I commend the Hon. Member for his motion and I hope that before six o'clock we might call the question and it will be the disposition, I trust, of the entire House to agree to the motion.

Mr. Rod Murphy (Churchill): Mr. Speaker, I recognize that it is almost six o'clock, but we did get started late so I would hope that, with the unanimous consent of the House, you may allow me some leeway before you see the clock. However, I am certainly going to be very brief in my remarks.

I support the general intent of the motion. Coming from the riding directly south of the riding of the Hon. Member who introduced the motion, I recognize that there are a lot of difficulties with regard to northern and remote travel. Although this resolution restricts itself to the Northwest Territories, it is my understanding that the other motion which will be before this House very soon will allow us to look at the broader picture regarding the problems faced by the people in the remote and in northern areas.

I had the opportunity to appear before the Air Transport Committee when it was making its study into the adequacy of air service into northern and remote areas. I pointed out some of the problems we face. I think we recognize that a system of deregulation which is quite suitable for communities such as Toronto, Vancouver, Montreal and even Winnipeg, perhaps does not make a lot of sense in communities with a total population of maybe 500, 600 or 700 people. At the same time, I believe that because we do have subsidies, indirect as they may be, for train ad air transportation in the south and for the building of highways, we can therefore look at this in committee to make sure that we are being fair to people who live in these remote areas.

• (1800)

In closing, Mr. Speaker, I would like to say that I am willing to see this motion go forward. I will have an opportunity to make more recommendations in the committee. I think it is a worthwhile project for us. Even though the Committee on Air Transport has looked into many of these areas in the past, it is of great value for Members of Parliament to find out for themselves what is going on. It is easy to read reports. I, like many Members in the Chamber, have read a number of reports over the last few years. However, it is not the same as listening to people in those areas who are for or against a particular position. In that way one comes to understand the feelings of people in those remote areas and the problems that they face.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion (Mr. Suluk) agreed to.

[*Translation*]

The Acting Speaker (Mr. Charest): Order please. The hour provided for the consideration of Private Member's Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FISHERIES—CODFISH—SIZE OF WEST GERMAN CATCH. (B) GOVERNMENT POSITION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the issue we will be talking about for the next couple of minutes is very serious; that is, what is wrong with the Government and the system when there is such drastic over-fishing taking place off Canada's coastline with no action being taken. I suppose it fits in with the general pattern of the Government of Canada.

Today, as never before in our history, the United States is imposing quotas on the importation of salt fish. The United States is objecting to Newfoundlanders catching salmon off the north and east coasts of Newfoundland. The federal Government is saying that we may be at fault and it may prevent people from catching salmon. In fact, only 1 per cent of the salmon that are caught are judged to be heading toward American waters.

The West German fleet has come into Canadian waters and over-fished a quota many times. We heard the complaints of the Minister of Fisheries and Oceans (Mr. Fraser) to the EEC. The EEC told him where to go. He was told that they were not over-fishing any quotas and would not give orders to the West German fleet. That continued month after month. As we all know, the North Atlantic Fisheries Organization deals with over-fishing outside the 200 mile limit. That organization was not even informed of the over-fishing outside the 200 mile limit by the Government of Canada until all the German boats were filled up and had left the area. The Minister of Fisheries and Oceans stood up and said he was pleased to announce that the boats would be leaving "tomorrow". Of course they had to leave "tomorrow", because they were all filled up.

To add insult to injury, after the EEC quota had been violated the Government of Canada issued further quotas to the English and French fleets. That is absolutely disgraceful. Canadian fishermen are now objecting to this over-fishing. In public conversations everywhere we hear accusations of bribes and pay-offs. This is happening because the Government of Canada has taken no action whatsoever against foreign nations for over-fishing in Canadian waters.

The Minister of Fisheries and Oceans should tell us why the West Germans were not stopped and why he gave the EEC more fishing authority under the same quota that had been violated three times. He should stand up and admit to the people of Canada that there is a standing agreement with the French Government that the French fleet can do no harm on the Grand Banks of Newfoundland, that it can over-fish all it wants because of an agreement with External Affairs, that External Affairs is conducting negotiations with the French Government over the territorial sea around St. Pierre et Miquelon thereby External Affairs says to the Department of Fisheries, "No, we can't do anything about the French fleet. The French fleet can over-fish all it wants and will not be stopped".

● (1805)

All this should be explained by the Minister of Fisheries. He should tell the truth, that the Department of External Affairs, the Prime Minister (Mr. Mulroney) and the federal Cabinet are the ones setting the policy. They are the ones responsible for over-fishing. They are the ones now responsible for all the accusations about bribes and pay-offs on the east coast of Canada to fisheries observers and employees of the federal Department of Fisheries. That is the reason for this conversation and why we have fishermen saying that "we are all right. We are going to fish although our quotas are gone in herring and several other species".

Everyone knows over-fishing is going on. Everyone knows observers and fisheries officers are reporting it. Everyone wonders why no action is taken. Why no action at all? Everyone is wondering why the Minister of Fisheries will not come clean, and why the Government of Canada will not do something. Everyone wonders why the firing pins have been taken out of the guns. People want to know the answers to all kinds of questions, Mr. Speaker.

I conclude that the Minister of Fisheries is being governed in his fisheries policy by the Government of Canada through the Department of External Affairs and by a policy that says we would rather negotiate, we would rather discuss, and we do not want to do anything that will upset our trade relations with the EEC or upset the United States because of free trade, or upset the French because we are negotiating over the territorial limits of St. Pierre and Miquelon.

The Minister of Fisheries should stand up and be counted. The Minister of Fisheries should get out from under that cloak of the Government of Canada. If he does not, we will see fishermen on the east coast of Canada fishing beyond quotas. We will see nets out in the water where nets should not be, because those fishermen know from watching the television news that these serious violations are taking place and that this Government of Canada for several reasons will not do anything about it.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am delighted to hear my friend across the way raising some of these very important issues affecting the fishery of Atlantic Canada.

This was the first year since Canada extended its jurisdiction to 200 miles that FRG vessels fished outside the Canadian 200 mile zone on the "Nose of the Grand Bank". As the area in which they were fishing was outside Candian jurisdiction, and there is no NAFO regulation in place, the view in Europe was that there was no legal framework in place to prohibit this fishery.

As the portion of the NAFO Division 3L in issue is outside the Canadian zone, Canada did not have the right to order the vessels to stop fishing. We were instead invoking what we saw as certain obligations to which the European Community has subscribed in the Long Term Agreement with Canada on Fisheries, in the Northwest Atlantic Fisheries Organization Convention, and in the law of the Sea Convention.

● (1810)

Canada, through diplomatic and ministerial channels, confronted the European Economic Community and the FRG with its serious concern about the conservation of the cod stock which overlaps into this area, and the impact such overfishing would have on it. Canadian representatives sought the cessation of this fishery. On May 9, the last two FRG vessels left the area.

The 3L cod is part of a single identifiable stock located in Divisions 2JT+3KL. The vast majority of this stock occurs within Canadian jurisdication. The total allowable catch for the 2JT+3KL cod stock is established by Canada with reference to advice from the NAFO Scientific Council. The total allowable catch, 266,000 tonnes in 1985, has been fully allocated to both domestic and foreign, including EC vessels. Accordingly, unregulated fishing of this stock, without regard for internally accepted scientific advice, jeopartizes the effective management and future health of the stock.

The Minister raised the issue during his recent trip to Europe. It was at this time that the vessels agreed to leave the area. The Minister emphasized the serious potential conservation problem which this overfishing represented. It was agreed that the issue be discussed at the NAFO Scientific Council, which is presently meeting in St. John's. While we will have to await the outcome of the meeting, I believe we can anticipate discussions with the EEC on this matter.

This is a serious problem and, because of the legal uncertainties, we believe it is best to try and solve it in co-operation with the EC.

[*Translation*]

CONSUMER AND CORPORATE AFFAIRS—CLOSING OF PATENT OFFICE—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, the decision to close the Patent Office or rather to discontinue patent examination in Canada is probably one of the most absurd decisions this Government has been responsible for since coming to power only a short time ago.

Hon. Members will recall that in its first report which was tabled at the same time as the Budget, the Nielsen Committee had suggested that Canada should sign the Patent Co-operation Treaty, also that it should discontinue patent examination in Canada, and finally that the responsibility for researching patents first registered in Canada should be turned over to an international organization. In spite of the many questions I have directed to the Minister of Consumer and Corporate Affairs (Mr. Côté) and the Deputy Prime Minister (Mr. Nielsen), the Government does not seem to have renounced its project to discontinue patent examination in Canada. We must therefore assume that it is the Government's policy to implement this recommendation.

This proposal has raised the greatest concern among those involved in this area. Last week, I received a letter from a patent solicitor and well-considered lawyer in the Ottage region, a letter which was made public and which dealt with the impact of such a decision. This gentleman, from the well-known Ottawa firm Fetherstonhaugh, explained to me that Canada, through this decision, was in fact renouncing its technological and industrial sovereignty. This would affect 1,000 jobs in the private sector, in other words people now working all across Canada helping inventors file their patents with the Canadian Patent Office.

It must be understood, Mr. Speaker, that 95 per cent of patents registered in Canada originate from abroad. A foreign investor wanting to protect his invention here in Canada must have it registered and make sure that it meets the standards and requirements of Canadian law. Those people from abroad come here in Canada and hire Canadians to help them deal with the Patent Office. The impact of that proposal to abolish screening here in Canada and to transfer it to an international agency in Geneva or Washington would amount to exporting those jobs, because those people, who pay for services provided by Canadians, would henceforth go to Geneva and hire people in Switzerland to do the work now being done by Canadians. This is absolute nonsense.

Moreover, Mr. Speaker, it must be remembered that last year, the Patent Office made a $3 million profit. And because of rate increases introduced by the Minister of Finance (Mr. Wilson) last November, the profit forecast for the 1985-86 fiscal year is $13 million. This means not only that we will be depriving 1,000 Canadians of their jobs, but that we are going to close down an office that in the end is earning some $13 million for Canadians.

Where could such a proposal come from! The answer is quite simple, Mr. Speaker. There has been no consultation of any kind before it was put forward.

• (1815)

[*English*]

The president of the Patent & Trademark Institute of Canada was quoted in *The Toronto Star* last week as saying words to the effect that neither he, nor anyone he knows who has anything to do with patents, was consulted prior to making this recommendation. I would remind Hon. Members of what is said at page 1 of the report of the Deputy Prime Minister entitled *New Management Initiatives*. It is stated that the Private Sector Advisory Committee was established to ensure objectivity, and to make consultation an integral part of the process. Yet, here is the president of the patent institute saying that neither he, nor anyone he knows, was consulted prior to the tabling of this decision.

Yesterday, when I put this question to the Deputy Prime Minister (Mr. Nielsen), he told me, and I quote:

[*Translation*]

The charges which the Hon. Member makes are totally false.

[*English*]

The information I have presented to the House today is not something I have dreamed up. It is information which was forwarded to me by people at work in this particular field. It is quite curious that the person who wrote to me last week described himself as a frustrated Tory. This is someone who worked for the Conservative Party during the last election, someone who raised funds for the Party, a person who now says that when he calls the office of the Deputy Prime

Minister he is told by the secretary that she has instructions not to return telephone calls.

In conclusion, I would indicate that this group from the patent institute, has been trying to schedule a meeting with the Deputy Prime Minister for the past week. Appointments have been scheduled. Someone says, "We will call you back." No one calls back. I am simply asking the Parliamentary Secretary to convey a message to the Deputy Prime Minister suggesting that he might meet with some of the people in this particular field to see whether or not a decision which could have very serious consequences for Canada, and Canadian industry and technology, can be reversed before any further damage is done.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, on May 29, the Hon. Member asked the Minister of Consumer and Corporate Affairs (Mr. Côté) about patents and economic growth in Canada. The Government's efforts for an economic recovery have but one objective—to have all Canadians share, in fairness, our nation's wealth and progress. Therefore, this Government will seek every opportunity to become aware of, and to exploit, the various elements essential to our integration into the international networks necessary to ensure economic growth in our country.

This allows the opportunity to comment on the Government's decision to ratify the Patent Co-operation Treaty, the PCT, an international treaty administered by the World Intellectual Property Organization, a specialized UN agency in Geneva, Switzerland.

• (1820)

Under the PCT, any Canadian may file an international application. The effect of this international application would be the same as if national applications had been concurrently filed with the national patent offices of the PCT member countries which the applicant designates in his application. The international application is then subjected to a search by an international searching authority and the applicant is advised of the results so that he can decide on the basis of the international search report whether or not it is worthwhile to pursue his application in the various countries he has designated.

Under Chapter II of the PCT, it is also possible to obtain a preliminary examination of the application by an international preliminary examining authority and the applicant is then placed in an even better position to decide whether or not to pursue his application further. A Canadian applicant would then designate countries in which he wants a patent and the national authorities then have to decide on whether or not a patent will be granted.

When a sufficient number of applications are contemplated, and that number is approximately five, the advantages for Canadian applicants can be many. These include: another avenue to foreign patenting by Canadians; a simplified and cheaper process for Canadians when filing abroad; a reduction in agent costs because applicants can file in one format and one language; and an improvement in the quality of the patent searches because of the extensive documentation to be searched.

I am convinced, Mr. Speaker, that by ratifying the Patent Co-operation Treaty, Canada will in many cases give its inventors and innovators a simpler and less costly avenue to foreign patents and will therefore help to put Canada in a better position in international markets.

REFUGEES—REPORT ON METHOD OF DETERMINING STATUS. (B) MINISTER'S POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, the Canadian Government has begrudged and minimized its international obligation under the United Nations Convention for Refugees. It has been doing that for years and continues to do so. In fact, it is trying to keep out as many of the people as possible who come to Canada claiming to be refugees.

These people are being slandered by Mr. Best, the Executive Director of the Department, who again and again tells the press and everyone else that many of these people are bank robbers, terrorists or, at best, economic migrants who simply want to get into this land of milk and honey by pretending to be refugees. He keeps saying that only 35 per cent of those who have applied in the past have been found to be refugees, although he knows when he says that that the Supreme Court has ruled that the process of determining the status of refugees is wrong under Canadian law and must be changed.

For years lawyers and churches have said that there should be refugee hearings in front of decision makers. They have said that the people who make the decisions regarding a person's life or death should be able to look that person in the eye and decide if he or she is telling the truth.

There has been no action on this request for the last dozen years by either the previous Government or the present Government. Because of that, sympathy built up for refugees. There were appeals to the courts. The process has gotten clogged up and now there are 14,000 claims, and counting family members that means that the cases of 20,000 people are backlogged.

Two months ago, the Supreme Court said that these people must have the kind of hearing before the decision makers that so many lawyers, church people and other public voices have requested, and which the Government has consistently denied them. What has happened since April 4 when the Supreme Court announced that decision? The Minister has done absolutely nothing. Requests to the Minister from the critics of the two Opposition Parties to discuss this issue with her have been stonewalled. She will not discuss what possible action she might take. She will not consult on her actions. Instead, she is using the Rabbi Plaut Report to stall.

The Plaut Report was supposed to be brought to the House in December. In the fall, the Minister announced in her Estimates that it would come in January. In March she said she would have it in a few days. In April she said she would

have it in a few weeks. When I asked a question in the House on May 10 she said it would be published very shortly. It is now June and there is no word yet of that report.

• (1825)

This causes people to wonder and worry about rumours. What is she planning to do? Does she plan a sort of double shuffle of the Immigration Appeal Board? Does she plan to increase its numbers, but cut down its quorum so that it can run refugee claimants through an oral hearing like sausages through a sausage machine, and run most of them out of the country? Is that the plan that Cal Best of the Department of Immigration is forcing upon the Minister as her official advisor?

The Immigration Appeal Board does a good job on ordinary appeals, but it lacks the expertise that the Refugee Status Advisory Committee has in hearing refugee appeals. In fact, it is infected with the bias of Cal Best and senior officials of the Department of Immigration. There is the danger that a series of hasty decisions could be made which would be biased against refugees, sending some of them into very dangerous conditions.

I would urge the Minister of Employment and Immigration (Miss MacDonald) to give consideration to a resolution which was put forward by the Standing Conference of Canadian Organizations Concerned for Refugees. That organization met last week and recommended:

—that a universal program of special measures be adopted—

That could be done without the delay of legislation. The Minister could declare the programs tomorrow under existing legislation. The resolution continued:

—special measures be adopted by the government to speedily facilitate a humanitarian solution to all persons in the refugee determination process on April 4, 1985. The special measures should apply equally to all people caught by our faulty process regardless of nationality or ethnic origin. It would be unjust to ask people, many of whom have been in our old and inadequate process for several years, to return to the beginning to start over.

I call on the Minister to adopt some just action at the present time. If she cannot think of anything better, then she should adopt the resolution of the Standing Conference of Canadian Organizations Concerned for Refugees.

There are only three weeks left before the summer recess. I urge the Minister not to drag out the matter until next fall, or next Christmas, in defiance of the decision of the Supreme Court.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I would like to expand on the reply which was given on May 10, 1985, by the Minister of Employment and Immigration (Miss MacDonald) to the Hon. Member for Spadina (Mr. Heap), regarding the very important matter of refugee determination in Canada.

As most Members are aware, Rabbi Gunther Plaut, a noted humanitarian and scholar, has been conducting an in-depth review of our refugee determination system. The review was made necessary by the severe pressures that have been placed on the process in recent years by increasing numbers of persons coming to Canada and seeking refugee status here. That has created a large backlog of cases which are awaiting consideration.

Obviously, the backlog situation is unacceptable. It means, in fact, that bona fide refugees, who have already undergone traumatic experiences, face an uncertain future when they must wait 18 months or longer until their fate in Canada can be decided. For others who may have made claims to refugee status as a way of trying to circumvent normal immigration procedures, it means that they have bought time in Canada.

It should be explained that refugee claims have been determined in Canada fairly and objectively for about 13 years. Refugee claims are not judged in the Canadian system by immigration officers. The review in the first instance is carried out by the Refugee Status Advisory Committee, which is an independent entity within the Commission, that makes recommendations to the Minister of Employment and Immigration. The claims which are not accepted can be reintroduced at the Immigration Appeal Board.

In a decision rendered on April 4, 1985, the Supreme Court ruled that all refugee claimants were entitled to an oral hearing. Until now, it was only the exceptional cases which were heard orally. The Minister fully supports that decision. To a considerably degree, the decision is the culmination of a process that has made the refugee determination process in Canada one of the most open and equitable processes of this kind which exists in any country.

However, the blueprint for a new procedure that would give effect to the Supreme Court decision is not a simply thing. The process must be fair, but at the same time it must function efficiently and with a minimum of delay. Once Rabbi Plaut's study is available to the public, the Government will have a better idea of the way in which these diverse elements can be reconciled. Also, because changes to legislation will be required, Members will have an opportunity to debate the issue.

I call upon all Members to support the positive and effective legislative changes which will be introduced, so that Canada will be able to continue to respond generously to humanitarian needs.

[*Translation*]

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

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, June 7, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSE OF COMMONS

NEED FOR ORDER DURING DEBATES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, Canadian women are outraged at the insulting behaviour of the Progressive Conservative Party vis-à-vis the Hon. Member for Hamilton East (Ms. Copps). As a Montreal journalist said: "Insults continue to fly fast and furious at the Parliament of Canada."

The Government is being attacked by the Opposition on its budgetary policy and political patronage. At a loss for other ways to defend itself, it tried its rough and ready macho style on the Hon. Member for Hamilton East. In so doing, the Government is insulting all Canadian women, who are nobody's baby, doll or chick.

I would urge the women in the Progressive Conservative caucus to tell their whip his role is not to downgrade women but to keep order in the caucus ranks.

I would also urge all Canadian women to let the Prime Minister (Mr. Mulroney) know what they think of the male chauvinism displayed by the Conservative Party to women, and more specifically, to female Members of the Liberal Party.

* * *

[*English*]

REGIONAL DEVELOPMENT

ATLANTIC CANADA—ACTIONS OF LIBERAL AND CONSERVATIVE GOVERNMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, the Conservative Budget was especially harsh on Atlantic Canada, one of the poorer regions of our country. In response, the Liberal caucus set up a task force to tour the region. However, what the Conservative Government did was following the cuts to that region which were started by previous Liberal regimes.

The Liberals complain about the cuts to VIA Rail. It was the Liberals who cut VIA Rail and freight subsidies to Atlantic Canada.

The Liberals complain about cuts to regional development. It was the Liberals who cut the entire Department of Regional and Economic Expansion. Some 55 per cent of its money was spent in Atlantic Canada.

The Liberals complain about the transfer payment reductions made by the Conservatives which will amount to $2 billion by 1990. Yet the 1982-1987 formula imposed on Atlantic Canada also severely cut the amount of money to that region.

Old age pensioners in Atlantic Canada will suffer because of the Conservative Budget. The Liberals did the same with the six and five program. Cuts to U.I.C. hurt Atlantic Canada. The Conservatives have also abandoned Sydney Steel, just as the Liberals did.

I have a letter which I will be sending to all Atlantic Canadians indicating not only the cuts of the Conservatives but the cuts made by the previous Liberal Government. Let us have honesty in politics.

* * *

SOCIAL SECURITY

EFFECT OF GOVERNMENT POLICIES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker:

Senior citizens are often isolated, poor, and in a crippling state of dependence. Recent statistics indicate that more than 60 per cent of women and 40 per cent of men over the age of 65 who live alone have incomes that are below the poverty line.

Those were the words of the Prime Minister (Mr. Mulroney) on July 26, 1984, at Sherbrooke, Quebec. They are true words. Unfortunately, they are sprinkled with alligator tears.

In full knowledge of the plight of senior citizens, the Prime Minister has taken from the pockets of senior citizens needed pension increases which are required for the necessities of life. The Prime Minister had made the words "honour" and "appropriateness" the buzz-words of his Government. These words, when used by Conservatives, have come to be synonymous with "manipulation" and "deceit".

The Prime Minister and his cabinet colleagues try to tell Canadians that they run a compassionate, open, and caring Government. Their actions bespeak a Government which has introduced a form of economic euthanasia on the backs of elderly Canadians. No equivocation, no rationalization, and no economic doublespeak will make their actions against senior citizens fair. The Conservative Party, from its early days as the Family Compact, has been the Party of privilege in Canada. That has not changed.

S.O. 21

The Prime Minister promised to introduce a new civility in this place and in Canada. That new civility amounts to knifing elderly Canadians in the back and saying: "Please accept this knife as a token of our compassion". That is a real shame.

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Tory Government's patronage gravy train rolls on. On March 15, just two weeks after being called to the bar, John McMillan, the brother of the Minister of State for Tourism (Mr. McMillan), was appointed legal agent for the federal Government. Securing an appointment as legal agent was not all that difficult for Mr. McMillan. According to reports, Mr. McMillan secured the appointment by picking up the phone and calling his brother's office in Ottawa. Furthermore, and I quote Mr. McMillan: "The chap who co-ordinates the appointment of legal agents also happened to be an old friend". The article from which I quote goes on to add that Mr. McMillan appreciates what his friends in Ottawa have done for him, as it will stand him in good stead in his law career.

The Prime Minister (Mr. Mulroney) campaigned on the need to change the old way of doing things. He was going to end costly and irresponsible patronage appointments. Instead, we are witnessing a litany of cabinet Ministers' relatives lined up at the public trough. I would suggest, Mr. Speaker, that the Prime Minister has an option. He has a duty to the people of Canada to change the old Liberal way of doing things by appointing people to government positions on the basis of merit and not blood lines.

* * *

EMPLOYMENT

INCREASE IN EMPLOYMENT LEVELS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, once again the Liberal and NDP forecasters of economic doom and gloom have been proven wrong. They have learned today that employment increased last month by 70,000. Combined with April's increase of 89,000, this represents the largest absolute increase for a two-month period in 32 years. Over 70 per cent of these new jobs are full-time jobs.

Unemployment is down in seven provinces, with the largest declines occurring in Newfoundland, Nova Scotia, and British Columbia.

Canadians have not been fooled by the gloomy, short-sighted predictions of the Opposition. They remember only too well the disastrous economic record of the Liberals, supported by their NDP bedfellows. They have not forgotten the unnecessary suffering and hardship caused by ill-conceived economic policies. Instead, Canadians have accepted the invitation extended by the Government to join together and set this country of ours back on the road to economic recovery and witness the dawning of a new age of prosperity.

Canadians, once again, are full of hope, trust, and optimism. The Government is delivering on its commitment to create jobs, jobs, jobs. Together with the people of this nation we will deliver more, more, more.

* * *

[*Translation*]

THE ECONOMY

EFFECT OF GOVERNMENT MEASURES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, when this Government came to power, its platform was economic renewal and national reconciliation, a platform that was announced in the November economic message and confirmed and further developed in the Budget brought down by the Minister of Finance (Mr. Wilson) two weeks ago.

Mr. Speaker, our policies were aimed at renewing investor confidence and liberating the private sector. The Opposition has shouted down these proposals and demanded more money for creating temporary jobs, but we did not give in because we believe that the private sector is in the best position to create useful and durable jobs, provided it is given a chance to do so.

Mr. Speaker, we have asked Canadian entrepreneurs to deliver the goods and they have done so a hundred times over.

According to statistics published today, 271,000 jobs have been created in Canada since September. It is the first time we have seen such a high growth rate over a two-month period since Statistics Canada started publishing monthly labour market data.

The unemployment rate in Canada, at 11.6 per cent when the election was held, went down to 10.5 per cent in May. Unemployment among young people dropped from 18.3 to 16.2 per cent. Seventy per cent of these new jobs are full-time jobs.

Mr. Speaker, this Government is aware of its responsibility to Canadians who are unemployed and who have given up looking for work. The fact that tens of thousands of Canadians have found jobs in an indication that our policies produced—

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

* * *

THE ECONOMY

INCREASE IN NUMBER OF JOBS

Mr. Jean-Luc Joncas (Matapédia-Matane): This morning, Mr. Speaker, Statistics Canada published the findings of its

May 1985 survey on gainfully employed Canadians. It reveals that April and May this year were months during which Canada recorded more than modest gains—above average results are an encouraging trend in our fight against unemployment. Progress over those two months constitutes a historic and perhaps unprecedented achievement since the end of World War II.

The total number of jobs in Canada went up by 159,000 in April and May, and that—in seasonally adjusted figures—is the sharpest increase over two consecutive months ever recorded by Statistics Canada since it first began to collate such monthly figures in 1953. We now have 271,00 more Canadians at work than we had nine months earlier. At this rate, we might exceed 400,000 new jobs over a 12-month period, a mark surpassed only twice since the end of the 1940s.

Mr. Speaker, this upward trend can be seen everywhere, not only among a given segment of the population or in a specific region of the country. Unemployment rates declined among all major age groups, men and women alike, in seven out of ten provinces.

Mr. Speaker, this Government is rightfully proud of its notable progress at every level in our fight against unemployment. That has been the performance of the Government so far, and it is firmly committed to improve on its record.

* * *

• (1110)

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, once again it is Friday in the nation's capital and we come to the awarding of the "Patronage of the Week Award". This week the process has been difficult because of a number of last minute entries. The nominees?

Mr. Boudria: John McMillan.

Mr. Kaplan: John McMillan, the brother of the Minister of Tourism (Mr. McMillan), two weeks out of law school, has been named Canada's legal agent in Prince Edward Island. He has complained that he has not gotten much yet.

Mr. Boudria: Faith Good.

Mr. Kaplan: Mrs. Faith Good, the mother of the Chief of Staff of the Minister of Justice (Mr. Crosbie), has become Vice-Chairman of the Board of the St. John's Port Corporation.

Mr. Boudria: Jim Wood.

Mr. Kaplan: Jim Wood, a former Mountie, is now presiding over veterans' pensions.

S.O. 21

In the final analysis—

Mr. Boudria: The Crosbie brothers.

Mr. Kaplan: —it was no contest. The envelope, please?

The winners are the Crosbie boys. Rat pack T-shirts for the Crosbie boys will be available in the office of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) during business hours of nine to five.

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THE FORMER ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I was somewhat distressed earlier today because I thought we were not going to have the Patronage Award of the Week awarded as there was not one awarded last Friday. I thought that this might be the last SOW Award. I am encouraged, however, to see that once again the awarders of the Patronage Award of the Week have found some names, and have given a double award at that. Perhaps we can meet fire with fire, and give a double award as well.

Choosing the first name from our SOW barrel, the first SOW of the Week is Denis Ethier, the former Liberal Member of Parliament for Glengarry-Prescott-Russell, who was appointed Chairman of the Livestock Feed Board by the Right Hon. Leader of the Opposition (Mr. Turner), back when he had no option. I suggest that the Livestock Feed Board is a great place for a "SOW".

Now the tension mounts as we get to our second award winner of the day. I draw another name from our piggy barrel. My goodness, the second winner is a rat. The other "SOW" is the present Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), the author of the black book on Tory patronage, the man who makes so much of his humble beginnings as a House of Commons busboy. He is also the man who got that job on the recommendation of his number one sponsor, the former Liberal MP for Glengarry-Prescott-Russell, Denis Ethier. Obviously, when it comes to patronage, the rat pack knows that of which it squeaks.

* * *

EMPLOYMENT

INCREASE IN EMPLOYMENT LEVELS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, here is more good news. This morning's employment statistics provide compelling proof that the pro-employment policies of the Government are working. In the month of May employment surged forward by another 70,000 jobs. When combined with the April increase of 89,000 jobs, that means that in the last two months the economy has created 159,000 jobs. This is the largest absolute increase in employment in any consecutive

two-month period since Statistics Canada began collecting employment data in 1953.

In practically every sector of the Canadian economy there are now thousands more people working than there were last September. There are 32,000 more jobs in agriculture, 22,000 more jobs in manufacturing, 74,000 more jobs in trade, and 135,000 more jobs in the service sector. Over three-quarters of these new jobs are full-time.

The new Government has created a total of a quarter of a million jobs since its election last September. That is 66,000 jobs more than the former Government created in its entire final 12 months in office.

● (1115)

The Opposition laughed when the Prime Minister (Mr. Mulroney) said that the election of a Progressive Conservative Government would create thousands of jobs. Let's see if they are still laughing today.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

PENSIONS

IMPACT OF BUDGET

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the absence of the Minister of National Health and Welfare I will direct my question to the Prime Minister. The chorus is growing. Manitoba Tories, Premier Frank Miller and, in fact, most members of the Tory caucus, now recognize that the deindexation of old age pensions was an incredible blunder.

I am glad that the Minister of National Health and Welfare has arrived in the House. The Minister has stood in the House in defence of that move. He has spouted *Hansard*, and has read quotes from other sources. However, his job is to defend his constituents. I am hearing a lot of constituents asking why he is not doing that job. They are asking why he is sounding like the Minister of Finance. Why does the Minister not go to the Prime Minister and tell him what he really believes, so that he can stop spouting nonsense in the House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think there would be general agreement in the House, following the creation of 89,000 jobs in April and 79,000 new jobs in May, that this is a great day for Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It represents a combined increase for April and May of 159,000 new jobs. That represents the largest back-to-back increase in job creation since Statistics Canada began compiling the data in 1953.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I know that good news for Canada seems to be met with a glum disposition on the other side. It is good news. It is putting people back to work. It is the way to strengthen the social system. It is the way to bring strength back to the financial management of Canada. The way in which new and more valuable protection can be given to the elderly in Canada is by a sound economy which will be achieved through job creation.

* * *

PUBLIC SERVICE

RESIGNATION OF FINANCE DEPUTY MINISTER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Prime Minister is obviously very nervous when he resorts to a discussion of job creation when he is faced with the situation of the elderly. I am sure that the elderly people who will lose up to $60 a month because of the Budget, by the year 1990, will be happy to hear that. I would invite the Prime Minister to inform himself. In the first eight months of the last Liberal administration, 272,000 jobs were created.

As we know, the Deputy Minister of Finance, Marshall "Mickey" Cohen, resigned yesterday. We know Mr. Cohen, and we know that he is too good and too knowledgeable to be associated with this incoherent, unfair, and piecemeal Budget. I would like the Prime Minister to give us the commitment, as he sinks further and further into the fiscal swamp, that he will not try to put the blame for the Budget on the back of Mickey Cohen, because it was designed and drafted in the Prime Minister's office. Will he give us that commitment?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend should read *The Toronto Star* of today. He is quoted as saying that the Progressive Conservative Government has been extremely supportive of and loyal to Mr. Cohen. That is completely counter to the implication of his question. If it is in *The Toronto Star*, it has to be true!

Mr. Cohen is an outstanding public servant. I accepted his resignation with genuine regret. He has brought honour to the Public Service, and he has served the Department of Finance with great distinction and accomplishment. Any suggestion to the contrary is, as my hon. friend knows, malicious and absolutely false.

Some Hon. Members: Hear, hear!

● (1120)

Mr. Johnston: Mr. Speaker, I am grateful to hear that because, as I said, Mr. Cohen is much too good and much too knowledgeable to be associated with this travesty.

PENSIONS

MINISTER'S RESPONSIBILITY

Hon. Donald J. Johnston (Saint-Henri-Westmount): I go back to the Minister of National Health and Welfare, Mr. Speaker. He knows that, every day, fear and anxiety are mounting amongst the elderly. I am getting calls; we are all getting calls. An Hon. Member behind me, I think, said he is getting calls. Everyone is getting calls. We are all concerned. Everyone is asking me: "What are you going to do about it?" Now I am asking the Minister what he is going to do about it. What is he going to do about correcting this cruel and brutal measure in the Budget?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the first point I make to the Hon. Member is that he, I am sure, does not want to spread fear by using figures which are wrong, and he again used a wrong figure this morning. I think that is the first point we should agree on.

The Hon. Member fobs off the creation of jobs as being meaningless to the elderly. But let's keep in mind that the creation of those jobs, and the reduction of the 29 basis points in the bank rate yesterday, are both examples that the Government's economic plan, along with the co-operation of the private sector, is working.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I agree with the Hon. Member—I have said many times in the House that I am defending the senior citizens, and this is what I am defending. I do believe that as that new wealth is created and that new room is opened up, those who should first get that benefit are those who are our senior citizens. And that is what this Government has always said.

* * *

[*Translation*]

THE BUDGET

CONSEQUENCES FOR VARIOUS SOCIAL SECTORS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance.

I am a little surprised to hear the Government benches congratulating themselves on increased employment and a reduction in unemployment. Any first-year university student knows that it takes at least a year or a year and a half for a Budget to have any effect, and today's figures are the result of the Lalonde Budget.

Mr. Masse: Why not the Mackenzie King Budget?

Mr. Garneau: Despite repeated requests by the Opposition, the Government has refused to disclose the impact this shower of taxes on the Canadian middle class will have on the Canadian economy.

My question to the Minister of Finance is as follows: At a time when in the United States, there is a proposal for fiscal reform which would increase corporate taxes and reduce taxes for the middle class, why has the Progressive Conservative Government taken an entirely different route by increasing taxes and income tax for the middle class and reducing corporate taxes, especially for the oil multinationals?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is just rehashing old questions which his colleagues in the New Democratic Party have asked, and they have been getting the straight answers. I am not going to bother boring the House with those answers again. However, I do caution the Hon. Member, when he makes these comments about job creation, that since January 75,000 more younger people got jobs, 112,000 women have found jobs since September 4, and 271,000 Canadians in total have found jobs.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The difference, Mr. Speaker, is that we are not saying that we created those jobs. We know that Canadians created those jobs, and that is the nature of the Budget. That is the nature of the economic policy of the Government. It is to give that confidence and encouragement to Canadians so that we can have this clear record of success, about which all Canadians should be rejoicing today. They are not walking around with that little cloud above their heads like the Hon. Member. They are saying that this Government is on the right track. It is reinforcing that clear record of success with the Budget.

[*Translation*]

RECONCILIATION OF PURCHASING POWER LOSS AND JOB CREATION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister of Finance refuses to understand the question. Since July last year, there has been a constant upward trend in employment. We are afraid that the Budget the Minister has just brought down will stop this trend, and I would ask the Minister of Finance why he is asking the Canadian private sector to create jobs, when he has just cut the purchasing power of the people who are supposed to be the customers of these Canadian businesses, a cut that will total $37 billion by the end of 1990. I have been asking this question for months, and I have never had a reply. I will try again this morning and ask the Minister where the private sector jobs are going to come from, when he is cutting our purchasing power by $37 billion.

• (1125)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me ask the Hon. Member to cast his mind back to what his Leader and others in his Party said, that the measures in the

November 8 statement were going to cost the country between 50,000 and 100,000 jobs and we would see just a wipe-out of the private sector because of those dastardly changes brought in on November 8. But what have we seen since then?

Mr. Epp (Provencher): Tell him.

Mr. Wilson (Etobicoke Centre): A continuation—

Mr. Garneau: Wait another 12 months.

Mr. Wilson (Etobicoke Centre): The Member says wait. We wait, we wait, and we wait, and we will probably see hundreds of thousands more jobs created—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): —because of the positive response by the private sector to the Budget.

* * *

[*Translation*]

SOCIAL SECURITY

FULL INDEXATION OF PENSIONS—ELECTION CAMPAIGN PROMISES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. Is he aware of the fact that 34 groups representing pensioners and elderly people throughout Canada have come out against his Government's deindexation of old age security pensions? They include the Conservative Government of Ontario, the Conservative Party and the New Democrats of the Manitoba Legislative Assembly and, in Quebec, the Fédération québécoise des clubs de l'Âge d'or, the Forum des citoyens âgés, the Association féminine d'éducation et d'action sociale and the Association pour la défense des droits des retraités et des préretraités du Québec, and not a single organization is in favour of it.

In view of such widespread and negative reaction, Mr. Speaker, why did the Prime Minister welsh on his election promise to maintain full old age pension indexation to offset inflation?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I and others in the House have said, time and time again, that the first obligation of the Government is to create a climate whereby jobs and wealth would be created. As the Minister of Finance and the Prime Minister have said today, and as objective Canadians are saying, at least the right course has been struck and it is starting to have positive results.

We are also saying that, as the wealth is created, not only do we want to protect the social programs he speaks of, we have to reduce the cost that Canadian taxpayers are paying to service the debt, money which is then not available for social programs, health care, pensions, or anything else the Hon. Member wants to ask me about. That is the reality, and while he might disagree with our economic philosophy, as we do with his, I would hope at least he would see the results for what they are.

[*Translation*]

PROMISES MADE TO RETIRED PERSONS DURING ELECTION CAMPAIGN—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): A supplementary question, Mr. Speaker. Again it is directed to the Prime Minister since he is the one who, on behalf of the Progressive Conservative Party during the election campaign, made the unconditional promise to maintain old age security pensions for retired Canadians.

Through you, Mr. Speaker, I am asking the Prime Minister whether or not he will live up to his election campaign promise to retired people? On behalf of elderly Canadians, can we take the Prime Minister at his word?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been left in such a precarious situation that, this year, we will have to spend $25 billion to service the national debt we inherited from the Liberal Government.

Here is the tragic picture to put the problem in its proper perspective: social programs as a whole cost the federal treasury about $19 billion, so we are actually spending a lot more on the national debt than we do on social programs, and that is a tragedy for Canada. We simply have to balance the books, and that is what we are doing. The only effective option acceptable to all Canadians and all Quebecers is the creation of permanent jobs in the private sector. Since the Progressive Conservative Government has been elected, we have created 271,000 new jobs in Canada, an achievement which bodes well for all Canadians.

* * *

FINANCE

SMALL AND MEDIUM SIZED BUSINESSES—CAPITAL GAINS TAX EXEMPTION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have a question for the Minister of Finance. Consultants who addressed the Ottawa-Carleton Economic Development Corporation membership gathered to study the Budget came to the conclusion that, save for accountants and tax lawyers whom small and medium-sized business will have to hire to unravel the many intricacies of the new Budget, precious few Canadians will benefit from the so-called job creation measures.

In the opinion of the Minister of Finance, would it be more productive to make the capital gains tax exemption available to those who invest in small and medium-size businesses,

thereby creating jobs, rather than to offer a $125,000 cash reward to people who have already made investments or will make some in foreign countries?

• (1130)

[*English*]

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, Members opposite, including those in the New Democratic Party, said that the job loss resulting from the November statement would be between 50,000 and 100,000. That was generally accepted by the Members opposite. If the Member is at all objective he will understand that the approach we took in November, which we have continued in the Budget, has been truly successful in creating job opportunities for Canadians right across the country.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In response to the specific question, we decided not to have a specific valuation date. We were going to spread the effects of the change in the capital gains exemption over a period of five years in order that there would not be the windfall impact about which the Hon. Member speaks.

INVESTMENT OF SAVINGS PLANS IN SMALL BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, if the Minister of Finance believes that his Budget will create so many jobs, why did he reduce the potential for job creation by small business by preventing owners and their families from investing their retirement savings plans in their own small businesses?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we did consider the option proposed by the Hon. Member. We did not do it because we felt that the advantage which some people might have taken of that provision would have resulted in a great deal of complexity in the Act. That complexity in the Act may have made it more difficult to get RRSP funds and pension funds into small businesses. In that way, without spending a nickel of taxpayers' funds, we will create a number of jobs by removing that obstacle and getting the equity capital into small businesses so that they can expand.

* * *

PENSIONS

IMPACT OF BUDGET

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. As of this morning 32 national seniors' organizations and two provincial Governments have said that they do not agree with the deindexation of pensions by the Government. Today will be the fifth day that my Party is tabling petitions from seniors across the country saying that they do not agree with what the Government is doing. Yesterday I met with several hundred seniors in Toronto who said that they did not agree with what the Government is doing. They asked me to ask the Prime Minister why he is doing this to them.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks a very good question. I would very much like to be able to stand before the House of Commons and announce that it is within the power of the Government to reduce taxes and increase benefits for all Canadians, including the elderly.

We found a financial situation that was infinitely more difficult than anyone could have reasonably foreseen. We found that, in the absence of action, the entire social welfare structure could be jeopardized. If interest payments kept demanding more, and more, and more of government income, there would be less, and less, and less left in the future to sustain and render viable social programs for the elderly and others in Canada.

We had to make some hard decisions. I wish that the news could be better for all Canadians. I hope that in the near future it will be better. However, I think my hon. friend would agree with me, as I know all senior citizens will, that the way to renewal is through job creation. The 271,000 jobs created so far represent a major step toward rendering our social programs more viable.

Some Hon. Members: Hear, hear!

REASONS FOR GOVERNMENT ACTION

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is also directed to the Prime Minister. That does not answer the question the seniors are asking. It is not only the seniors who are asking that question. Later on today I will be tabling in the House a petition from 400 students of Malvern Collegiate in my constituency, who are grandchildren of those seniors. These students are asking the Prime Minister the same question. Why are you doing this to our grandparents?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that that too is a worthy question. I wish that we could be as generous as we would all like to be, with regard to all requests for more help for Canadians. My hon. friend mentions the students who will be filling the petition, as they ought to. He may want to remind them that Statistics Canada figures revealed this morning that there were 51,000 more students working this May than at the same time last year. I think that is progress as well.

Some Hon. Members: Hear, hear!

REQUEST FOR RECONSIDERATION

Mr. Neil Young (Beaches): Mr. Speaker, this supplementary question is again directed to the Prime Minister. If the economy is on a recovery, we are all happy to see it. No one would disagree with that. If the economy is on the recovery which the Government claims it is, and if the Government is

providing jobs for students and others, that is an even better reason why the Government should not be doing this to senior citizens.

In light of all those facts, would the Prime Minister not reconsider deindexing pensions for the people who need the money the most? Will he not come clean and say to the seniors in the country that he is going to abide by the clear commitment he made to them during the election campaign, and since, and will not touch their pensions?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is both a sensitive and important question, very properly framed by my hon. friend. We have fully indexed the GIS. We have fully indexed payments to veterans. We have extended payments to widows and widowers between 60 and 64 years of age. We have extended the provisions of disability to include some 120,000 more Canadians. We have done all of these things because we are trying to make the social programs economically sustainable and durable in Canada. They are gravely jeopardized by the burgeoning mountain of debt which now calls upon Canada to pay more in interest than to our entire social welfare infrastructure.

Mr. Guilbault (Saint-Jacques): Why make the poor pay?

● (1140)

Mr. Mulroney: I hear criticism from the Liberals, the same people, with their six and five program, who deindexed pensions of the elderly by 6 per cent and 5 per cent. That's what is wrong.

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[*Translation*]

SOCIAL SECURITY

CONSULTATION WITH THE ELDERLY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I hope the Right Hon. Prime Minister will show a little more dignity and respect in answering questions about the elderly than he did just now.

Mr. Speaker, the Prime Minister acknowledged that when he tabled this document in January, he was aware of the financial situation of this country, and he made a commitment to the Canadian people and to Parliament that changes in social programs would not be used to reduce the deficit. The Prime Minister has deceived Canadians once again.

To make up for this, is the Prime Minister at least prepared to meet another commitment he made on July 26 in Sherbrooke, his eighth commitment, and I quote:

To consult directly with senior citizens' groups on legislation that concerns them.

Is the Prime Minister prepared to meet with all senior citizens' groups next week or the week after?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Budget papers make it quite clear that the Government is going to monitor very closely the views of the public and how the situation develops, and when appropriate and if necessary and when we are in a position to do so, we will take the appropriate measures. I think that is in the Budget in black and white. It is a public secret.

I said yesterday that the position taken by the Hon. Member and the Official Opposition was a surprise to me, because they were saying the exact opposite three years ago. For instance, this morning I read in an editorial: "Crocodile tears shed by the Liberal Party." The article said: "Their 6 & 5 policy introduced at a time of spiralling inflation had cut deeply into benefits for the elderly." That is what you did with your hypocritical and dishonest policies, and we are now trying to correct the situation.

Mr. Malépart: Mr. Speaker, how does the Prime Minister expect the Canadian people to believe his second paper when he has failed to keep his word and his commitments in connection with that paper?

THE ELDERLY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): My supplementary to the Prime Minister is as follows: Will the Prime Minister have the intellectual honesty to do what the MacEachen Budget did, since they are saying that a Liberal Budget had deprived those most in need, which is just not true . . . I will read what it says here:

Pensioners most in need must also be fully protected from the limitation on the indexing factor. The Guaranteed Income Supplement for senior citizens . . .

An Hon. Member: Ask your supplementary!

Mr. Malépart: That is my question to the Prime Minister, Sir.

. . . with lower incomes will continue to be fully indexed. In addition, everyone receiving GIS will get a supplement to the GIS payment offsetting fully the limitation on indexation of Old Age Security payments.

Why pick on senior citizens, Mr. Speaker? What they want to know is what the Government has against senior citizens, especially those who are most in need. What reason do they have for not giving them what the Liberals were prepared to give?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what a petty and hypocritical question! The Hon. Member ought to be ashamed to ask such a question. The elderly in Quebec and Canada know perfectly well that economic renewal is necessary, that it is the cornerstone of any decent guaranteed income or social security program. All Canadians,

including and especially senior citizens, know perfectly well that our social programs have been put at risk as a result of the national debt, and that the only way to get out of this situation is by creating jobs.

I think the Hon. Member for Montreal-Sainte-Marie should realize that among the 159,000 jobs created in only two months, 60,000 were created in Quebec. That is the best news Quebec has had in ten years, and senior citizens are well aware of that.

[*English*]

Ms. Copps: Ça c'est mentant.

Mr. Speaker: Order.

Mr. Wilson: Get out of here, baby.

MANITOBA LEGISLATURE RESOLUTION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. While he is the Minister for all of Canada, he is also a Manitoban. He knows that yesterday a unanimous resolution was passed by the Legislation of that province calling for the full indexation of old age pensions for seniors, and talking about the profoundly negative effect the federal Government's program of deindexation will have on old age pensioners. Will he join other Manitobans and make sure that the Government reverses its position?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am aware of the resolution and have had discussions about it. The Hon. Member knows that he and I have said in the House many times that we are going to monitor the situation. It is not even in effect, only to come into effect on January 1 next. Therefore, the situation remains the same.

I also tell him that the Manitoba Legislature, as is any other legislature, is an independent parliamentary body. They can pass their resolutions and we can accept them and examine them, as with other representations.

REQUEST FOR FULL INDEXATION

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the Prime Minister. He made a promise during the election campaign. He has now heard from the Province of Manitoba and the Province of Ontario. He has heard from seniors and young people right across the country.

The reason he has given the House is that the deficit is a problem. Will he not admit that when the Liberals were in Government, the Conservative Party, just as the New Democrats, said that the deficit would be higher than it actually turned out to be? Would he not admit that and reinstate that pension for the old people?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the difference is that the February figures provided by the former Government provided a large deficit plus a trend line which it said was going down. However, when we came into office we discovered that the trend line was going up.

I ask my hon. friend to reflect upon what that does. For example, if we go from 10 cents on the dollar to 33 cents on the dollar, and ultimately to 40 cents and 50 cents on every dollar of government revenue to pay the interest on the debt, that puts the capacity of the Government of Canada to maintain these social programs in peril.

It is because we want to maintain their integrity, and to enhance them at the earliest possible time, that we are taking measures which are painful for all Canadians. However, they are designed to be helpful in creating the kind of durable job creation that throws off tax dollars and the new wealth that will allow us to sustain and enhance those social programs, particularly for the elderly.

I think the news this morning of the creation of 271,000 new jobs in Canada should be cause for rejoicing by the Hon. Member.

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EMPLOYMENT

INCREASE IN EMPLOYMENT LEVELS—ANALYSIS OF NEW JOBS

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. There is good news from Statistics Canada today because 159,000 new jobs have been created in the last two months. We have not heard a question from the Liberals or the New Democratic Party about this situation. They do not want to ask about that because it is good news. Therefore, let me ask the Minister if she could give us an analysis of those new jobs that have been created.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the figures that were released this morning by Statistics Canada concerning the creation of new jobs in the last few months, and indeed since September of last year, represent the breakthrough in economic renewal right across the country.

Since September of last year 271,000 new jobs have been created as against the 94,000 jobs that had been created under the Liberal Government in the same period of the previous year. Furthermore, 131,000 fewer Canadians are unemployed as against the same period of time when unemployment went up under a Liberal Government. People have to recognize that those are the kinds of statistics which have brought about the economic breakthrough which the country is witnessing.

• (1150)

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my questions are directed to the Prime Minister. I have read and reread all the arguments the Prime Minister has made on the record in defence of the conduct of the Minister of Justice in relation to giving government legal work to his sons, to try to find the case the Prime Minister was making. I bear in mind today's revelation that CMHC work was given directly to them, not to them in any capacity as members of a firm. Is the Prime Minister saying that when he, as Prime Minister, is satisfied with the probity, integrity, and honour of one of his Ministers, that that Minister is not obliged to follow the guidelines?

Right Hon. Brian Mulroney (Prime Minister): No. Mr. Speaker, I have said no such thing. In fact I have said quite the contrary. The implication of my hon. friend is, as he knows, vexatious and spurious. It does him no honour to persist in this kind of malice in the House of Commons, which is both unfair and misleading.

CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would protest the imputation that my concerns are not sincere. I am wondering what the guidelines mean. How can the Prime Minister take clear guidelines and find that what the Minister of Justice has done is not preferential treatment? How can he defend it based on the specific words, the clear words of the guidelines?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hope I gave an answer which would satisfy my hon. friend. It was given in good faith. It dealt with the facts of the issue and the extent to which, indeed, the guidelines were very much in force. Not only must they be implemented and clear of violation, but even the appearance of violation must be avoided. I think that has been established to the satisfaction of the House, I hope that is the case, but I would be happy to provide any further information the Hon. Member wishes.

UNACCEPTABLE CONDUCT INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, I ask the Prime Minister to enlighten the country. How can the guidelines, as they have been interpreted in the case of the Minister of Justice, ever be violated? What would constitute unacceptable conduct by one of his Ministers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member asks a hypothetical question. I can only tell him that Canadians quite properly expect Ministers of the Crown, and all Members of Parliament, to adhere to the highest possible standard of conduct, and that is exactly what we are going to do. Anything at variance with that would be unacceptable. I have made that very clear. Having said that, I am satisfied that the explanations provided by the Minister of Justice are appropriate, and I hope my hon. friend would agree with that.

* * *

PENSIONS

IMPACT OF BUDGET

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. He has indicated, if not said, that he derives no pleasure from the measures which were brought about that will take from senior citizens a certain part of their expendable income. With that in mind, would he undertake to review the five options we offered yesterday, options which, if implemented, could yield to the Treasury in excess of $3 billion in any calendar year, or any fiscal year, with an eye to finding, within the five areas we have recommended could be reviewed and taxed in a somewhat different way, the required $245 million, to allow the Government not to decrease the indexing provisions applicable to old age pensioners?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend raises an excellent point. While I have not read the transcript, I noticed that one of the committees of the House dealt yesterday with the thrust of the question which my hon. friend raises, where the Liberals, in a gift to their friends in big business, threw off $2.5 billion in forgone tax revenues in R and D spinoffs. We shut down that tax loophole, because that was what was happening to the social programs.

We have imposed a tax on the capital of banks and trust companies, we have imposed a surcharge on the wealthy, and we are going to impose a minimum tax on the wealthy, because we agree with that spirit of fairness.

Again I give my hon. friend the assurance, as was said in the budgetary documents, that we will monitor this very closely and at the earliest possible moment discuss it in the House with my hon. friend, at his convenience. We will continue to monitor it to ensure, to the extent humanly possible and as quickly as finances permit, that no difficulty is sustained by our elderly in Canada.

REQUEST FOR RECONSIDERATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Prime Minister will recognize that we have six months to change this policy toward old age pensioners. I ask him to look seriously at whether, within the five options we have offered, or in any other way, there seems to be sufficient money to meet the demand. Would he look at those and determine for himself that it is in fact possible to rearrange the tax structure within those areas in such a way as to raise the $245 million, and to say to Canadian seniors that in fact we recognize their contribution to the building of the country and that, as a grateful nation, we will ask others with more disposable

income to take on the burden which would otherwise have been placed on them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there will be no change in the documents filed by my hon. friend.

Some Hon. Members: Shame!

Mr. Mulroney: Before you are overcome with your own maudlin sense of self-importance—not the NDP House Leader, the people behind him—and before you expire on the spot, we, conscious of this, have given an indication in the budgetary documents that we would do precisely that, that we would monitor it very carefully.

However, we also indicated—and I know my hon. friend would agree with this—that the only way it could be done, in that borrowed money and printed money do not work any more, is through job creation and long-term, equitable sharing of new wealth. And 271,000 new jobs represent new wealth, new prosperity, and new hope for all Canadians.

* * *

NATIONAL PARKS

MINING AND FORESTRY PROJECTS—MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment I will direct my question to anyone among that uninspired lot of Ministers. The Minister of the Environment has made the front page of at least one national paper and was quoted as saying: "I don't have to think the national parks are sacred". She went on to say that she would not rule out mining and forestry in national parks. My question is a simple one. Is this an expression of her own opinion or an expression of the consensus of Cabinet and of the Prime Minister, in a year in which Canadians are celebrating the centennial of Parks Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I should say that I am getting a little dismayed at coming to the House of Commons and constantly finding the Leader of the Opposition and the Leader of the NDP absent.

An Hon. Member: Where are they?

Mr. Mulroney: I think they are off at an engagement party in Queen's Park.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Rossi: TV cameras are the only attraction keeping you here this morning!

Mr. Mulroney: Liberals out of office, now that really hurts!

[*English*]

I can tell my hon. friend that I understand the Minister indeed was misquoted, because her view is that of ours, that the parks are very much part of our national heritage and will always remain so.

WILDLIFE TOXIC FUND—NORANDA MINES CONTRIBUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I am glad to hear that the Minister was misquoted. However, I wonder whether, by accepting from Noranda Mines a contribution of $50,000 to the wildlife toxic fund announced by her a few days ago, she has opened the door to a possible conflict of interest in our national parks.

Some Hon. Members: Oh, oh!

Right Hon. Brian Mulroney (Prime Minister): I will take a look at it, Mr. Speaker, but I will have to check the record to see what Noranda Mines contributed to the Liberal Party. If he wants to carry it to that extreme, I think it will wind up in a little fit of lunacy. I think we have to be reasonable and thoughtful in our approaches here, and I think that is what we have tried to be.

* * *

● (1200)

HEALTH

MEDICAL USE OF HEROIN

Hon. James A. McGrath (St. John's East): Mr. Speaker, can the Minister of National Health and Welfare tell the House if he has reached agreement with the provinces and law enforcement agencies with respect to a protocol for the medical use of heroin in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the Hon. Member for his question. As all Hon. Members know, he has been the foremost spokesman on this important issue in the House. I would say the protocol is coming to conclusion. We expect it to be concluded by the end of this month. The sourcing will come from the United Kingdom. According to that source, we understand it could be available at the beginning of October, 1985.

As the Hon. Member also knows, heroin has to be put on each provincial pharmacological calendar. I have discussed that matter with the provinces and I think it is well in hand.

* * *

CLERK OF PETITIONS' REPORT

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, June 6, 1985, meet the requirements of the Standing Orders as to form.

PRIVILEGE

REQUEST FOR WITHDRAWAL OF ALLEGED SEXIST REMARK

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am sorry to have to rise for a second time in a week in the House and ask government Members, and in particular the Minister of Finance (Mr. Wilson), to withdraw the sexist remarks he and members of his Party have made two times in one week.

Some Hon. Members: Oh, oh!

Ms. Copps: The House Leader may not consider this a question of privilege. I consider it a question of privilege when the women of Canada are insulted by terms such as "baby".

I would ask you, Mr. Speaker—and I have forwarded a letter to the Chair to this effect—in light of the fact that we are living in 1985 and such sexist terms are not acceptable in the House of Commons, to order the Minister of Finance to withdraw the statements he made, which included the words, "Get out, baby". I am not his baby. I am not the baby of any Member on the government side of the House.

Some Hon. Members: Order.

Ms. Copps: I am sorry that the members of the Conservative Party think it is a big joke to call other Members of this place "baby". I ask you, Mr. Speaker, to rule that the Minister finally and unequivocally remove the word "baby" from the House of Commons.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would never use a word such as that unless properly provoked. The Hon. Member used the word *menteur* three times in referring to the Prime Minister (Mr. Mulroney). That means, in English, liar, liar, liar. The Hon. Member knows that and she will not deny it.

Ms. Copps: I do not deny it.

Mr. Wilson (Etobicoke Centre): She says she will not deny it.

Any time a Member of the House uses that sort of language, that Member loses the total respect of the House. After that point in time, whatever language is used in connection with the Member goes. I do not take back what I said.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): Mr. Speaker, the Minister of Finance (Mr. Wilson) has stated a proposition which simply cannot be accepted. Even if hypothetically one Hon. Member uses unparliamentary language, it does not justify another Hon. Member's use of unparliamentary language, especially when the Minister of Finance has used language which is not only an insult to a distinguished Member of this House—

Some Hon. Members: Who? Who?

Mr. Gray (Windsor West): —but to all women of Canada.

Mr. Speaker: I did not hear the comments which the Minister of Finance (Mr. Wilson) said the Hon. Member for Hamilton East (Ms. Copps) made.

An Hon. Member: She admitted it!

Mr. Speaker: Order, please.

I did not hear the comments the Hon. Member for Hamilton East says the Minister of Finance said. There is a simple reason for that, which is that it is often difficult for me to hear during Question Period in the House.

The Hon. Member for Hamilton East has sent me a letter with respect to this matter. There is no question in my mind that sexist remarks are objectionable. However, there is some question in my mind as to whether or not the fact that they are objectionable makes them unparliamentary. Equally, there is no question that language which the House generally finds objectionable tends to cause disorder, which then brings us into the area of order, the use of language, and the creation of disorder through language, which is a separate matter.

Under the circumstances, having recognized the seriousness with which Hon. Members have taken this point in their comments, I think we all have an obligation to each other—males to females, females to males, Liberals to Conservatives, NDP to all of us and everybody to the NDP—to bring our language into check and to remember that this is the House of Commons of Canada.

Some Hon. Members: Hear, hear!

* * *

POINTS OF ORDER

REQUEST FOR TABLING OF DOCUMENT CITED

Hon. Bob Kaplan (York Centre): Mr. Speaker, yesterday, I asked that a document from which the Prime Minister (Mr. Mulroney) quoted be tabled. I understand the Government's reply to that request is to refer to a letter of former Prime Minister Trudeau which has been tabled in 1984. I rise because the letter from Mr. Trudeau is not the document which I was asking to have tabled. I was asking to have tabled the document from which the Prime Minister was quoting.

Yesterday, the President of the Privy Council (Mr. Hnatyshyn) said, as reported at page 5490 of *Hansard*:

> Mr. Speaker, I am not one to peer over the Prime Minister's shoulder, but that was a separate document altogether, with an extract. It was not a letter.

In other words, the document before the Prime Minister was not a letter; it was a document that I gather contained an extract from former Prime Minister Trudeau's letter. According to Beauchesne, Members of the House are entitled to have tabled the document from which the Prime Minister was reading yesterday.

Mr. Speaker: Beauchesne is very clear on this point. In fact, I can quote it from memory:

> Only the document cited need to be tabled by a Minister.

That is the very clear practice. If, for the sake of argument, the Prime Minister (Mr. Mulroney) were holding a piece of paper on which was printed a single paragraph taken from a letter, and he then indicated, as I think he did, having seen the videotape, that he was quoting from a letter with a date and read the quotation, then the document that is properly required to be tabled is the letter he has cited. If the Hon. Member is arguing that the piece of paper he was holding has to be—

An Hon. Member: No one said that.

Mr. Speaker: I take it that if that is what the Hon. Member is saying, then, no, no such obligation is necessary.

Let us be clear that what is cited is the letter from the Prime Minister to the Ministers. That is to what he referred.

Mr. Gray (Windsor West): Mr. Speaker, may I respectfully refer you to Beauchesne, page 116, at the top of the page where it is written:

It has been admitted that a document which has been cited ought to be laid upon the Table of the House—

I respectfully submit that, yesterday, the Government House Leader (Mr. Hnatyshyn) told you, Sir, that the Prime Minister (Mr. Mulroney) was talking about a document. I respectfully ask, Mr. Speaker, that you give some further consideration to the matter, in light of the words of the Government House Leader.

Mr. Speaker: I am in some difficulty because we dealt with this matter separately yesterday. At the time, I invited argument from Hon. Members. Yesterday, the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for York Centre (Mr. Kaplan) asked me to hear arguments on this very question. I did. I take it that the Hon. Member for York Centre is now trying to raise a separate point which is with respect to whether or not the piece of paper is the document to which Beauchesne refers. It is not my view that that is what Beauchesne means; nor would it make any sense if it were taken that way. I take it that what it means is that, when a Minister indicates, as he did yesterday, that he is quoting from a letter, which is exactly what the "blues", the videotape, and *Hansard* show, then his obligation is to table that letter.

ALLEGED INCORRECT S.O. 21 STATEMENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I rise on a point of order. Earlier today, when making a statement under Standing Order 21, the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) suggested to the House that I had received a political appointment, or had been recommended for one by the previous Member for Glengarry-Prescott-Russell, when I started working here in 1966.

Page 243 of the *Canadian Parliamentary Guide* for 1981 shows clearly that the previous Member for Glengarry-Prescott-Russell, one Denis Ethier, was first elected to the House of Commons in 1972—six years after I had started working here. The *Parliamentary Guide* indicates that the Hon. Member for the riding in which I lived at that time was one Paul Tardif, later succeeded by John Turner. Those were my Members of Parliament, not the one stated incorrectly by the Hon. Member.

• (1210)

CORRECTION OF S.O. 21 STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. The Hon. Member for Yorkton-Melville (Mr. Nystrom) on two or three occasions in this House has stated during Statements Pursuant to Standing Order 21 and during the course of Question Period last week that representatives of Action Now, a senior citizens' group from Saskatchewan, had been refused a meeting with me. I have checked with my office. There has never been any such request for a meeting with me. I would gladly meet with this group as I have over the years. I just wanted to make clear for the record that the Hon. Member for Yorkton-Melville is wrong in his facts and in this particular case he is ultimately and very much wrong.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Mr. Neil Young (Beaches): Mr. Speaker, it is with a great deal of pride in the young people of our country that I present a petition today from some 400 students of Malvern Collegiate who are asking the Government to live up to the promise it made during the election campaign to index pensions to the full cost of living and ask the Government to reconsider its present policy.

I have another petition from senior citizens who reside at 1080 Eastern Avenue in my constituency and they make the same request.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a petition signed on behalf of the old age pensioners of Canada in which the petitioners ask the House to make sure that the Conservative Government lives up to its election promise of indexing the old age pension to the actual cost of living on a quarterly basis, and I think that that is very important. This is the fifth day on which Members of our Party have risen to present these petitions and the request obviously has the overwhelming support of Canadians everywhere.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and privilege to present a petition to the House from many citizens of Windsor who protest the proposed deindexing of the old age pensions and call on Parliament to re-establish the full indexing of old age pensions.

Order Paper Questions

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition from a number of citizens of Ottawa pointing out that the proposed cut in the old age pension will take from old age pensioners $100 in 1986, $205 in 1987, and $315 in 1988, and they are asking this House to reinstate full indexation of the Old Age Security Program of Canada.

I have another petition, also signed by a number of residents and pensioners of the City of Ottawa, who petition the House of Commons to reinstate the full indexation of the old age pension and who recall that during the election campaign, Progressive Conservative Members stated that a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis. They are asking that that promise be kept.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Canadians from coast to coast are getting very concerned about the lack of indexing on pensions. It is my privilege to present a petition from citizens, who are mostly from Saskatchewan, protesting the Government's action in cutting the indexation of Old Age Security, reminding the Government of its promise to index pensions fully, and urging that indexing be fully restored.

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from citizens of Canada reminding the Government that it promised to restore full indexation of pensions and requesting Parliament to see to it that that full indexation is in fact restored.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a petition to present from some residents of my riding who are petitioning the Government to reverse its policy on deindexing Old Age Security Program payments because of the ultimate high cost to pensioners. They are asking that the Progressive Conservative Government live up to its election promise to continue the indexing of pensions on a quarterly basis based on the actual cost of living.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 53 will be answered today.

[*Text*]

CDIC—EXECUTIVE AND BOARD OF DIRECTORS

Question No. 53—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Canada Development Investment Corporation and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1984?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): As of March 31, 1984, the reply for the Canada Development Investment Corporation (CDIC) is as follows:

(a) Name	(b) Position
Executive Committee	
Maurice F. Strong	Chairman
Joel I. Bell	President and Chief Executive Officer
Ralph Barford	Director
Marshall A. Cohen	Director
Bernard Lamarre	Director
Paul E. Martin	Director
J. William E. Mingo	Director
William R. Teschke	Director
Board of Directors	
Richard A. Bonnycastle	Director
John Bruk	Director
Richard I. Good	Director
Arthur Kroeger	Director
Hélène LeBel	Director
John McArthur	Director
John R. McCaig	Director
Paul J. Phoenix	Director
Robert Rabinovitch	Director
Donald McQ. Shaver	Director
Thomas K. Shoyama	Director

Compensation paid to members of the Executive and Board of Directors in the fiscal year ending March 31, 1984 is as follows:

Name	Amount
Ralph Barford	$ 4,100
Joel I. Bell	$100,000
Richard A. Bonnycastle	$ 5,300
John Bruk	$ 11,467
Marshall A. Cohen	nil*
Richard I. Good	$ 417
Arthur Kroeger	nil*
Bernard Lamarre	$ 5,300
Hélène LeBel	$ 5,300
John McArthur	$ 9,017
John R. McCaig	$ 13,467
Paul E. Martin	$ 17,067
J. William E. Mingo	$ 19,767
Paul J. Phoenix	$ 2,034
Robert Rabinovitch	nil*
Donald McQ. Shaver	$ 2,034
Thomas K. Shoyama	$ 14,217
Maurice F. Strong	$ 20,817
William R. Teschke	nil*

The salary range for the President and Chief Executive Officer is $135,000 to $160,000.

* Directors appointed from the Public Service of Canada receive no remuneration.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

AMENDMENT RESPECTING POWERS OF SENATE

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved:

That:

Whereas the Prime Minister of Canada is committed to convening before the end of 1987 a constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces to consider proposals for the reform of the Senate;

And whereas it is expedient, at this time, that the powers of the Senate with respect to bills that are passed by the House of Commons be limited;

And whereas sections 38 and 42 of the Constitution Act, 1982 provide that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and resolutions of the legislative assemblies as provided for in section 38 thereof;

Now therefore the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Constitution Act, 1867 is amended by adding thereto, immediately after section 54 thereof, the following sections:

"54.1 (1) Where a money bill, having been passed by the House of Commons, is presented to the Senate at least thirty days before the end of the session but is not passed by the Senate without amendment within thirty days after it is presented, the bill shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

(2) There shall be endorsed on every money bill when it is presented to the Senate and when it is presented to the Governor General for assent the certificate of the Speaker of the House of Commons signed by the Speaker that it is a money bill.

(3) A certificate of the Speaker of the House of Commons given under subsection (2) shall be conclusive for all purposes, and shall not be questioned in any court of law.

(4) In this section and section 54.2, "money bill" means a public bill that, in the opinion of the Speaker of the House of Commons, contains only provisions dealing with the following:

(*a*) the imposition, repeal, remission, alteration or regulation of taxation;

(*b*) the imposition for the payment of debt or other financial purposes of charges on the Consolidated Revenue Fund or on money provided by Parliament, or the variation or repeal of such charges;

(*c*) supply;

(*d*) the appropriation, receipt, custody or issue of public money;

(*e*) the raising or guarantee of any loan or the repayment thereof; or

(*f*) subordinate matters related to any of the matters set out in paragraphs (*a*) to (*e*).

54.2 (1) Where any bill, other than a money bill, having been passed by the House of Commons, is presented to the Senate at least forty-five days before the end of the session but is not passed by the Senate within forty-five days after it is presented, the bill shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

(2) Where any bill, other than a money bill, having been passed by the House of Commons and presented to the Senate, is passed with amendments by the Senate, and the House of Commons does not concur in the amendments within fifteen days after the bill is passed by the Senate, the bill, in the form in which it was presented to the Senate but with such amendments made by the Senate as are concurred in by the House of Commons, shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

54.3 (1) In every bill presented to the Governor General under section 54.1 or 54.2, the words of enactment shall be amended by striking out any reference to the Senate.

(2) Any alteration of a bill to give effect to this section shall be deemed not to be an amendment of the bill.

54.4 Any law made pursuant to section 54.1 or 54.2 shall be deemed, for the purposes of any other provision of the Constitution of Canada, except Part V of the Constitution Act, 1982, to have been made by and with the advice and consent of the Senate and House of Commons.

54.5 For greater certainty, nothing in sections 54.1 to 54.4 shall be construed as amending Part V of the Constitution Act, 1982.

54.6 Nothing in sections 54.1 to 54.4 diminishes or qualifies the rights and privileges of the House of Commons."

2. The said Act is further amended by adding thereto the following heading and section:

"XII.—REFERENCES

148. A reference to this Act shall be deemed to include a reference to any amendments thereto."

CITATION

3. This Amendment may be cited as the Constitution Amendment, year of proclamation (Powers of Senate).

He said: Mr. Speaker, it is an honour to have the opportunity to move such an important resolution that will affect the Constitution of Canada in a very significant way if the resolution is adopted by this House and then adopted by the requisite number of provinces, which in this case would be seven provinces, having in excess of 51 per cent of the population of Canada. The resolution goes to the very heart of the parliamentary democratic system of Government.

The purpose of the resolution is to seek to ensure that the will of the people, as expressed through free elections and as represented in the House of Commons, which is where the people of Canada are represented in our electoral system, cannot be blocked, frustrated or undermined by the Senate. As you know, Mr. Speaker, the other place is a non-elected, appointed body which is appointed solely by the Government of Canada through the Privy Council and the Cabinet.

The resolution before the House has two main purposes. It would alter, through a constitutional amendment, the powers of the Senate and thus ensure that the Senate cannot exercise an absolute veto over Bills adopted by the House of Commons. At present, the Senate, the unelected part of the Houses of Parliament, can veto absolutely Bills that this House of Commons adopts. The resolution would commit the Government to convene a First Ministers' Conference before the end of 1987 so that the 11 First Ministers of Canada and their Governments could consider fully the options for the future of the

Senate. There is a commitment from the Government that this would be done if the resolution becomes part of our Constitution.

I would like to tell the House of the evolution of our democratic institutions to give the background for the reason we are moving this resolution. In doing that, it is necessary to review our gradual but continuing process from the arbitrary rule of French or British colonial Governors with their appointed Councils to full self-government through democratic and responsible institutions.

As Hon. Members know, our form of Government has evolved dramatically since its early days. Like other democratic countries which follow the British system, we are continuously adapting our political institutions to changing values and different circumstances, all of which reflects the unending quest to try to put into practice the ideals of democracy.

The first critical step toward these ideals was taken 227 years ago in 1758 when the first representative assembly was convened in Nova Scotia. For the first time in any part of what is now known as Canada, the British Governor and his Council could no longer impose taxes without the consent of an assembly which represented the people. That began in Nova Scotia in 1758.

● (1220)

It was an important development which began to move toward control by the people over their Government. In the following decades, representative assemblies were established in other British North American colonies: Prince Edward Island in 1773; New Brunswick in 1784; Upper and Lower Canada in 1791—of course, Upper and Lower Canada followed behind the Atlantic Provinces—and Newfoundland in 1832, which followed behind Upper and Lower Canada. Newfoundland has been following behind ever since.

Shortly thereafter, leaders such as Joseph Howe in Nova Scotia, Louis Joseph Papineau in Lower Canada, William Lyon Mackenzie in Upper Canada, and Amor de Cosmos in British Columbia began to campaign, not only to control the imposition of new taxes, but they also demanded that the executive be responsible to the elected assembly for government policies and how the taxes were spent.

That led to the next crucial step in the evolution of our political institutions—responsible government. Mr. Speaker, as you are a well-known constitutional scholar in your own right, you will know that, again, Nova Scotia led the way. In January, 1848, the Nova Scotia Assembly adopted a motion of non-confidence. The Executive Council, which was led by James Johnston, resigned and J. B. Uniacke was asked to form a Government. Following the Nova Scotia example, that historic change spread throughout British North America. It occurred later that year in New Brunswick and in the Province of Canada. It occurred in Prince Edward Island three years later, and in 1855 in Newfoundland. Newfoundland, which is usually a half hour ahead, was a number of years behind in that case.

Thus, the principle of responsible self-government in domestic affairs was firmly rooted in the unwritten part of the Constitution, which was important even before Confederation. The rule was established that the Government which lost the confidence of the elected House would have to resign or seek a new mandate. There is an example of that now in the Province of Ontario. Apparently, that Government may have lost the confidence of the elected House. The Liberal Party and the NDP, heart-to-heart, cheek-to-cheek, jowl-to-jowl and toe-to-toe, as they usually are, are joining together in an attempt to eject the Government which is governing at Queens Park. We will know in the next two or three weeks whether they will be successful.

That is the system. If the New Democratic Party and the Liberal Party wish to coalesce, to act covertly, overtly, or in any other way, that is their responsibility and the electorate will deal with them later.

The Ministry collectively became responsible to the elected representatives of the people for government policy. For example, the Cabinet is responsible to the elected representatives for government policy, not to the Senate. The Cabinet is not responsible to the Senate. Each Minister with a portfolio became accountable to the House for the administration of his or her Department. As a result of those developments, responsible government was the guiding principle for the Fathers of Confederation when they met in Charlottetown, Quebec City and London to consider what form the union should take.

In the years that followed, as Canada grew eastward, westward and northward—eastward, of course, to take in Newfoundland—representative and responsible government was established in other provinces. In the 1860s, British Columbia did not have an elected assembly. That province's struggle for responsible government coincided with the campaign to join Confederation. In 1871, B.C. became a province. Later that year, in accordance with the terms of the union, responsible government was instituted in British Columbia. I will not say any more about responsible government in British Columbia, as that might be debated.

Manitoba was created in 1870 with an elected assembly and a responsible government.

Mr. Murphy: He is on camera now.

Mr. Crosbie: Who is on camera? The hon. chatterer opposite is certainly not on camera. It would be very damaging for his Party if he were. If that simpering visage went across the country, I am sure it would badly damage his Party's standing in the polls, which is already very low.

A Territorial legislature was established in the prairie region in the late 19th century. Alberta and Saskatchewan were granted responsible government when they became provinces in 1905. The Yukon and the Northwest Territories have had fully-elected Councils since 1908 and 1966 respectively. Although the form of responsible government is not yet perfect in that part of the country, the political development is moving in that direction.

Many changes have been made in Canada, as in other democracies, to bring about a more full and more equitable participation of the citizens in the process of choosing who should govern them. Citizens have the right to choose who should govern them. But mark this. If we do not do anything to change the powers of the Senate, then the citizens of Canada will not choose who should govern them because they will be governed by the Senate. Legislation which is passed by this House can be repudiated and rejected by the non-elected, appointed Senate, which has a Liberal majority, a majority of Liberals who were repudiated by the people of Canada in the last election.

At the present time there are three vacancies in the Senate. One person has been named, but not yet appointed, from New Brunswick, Mr. Simard. There are 72 Liberals in the Senate, 25 Progressive Conservatives, three independents and one independent Liberal. The Senate is dominated completely by the Party which was rejected decisively in the election of last September. Very few might regret that, but that is what happened. The Party which now controls the Senate has been rejected by the people of Canada. The Party which has a majority in the House of Commons has been chosen. Its policy and its leader have been chosen by the people to govern Canada. What we are dealing with is whether Canadians can choose who should govern them. If the Liberal cabal in the Senate can reject or delay unduly the legislation of the House, then the people of Canada are not choosing who governs them.

Many changes had to be made in Canada to achieve the political process which we have today. There were a number of barriers. There was once a very stiff property qualification for candidates for the House of Commons. That was changed in 1874. Until 1898, ony men who met a property-owning requirement had the right to vote. Some women gained the right to vote in 1917, and basic adult suffrage was established in 1920, although even then it was not fully universal. Certain groups of oriental origin were denied the suffrage until 1948. That is quite amazing. Indians, Inuit and Doukhobors did not gain the right to vote in federal elections until 1960. By 1940 all provinces had granted the franchise to women. It is unfortunate that the Hon. Member for Hamilton East (Ms. Copps) is not here to celebrate that. In the 1970s, limits were placed on election spending in order to limit the influence of Parties' and candidates' financial resources in election campaigns. Today, all political Parties are starting to ensure that women, visible and audible minorities, and disadvantaged groups participate fully in the political process.

An important anomaly persists in Canada—an appointed and not accountable Senate is still empowered to exercise an absolute veto over legislation which is adopted by the elected House of Commons. Why has this anachronism persisted until now? To get the answer we must look at what the Fathers of Confederation intended when they designed the Senate. They tried to marry the principle of federalism to a parliamentary form of Government. That took some imagination and boldness and, on the whole, the form of Government they developed has served us pretty well, but we are trying to combine a parliamentary form with a federal system of Government.

● (1230)

The Senate was conceived as a hybrid second Chamber. Its name, and the basic principle of representation, was supposed to be equality of representation of regions rather than representation by population, and that was based on the example of the American Senate. On the other hand, the Fathers of Confederation chose a method of selection which was more like that of the House of Lords in the United Kingdom. The method of selection was not a surprising one for those times. We often forget, Mr. Speaker, that the American Senate was not then elected. It was an appointed body in the 19th century. Appointment reflected the values and the desire of the Fathers of Confederation to protect against what they called "The excesses of democracy". We all know, Mr. Speaker, that there are excesses of democracy, but our view today is that it is up to the people to decide whether or not there have been excesses. As a result, the legitimacy of the Canadian Senate at that time compared favourably with second Chambers which existed elsewhere.

The Fathers of Confederation also chose to give the Senate powers virtually equal to those of the House of Commons. That did not shock anyone in the year 1867. The Senate had the full legislative functions of the House of Lords at that time, including an absolute veto over legislation. Its powers were just about the same as those of the elected House. But since then, of course, we have had an evolution in other countries and major changes to both of the second Chambers which were the model for our Fathers of Confederation. In 1907, Mr. Speaker, the House of Commons in England adopted this motion:

> In order to give effect to the will of the people as expressed by their elected representatives, it is necessary that the powers of the other House to alter or reject Bills passed by this House should be so restricted by law as to secure that within the limits of a single Parliament the final decision of the Commons shall prevail.

We all recall the bitter struggle which took place between the House of Lords and the then Liberal Government of the United Kingdom, which was finally settled with the adoption of the Parliament Act in 1911, after two elections, as I recall. So the power of the House of Lords over money Bills was reduced by law to a short delay. Its absolute veto over other legislation was reduced to a suspensive veto. And in 1949 in the United Kingdom, the length of the suspensive veto over ordinary legislation of the House of Lords was further shortened. So that is the situation in the United Kingdom.

In the United States, the American Senate underwent a major change early in this century. The Senators were chosen by the state legislative assemblies. But in 1913, only two years after passage of the Parliament Act in Britain, a constitutional amendment was adopted which provided for Senators to be popularly elected on a state-wide basis.

We have not as yet, Mr. Speaker, followed either the British or the American development. Why is it that Canadians were content to leave the Senate as it was originally constituted

despite the fact that these major changes took place in the United Kingdom and in the United States? Basically, the reason is that, for the most part, the Senate has been quiescent. It has not interfered with the elected House of Commons. Therefore, no one has bothered or been forced to take any steps with reference to the Senate. That is basically the reason. But now we see a different tendency, Mr. Speaker. We see a situation where the majority of the present Liberal caucus of Parliament is composed of Senators. There are 72 Senators. The Leader of the Official Opposition (Mr. Turner) has 72 Senators in his caucus, and I think it is 42—

Mr. Hnatyshyn: Thirty nine others.

Mr. Crosbie: —thirty nine others besides himself in the House of Commons. Liberal Members of Parliament are outnumbered in their own caucus by 72 to 40. So one can understand the dilemma in which this places the Leader of the Opposition. He is dominated by the Senate and the Senate dominates his caucus. The Senators, the cabal, the unelected group which wields the power in the Senate, wields it in the Liberal caucus and, naturally, that poses a dilemma for the Leader of the Opposition. That is why we are likely to see him today do everything he can to postpone this legislation, to prevent us from getting on with the job of bringing Canada into the 20th century electorally and democratically. That is why the Leader of the Opposition is likely to do everything he can to propose amendments, to fiddle with the principle of this resolution, so that the cabal will be left in charge in the Senate, able to thwart the will of the people whenever it wishes. I sympathize with the dilemma in which the hon. gentleman finds himself. But perhaps I am wrong. Perhaps he will spring to his feet as a new George Washington, even with his wooden false teeth, the father of his country.

I am a Senate supporter myself, Mr. Speaker. I think it performs useful functions. It is a place for legislative review and inquiry. Senate committees have done excellent work. I have seen excellent reports, as we all have, from Senate committees. I have praise for their thoroughness. Some of those reports have even gained recognition outside of Canada. But its method of selection is undemocratic, we have to admit that. Therefore, the authority of the Senate is weakened because the Senate does not have the endorsement of the people of Canada in any evident sense.

The Senate has been reluctant, usually, to challenge the will of the elected House. But from time to time, Mr. Speaker, the Senate has caused problems for the operation of parliamentary democracy in this country. It is most quiescent when the majority in the House of Commons is similar to the majority in the Senate, when the Party majorities are the same. In those periods the records show few difficulties. Canadians tend to forget that the Senate has this absolute veto because it does not exercise it, and we have seen that from the years 1965 on to 1985, except for the eight months of interregnum.

Mr. Hnatyshyn: Nine months.

Mr. Crosbie: No, it was not nine months. It was eight months, time enough to conceive.

Mr. Hnatyshyn: It seemed like nine months.

Mr. Crosbie: Yes, but not to deliver. You will recall that.

We all know Mr. Speaker, that in the last 20 years, the Liberal majority in the Senate did not dare to berk or oppose actions taken by the Liberal Government and by the Liberal majority in the House of Commons. So no one had to worry or bother with the Senate. But the Senate now appears to be in the mood for constitutional confrontation. If that is the case, then, Mr. Speaker, we who are elected by the people of Canada have to be ready to meet that challenge. When the unelected want to disrupt the system, to impose their own arbitrary will, and to oppose those who are elected here by the people of Canada, then we have to be prepared to seize the nettle, not to mind the pricks of the thorns in the nettle, and get on with the job of seeing that this country operates in a democratic fashion.

Mr. Boudria: You are full of sincerity.

Mr. Crosbie: The man who got his start through patronage should not interrupt a statesman-like speech.

Mr. Marchi: You are the expert, John. You are the professional.

Mr. Crosbie: If the hon. gentlemen will just keep quiet for a while, we won't remind them of their patronage antecedents.

Mr. Turner (Vancouver Quadra): You brought patronage to an art form, John.

Mr. Crosbie: What about you?

The Acting Speaker (Mr. Paproski): Order.

Mr. Crosbie: The Hon. Leader of the Opposition really takes a chance when he gets on with remarks about patronage. Do you realize, Mr. Speaker, that Senator Lewis's firm received $479,497.98 in legal fees in the last three years down in Newfoundland?

Mr. Nunziata: You are shameless, Crosbie.

Mr. Crosbie: Or that the Leader of the Opposition's firm down in Newfoundland—

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

Some Hon. Members: Oh, oh!

Mr. Crosbie: I have the facts. I am going to deal with you weasels when the time comes.

The Acting Speaker (Mr. Paproski): Order, please. I would like Hon. Members to get on to the relevance of this motion.

Mr. Crosbie: Sorry, Mr. Speaker, I was diverted.

The situation has been different when the majorities in the two Houses were not the same. Let us just see what has happened. The Senate proves troublesome when the majority in the Senate is not similar to the majority in the House. Then it seeks to block or delay Bills unduly passed by the House. In 1913, two years after Sir Robert Borden obtained a mandate for change from the people following 15 years of Liberal rule, the Liberal-dominated Senate vetoed the naval Bill. In the 1920s, disagreements between Mr. King's Government and the Conservative majority in the Senate were fairly numerous. Between 1921 and 1930, 32 government Bills adopted by the Commons failed to pass the Senate, among them the old age pension Bill of 1926. In 1961, three years after Mr. Diefenbaker received what was then the largest mandate in Canadian history, the Senate, with a large Liberal majority after 22 consecutive years of Liberal rule, refused to proceed on a Bill to remove James Coyne as Governor of the Bank of Canada, a Bill which had been adopted by the House of Commons. In the same year, the two Houses clashed over a change that the Senate majority proposed to a Bill to amend the Customs Act.

● (1240)

This is what emboldens the little group of wilful Liberal Senators up there now to adopt this kind of conduct. This cabal, encouraged by the 1961 precedent, believes that in 1985 it can act in the same manner—a group of appointed persons who have not been authorized by the people of Canada to do anything. In fact, the people of Canada would like to see them disappear; they indicated that last September 4. But these Senators think they are in a legal position to checkmate the House of Commons and the government majority, and these examples from 1961 encourage them. Well, let them try it. That is the purpose of this resolution, and I expect the Right Hon. Leader of the Opposition will have a change of heart and join us in putting this through today. That is what should be done.

The last time the Senate interfered with or opposed the House of Commons was in 1961, 24 years ago. In all the time since, the Liberal majority in the Senate tamely went along with whatever was proposed by Liberal Governments in this House. Three months after the present Government received the largest mandate ever in Canadian history, the Liberal-dominated Senate sought to frustrate the will of the Commons. Bill C-11, an Act to provide borrowing authority, was sent to the Senate on December 21, 1984, after being passed by the House of Commons with unanimous support. Unanimous. Unanimity. In other words, all three Parties in this Chamber supported the borrowing authority Bill. It went to the Senate and it had to be passed because of expenditures authorized by the previous Liberal Government. We had to do the borrowing in order to carry out obligations entered into by the Liberal Government, yet the Senate refused to pass the borrowing authority Bill passed unanimously by this House. The majority who refused to do that are members of the caucus of the Right Hon. Leader of the Opposition. They returned from Christmas recess and still postured for 37 calendar days before they passed Bill C-11 on February 27, 1985. That long delay had serious financial implications for the Government of Canada; it created uncertainty in the capital markets. The financiers of the world wondered who was in control of the Government of Canada. Should they listen to the Government when the Government tells them that it wants to borrow money? Or did they have to deal with Senator MacEachen? Senator MacEachen was the Minister of Finance whose record was, of course, terrible in the Budgets of 1981, 1982 and 1983 which he brought up; he did not even bring them down. Is this Senator MacEachen—

Mr. Marchi: What happened in 1979, John?

Mr. Crosbie: —now to be the person with whom the people who lend money have to deal? The people of Canada suffered because of 1979, that is for sure, Mr. Speaker.

Mr. Turner (Vancouver Quadra): Tell us about your Budget, John.

Mr. Crosbie: The question is: Do the lenders of the world have to deal with Senator MacEachen and Senator—who are some of the other queer names up there? They have never put themselves on the line, most of them; they have never run for election. Senator Grafstein never ran for anything but orange juice at a political meeting. Senator Kirby, the famous machiavellian of the Constitution. Senator Kenny.

Mr. Rossi: Hnatyshyn.

Mr. Crosbie: Senator Sinclair. When did any of them ever run for elective office? I do not believe one of them has ever run for anything, and if they did they were certainly never elected. This is the Trudeau swat team, or the Turner swat team, and what happened?

Mr. Rossi: You never made it.

Mr. Crosbie: You can shout all you like but you—we were wondering where Mr. Rossi was. There he is. Whenever you hear a loud noise you know where that honourable gentleman is, Mr. Speaker.

I have a letter here from the Minister of Finance (Mr. Wilson) which says this:

> —the Senate delay in passing Bill C-11 forced the government to postpone several planned borrowing operations because there was insufficient Parliamentary Borrowing Authority outstanding to authorize the raising of new funds. It is estimated that this interruption in the borrowing program cost the government about $15 million due to interest rate increases that occurred before the postponed operations could be rescheduled.

That is the calculable cost, $15 million, of this obstinate Senate's delay in passing a borrowing authority Bill which was necessitated by the previous Liberal Government's actions, and which all Parties in this House agreed should be enacted. The Minister goes on to say:

> There were also indirect costs associated with the Senate delay. Although these costs are difficult to measure, it is clear that any interruption in the government's borrowing program will introduce some confusion and uncertainty into financial markets, if only because the federal government's position in the market forces all other participants to plan around the federal borrowing schedule. On this occasion in particular, however, it should be noted that the

delay coincided with a period of considerable downward pressure on the value of the Canadian dollar in foreign exchange markets, and participants were concerned that the government would not be able to borrow international reserves with which to support the dollar.

That is the uncalled for and unjustified risk to which the Senate action exposed the Government of Canada. The letter is dated May 22, 1985, and if anyone wants a copy of it, I have no objection.

That is why this resolution is before the House, Mr. Speaker. It has become evident that we will have to deal with this Liberal cabal, this unelected coterie of wilful Liberals in the Senate, before our term has expired. That kind of obstruction of the Government's legislative program is unacceptable. The question is: Do the people of Canada deal with a Government led by the Prime Minister (Mr. Mulroney), who has a majority of 211 in this House of Commons, or do they have to deal with Senator MacEachen the Liberal Leader in the Senate, and Senator Kirby and Senator Grafstein? None of them are now elected, and most of them never have been elected. Are they the hidden Government of Canada? Or is the Government of Canada the Government which sits on this side and in those two wings of the House of Commons? That is the question this resolution puts before this Chamber and the people of Canada.

If the Liberal majority in the Senate, so early in our term—we have not been here a year yet—was willing to obstruct a measure which had been unanimously adopted by the Commons—

Mr. Turner (Vancouver Quadra): People think it is a very long time already.

Mr. Crosbie: —how will it react on important policy issues upon which there will be strong differences coming forward in the months ahead? How are they going to act then?

It is going to be a lot longer for you chaps, the rat pack.

Mr. Nunziata: You brought the Government down after nine months. It was your Budget, John.

Mr. Crosbie: The hon. titmice. We can deal with members of the opposition in this House; they are elected and we have to put up with them no matter how vacuous, nonsensical, unethical or lacking in standards they are. However far they sink in the realm of human decency, we have to forgive them; they have been elected. But that does not apply to the Senate because it was never elected.

Some of the measures we want to propose in the months and years ahead will generate controversy in this House. But we have the mandate. We are not prepared to accept a repetition of incidents such as the naval Bill affair or the Coyne affair. We are a new Government with a strong mandate to provide new directions, but we have been frustrated by the Senate. However, we are not prepared to stand by while they do that; if they wish a constitutional crisis, so be it, we will meet the constitutional crisis.

Some Hon. Members: Hear, hear!

Mr. Crosbie: We believe that Canadians will support us and the principles which underlie a democratic government. Those principles lead us to change our political institutions when they are found wanting. Recent events have prompted us to resolve that the time has come to bring the Senate up to date. This could be done in a number of ways. Abolition of the current Senate is one possible course. Not one member of the NDP is here in the House to listen or participate. Perhaps there will be somebody—oh, there is one coming now. They are not interested in this constitutional conundrum. This is the Party which is supposed to be so worried about the ordinary people of Canada. The members of the NDP, they are not even around when we are debating the form of government of this country and what should happen to our Constitution. Then they come in and whistle. Let us all stop and listen. The whistling makes more sense than anything that gentleman is going to say later in this debate.

• (1250)

Abolition of the current Senate is one possible course. The Premier of Manitoba has said that that is the course he prefers. I understand it is the course that the Leader of the New Democratic Party (Mr. Broadbent) says that he prefers. However, it is not an obtainable course because there are provinces in the country which want the Senate maintained because they believe it helps to protect the regions of the country from domination by central Canada. Therefore, we will not have the abolition of the Senate. As well, the Senate would have to concur in its own demise, so that is not a possible course of action whether we like it or not.

What will the New Democrats do in the face of that? Will they support this resolution or will they oppose it because they prefer to have the Senate abolished? What are their confrères going to do in the Legislature of Ontario? Are they going to help preserve the veto for the appointed Senate, for the Liberal cabal, or are they going to vote in the Ontario Legislature to support this resolution? That will be an interesting question to be decided in the next few months. Will the NDP work with the Liberals in Ontario and here to preserve the unelected Senate?

Mr. Turner (Vancouver Quadra): I thought you had Ontario sewn up for your resolution.

Mr. Crosbie: We believe Ontario to be sewn up, but it remains to be seen.

A second broad option is a major reform of the Senate.

Mr. Murphy: You sure screwed it up.

Mr. Crosbie: You have your chance to govern in Ontario. Let us see what happens when you little turkeys get some responsibility in Ontario. We will see what happens when they have to take responsibility rather than just sitting around criticizing.

The other broad option, which we think is the most promising one, is a major reform of the Senate. We have all heard many suggestions through the years. Some advocate electing

the Senate and some advocate appointments by the provincial Governments or sharing appointments between federal and provincial Governments. Various groups in western Canada, particularly in Alberta, favour what they call a "Triple E" Senate. A committee of the Alberta Legislature has just given a well researched report, and the Alberta Legislature has passed a resolution for the adoption of that report. Others have suggested that the legislative powers of the Senate be reduced and that it be assigned some new and more specialized powers. Some have suggested a double majority on linguistic matters or a role in reviewing appointments to major federal boards.

However, there is no consensus at present among the public or Governments on the nature of a broad reform package that would be generally acceptable, nor are we close to one. Many proposals must be examined and debated before they can be reconciled. That will take a long time. In the meantime, the Senate's powers would remain as they are and the possibility of obstruction would continue to haunt the Members of this House.

With all of that in mind, the Government has chosen a course to deal with both the short term and the medium term. We are proposing that the present legislative powers of the Senate be curtailed to bring it into line with the principles of democratic parliamentary government. We are making a commitment that in addition to this limited constitutional measure the future of the Senate be thoroughly addressed after the amendment is enacted. After careful consideration we feel that reducing the powers of the current Senate is the most reasonable way to overcome, at this time, this anomaly in our representative and responsible federal institutions. It has the advantage of ensuring that the will of the elected House will ultimately prevail. It can be brought about in relatively short order.

Our resolution proposes that the power of the Senate over money Bills be reduced to a suspensive veto of 30 days, which is more than adequate time for it to study money Bills and give us its views. Money Bills would be defined in the Constitution. Each such Bill would be so certified by the Speaker of the House of Commons whose opinion could not be challenged in court. The Senate would have a suspensive veto of 45 days over all other Bills.

Both of those periods are longer than the average time taken by the Senate to pass Bills in recent decades. The average time taken is perhaps four or five days. In addition, the Senate has a custom and a right to begin to study Bills as soon as they are introduced in the House of Commons. In addition, a procedure would be instituted whereby any non-money Bill amended by the Senate would be presented for assent to this House, either in an unamended form or in other forms with amendments that might be agreed to by the House.

We value the service which the Senate performs in suggesting amendments to correct errors or deal with potential problems that they may notice which we have not. We all know that proposed legislation does not always leave this House in perfect form. The second look by the Senate can often identify improvements which do not challenge government policy. If they do challenge government policy, government policy must overcome. However, possible improvements which do not challenge government policies are well and good.

Following proclamation of this amendment the Senate would continue to perform its legislative review function and the House would still be notified by message of Senate amendments to Bills. The Government will recommend that amendments made by the Senate be reported to the House and dealt with. The preamble to the resolution specifically commits the Prime Minister to convene, before the end of 1987, a Constitutional Conference of First Ministers to consider proposals for Senate reform. In addition, the Prime Minister has given the Premiers a written commitment that, soon after proclamation of this amendment, a federal-provincial continuing committee of Ministers chaired by the Minister of Justice will be established to begin the preparatory work for the 1987 conference.

Mr. Turner (Vancouver Quadra): Will you table that correspondence?

Mr. Crosbie: It is all right here. I am coming to it. I can assure Hon. Members and all Canadians that a full public debate on the future of the Senate will accompany these federal-provincial meetings.

What is the position of the Government on reform of the Senate? At this stage we have an open mind on the shape of a future reformed Senate. Many ideas have been put forward. We will assess the past proposals, as well as others, before determining what options we prefer and the position that we will take in these inter-governmental discussions that will take place if the resolution is adopted by the House and the necessary number of provinces.

What is the process for adopting the amendment? In closing, I would like to point out that I am hoping that this will not be an overly long debate. I would think that Members of the House on all sides would wish to pass this resolution quickly because there is surely no one in the House who believes that an unelected body should be in a position to obstruct completely the elected people who represent this nation. I would be dumbfounded if even the Official Opposition were to take that position. However, perhaps it will bow to numbers—72 to 40. The superior brain power of its Senate representatives will probably carry the day. However, I am hoping for the best. I assume that we will have the co-operation of the NDP. Since it wants the Senate abolished, it will of course help curb its power.

What is the procedure? After a short debate today, the House will be asked to adopt the resolution. By the way, when the former Liberal Prime Minister, Mr. Trudeau, responded last year to the report of the Special Joint Committee on Senate Reform, he agreed with the recommendations of the committee. I would like to point this out to the Leader of the Opposition, who usually does what his predecessor wants him to do, particularly in the matter of appointments, Mr. Speaker. The former Prime Minister said that the House of Commons should continue to be the pre-eminent Chamber in Parliament. It cannot be the pre-eminent Chamber in Parliament unless

the veto power of the Senate over this Chamber is removed. It should also be kept in mind that we are not considering all aspects of the Senate on this occasion. This is a limited measure and the broader questions will be considered later.

Mr. Nunziata: I have a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I believe it is getting awfully close to one o'clock. If I received unanimous consent we could carry on.

Mr. Nunziata: No.

The Acting Speaker (Mr. Paproski): All right. It being one o'clock, I do now leave the chair until two o'clock p.m. this day.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock, the Hon. Minister of Justice (Mr. Crosbie) had the floor.

Mr. Crosbie: Mr. Speaker, I will only be a few minutes in finishing my remarks. Although there must be a quorum, only the Leader of the Opposition is on the Liberal benches. The rest of them are gone.

The Acting Speaker (Mr. Paproski): Order, please. I believe there is a quorum in the Chamber and I hope that Hon. Members will not reflect on the attendance in the Chamber. I see a sufficient number of my colleagues in the House. I hope the Hon. Minister will carry on with debate.

Mr. Rossi: There are only 10 Tory Members.

Mr. Crosbie: Mr. Speaker, normally the Liberal MPs are here and the Leader is not. Today, the Leader is here and none of his MPs are present—I am glad that four have struggled in.

Mr. Turner (Vancouver Quadra): Listening to you is a struggle.

Mr. Crosbie: I saw a movie on TV recently. It was about the last little band of gorillas left on Borneo. I must say that they had a lot in looks over you guys.

Mr. Turner (Vancouver Quadra): I noticed the Minister's knuckles scraping the ground every time he walks down the street.

Mr. Crosbie: Mr. Speaker, with respect to the Senate, I hope we are proven wrong when the NDP spokesman makes his remarks. If a Party wishes to have the Senate abolished totally, surely the logic of at least reducing the power of the Senate becomes overwhelming. I am expecting that before our debate is finished we will hear that the NDP, even if it is reluctantly, will join us both here and in the legislatures of the provinces to see that the powers of the unelected Senate are curbed so that we may move on to debate in the next several years what should happen to the Senate in the ultimate sense.

For members of the NDP to take the position that they do not want a Senate at all and then refuse to help curb the powers of that same unelected body that they object to is so inconsistent and illogical that one does not expect even the NDP to stick to it.

You are no doubt aware that this amendment will require the consent of the legislative assemblies of at least seven provinces having at least 50 per cent of the population. We have consulted with the Premiers about the proposed amendment and I am pleased today to table letters of support from eight of the Premiers.

Premier Lévesque has informed the Government in writing that while the Government of Quebec does not oppose the substance of the resolution, it will not participate in the debate on the amendments until a solution has been found for Quebec's constitutional grievances of 1981.

There are two possibilities. Our Prime Minister, with his well known and well developed negotiating skills will reach an agreement with Mr. Lévesque that will provide a solution for those constitutional grievances, or there may be a change in the Province of Quebec at the next election that will produce a leader in Quebec who will be able to settle with the Government their constitutional grievances. I am still expecting that before the process has ended we will have the support of the Legislative Assembly of the Province of Quebec.

In any event, Premier Lévesque has written and I will table his letter together with the letters from the other Premiers.

Premier Pawley has also advised us that the Manitoba Government prefers the abolition of the Senate and therefore will not endorse the proposed amendment. Even Premier Pawley, I believe, will see the logic of joining in at least reducing the powers of the Senate, even if the NDP cannot get what it perceives to be perfection, which is the total abolition of the Senate. May I table these letters, Mr. Speaker?

The Acting Speaker (Mr. Paproski): The House would have to revert, by unanimous consent, to tabling of documents. Is there unanimous consent?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

TABLING OF LETTERS RESPECTING AMENDMENT ON SENATE REFORM

Hon. John C. Crosbie (Minister of Justice): Mr. Speaker, I would like to table the letters from the Premiers which I have mentioned.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION

AMENDMENT RESPECTING POWERS OF SENATE

The House resumed consideration of the motion of Mr. Crosbie:

That:

Whereas the Prime Minister of Canada is committed to convening before the end of 1987 a constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces to consider proposals for the reform of the Senate;

And whereas it is expedient, at this time, that the powers of the Senate with respect to bills that are passed by the House of Commons be limited;

And whereas sections 38 and 42 of the Constitution Act, 1982 provide that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and resolutions of the legislative assemblies as provided for in section 38 thereof;

Now therefore the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE
AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Constitution Act, 1867 is amended by adding thereto, immediately after section 54 thereof, the following sections:

"54.1 (1) Where a money bill, having been passed by the House of Commons, is presented to the Senate at least thirty days before the end of the session but is not passed by the Senate without amendment within thirty days after it is presented, the bill shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

(2) There shall be endorsed on every money bill when it is presented to the Senate and when it is presented to the Governor General for assent the certificate of the Speaker of the House of Commons signed by the Speaker that it is a money bill.

(3) A certificate of the Speaker of the House of Commons given under subsection (2) shall be conclusive for all purposes, and shall not be questioned in any court of law.

(4) In this section and section 54.2, "money bill" means a public bill that, in the opinion of the Speaker of the House of Commons, contains only provisions dealing with the following:

(*a*) the imposition, repeal, remission, alteration or regulation of taxation;

(*b*) the imposition for the payment of debt or other financial purposes of charges on the Consolidated Revenue Fund or on money provided by Parliament, or the variation or repeal of such charges;

(*c*) supply;

(*d*) the appropriation, receipt, custody or issue of public money;

(*e*) the raising or guarantee of any loan or the repayment thereof; or

(*f*) subordinate matters related to any of the matters set out in paragraphs (*a*) to (*e*).

54.2 (1) Where any bill, other than a money bill, having been passed by the House of Commons, is presented to the Senate at least forty-five days before the end of the session but is not passed by the Senate within forty-five days after it is presented, the bill shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

(2) Where any bill, other than a money bill, having been passed by the House of Commons and presented to the Senate, is passed with amendments by the Senate, and the House of Commons does not concur in the amendments within fifteen days after the bill is passed by the Senate, the bill, in the form in which it was presented to the Senate but with such amendments made by the Senate as are concurred in by the House of Commons, shall, unless the House of Commons directs to the contrary, be presented to the Governor General for assent, whether or not Parliament is then in session, and when assented to shall have the same force and effect as if passed by the Senate.

54.3 (1) In every bill presented to the Governor General under section 54.1 or 54.2, the words of enactment shall be amended by striking out any reference to the Senate.

(2) Any alteration of a bill to give effect to this section shall be deemed not to be an amendment of the bill.

54.4 Any law made pursuant to section 54.1 or 54.2 shall be deemed, for the purposes of any other provision of the Constitution of Canada, except Part V of the Constitution Act, 1982, to have been made by and with the advice and consent of the Senate and House of Commons.

54.5 For greater certainty, nothing in sections 54.1 to 54.4 shall be construed as amending Part V of the Constitution Act, 1982.

54.6 Nothing in sections 54.1 to 54.4 diminishes or qualifies the rights and privileges of the House of Commons."

2. The said Act is further amended by adding thereto the following heading and section:

"XII.—REFERENCES

148. A reference to this Act shall be deemed to include a reference to any amendments thereto."

CITATION

3. This Amendment may be cited as the Constitution Amendment, year of proclamation (Powers of Senate).

He said: Mr. Speaker, let us look at the roll call of honour. The Premier of British Columbia says that his Government will support this resolution. The Province of Alberta, through Premier Lougheed and the Government, has expressed the same position. The Government of Saskatchewan has indicated its support through Premier Devine. The Government of Ontario has indicated its support through Premier Miller.

Mr. Nunziata: Former Premier.

Mr. Crosbie: If Premier Miller does happen to lose the confidence of the House and another Premier is elected, I have every faith that the new Premier of Ontario and the coalition will support the resolution.

Mr. Turner (Vancouver Quadra): Don't be too presumptuous. Don't count on it.

Mr. Crosbie: I have no doubt that the Progressive Conservative Party will. Perhaps it is not likely that the Liberal Party there will not, but the Senate does not control it as it controls the federal caucus here by 72 to 40. Those are big odds, and we feel sorry for the hon. gentlemen opposite, knowing that they are in the hands of 72 elected Senators.

The Province of New Brunswick, through Premier Hatfield, has indicated its support.

An Hon. Member: Who is that?

Mr. Crosbie: Premier Hatfield has zapped you guys for 15 years and I will be very surprised if he does not zap you for another 15 years.

The Premier of Prince Edward Island has indicated that province's support. Premier Peckford of Newfoundland and Premier Buchanan of Nova Scotia have indicated their support.

If we pass the resolution, it will go to the Senate. The Senate may or may not pass the resolution, and if it does not pass the resolution within the next six months, it will come back to the House for us to deal with it a second time. Apart from that, there will be a period of one year from the time the House passes the resolution for the necessary number of provinces to act. The constitutional amendment will not become effective for at least one year from the time was pass it unless all 10 provinces concur with it. Since it is unlikely that all 10 provinces will concur with it, it will mean that once it passes this House there will be a period of at least a year during which, if the necessary number of provinces support it, it will become an effective constitutional amendment a year after we have passed it in this Chamber. That is the procedure, and I think there is a very good chance that the necessary support will be forthcoming.

• (1410)

If the majority in the Senate acts again in the same anti-democratic way as it did with respect to the borrowing authority Bill, with as little cause or as little reason to delay or veto legislation sent to it by the majority in this House, I have no doubt that it will aid us in our cause of having the necessary consent of those provinces. I do not believe any responsible Party or Government today would take the position that an appointed Senate, appointed in this particular manner, should be able to thwart what the people of Canada want through the Government they have elected.

I am coming to the end of my remarks. I have mentioned that the Senate has only a suspensive veto here. If it uses its suspensive veto, then it will be back before the House a second time. Perhaps the steps I have outlined could be completed by this autumn, but I doubt that we could have proclamation of this amendment until some time in 1986.

In conclusion, the resolution before the House is necessary, fair and reasonable. The only reason it was not brought in many years earlier was that normally the majority in the Senate was the same as the majority governing in this House, that the Government has had a majority in the Senate. If that had not been the case, I think we would have seen this amendment proposed many, many years ago. If carried, it will remove a major anomaly in our system of democratic Government and will adjust the Senate's powers so that they are more appropriate for a wholly appointed second Chamber. In addition, this will launch the process of full consideration of the future of the Senate. It will allow Canadian people to be involved in determining what role the second Chamber should play or whether or not it should play a role at all.

I urge all Hon. Members to support this resolution, to support the principle of democracy. I cannot see in this day and age any Member of the House who would vote against the idea that it is the people of Canada to whom we are responsible. It is the people elected by the people of Canada in this House to whom the Government is responsible, not to the Senate. The Senate has not been given any authorization whatsoever by the people of Canada. It has no place in our structure except as an anachronism when it comes to finally deciding what should or should not pass into the statutes of the country. It has a power now which is no longer reasonable or explicable in the 20th century. It should be prepared, just as the Parties opposite should be prepared, to help us bring the Senate into line with the democratic realities of the 20th century. Anyone who is not prepared to do that has some explaining to do to the Government and to the people of Canada. How can it be tolerated any longer that a group in the Senate, not even of the same Party as the one which forms the Government in the House, should be able to say yea or nay to the people of Canada and to the Government of Canada? That situation is no longer tolerable.

I invite the Leader of the Opposition and the representative of the New Democratic Party to indicate their acceptance of that principle today, to agree to the longer term process of reform in the Senate and, with their co-operation, to have this resolution voted on this very day and sent to the Senate so that it as well can consider what its position should be.

Some Hon.Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in listening to the Hon. Minister of Justice (Mr. Crosbie) urge passage of his resolution in a single day, and in listening to him for so long, I wondered whether he was being consistent. I want to assure him, as one who believes in the supremacy of the House of Commons, that we will conduct our debate along those lines. I wondered whether his heart was really in it for a while when he mentioned those three vacancies in the Senate, but I hope he has not said things about our colleagues in the other place which will make it uncongenial for him if he should ever find himself there, for their memories are long. I do not think our colleagues in the other place will tremble when reading the words which the hon. gentleman uttered this morning and this afternoon.

In light of the history of this particular resolution, the Prime Minster (Mr. Mulroney) in his bluffing style challenged me to support an immediate move for the abolition of the Senate. Frankly, I am surprised, since the hon. gentleman commented on my occasional absences from the House, that the Prime Minister is not here himself to deal with this particular situation because it goes right to the fundamental aspects of our Constitution. The Senate, as the Hon. Minister pointed out, represented the territorial impulse in our Confederation. That was the reason the smaller provinces agreed to join with Upper Canada, now Ontario, in our Confederation. This is not an ordinary resolution. It is not a Bill. It goes right to the fundamental constitutional structure of the country. The Prime Minister was the man who raised this in the public consciousness. With the greatest respect to my friend, he should have been the one to bring this before the House of Commons, dealing as it does so fundamentally with the way our country is put together.

This resolution is nothing more or less than an indirect attempt to abolish the Senate of Canada. If that be so, the NDP should have no difficulty in supporting it. However, it is also a resolution which has very serious implications for the constitutional responsibilities of this House, and I will describe why. It also relates to the rights, responsibilities and duties of all its Members. We have read the resolution very carefully, and we believe that this House ought to be apprised of some of its implications, and indeed the country should as well.

Effectively, this resolution is really an attempt to reduce the Parliament of Canada to a one House Parliament, so it restricts any role that the Senate might play. This item is on the Government's agenda at a time when the attention of the Government, and indeed the focus of both Houses of Parliament, should be on the economy, on jobs, on the plight of pensioners and on the problems of young people, particularly those between the ages of 15 and 24, who are trying to find jobs. I interpret the coincidence of the debate of this issue on this Friday as a diversionary tactic, hoping to catch the attention of the newspapers and other media over the weekend and to distract the attention of the people of Canada from the atrocious Budget which the Government brought down a few days ago. It is an atrocious Budget which is unfair in that it taxes the average Canadian family about $500 and allows the wealthy investor to receive a lifetime cash bonus of $125,000. It is sneaky because it taxes by way of deindexing our tax system and it contains hidden, secret tax increases of 3 per cent per year, per year, per year, hitting our old age pensioners. It is a Budget which does not provide for jobs or growth. On the basis of the best advice we can receive, it will cost between 100,000 and 125,000 jobs in the next two years. It is a diversionary tactic and a desperate attempt by the House Leader and the Prime Minister, using the Minister of Justice as a decoy, to distract—

An Hon. Member: A decoy?

Mr. Turner (Vancouver Quadra): He is a sitting duck, I will put it that way.

An Hon. Member: He is a big decoy.

Mr. Crosbie: Come and get me.

Mr. Nunziata: Come outside, John.

● (1420)

Mr. Turner (Vancouver Quadra): We might have the rat pack on this side; you have the quack, quack over there.

This is a diversionary tactic, a desperate attempt by the Government to distract the airwaves and the news over the weekend. The Government, with its overwhelming majority in this Chamber, is more concerned with settling old scores, reigniting old feuds and avenging old vendettas, particularly in the Atlantic Provinces, if one listened to the Minister this morning.

I wish to say at the outset that the Liberal Party has always been, remains and will remain in favour of Senate reform. At the 1982 policy convention of the Party I have the honour to lead, a resolution was passed calling on the Government of the day to examine the possibility of an elected Senate and of increasing the role of regional representation therein. That is the position we are taking with respect to this resolution.

In order to obtain speedy provincial agreement, it is stated in the preamble to the resolution before us that the Government is holding out the promise of a full constitutional conference on the Senate by 1987. Although outside the House, the Prime Minister said that 1987 might not be the date, and that it might be 1988 or 1989, one wonders how firm his commitment is. In the resolution itself there are no real proposals for reform, either with respect to the method of appointment, the term of office, the role or the regional balance of Senators. There have been no pronouncements by the Government with respect to where it stands in regard to Senate reform so as to give the provinces and the country an indication of where the Government intends to take us. There is no White Paper, no discussion paper, no Grey Paper. There is no basis upon which this debate can be conducted.

Until this morning, the Minister of Justice made no speeches with respect to the subject. Certainly, the Prime Minister has not clarified his ideas to the country. There have been no speeches stating what the reform might be or in which way the Government may be contemplating it. This resolution gives us no guidelines as to what further reforms are contemplated.

As the Minister has indicated, the resolution borrows some of the language of the Parliament Act of the United Kingdom which was passed in Westminster in the year 1911. That Act applies the same 30-day limit on the House of Lords' consideration of money Bills as the Minister would like to put on the consideration of money Bills by the Senate. For the enlightenment of the provincial Premiers, who seem acquiescent with respect to the resolution in exchange for a full conference on constitutional reform of the Senate later, for as yet unspecified reforms, the Government has not revealed its hand. Certainly, the Minister did not address the subject this morning. I wish to

point out that the Parliament Act of 1911 of the United Kingdom has an interesting sentence in its preamble which states:

> And whereas it is intended to substitute for the House of Lords as it at present exists a second Chamber constituted on a popular instead of hereditary basis, but such substitution cannot be immediately brought into operation.

It was on the basis of that preamble that the Government of the day was able to convince the House of Lords and, indeed, Parliament, to pass the Act. That was some 74 years ago. The preamble states that it was the Government's intention to bring in a popularly-elected second Chamber. As we all know, the Lords of the United Kingdom are still created by Her Majesty on the advice of her Government.

Thus, I say to our provincial Premiers: "Don't be duped, fooled, cajoled and inveigled into this type of resolution on the basis of a future constitutional conference in 1987. The people of Great Britain have been waiting for 74 years". I have even less confidence in our Government than I would in the Government of the United Kingdom in 1911.

As a reminder to the House and to you, Mr. Speaker, I wish to point out that Ministers call you a constitutional expert. I am happy to second that particular compliment. Constitutional change is slow and difficult, as it should be. It will only come about if there is a concerted effort and a political will to bring about change among all participants—in this case, the federal and provincial Governments.

The constitutional amendment before us, like the Parliament Act of 1911, would limit Senate consideration of a money Bill to 30 days. Frankly, we do not see any objection to that. However, the authority to decide what constitutes a money Bill will lie on your shoulders, Mr. Speaker. You will be asked as Speaker of the House to sign a certificate indicating that a particular piece of legislation is, in fact, a money Bill. Your decision—and the Minister confirms this—will be conclusive and beyond challenge, either here, in the other place or before the courts. Your fiat will be clear anywhere and anytime with respect to the definition of a money Bill.

I do not question your wisdom, Sir, in any way. However, it is too much of an imposition to put upon a Speaker. In the United Kingdom, a money Bill must be absolutely pure. That is to say, no other matter can be tacked on to that Bill. We know from our close relationship with the United States that money Bills in the House of Representatives and the Senate in that country have all sorts of amendments tacked on to them. That practice is growing under our parliamentary system. However, in the United Kingdom, under the Parliament Act of 1911, no other matter can be tacked on. No related non-money provisions, such as changes to the machinery of collection, and so on, can be tacked on. I venture to say that your decision, Mr. Speaker, can be enormously difficult if it is left to you and you alone. The British legislation anticipated just that. It provides that the Speaker shall consult with:

> —two Members to be appointed from the Chairman's Council at the beginning of each session by the Committee of Selection—

—before deciding if a particular piece of legislation is a money Bill or not. In other words, the Parliament of the United Kingdom buttresses the decision of your colleague, Mr. Speaker, the Speaker of Westminster, with the supplementary advice that he has to consult and form a committee to decide on what is a money Bill and what is not.

The resolution before us does not contain that important provision. Unlike the British Bill, the amendment being sought by the Government would also impose a 45-day limit on all other Bills, Bills which are not money Bills. In other words, if it is a money Bill, the Senate can have it for only 30 days. Then, it is automatically sent for Royal Assent. If it is a Bill which proposes to do something else, then the Senate can have it for only 45 days, after which time it is given Royal Assent. It may be very difficult to decide whether or not a Bill is a money Bill. Under the British legislation, the House of Lords can delay almost all non-money Bills for slightly over one year. I wish to recite for the House how that provision works.

If a Bill other than a money Bill, or a Bill to extend the duration of a Parliament, which has been passed by the House of Commons twice in successive sessions and sent up to the Lords at least one month before the end of the session, is not passed by the Lords without amendment, then that Bill may be presented for Royal Assent. However, one year must have elapsed between the second reading of the Bill in the first of the two sessions and the third reading of the Bill in the second session. In other words, the delay for the review of that Bill by public opinion and by both Houses is just over a year.

The resolution before us limits that process of Senate consideration of any money Bill to only 45 days—not a year, not 180 days. That is, quite simply, the abolition of the Senate as we know it. It is the abolition of any constructive role that the Senate might have in amending or improving legislation.

Throughout its history the Senate has provided very valuable amendments to certain pieces of legislation. Over the years it has helped us improve hundreds of Bills with amendments. In 1975, for example, it proposed 139 amendments to the bankruptcy Bill. Those amendments were so all embracing and conclusive that the Government of the day withdrew the Bill and reintroduced it reflecting those amendments. In 1977, the Senate proposed some 80 amendments to the Maritime Code Bill, a new code of maritime law in this country. In 1983, a Senate committee rewrote a large part of the Canadian security intelligence Bill.

• (1430)

There is nothing extraordinary about the Senate's proposing amendments to Bills that have been passed by this House. Sir John A. Macdonald wanted a House of sober second thought, a difficult metaphor for him to have proposed, but in any event he wanted the Senate to have the opportunity to review legislation.

In addition, and the Minister recognizes this, Senators have provided very valuable committee work on the matters of aging, science and technology, poverty, pensions, the Income Tax Act, agriculture and so on. If this constitutional amendment is agreed to by the House, there will be no time for the Senate to fulfil its role adequately or to fulfil its constitutional

duty as a House of sober second thought. It will be converted to a reading club.

Just as important is the provision in the resolution that if an amendment is made by the Senate and the amended Bill is returned to this House, this House will be given only 15 days to consider and agree to amendments before the Bill automatically goes to Royal Assent in the form in which it was first passed by the House. The clock starts ticking as soon as the amended Bill returns from the Senate. It starts ticking as soon as the message is received by Your Honour.

There would be no requirement for the Government to move concurrence. Therefore, if the Senate were to propose an amendment, we would be at the mercy of the House Leader, who could conceivably put it on the Order Paper and thus, with the stroke of a pen, simply ignore the views of Members of the other place and, most important, Members of this House who might want to speak on an amendment. The opportunity to comment on amendments proposed by the Senate would be lost. It would become constitutional closure of the House of Commons.

As well, the resolution states that this 15-day limit on any further debate or discussion applies, in the words of the resolution, whether or not Parliament is then in session. In other words, Members of the House of Commons will not have to be here to pass legislation. We could do it by default if the Senate amended a Bill and we did not have the opportunity to review Senate amendments. We would reject them automatically if we were not sitting or we would reject them automatically if the House Leader did not give us the opportunity to consider them.

Why have a Senate at all? That was my view at one time when I wrote a thesis on the subject. Then I found that it was constitutionally impossible to abolish the Senate because the provinces are intimately involved. That is why the bluff of the Prime Minister was so empty.

As long as we have a Senate, what Senator will spend any amount of time considering amendments that will improve legislation? Why would he or she even bother reading such legislation if there is so little chance that his or her amendment will ever see the light of day and that any changes will be acted upon by the House of Commons? What government Minister would bother going before the Senate any longer when all he or she would have to do is to allow the time to run out? Why should any Minister go before the Senate to defend and explain his or her legislation?

Mr. Crosbie: Because of our respect for them.

Mr. Turner (Vancouver Quadra): I doubt that, and so does the Minister. I know that the Minister has a very sensitive feeling for the Senate, particularly for those three vacancies.

Mr. Crosbie: There is one from Newfoundland.

Mr. Turner (Vancouver Quadra): Why would he bother appearing before the Senate? He and his colleagues would just have to wait 45 days and the Bill would become law.

The amendment contained in the resolution would have another immediate consequence for the operation of Parliament. If the principle that what can be done will be done becomes the practice, constitutionally giving the Senate a 30-day suspensive veto on money Bills and a 45-day suspensive veto on non-money Bills, then the Senate would have the unchallengeable constitutional right to impose that delay on all legislation. I am not so sure that the Prime Minister and the Minister of Justice have really thought that matter through.

It should be noted that Bill C-11, the Appropriation Act which apparently prompted this ill-conceived resolution, was under consideration in the Senate for only 37 days. It was under consideration from January 22 to February 27, one week longer than the suspensive veto period. Now envisaged in the resolution and a considerably shorter period of time than the suspensive veto period of 45 days for non-money Bills.

In its haste to attack and emasculate the Senate, the Government is now saying that the Senate should have a suspensive veto of 30 days. It is saying that the reason that that is so necessary, the reason we must change the Constitution, the reason we must get all the Premiers to agree, the reason we must put aside the question of jobs, pensioners, the Budget and economic matters, the reason we must open with such urgency the question of Senate reform so inadequately dealt with in this resolution, is that the Senate held up Bill C-11 not for 365 days, not for 180 days, not even for 45 days but for 37 days. That is precisely seven days longer than the period of delay which is now to be constitutionally enshrined in the suspensive veto for money Bills. In other words, we are going to embark on a whole process of constitutional change because the Government was delayed for seven days in getting its way on a Bill. I think that is pathetic.

By reducing the Senate powers on all Bills to a suspensive veto, a Government will be able to extend its own life indefinitely in certain circumstances. Under the War Measures Act, 1914, a proclamation by the Governor in Council—

Mr. Crosbie: What twisted nonsense is this?

Mr. Turner (Vancouver Quadra): The Minister has not even thought these questions through in his obscene haste to get on the record books, to do the bidding of the Prime Minister and to seek revenge on certain of his Atlantic colleagues.

Mr. Crosbie: Whose legal advice are you taking, Nunziata's? Is he your constitutional expert?

Mr. Nunziata: I'm a little brighter than your sons.

Mr. Turner (Vancouver Quadra): All right, now.

Mr. Nunziata: I passed law school, John, and you know it, the first time around.

Mr. Crosbie: I'm surprised that you creeped out of anywhere.

Mr. Turner (Vancouver Quadra): You are still blinking your eyes in the light as well.

In any event, I wanted to draw this to the attention of the Minister because I do not think that he thought it through. Under the War Measures Act of 1914, a proclamation by the Governor in Council is conclusive evidence that war, invasion or insurrection, real or apprehended, exists, and has existed for any period stated therein. Under the Constitution Act, 1982, Section IV, a House of Commons may be continued beyond five years by an Act of Parliament if no more than one-third of the Members vote against the Bill. If the Senate is reduced to a suspensive veto, then a Government with the support of more than 189 Members, two-thirds of 282, could pass such an Act and have to wait only 45 days through the suspensive veto power of the Senate before the law perpetuating itself automatically comes into force.

As well, it has been established by the Supreme Court of Canada that the emergency powers interpretation of the peace, order and good government clause found in Section 91 of the Constitution Act allows that in times of emergency, Parliament may make laws relating to matters ordinarily under provincial jurisdiction. With only a 45-day veto, the Senate would be powerless to prevent a Government determined to invade a provincial area of responsibility. That, by the way, is one of the reasons we have a Senate. It was the territorial impulse at the time of Confederation to protect the weaker provinces from the stronger ones so that they would not be overwhelmed by votes in the House of Commons.

I sincerely hope, therefore, that provincial Premiers, when considering support for this resolution in return for a conference on real reform in the future, will take into consideration the very real threat to their own powers contemplated by the indirect abolition of the Senate. Where is that provincial support? I believe that the Minister does not have that support. I believe that without that support, this is a resolution that goes nowhere. Without that support, this is a debate in a vacuum and a waste of the time of the House.

I have read the letters which the Minister just tabled. A member of the Press Gallery gave them to me because I did not have them at the time the Minister made his speech. I have read with particular care the letters from the Premiers of western Canada who are very concerned about the regional aspects of the Senate but who take the Prime Minister's word that there will be a constitutional conference. I know the views of the Premier of British Columbia. I knew the views of the Premier's father when he was Premier. They want a stronger numerical representation in the Senate for British Columbia. I am aware of the resolution made in the Legislature of the Province of Alberta for an elected Senate. I know that Manitoba wants no Senate at all. Then we get to Frank Miller, the erstwhile Premier of Ontario. A letter was sent from Premier Miller to the Prime Minister on April 19, which was tabled in the House. It read:

● (1440)

—I wish to indicate to you that the Government of Ontario is prepared to provide its concurrence.

For this purpose, we will introduce a resolution in the legislature of Ontario at an appropriate time.

Well, it is no longer Miller time in Ontario. I think the appropriate time has come and gone. I do not know what commitment the Minister has from Mr. Peterson or from Mr. Rae—

Mr. Crosbie: They have to get there first.

Mr. Turner (Vancouver Quadra): That is so. Mr. Miller, after he found himself in the minority situation, was asked questions by the fourth estate—the Minister calls them the third House, but I still believe they are better known as the fourth estate. Mr. Miller said that in view of the new situation in Ontario, it was not on the top of his priority list. I bet it is not on the top of his priority list. He is getting hangnails trying to hold on to power. He has other things on his mind. Furthest from his mind, at the moment, is the resolution which is before the House.

Mr. Crosbie: He outlasted you.

Mr. Turner (Vancouver Quadra): That is so. But I just outlasted Charlie Tupper. What does it prove? What it proves is that the Minister needs seven out of the ten provinces—

Mr. Crosbie: We have got them.

Mr. Turner (Vancouver Quadra): —with 51 per cent of the Canadian population. Quebec will not participate because it is not part of the—

Mr. Crosbie: It will before we are there.

Mr. Turner (Vancouver Quadra): —constitutional fabric. Frank Miller said that he would do it at an appropriate time. He will not be there. Manitoba is not in it, and I have a feeling that some of the other Premiers, when they have read what I have to say about what the Senate means to the constitutional fabric of the country, may have second thoughts. In any event, with Quebec and Ontario not there, he does not have the support. I do not want to trespass on the traditions of the House, but what he is really doing is wasting the time of the House with the resolution.

[*Translation*]

Our position on Quebec is also very straightforward. We feel it is unacceptable that the Government of Canada should try to impose changes that would alter the constitutional structure of Canada, before Quebec has signed the constitutional accord. We object to the Government proceeding in this way. Since the Government of Quebec is not in a position to discuss or join in the process because Quebec is not part of our Constitution according to the Constitution Act, 1982.

We therefore consider this proposal by the Government of Canada and the Prime Minister to be an insult to the people of Quebec. The Government is saying to Quebecers that their position on the matter is irrelevant and that it does not want to hear the views of the men and women of Quebec.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I think this should be a matter of considerable concern to Quebec Members like those protesting in front of us. I ask Hon. Members, why is the Government proceeding without the participation of Quebec? It is an insult to the men and women of Quebec! In our view, if we really want to reform the Senate and if the Government decides to make this a priority, it should first call a full federal-provincial conference, as of now, immediately, this year, in 1985, and not in 1987, 1988 or 1989, but now, to ensure, first of all, that Quebec is part of our Constitution before amending any part thereof. But, as Hon. Members are aware—

An Hon. Member: Go back to sleep!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Mr. Speaker, our colleagues are getting a little excited. I can easily understand why.

My Liberal colleagues and myself will demand an elected Senate. We are going to demand additional representation for the regions, the Atlantic Provinces and Western Canada. This country came into being as a result of two factors: first of all, the parliamentary system, since proportional representation at the time gave a special advantage to Upper Canada or Ontario; the second was the federal and territorial aspect. The debate that led to Confederation shows clearly that if there had not been some kind of Upper Chamber, a second Chamber like the Senate, to protect territorial interests within the Federation, neither Lower Canada, now Quebec, nor Nova Scotia, New Brunswick and Prince Edward Island would have become part of our country, because these provinces were unwilling to be submerged in the House of Commons by the flood of Members from Upper Canada. I would like to quote George Brown—he is not often quoted in French—who was not much in honour, but the French translation of his words on the subject of Ontario was as follows, and I am quoting from the *Debates on Confederation*, page 88:

> The very essence of our agreement is that we shall have a federal and not a legislative union. Our friends in Lower Canada have agreed to proportional representation in the Lower Chamber, provided seats in the Upper Chamber are apportioned equally. We would have been unable to make any progress without that condition. I for one am fully prepared to agree to the principle of equal numbers.

Mr. Speaker, it is clear from this excerpt from the *Debates* preceding Confederation that the purpose of the Senate was to equalize territorial or federal representation and thus balance densely populated Ontario. The Senate made it possible to provide for balanced representation of the territories that agreed to join our Federation, and this requirement could be met thanks to a more or less equal division of seats among the four regions, namely, Western Canada, Ontario, Quebec and the Maritime Provinces. Six additional seats were subsequently attributed to Newfoundland.

We must consider this principle which forms the basis for our Confederation. We must also consider the role played by the Senate in protecting minorities, and especially French Canadians, because this aspect was also a major point in the minds of the Fathers of Confederation, and is mentioned several times in the *Debates*.

The resolution before the House today would deprive the Senate of any significant legislative role and reduce Parliament to a single Chamber. If the resolution is passed, the Senate's ability to defend the smaller provinces and minority rights will be seriously diminished if not eliminated altogether.

[*English*]

The proposition which we will put before the House—and we will make the appropriate amendent—is that we believe an elected Senate, as recommended in the report of the Special Joint Committee on Senate Reform, which was released in January of 1984, would be a positive move in restoring the credibility of the Upper Chamber and in reinforcing our style of federalism. It is true that the current system of appointment, which is the sole preserve of the Prime Minister of the day, has increasingly been called into question. No matter how judicious, reasonable and fair the appointments may be, and no matter how qualified the individual may be, there is the perception that the Senate exists only for the appointment of the Prime Minister's friends of the day. That is the weakness with that method of appointment.

Other speakers on this side will have something to say about improving the method of appointment. Should the method be shared with the provinces? Should there be a term instead of the Senator being appointed until he reaches the maximum age of 75? Should there be a rebalancing of regional interests? My Province of British Columbia wants more seats in the Senate. I am sure the other provinces do as well. But that would be part of the reason that Premier Bennett would agree to and want a constitutional conference.

● (1450)

While I have a great deal of respect for Members of the Senate, I do believe they would agree with me—and they do—that the credibility of that institution would be greatly enhanced if they were elected Members. As the report of the special committee says, Your Honour, and I quote in the language of the report:

> Only a politically strong second chamber can dispute, when necessary, the decisions taken by a Government that is supported by the House of Commons. Therefore only an elected Senate can satisfy the original intent of the Fathers of Confederation: The provision of a chamber that would balance judiciously the power of the Commons (which is based on representation by population) by safeguarding the legitimate interests of the people of the less populous provinces.

So what we are saying to you, Your Honour, and to the country, is that if Senate reform—and we do not believe this measure really touches it—is on the agenda of the Government, despite the economic and budgetary problems we should be discussing at this stage, then let us really reform the Senate. Let us reform it or abolish it. We would begin with an immediate constitutional conference on an elected Senate.

Failing that, we would want to look at the term of appointment, the style of appointment, the source of appointment, and we would want to look at a balancing of the roles of the two Houses. This measure does not approach reform. It is a sham. It is a little petty, political revenge for the Prime Minister and the Government against the members of another political Party.

Mr. Nunziata: Shame on you!

Mr. Hnatyshyn: Allan MacEachen will be proud of you.

Mr. Crosbie: You will be all right in caucus next week. You have saved yourself—72 to 40. We know who has the power now.

Mr. Turner (Vancouver Quadra): I want to tell you, Your Honour, that the Members of the Senate in our caucus agree with an elected Senate, and if this matter ever gets out of this House, they will put an amendment and vote for an elected Senate in the Upper Chamber.

Mr. Crosbie: Sure they will.

Mr. Turner (Vancouver Quadra): Yes, they will. Count on it. I have a feeling that the House will eventually come to the conclusion to which I have come, that this is a wasted exercise, the provincial consent not being there.

Mr. Crosbie: Then why spend so much time on it?

Mr. Turner (Vancouver Quadra): I have not even approached the time taken by the Hon. Minister.

Mr. Crosbie: You have been 40 minutes.

Mr. Turner (Vancouver Quadra): Well, you were an hour.

Mr. Crosbie: I was an hour in sensible discussion.

Mr. Turner (Vancouver Quadra): The Hon. Minister was giving us a very inadequate Government of Canada 100 just like a first-year freshman at Memorial University. It was about that style and standard.

Mr. Crosbie: I was filling in the background for Nunziata.

Mr. Turner (Vancouver Quadra): You gave us a lot of background.

We believe that the Senate could better represent the outlying regions of this country, including Newfoundland, through increased representation from these regions. The exact form of increased representation should be the focus of the constitutional conference. The special committee recommended doubling the representation in each of the western provinces and Newfoundland, and substantially increasing the number of seats in Atlantic Canada and the Territories, while leaving the same number for Quebec and Ontario. We believe that this is a good starting point for discussion.

There is no mention in the resolution by the Government on ways to improve the way the Senate works. What is really critical is that this resolution is totally incompatible with a reformed Senate which could represent the regions of our country more effectively. Therefore, we cannot, nor will we, agree to strip the Senate of power now with the vague promise of real constitutional reform later. We will participate in a resolution which calls for an elected Senate. We may participate in an amended resolution which deals with the method of appointment or the term of appointment. But what does the Government have in mind for the Senate? We do not know. We did not learn from the Minister, and the resolution does not tell us. What has the Government promised the provincial Premiers which does not appear in the correspondence which was tabled this afternoon? We do not know and the Government will not tell us.

Mr. Prud'homme: Wheeling and dealing.

Mr. Turner (Vancouver Quadra): We can accept the principle of establishing reasonable limits on the time the Senate can spend on government Bills. We can accept the 30-day time limit on money Bills. But we would suggest a time limit of at least 180 days, the constitutional time limit which is now in the Constitution Act, 1982, in order to give the Senate, on non-money Bills, the opportunity to consider the legislation adequately and provide us with its views. We can accept that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We also accept the principle that in situations where there is a conflict between the two Houses, the will of the elected Chamber, the House of Commons, prevails.

Mr. Hnatyshyn: Well, that is a step forward for the Liberal Party.

Mr. Turner (Vancouver Quadra): None of the paltry rhetoric of the Minister and none of the irrelevant interjections of the House Leader will sway me from the position I have always held. We have never called into question the primacy of the House of Commons. What we are saying to the House is: abolish the Senate or reform it, and reform it in a meaningful way, and we believe in an elected Senate.

Some Hon. Members: Hear, hear!

Mr. Nunziata: You guys are gutless.

Mr. Prud'homme: Crosbie is speechless.

Mr. Turner (Vancouver Quadra): We accept the principle that when the two Chambers are in conflict, the will of the House of Commons prevails.

Mr. Hnatyshyn: They only have 180 days.

Mr. Turner (Vancouver Quadra): The reality is that that situation of conflict will arise infrequently. It has only arisen a few times in the history of Parliament, and the nation has not been rent asunder. So why are we now in such a rush? That we accept the supremacy of this place, the House of Commons,

has never been in doubt. I have said that several times in this House and outside the House since I have had the honour to return to the House of Commons.

Mr. Crosbie: Act on it.

Mr. Turner (Vancouver Quadra): We also believe, as at Westminster, that amendments proposed in the second Chamber should be given adequate consideration by this House when those amendments are sent back, that artificial and arbitrary limits should not be imposed on this House's consideration of legislation. We also believe that in those rare cases that the Senate rejects a Bill passed by the House of Commons, the opinion of the House of Commons should be sought again before that Bill is again submitted. There should not be automatic Royal Assent.

What I do not like particularly about this resolution is that the way it is drafted allows the House of Commons to legislate by default, either at the fiat of the House Leader when the House is not sitting by the passage of 15 days. Not only is the Senate being affected by this very inadequate resolution but the rights of Hon. Members of this House are also being truncated. The Government is attempting to make a fundamental change to the way this country is governed. This motion requires us to think and vote not as ordinary legislators but as reformers of the Constitution, which is again why I believe the Prime Minister should have had the carriage of this resolution before the House.

We are not playing a game here. We are not playing a political game. We are rewriting the fundamental rules of the game in this country. We take this initiative very seriously, indeed.

I listened to the Minister carefully this morning. The reason, he said, the Government is presenting this legislation is that, "We can't allow legislation to be held up by the old Liberal clique in the Senate".

Mr. Hnatyshyn: Hear, hear!

Mr. Turner (Vancouver Quadra): The House Leader endorses that particular sentiment.

This motion expresses the Prime Minister's anger and his Irish frustration. With three-quarters of this House of Commons now under his control, he resents the independence of another Chamber.

Mr. Hnatyshyn: Unelected.

Mr. Turner (Vancouver Quadra): He even resents the independence of Ministers. He has put political commissars and chiefs of staff in every ministerial office to try to convert the style of our Government into a presidential system. He wants to remove every obstacle to his power, and one of the obstacles he wants to get out of the way is the Senate of Canada.

Mr. Crosbie: Where were you when Trudeau was in?

Mr. Turner (Vancouver Quadra): This is a massive power grab, Mr. Speaker, under a very simplistic constitutional resolution.

I would like to analyse for the House what the Senate really did to incur the Prime Minister's wrath.

Mr. Scott (Hamilton-Wentworth): What does it do?

Mr. Turner (Vancouver Quadra): Well, that's a good question. I am not counted among the great admirers of the other place, and I have known the Hon. Member for a good long time. But what did the Senate do to incur the Minister's wrath and the Prime Minister's wish for revenge? What did the Senate do that was so heinous? What was so damaging to the fabric of our country that we must now amend the Constitution?

Mr. Crosbie: It endangered our credit rating and everything else.

Mr. Turner (Vancouver Quadra): Quite simply, Mr. Speaker, and I see you sitting transfixed by what I have to say—

Mr. Nunziata: Send him to the Senate.

Mr. Turner (Vancouver Quadra): I want to say to you, Mr. Speaker, as I said to Finlay MacDonald on his appointment, that I am the only one standing between you and abolition. So listen to me carefully.

Quite simply, this is what happened: the Senators upheld a constitutional principle, a principle which I believe all of us in this House share, namely, the principle which was offended by the appropriation Bill, that Parliament gives new authority—listen to me carefully—to a Government to raise money only after the Government has provided a full explanation of the purposes for which the money will be used, only after it has tabled the Estimates for a particular year or brought in a Budget.

Mr. Crosbie: You are really an apologist.

• (1500)

Mr. Turner (Vancouver Quadra): The Minister does not like to hear a constitutional argument. Not that it bores him, he just cannot understand it.

Mr. Crosbie: I can understand the fix you are in with Allan MacEachen on the hotline.

Mr. Turner (Vancouver Quadra): I will tell you what I will do. I will give this undertaking to the Minister, that later I will buy him a drink and get down to the type of conversation he really enjoys, indeed relishes.

Mr. Crosbie: You are good in the locker-room; they tell me you are a bit of a jock.

Mr. Rossi: Go back to sleep, John.

Mr. Turner (Vancouver Quadra): Unlike the Hon. Minister, I haven't got a thing to hide.

Mr. Crosbie: That is what they have all told me about you.

Mr. Turner (Vancouver Quadra): Let us look at what the Bill in question did, the Bill which prompted this whole phony resolution. It contained two parts. I am taking my time here, Mr. Speaker, because there has been a lot of hullabaloo about nothing. The media were seduced and inveigled into immediate reporting of what they thought the facts were, but let's go through the facts.

The Bill contained two parts. One part provided a borrowing authority for $7.3 billion for the fiscal year ended March 31, 1985. Part II was to provide authority to borrow $12 billion to be used in the fiscal year ending March 31, 1986, for which we had not been provided spending plans; the Estimates had not been produced. The Leader of the Government in the Senate, the former Premier of Manitoba, Duff Roblin, admitted as much when he said on February 21 in the other place, and I am reading from the Senate *Hansard*, that:

> Parliament should not be asked to approve borrowing authority in the absence of published evidence that the authority is needed.

That is Senator Roblin, Government Leader in the Senate, speaking in the Senate on this particular Bill. He was not alone in that belief. On a similar piece of legislation, the former Prime Minister, now the Secretary of State for External Affairs (Mr. Clark), when in opposition said, and I am reading from *Hansard* of July 19, 1982:

> —this House holds the opinion that the granting of an authority for the borrowing of a sum greater than that amount which is required to meet the government's needs to the end of the current fiscal year is objectionable in principle—

The next day the current Minister of Finance (Mr. Wilson) added his agreement, and I cite the debates of this House of July 20, 1982:

> There is a well established principle that Parliament only provides sufficient borrowing authority to a government to allow it to finance its operations within the current fiscal year.

That is the same principle that the Senate upheld in this Bill. Not to be outdone, the current Deputy Prime Minister, the Hon. Member for Yukon (Mr. Nielsen), when he was in this seat as Leader of the Opposition during the Progressive Conservative leadership race, had the following to say about a request very similar to Bill C-11 from the then Minister of Finance, Marc Lalonde. On February 22, 1983 he said this:

> It is a parliamentary first, sir, when you have a Minister who comes before Parliament and asks for authority to go to the public for $14 billion without the supporting and buttressing evidence of a budget.

The principle is clear: without a Budget or the Estimates, you do not get the money. That has been fundamental to Parliament ever since the early days of Westminster.

Mr. Crosbie: How come you didn't observe it when you were in power?

Mr. Turner (Vancouver Quadra): Oh, I am going to get to it right here. The Conservative Party always took that position. When the Government was in opposition, when these ladies and gentlemen were on the opposition side of the House, they took the position that authority should not be granted until Parliament has received not only the Main Estimates, but a Budget as well. The current Minister of Finance, when in opposition, said about not doing this, and I use his words of February 22, 1983, as recorded in *Hansard:*

> The utter contempt that this Government is showing Parliament and Canadians is unprecedented.

What happened to this principle for which the Government when in opposition spoke so eloquently and forcefully in support of? Power corrupts, and I have never seen power corrupt so absolutely or so quickly as when it affects this particular Government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That principle, for which the Minister of Finance and the Deputy Prime Minister fought in opposition—

Mr. Crosbie: The new Lord Acton! No wonder you want to retain the House of Lords.

Mr. Turner (Vancouver Quadra): I do not blame the Minister for not being attentive; he is having trouble following this argument. In any event, what happened? At the first opportunity they rejected that principle. They presented Bill C-11, the borrowing Bill, and this whole tempest in a teapot arose out of that Bill. Some $12 billion in additional spending for the next year—

Mr. Hnatyshyn: And $15 million is a tempest in a teapot to you.

Mr. Turner (Vancouver Quadra): —with no estimates. That is why on November 28 in this House my friend and colleague, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston)—

Mr. Rossi: Where are you going, John?

Mr. Turner (Vancouver Quadra): —moved the following—I seem to have—

Mr. Rossi: This is too much for you. Listen and learn, stick around.

Mr. Crosbie: Can I be excused?

Mr. Rossi: Stick around.

Mr. Turner (Vancouver Quadra): I am not—

The Acting Speaker (Mr. Paproski): Order, please. We do have to leave the room once in a while. Order, please. The right hon. gentleman has the floor.

Mr. Turner (Vancouver Quadra): That might be the only place where the Hon. Minister really knows what he is doing, Mr. Speaker, so I will not object.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As I was saying, that is why my colleague, the Hon. Member for Saint-Henri-Westmount put the following amendment to that Bill:

—"this House will not proceed with a Bill to provide borrowing authority for a fiscal year for which the Government has not provided complete details of spending requirements or revenue projections".

That was November 28, 1984. It has been said by the media and the Government that we did not take the same position in the House as our colleagues took in the Senate. That is absolutely untrue. We took the same position in the House that was later taken in the Senate, and the same position taken by the Conservatives when they were in opposition. It is a principle which I accept fully. The NDP also proposed a motion opposing Bill C-11 and used identical wording to that presented by the now Secretary of State for External Affairs in July of 1982. Realizing that the Government with its huge majority intended to proceed anyway, and wanting a debate on universality before the House rose at Christmas, the NDP and the Official Opposition, in order to get that debate, agreed, after putting our objections to the Bill, to allow it to go through.

Mr. Hnatyshyn: Mr. Speaker, fiction prevails.

Mr. Turner (Vancouver Quadra): No.

Mr. Hnatyshyn: Oh, Mr. Speaker!

Mr. Turner (Vancouver Quadra): We agreed in order to get the debate on universality. There was no mention of the Senate in that agreement. Obviously an order of this House cannot bind the Senate just as an order of the Senate would not bind this House. There is also a long standing principle, one which the Government has chosen to ignore in its condemnation of the Senate's response to the borrowing Bill.

Let us examine what happened when the Bill arrived in the Senate on January 22. It could not get there any earlier because the Government Leader had adjourned the Senate until January 22. That was not our responsibility on the Liberal side of the Senate. That responsibility lay with the Government House Leader. The Bill was then referred immediately to the Standing Committee on National Finance.

The Senators had no problem with the first part of the Bill relating to the current fiscal year, but it objected, as we had here, to having $12 billion tacked on for spending for which there was no Budget and no Estimates. The Senate asked that the Bill be split since the Government did not need the second part until April 1, 1985. They would pass the first part and then pass the second when the Estimates were provided. This was a constitutional position buttressed by precedent and citations, and in no way unreasonable and out of the ordinary. In other words, the Senators said stick to the principle that borrowing authority not be given until the Estimates are provided. Conservatives have always taken that position, we took that position and the NDP took that position, but suddenly there was an eruption; righteous indignation poured forth from the Government, reinforced by the media, the likes of which we have not seen in many years. The Senate was hijacking Parliament.

Mr. Hnatyshyn: The Liberals in the Senate.

Mr. Turner (Vancouver Quadra): They were thwarting the will of the people. They were being high-handed and destructive to democracy in upholding the same principle this House of Commons has upheld for the last 50 to 100 years. The Government seized the opportunity to denounce what the Prime Minister called the old Liberal clique, a clique of Senators who were somehow purposely subverting the will of the people. The press picked it up, there were great stories and headlines like "Old Gang of Liberal Senators Thumb Nose at Tory Majority".

Mr. Hnatyshyn: Right on.

Mr. Turner (Vancouver Quadra): Let us look at the old gang for a minute. I want to talk about this old gang. In spite of all the rhetoric and hysteria from the Government on the issue, what were the facts? Who were in the old Liberal cliques which so frightened, angered, and enraged the Prime Minister by demanding that this principle of long standing of no money before the Estimates or Budget be adhered to? The report on the Bill from the standing Senate committee said:

● (1510)

The Committee recommends that the Senate remain reluctant to approve any request for borrowing authority if such a request is not supported by a Budget or by Main Estimates for the period for which the borrowing authority is being requested.

That is nothing unusual. It is fully in accordance with principle. That resolution passed the committee without a single negative vote. Who were among that old Liberal clique? There was Senator Kelly, co-chairman of the committee, past chairman of the Progressive Conservaitve Ontario fund and close buddy of William Grenville Davis. There was Senator Doody, Deputy Leader of the Government in the Senate, and a former Minister of Finance of the Newfoundland Government of Conservative Premier Frank Moores who was appointed to the Senate by the Secretary of State for External Affairs when he was Prime Minister. There was one of our newest Senators, the still pure and uncorrupted Finlay MacDonald. He was a member of that committee and endorsed that unanimous report.

That was the old Liberal clique. They agreed to the report of the committee which states very clearly that by not splitting Bill C-11, the Government was violating a long-standing principle. Conservative Senators wanted to uphold that principle too, as I am sure everyone in the House wants to. That was a unanimous report. It was not a Liberal clique. Every Conservative Member agreed to it and voted for it. Let us not hear any more talk about Liberal cliques in the Senate trying to subvert the House. It was not true then and is not true now.

Then we had the great bravado of the Prime Minister in the House. On March 5 he challenged me, saying, "If you agree to

abolish it, let's do it today". What consitutional nonsense. He does not need my approval to begin with. He has a majority here. However, he certainly needs provincial approval and he knew that nothing I would say could elicit that approval. He was more interested in scoring political points when he should have been carrying this resolution in the House. He provided a few hearty laughs and a few flips of the fins of the trained seals on the Conservative benches. That was the only purpose of it.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We thought he was joking, but this resolution shows that he was not. He fully intends to abolish the Senate indirectly, through the back door, by making it nothing more than a reading club. His only concern is that it be converted from a Liberal reading club to a Tory reading club. Then he had the audacity to hold out the promise of Senate reform to the Premiers in exchange for this little amendment now. I will be very interested to hear what the Premiers think they are going to get in return.

There has been a new style of Senate appointment introduced recently, Mr. Speaker. The provincial Member for Madawaska-Victoria announced the appointment of Jean Maurice Simard, the Minister of Public Service Reform in the Government of Premier Hatfield of New Brunswick. The Prime Minister's office had to issue a confirming statement that Mr. Simard will be appointed "at a later date". That is a new style of appointment to the Senate. It is on the instalment plan. Mr. Simard wanted that appointment because he does not know what will happen to Premier Hatfield. However, the time is not right because things are a little dicey in the legislature. When I was being introduced to the legislature of New Brunswick on Tuesday, the Premier was not present. He had not shown up since the report of the RCMP commissioner was introduced.

When will Mr. Simard be appointed? What is the delay? Who is choosing the date? Are we now awaiting the pleasure of Premier Hatfield? We know his Government is in trouble, but it is pushing it to be guaranteeing his Minister jobs in the Senate even before a provincial election is called. The people of Charlotte county are very pleased to know that Jean Maurice Simard is going to be their representative in the Senate because southern New Brunswick does not have a representative at the moment. However, that is another matter.

This resolution is not real reform of the Senate. It is nothing but a blatant power grab by the Government. It is an attempt to remove all impediments in the way of the Prime Minister and his office to have their own way. This is the new presidential style of the Prime Minister, replete with the seal. He is soon going to have a helicopter pad at 24 Sussex. This Government is going to go in style. It is really the Prime Minister's office and the bureaucracy who are setting the legislative agenda. I have great respect for the House Leader (Mr. Hnatyshyn), but we know where he gets his marching orders.

Mr. Hnatyshyn: Yes, but my wife is in Saskatoon.

Mr. Turner (Vancouver Quadra): They are coming from this highly centralized and manipulative Government. The Prime Minister wants to control his own Ministers, the media, and anyone else who dares stand in his way. The current target is the Senate under the flimsy excuse of Bill C-11. Giving our consent to this constitutional amendment would be tantamount to abandoning our responsibilities as elected Members of Parliament and turning that responsibility over to the Prime Minister's office. We intend to present further amendments to this motion in the event that the Governmment chooses to use its majority to override our proposal and that of the joint special committee of the Senate and House of Commons.

We also believe very strongly that constitutional amendments should properly be studied in committee before being presented to the House. Only in committee can there be the careful scrutiny and painstaking clause by clause analysis which is necessary. The Members of the Party I have the honour to represent in the House are in favour of reform. However, we do not agree with the style of resolution brought before the House. The constitutional conference should come first and now, if that is the agenda of the Government. These could then be a proposal and public discussion. There could then be consideration of views and a consensus reached. Meaningful and workable reform of the way this Parliament carries out the business of this country can and should be considered. We reject this fly-by-night meaningless resolution on constitutional questions.

For this reason I move, seconded by the Hon. Member for York Centre (Mr. Kaplan):

That the motion be amended by deleting the words "before the end of 1987" in paragraph one, and by inserting the following paragraph immediately after paragraph one:

"And whereas it is desirable that the proposal of the Special Joint Committee of the Senate and the House of Commons on Senate Reform set forth in its report of January 1984, that Senators be selected by election, be considered by a constitutional conference before the end of 1985;"

The Acting Speaker (Mr. Paproski): I have received the amendment of the right hon. gentleman. I would like to reserve my decision on it and carry on with debate.

Mr. Hnatyshyn: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. President of the Privy Council (Mr. Hnatyshyn) on a point of order.

Mr. Hnatyshyn: Under Standing Order 35(1), I think it is appropriate to have a brief question and comment period at the end of the remarks of the right hon. gentleman. I wonder whether it would be possible for me to question the right hon. Member?

Mr. Turner (Vancouver Quadra): I have no objection to that, but I think the understanding was that I would not question the Minister. That was the deal, unless you want to bring him back in.

The Acting Speaker (Mr. Paproski): Order, please. I regret that under Standing Order 35(1) the first three speakers have unlimited time—

Mr. Hnatyshyn: Maybe I can clarify. If there has been an arrangement, although I was not aware—

Mr. Prud'homme: Bring Crosbie back.

The Acting Speaker (Mr. Paproski): May I just have the floor for a minute? The first three speakers have unlimited time and I believe those who have unlimited time do not have a question or comment period, in accordance with Standing Order 35(1). After that, there are 20 minute speeches plus the question and comment period.

• (1520)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I would certainly be willing to waive the rule because I find that the Minister's questions are very instructive and revealing.

The Acting Speaker (Mr. Paproski): We have standing orders. Perhaps we could do something like that after the Hon. Member for St. John's East (Mr. McGrath) proposes new rules and regulations.

Mr. Prud'homme: Mr. Speaker, of course, we have rules and we must follow rules. However, your Honour also knows that we can do anything we want with unanimous consent. If you succeed in bringing back the Minister of Justice (Mr. Crosbie), I would like to seek unanimous consent under the condition that you ask the Minister of Justice to come back to the House. We would like to ask him questions as well.

The Acting Speaker (Mr. Paproski): I appreciate the Hon. Member's comments, but under these particular rules, I regret that we will not be able to do so. Therefore, I would like to recognize the next Hon. Member for debate.

Mr. Rod Murphy (Churchill): Mr. Speaker—

Mr. Friesen: It will be a short speech—abolish the Senate.

Mr. Murphy: It will be a short speech because, unlike the first two speakers, I do not have unlimited time.

Mr. Turner (Vancouver Quadra): We will give it to you.

Mr. Murphy: However, I am in a position to be asked questions which will help educate Hon. Members, in any event. As a former teacher, I always believed that it was good for the class to learn by asking questions of the teacher.

In many ways I regret that we are dealing with this resolution at this time. It is interesting to note that the first resolution introduced by the Government after its Budget is one concerning the Senate. We were led to believe by the Government that it had an economic package which would create jobs for young Canadians. We were led to believe that it had an economic vision for the nation. Therefore, I suggest it would be logical that two weeks after its Budget, the Government would come forward with its legislative package in order for the Opposition and Canadians as a whole to know exactly what the Government wishes to do. Instead, we are dealing with what I believe is quite accurately called a diversionary tactic. We are dealing with a resolution restricting the legislative role of the second House. This was a policy that the Conservatives never espoused during the election campaign.

The Acting Speaker (Mr. Paproski): Order. I simply want to remind the Hon. Member that he does have 20 minutes, followed by a question and answer period. It is only the first two speakers who have unlimited time. He can govern himself accordingly.

Mr. Murphy: Mr. Speaker, I said that as an aside earlier, but I did not want to challenge your ruling at that time.

Since I do have a brief period in which to speak, let me point out that by taking away the legislative role of the second Chamber, it is challenging the very reason for having a second Chamber. By limiting it to a 30 day review of monetary bills and a 45 day review of non-monetary bills, the Government is really saying that we do not need a second chamber in this land. Of course, that is something that I can accept.

Incidentally, I was disturbed by a report in the news media last night and today that the Liberal House Leader has suggested using the second Chamber to prevent any legislation which would deindex the old age pension. I do not know if the Leader of the Opposition (Mr. Turner) supports that, but it was certainly reported as a statement made by the House Leader of his Party.

Mr. Turner (Vancouver Quadra): That is not what he said, apparently.

Mr. Murphy: That was the interpretation. If that was the idea of the Liberal Party or any party that had control of the Senate, it would be a stupid and very dangerous move. While I believe we should do what we can within this Chamber and in the nation as a whole to protect the indexation of the old age pension, I do not believe we could ever use an undemocratically appointed, non responsible Chamber for that purpose. It would mix a good cause with the murky reputation of the Senate and Canadians would become confused about whether we were fighting for the rights of the Senate or for the ordinary pensioners of this land. The real cause is the fight for the pensioners and the Senate should not be used in that cause.

Mr. Hnatyshyn: But you will do it here.

Mr. Murphy: We will do it here, Mr. Minister. I believe it would be dangerous to use the Senate for any such purpose. Although many Canadians would support the use of the Senate in defence of pensioners, it would be very easy for a Senate majority or any group of Senators to take up their own noble cause in the future which may not be acceptable to a majority of others.

Our main disagreement with this resolution is that the Government is trying to reform the Senate while maintaining

its existence. It has not found a new role for the Senate or indicated that it serves a legitimate purpose. It simply wants to keep the Senate while restricting its role in reviewing Government legislation and giving it less time to review economic matters. We will be left with a political body that is neutered in terms of dealing with many matters. However, it will remain a body of patronage so that the Prime Minister (Mr. Mulroney) and others can place their friends in the Senate.

I was a representative of my Party on the joint committee studying Senate reform. We travelled throughout the country and found that there was not one acceptable solution to Canadians. Many would like to abolish the Senate, many would like an elected Senate and others wanted one which was appointed in part by the provinces. Others would have the Senate play a special role in deciding constitutional matters or political appointments.

While there is no consensus on the purpose of the Senate, Canadians do agree that patronage must stop. I suggest that the Government House Leader convey the message to the Prime Minister that all Canadians want to stop patronage. The Government should put forward its proposals for Senate appointments and what its purpose should be rather than simply presenting a resolution to reduce the power of the Senate while allowing the Conservatives to make appointments just as the Liberals did in the past. That is not the purpose of the Senate and it is not an acceptable proposal to Canadians in a democratic age.

Our Party has long opposed the Senate, not only because of the patronage issue which we abhor, but also because we do not believe that there is any rationale for having a second Chamber, at least as outlined at the present time. Even after sitting on the joint committee on the reform of the Senate, I do not believe that we have found any purpose for the Senate. We have not found an acceptable way to reform the Senate.

Let me deal with some of the reasons we are told that we must maintain a Senate, whether elected or appointed. A principle reason is that we need regional representation because of the nature of this country, with large populations in Quebec and in Ontario and the smaller populations in other provinces. It is suggested that the Senate represents and protects the interest of the regions. That is blatantly false. It is recognized throughout the !and that the provincial Governments, their premiers and their legislative assemblies are doing the best job of protecting, working for and speaking on behalf of the interests of the provinces and the regions of this land. No other body, no other second Chamber, will ever have the legitimacy of an elected provincial Government and the elected assembly to which that Government is responsible.

● (1530)

Often we are told the reason we need a second Chamber is to protect the rights of minorities, for example, the minority in terms of a linguistic group in the Province of Quebec. That is not how the Senate is functioning at this time. The Premier of the Province of Quebec is quite able, as was the case with his predecessors, of speaking on behalf of the people of that province. Also it is interesting to note that a very large proportion of the Members of this House have come from the Province of Quebec and that no Government, with the exception of the one headed by the Right Hon. Member for Yellowhead (Mr. Clark), in the last 20 years survived without the support of a majority of seats from Quebec, and this Government is no different. Obviously the House of Commons, through its elected Members, has had a very strong influence in protecting the interests of Quebec. They have a very strong voice in this Chamber and they usually have a very strong voice in Cabinet. Very seldom do we hear a voice in the Senate speaking out as a regional representative from western Canada, from Quebec or from Atlantic Canada. A good test of that would be for people across the land, who might be listening to this debate, to think of the name of the Senators from their regions. Most Canadians cannot name one Senator from their own provinces. Obviously Senators are not protecting or representing regional interests in an effective manner.

Other Members have indicated that we need the Senate because of its committee work. Probably that was a true statement 15 or 20 years ago when Senator Croll was well known for the work he did on poverty and other Senators were well known for their useful, investigative work on behalf of various concerns. The House of Commons itself has now undertaken that role. We have set up many task forces over the past few years to look into federal-provincial funding, various aspects of transportation, the Canadian role in Central America, the Canadian role in international affairs, interregional development, the whole issue of pensions and the specific concerns of the disabled. In other words, we have taken on a role which used to be identified as a role of the Senate, and we have said that elected Members should be involved in that process.

By having elected Members on a task force for the disabled or a task force looking into federal-provincial equalization payments or established programs financing, not only can they do the job very effectively, but when they return to the House they help to educate and to explain to the rest of us exactly what people across the land think about the issues which they were investigating. This is something which does not happen when a Senate committee goes out. The Senate does not report to us. We do not have the kind of communications system with the Senate to know what it has studied or learned across the land. From time to time committees are necessary because, despite that we all have fairly large egos, we do not know it all. Certainly there are people out there who can explain better the problems they face and the solutions they have, which benefits all of us in the House. That is something which can be done and should properly be done by the House.

Two other reasons have been given for having a second Chamber, and they come from the constitutional debates which took place prior to 1867. One was that it would help to prevent mob rule. Basically mob rule has come to be known as democracy. It means that the people elect their representatives, and that those representatives are supposed to come here to speak and work on behalf of those people. Just as important,

they are responsible to those people and will face them in any upcoming election. This indicates that an elected House is essential. No appointed Chamber can ever represent people of the land.

One difficulty with the present Senate is that it represents the opposite of mob rule. Senators are not responsible, they are not elected, they never have to face the public and, as was noted in the Clarke-Campbell report, many Senators are engaged in outside occupations. Basically they are lawyers and directors; they represent other interests in the land than that of the electorate. They are completely unanswerable. We have no idea what they do on behalf of their corporations, law firms or advertising firms. We have no idea what they do on behalf of their other occupations. We pay them a full-time salary, yet it was recognized by the committee, headed by a former Liberal Member of Parliament and a former Conservative Member of Parliament, that many of them, indeed most of them, were engaged in outside occupations.

Obviously those on boards of directors of various firms who sit in the Conservative caucus, now that that Party is in Government—and the same was true for those who sat in the Liberal caucus when that Party was in Government—have a strong influence on policies, directions, legislation and regulations coming from Government. We never know what is being said. We know that a certain Senator sits on the board of Inco and that a certain Senator sits on the board of directors of the Bank of Montreal. We know that Senators sit on the boards of this corporation or that corporation, but we have no idea what they say to their friends in Cabinet or how they use their voice and vote in caucus. This means that the Senate works against mob rule, democracy and openness in Government.

I recognize that I have very little time remaining, but I should like to deal with the real role of the Senate as perceived by many people, that is, to give sober second thought to legislation which we may rush through the House of Commons. It is obvious to anyone who has studied the role, function and performance of the Senate that it does not do that. The average Bill is in the Senate for less than three days. The Clarke-Campbell report indicated that on average the Senate, over the last six years, sat for 66 per cent of the number of days the House of Commons sat. Most of us in the House will remember situations such as the following one: a controversial piece of legislation is debated in the House for weeks, if not for months; it is sent to a special or standing committee before which witnesses from all across the land appear. In some cases the committee will actually travel across country. After hearing the evidence and studying the Bill on a clause by clause basis, sometimes it makes amendments, sometimes it improves the Bill, and then it is brought back to the House of Commons for further debate. Thereafter it is rushed over to the Senate where it passes all stages in two hours. That is sober second thought! Obviously it is not.

I propose the abolition of the Senate. I will not move a resolution to that affect. Everyone knows where the New Democratic Party stands. However, we really do not have a Senate at the present time. It has not really existed in the minds of Canadians for the last hundred years. It does not exist in terms of any effective role or in terms of legislative overview, with or without the amendments the Government is putting before us at this time. Let me indicate how I know this to be true.

● (1540)

I would like to read into the record the length of time that the Senate has sat in the five-week period between April 23 and May 30, 1985. As all Members know, the Senate only sits three days a week. On April 23, the Senate sat for one hour and 10 minutes. On April 24, it sat for one hour and 40 minutes; one hour and five minutes on April 25; two hours and five minutes on April 30; 20 minutes on May 1; one hour and 20 minutes on May 2; one hour and 20 minutes on May 7; one hour and 15 minutes on May 8; one hour and 45 minutes on May 9; one hour and 20 minutes on May 14; one hour and 40 minutes on May 15; one hour and 40 minutes on May 16; 50 minutes on May 28; one hour on May 29 and 30, respectively.

These are the figures for five consecutive weeks in which the Senate sat. They are certainly not construed figures. The total comes to 20 hours. We have been told that we have to spend $30,000 and hour to keep the people in the Senate. They do not even believe themselves that there is any need for them to review legislation. They do not believe that they have any real purpose. They can barely get through their prayers before they adjourn for the day. They do not serve as a Chamber of sober second thought. They do not serve any real legislative purpose; and they have not done so for a long time. Let us rid ourselves of the house of patronage. Let us clean up our democratic system and put in place one House which is elected by and responsible to the people of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Valcourt: Mr. Speaker, I have a question for my colleague of the New Democratic Party. Considering the remarks he has just made and the fact the the other House sat only 20 hours during five consecutive weeks; considering that, by his own logic, the Canadian Senate is of no practical use to this country and yet has an absolute right of veto on any piece of legislation passed by the House of Commons, could he explain how he can logically be against this resolution aimed at vesting the Senate with only a suspensive veto? The Hon. Member ought to know that if we want to abolish the Senate, as the New Democratic Party would have it, we need a consensus in this country, and any reasonable person—even a Member of the New Democratic Party—would realize there is now way to achieve such a consensus.

So how can he be against that, at least if the Senate had only a suspensive veto it could not thwart the will of the elected Commons.

[*English*]

Mr. Murphy: Mr. Speaker, I am glad the Hon. Member asked that particular question. It gives me a chance to go on

with the problems of the Senate. What the Government is suggesting is not much of a change at all. It is not suggesting much of a reform.

As was mentioned by the Leader of the Opposition (Mr. Turner), even the great filibuster—as perceived by the Government—with respect to the borrowing authority legislation lasted for only 37 days. In other words, the reform proposed in the Bill before us would not change that much. For that matter, it would somehow rationalize the idea that the Senate could actually drag out each money Bill for 30 days without criticism, since that will be acceptable if the Bill before us passes. By setting what might be called maximum hours, or days, the Senate is being told that it has a legitimate right to spend 30 days on each money Bill and 45 days on each other piece of legislation. In the Senate, one hour quite often equals one day. That is one reason I object to the so-called reform.

The real reason I object to the so-called reform is that it is not reform at all. We are keeping a house of patronage. It is very much like another type of house. We are not saying that it is needed. We are saying it exists, therefore, we will put up with it. If it gets in our way, then we will bash through a constitutional amendment to deal with it. However, there is no attempt being made to reform it.

The Hon. Member has said there is no chance of abolition. Just five or six years ago people were saying there was no chance of our having our own Charter of Rights. At one time, people were saying there was no chance of us ever having an amending formula in this country. The only chance we have to abolish the Senate is for the Government to say that it is not doing anything, it is aware of that and it is not needed for a place of patronage. The Government must decide to bring a resolution to the House which will set out the fact that we do not need a Senate. If the Government has the courage to do something like that, then watch the provinces. Most of the Premiers in Canada are Conservatives. Watch them try to go to their people and defend the Senate.

Mr. Nickerson: Mr. Speaker, the Hon. Member has put great store in democracy. I do not blame him for doing this. However, great thinkers on constitutional affairs have always maintained that the democratic element should be balanced within a constitution, in line with other elements. Not only should we listen to the mob, as the Hon. Member has described them, but there should also be an element in Government filled by those most skilled at Government. There should exist an element which can be provided by those wo have expertise in statesmanship. A monarchial element should also be part of a constitution. Does the Hon. Member put his whole store in the democratic element within a constitution; or does he agree with Socrates, Sir Robert Walpole and Dave Nickerson that there ought to be other elements, too?

Mr. Murphy: I can certainly not support the views of the last person mentioned by the Hon. Member. The other two persons he mentioned lived quite a long time ago. Perhaps the Hon. Member is also thinking in the past.

There is not a second Chamber in the Province of Ontario, nor is there one in the Province of Manitoba. There are not second Chambers in any of the provinces in the land. I do not feel that the people are any worse off because of the fact that there is not some type of unappointed group, be they statesmen or political hacks. We can survive quite well with democratic rule. We can survive with people who have been elected by the population and who are responsible to it. My reference to mob rule was in connection with John A. Macdonald's phrase "mob rule". My phrase would be "democratically-elected representation".

Mr. Jardine: Mr. Speaker, I had not intended to enter into the debate but, rather, to sit and listen to the comments of my learned colleague. However, I really must comment when he brings into question and casts a dark pall on the reputation and integrity of literally all members of the Upper Chamber. These are distinguished Canadians of whom he is speaking. I would particularly like to mention one of note, and that is the Senator from Riverview, New Brunswick, who was recently appointed. She has contributed to the province through 13 years of public service and is more than prepared and willing to continue that kind of contribution to the rest of Canada. I would have to ask the Hon. Member if he really believes that through the years the Senate has existed, it has made no contribution whatsoever to Canada.

• (1550)

Mr. Murphy: Mr. Speaker, in my speech, I mentioned that in the past, some of the committees of the Senate have provided some useful information and have done some useful studies. I also went on to point out that that role by and large has been taken over by the House of Commons with the number of task forces that we have set up over the last few years to look into things such as the problems of the disabled and pensioners and federal-provincial relations and the like.

In my speech and in response to the two Hon. Members who asked questions of me, I was very careful not to impugn the dignity of any one Senator. I am arguing that a body that sat on May 1 for 20 minutes and on April 30 for two hours and five minutes, the longest it sat in a five-week period, despite the credentials of the individuals within it, no longer has a place in the Canadian democratic system.

Those individuals, including the one to whom the Hon. Member made mention, could do a much better job for their own personal reputation and for Canada if we found other roles for them to play within our system. They have made a great contribution in the past and they could do so in the future, but the other House is not the place for that contribution.

Mr. Nunziata: Mr. Speaker, I am a bit concerned about the arguments that the Hon. Member is making. He went to great lengths to describe the amount of time that Senators spend sitting in the Senate considering legislation. I would submit that the Hon. Member is being intellectually dishonest by

arguing that because the Senators spend so little time in the actual Chamber the Senate is not worth keeping.

How many hours has the Hon. Member spent in this Chamber this week? Indeed, how many hours has he spent in this Chamber since the House reconvened? Is it fair to argue that if one divides his salary by the number of hours that he has actually sat in this Chamber, he is not worth that amount of money? Will the Hon. Member agree with me that a considerable amount of work done by a Member of Parliament and indeed by a Senator is not done in this Chamber or the Upper Chamber but in committee and in individual offices?

Mr. Murphy: Mr. Speaker, I am not quite prepared to go through my index to tell the House what I have done since September 4—

The Acting Speaker (Mr. Paproski): I hope not.

Mr. Murphy: Yes, I recognize that it would probably take more than 20 hours to read through the list. However, today I suspect that I have spoken longer than the Senate has sat. In fact, the Senate did not sit today. I made a statement, I asked a question, I tabled petitions, I made a speech and in a few moments I will be speaking on Private Members' Hour. The point is—

The Acting Speaker (Mr. Paproski): Order, please. I am afraid the Hon. Member's time has expired. The time for questions and comments has now expired.

[*Translation*]

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, the constitutional resolution introduced by the Minister of Justice (Mr. Crosbie) has two objectives: first, through a constitutional amendment, of course, to limit the powers of the Senate so as to prevent it from exercising its absolute right of veto on Bills adopted by the House of Commons; two, to commit the Government to convene a conference of First Ministers before the end of 1987 with a view to examining in depth the various options available with respect to the future of the Senate.

Mr. Speaker, earlier today I listened to the speech of the Leader of the Opposition (Mr. Turner) in reply to the Minister of Justice and the resolution introduced in the House. I am a rather inexperienced parliamentarian compared to the Leader of the Opposition, but I must say I was surprised—

An Hon. Member: He did not impress you?

Mr. Valcourt: No, he did not impress me, but what did impress me is the fact that he completely failed to speak to the main issue inherent in this resolution. As far as I and, I am sure, many of my colleagues are concerned, that is the crux of the matter. We are talking about a principle whereby the respective powers of the two Houses must be balanced so that the mandate of those who are directly elected not be unduly restricted or that the principles inherent in responsible government not be destroyed. Well, Mr. Speaker, that is exactly what can happen with the powers now enjoyed by the Senate. They have an absolute right of veto and with that alone they can frustrate the will of all elected Members of the House of Commons.

Earlier when he explained why he is against this resolution, the Leader of the Opposition had the gall to say that he would not be party to this because Quebec did not subscribe to the constitutional agreement and therefore will not take position either way. I have no idea what logical principle can prompt the Leader of the Opposition to rise in this House today and tell the Government: We are against resolution because Quebec will not have anything to do with it. Yet it is no secret that Quebec was left out of the constitutional agreement by the federal Liberal Party in the first place. That is history now, yet they use that as an argument to say they object because Quebec is not included. Mr. Lévesque's position is clear, for he told our Prime Minister: We are not against restricting the powers of the Senate, in keeping with democratic principles, but we will not even discuss the matter until we become party to the constitutional agreement. That is a fair proposition, Mr. Speaker.

The question of the Canadian Senate has been the subject of numerous propositions and criticisms in recent years, Mr. Speaker, and again a moment ago the Leader of the Opposition said they would seek to amend the resolution and ask that a federal-provincial conference be covened in 1985. Yet he had hardly finished saying that he just did not understand why this resolution was on the Order Paper. Why would the Government want to have a constitutional resolution on the Order Paper at this time? First he blames us for proposing that a conference be held in 1987—a commitment of our Prime Minister—then in the same breath he asks: What is this resolution doing on the Order Paper?

Mr. Speaker, it is all very simple. This draft resolution is before the House because the Senate abused its powers under the Constitution in dealing with Bill C-11. The Senate's attitude to the subject matter of Bill C-11 served as a clear warning. It reminded us of something that is an anachronism, something I am sure does not exist in any democracy, which is that the Parliament of Canada, the elected Members of this House, can adopt a Bill, and if the majority of the Senate does not agree with the legislation passed by the House of Commons, it can say no, on the basis of its absolute veto right.

Mr. Rossi: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bourassa, on a point of order.

Mr. Rossi: Mr. Speaker, I would not like to encroach on the Hon. Member's time, but just the same, I would like to check the speech by the Leader of the Opposition, because the Hon. Member has just said that in his speech, the Leader of the

Opposition said he would not participate because Quebec was not participating. I think we should look at the speech by the Leader of the Opposition before allowing this kind of statement.

• (1600)

[*English*]

The Acting Speaker (Mr. Paproski): I will look at the "blues" next week.

[*Translation*]

Mr. Rossi: The House is being misled, perhaps not deliberately, Mr. Speaker, and I do not think that is the case, considering the Hon. Member.

[*English*]

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Minister of State for Science and Technology (Mr. Valcourt) will have the floor when debate resumes on this particular piece of legislation.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the House to proceed to Item No. 193?

Some Hon. Members: Agreed.

* * *

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Mr. Dave Nickerson (Western Arctic) moved that Bill C-235, an Act to amend the Freshwater Fish Marketing Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, Bill C-235 has as its objective the removal of the monopoly on the sale of freshwater fish which is presently enjoyed by the Freshwater Fish Marketing Corporation in much of western and northern Canada. I want to emphasize that it is not an attempt to remove the FFMC. I have spoken on this subject before on many occasions and people have criticized the idea because they think that it will remove the FFMC, that plants will close down and that there will be nothing to replace them in certain areas. That is not the intent of the Bill. FFMC would continue to exist as long as it could in a competitive market-place.

As well as making some small amendments, we want to repeal Part III of the Act which gives to the FFMC a complete monopoly on the sale of most species of freshwater fish. That part also contains penalty clauses. Canadian citizens who commit the heinous crime of selling fish to someone other than the Crown corporation can be fined or sent to jail. Can we imagine Canadian citizens being sent to jail for selling fish to someone other than the federal Government agency?

I have spoken on this matter for 10 years, in many fora. I have spoken about it in the House of Commons on many occasions and previously as a Member of the Legislature. I have waxed eloquent on many occasions. I have been forceful. I have cajoled and threatened. I have been reasonable and logical. I have tried every knack of argument in debate which I know. It seems that after 15 years, we are making some headway. Today I will be rather cool, calm and collected, because I suspect that there is a certain amount of agreement among the Parties. I will even be nice to my socialist friends. I suspect they might help me, just this once. I want to retain the goodwill of the other Parties at least until five o'clock.

The other Parties may disagree with what I see as a resolution to a very difficult question which faces the freshwater industry. They should realize that the FFMC has not been particularly successful and that fishermen are not obtaining a fair return for the amount of effort which they put into the business in which they are engaged.

Marekting, in my opinion, in the opinion of many Members of the House, and certainly the people who are engaged in the fishery, has not been performed efficiently and effectively. That problem is not restricted to the freshwater section of the industry, it also affects the salt water fishery on the East Coast and on the West Coast.

I would like to compliment Senator Jack Marshall, of the other place, and his committee. That committee is engaged in an over-all study of fish marketing throughout Canada. I hope the committee will be able to present to the Senate, and to Canadian people in general, valid recommendations as to how we might improve the fishery within Canada. The committee is looking at FFMC and its practices. Of course, that will be only a very small part of the over-all effort. The committee is concerned with matters which have a national priority and importance on the East and West Coasts.

In my opinion the FFMC is a social experiment which has failed. In the Northwest Territories—and I believe the situation is very similar in the prairie provinces—before FFMC got into the business with its monopoly, there was a very active and viable fishery. The fishermen were not rich, but at least they were working and could make a decent living. After several years of government monopoly, the industry lives and relies on government subsidies and hand-outs. The provincial and territorial Governments have been obliged to subsidize a federal Crown corporation. Evidently, there is something very wrong in that situation. If the provincial and territorial subsidies were removed, the industry would fail completely. It

would have declining numbers of fishermen, catches and markets.

The FFMC is possessed of a crushing debt. The interest payments on the debt, according to the last annual report which was published in 1984, amounted to approximately $1.25 million, which the fishermen must pay. The fishermen are paying the interest on the debt which has accumulated to a great extent by reason of past mismanagement within the corporation. Some improvements have been made in the operation of the corporation, but there is still a long way to go.

Fishermen do not want hand-outs. I have spoken with the fishermen in my riding and they do not like the idea that someone else is paying subsidies to keep them in business. They know the business. They are good fishermen. They know how to catch top quality fish, which would command premium prices if the marketing opportunities existed. Fishermen want the chance to sell the fish at a fair price. They do not want subsidies to keep them in business. I agree whole-heartedly with them.

If we are successful and the monopoly is removed, the FFMC will remain, but it will have to become competitive. There will be something by which to judge it. Other people will be in the market-place. If they do a better job, we will be able to see that the FFMC is not working. If my submissions are right, that is what will happen. I might be wrong, but there is no harm in trying.

Fishermen's co-operatives could be formed. Several fishermen could get together and hire a salesman. They would then be working directly for the fishermen instead of for some Crown Corporation with a board of directors which no one ever sees. Private enterprise could get back into the fisheries business. Individuals would no longer be restricted by the law of Canada from entering into the business and earning a living buying and selling fish. I can see no reason why Canadian citizens should be prevented by the law from doing just that. It seems to me it is an elementary freedom which we have taken away from Canadians.

• (1610)

I see specialized marketing arising. For instance, in the area I come from, there is a very premium quality fish. It is a lot better than some of the fish caught in Alberta, for instance, with no disrespect to the Hon. Member sitting in front of me. We like to think that our fish is just a little better than his, and markets in the past have proven that. Markets have been prepared to pay a little extra for Slave Lake fish and that has not happened with FFMC. The fishermen there do not get that extra little bit.

Local processing by way of smoking and canning might very well be developed. Individuals could go into that field and we could get things going. That would bring about local job creation as well. There could be direct fishermen to retailer sales. I know fish companies in Ottawa which have tried to make deals with fishermen in freshwater country to buy their fish directly thereby cutting out the middle man, in this case, the Crown corporation. They could pay the fishermen better prices and the citizens of Ottawa would be able to buy fresher fish at lower prices and everyone would benefit, if we were able to do that under the law which, of course, with the present monopoly, is not possible.

I would like to review very briefly, Sir, the fisheries policy which was enunciated prior to September 4 by the Party of which I am a supporter. A very comprehensive fisheries platform was put together and this was presented to fishermen in the fishing ridings at the time of the election campaign. A lot of support was forthcoming on account of these policies.

Specifically, with respect to freshwater, there were two elements of the Conservative plank at that time: first, comprehensive review of the activities of the Freshwater Fish Marketing Corporation in close consultation with fishermen and Governments of the western provinces and Northwest Territories and the second element in the policy was that western Canadians would be granted greater control over their fishery, especially the marketing of its products. The Freshwater Fish Marketing Corporation will not be allowed to retain a monopoly on this activity.

Fishermen who were well aware of that policy are now demanding that action take place. They have waited long enough. We have been in office long enough and they are expecting us to make some headway. I know there are problems faced by the Minister of Fisheries and Oceans (Mr. Fraser). In my opinion, he is certainly doing a very good job. He is one of the best Fisheries Ministers we have had for some time. And he is gradually resolving some of the outstanding problems. Of course, he has to face the East Coast and West Coast national priorities.

As well, when we talk about freshwater, we have to deal with the Governments of Ontario, Manitoba, Saskatchewan, Alberta and the Northwest Territories and try to work out some form of consensus. That is a difficult job for the Minister of Fisheries and Oceans. I have an understanding that the subject matter of the Bill might well be referred to the Standing Committee on Fisheries and Oceans. If that takes place what we will be doing is fulfilling to some extent a promise to the fishermen in freshwater country. It certainly is an important first step in carrying out these promises. I hope that after the committee has given its full deliberations to the element of this Bill, the ramifications of the monopoly, it will become the policy of the Government of Canada supported by both opposition parties.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the subject matter of this Bill is certainly not new to the House of Commons. It is certainly not new in the *Hansards* of the House of Commons since the Hon. Member who introduced it has spoken on the subject many times. I suppose, Mr. Speaker, of all of the subjects we have listened to with respect to doing away with the powers of Crown corporations, this is one of the corporations which has been talked about more than any other in the House of Commons over the last few years.

To set the record straight, Mr. Speaker, two Crown corporations were created by past Governments primarily to market

fish. One Crown corporation was on the East Coast of Canada and the other was in western Canada. One had to do with saltfish and the other had to do with fresh fish. The difficulty that the Ministers of Fisheries and Oceans have had with the repeated suggestion of the Hon. Member for the Western Arctic (Mr. Nickerson), is that each Minister of Fisheries and Oceans has always looked at it with the idea that the corporation was for the general good of the area concerned. It is the same argument which is used in eastern Canada and in western Canada as it relates to this particular corporation.

I have wondered, Mr. Speaker, over the years if perhaps the Hon. Member for Western Arctic did not represent the one area covered by the Freshwater Fish Marketing Corporation which perhaps had a very accessible and probably very marketable product and there was, perhaps, a great demand for that product in Canada and the United States. Perhaps the marketing corporation was using that profitable section of its control to balance out the least profitable areas of its jurisdiction. I rather suspect that that is the truth of the matter and that the hon. gentleman can see no other solution to this problem but to do away with the monopoly of this particular Freshwater Fish Marketing Corporation.

Of course, Mr. Speaker, there is a down side to this argument. When you do away with the corporation in effect, with that type of a monopoly, then of course the more profitable elements of its jurisdiction will themselves do their own marketing and thereby raise the costs and economic viability of the remainder of that jurisdiction, probably to the point where the Government would not be able to finance that particular corporation. However, the hon. gentleman has a point. I think that the Party he represents listened to him very carefully over the years. In fact, it listened to him to the point of putting in the Party platform that it would end the monopoly of the Canadian Freshwater Fish Marketing Corporation. That was in party policy. Of course, Mr. Speaker, you have to understand that when you end that monopoly, in effect you end the corporation, unless the Government is prepared then to turn around and provide greater per unit subsidization of that operation than it did in the past.

It is unfortunate that the hon. gentleman's Bill is before us at this point in time for the federal Minister of Fisheries and Oceans (Mr. Fraser) because of all the times in Canadian history over the past 10 or 12 years, as far as fisheries is concerned, this is perhaps the most difficult time for a federal Minister of Fisheries and Oceans. He has had the courts in western Canada and British Columbia come up with decisions which really said that the federal Fisheries Act had no teeth and that it could not allocate licences by gear types. Recently the court in New Brunswick passed down a judgment which said the Government cannot control where people go to fish. As long as they have a licence, they are allowed under the mobility provisions of the Constitution to go wherever they want to go and fish. The Minister was also confronted with all of these problems which were created because of budgetary cuts. Then he was presented with the problem of overfishing.

I would say, Mr. Speaker, that if you polled the Members of the House of Commons who have been here for several years, they would have to say that the Prime Minister (Mr. Mulroney) probably made the best choice possible for the federal Minister of Fisheries and Oceans. I think it generally agreed, Mr. Speaker, that he made the best choice possible with what he had to choose from. The gentleman knows his business. He knows the fishery inside out and he knows the environment inside out as well, but he is being presented with all these problems.

• (1620)

We have a Bill before the House for second reading and we have the federal Minister trying to figure how he can weasel out of a campaign promise, a Party position, to end this monopoly. Add to that the fact that the Hon. Member for Western Arctic is still sitting in the House. That presents an additional problem for the Minister. The Minister knew that the first thing the Hon. Member would do when he came back in the Chamber was put a Bill on the Order Paper asking for the demise of the Canadian Frewshwater Fish Marketing Corporation.

I think that his concluding remarks, where he said this matter could be referred to the Standing Committee on Fisheries and Forestry, could be a way out. I certainly would support that proposition if it were proposed by the Parliamentary Secretary. I suppose we have to challenge him to do that. We have to ask him what is wrong with referring it to the committee. Is he afraid to have it discussed? I am sure the Hon. Member for the Western Arctic would agree that it should be discussed openly and examined by Members of the House of Commons, especially since the Conservatives put it in their Party platform. The speaker for the NDP should make sure that he does not go on too long so the Parliamentary Secretary can stand in his place, own up to a promise made by a Conservative Government, try to half satisfy the Hon. Member for Western Arctic and do what he should do by referring this entire subject matter to the standing committee.

Mr. Rod Murphy (Churchill): Mr. Speaker, I am not used to getting up in the House today. It is unfortunate that we are not allowed to mention the presence or absence of a Member, but I cannot ask a question of the Liberal Member who asked me about what I had been doing in the House because he is not here. Neither will I take advantage of this time to continue the debate on the uselessness of the Senate, so I will speak about the matter before us.

It will be no surprise to you, Mr. Speaker, that there have been discussions among the three Parties and that there is a willingness to accept that the subject matter of the Bill before us should go to the Standing Committee on Fisheries and Forestry for further study. I find that acceptable. I have entered into debate with the Hon. Member for Western Arctic (Mr. Nickerson) as to his intentions, which is basically to dissolve the Freshwater Fish Marketing Corporation or make sure that it competes with private buyers. I disagreed for many years with that supposition of the Hon. Member. Having said

that, let me tell you that I agree in principle with what I believe the Parliamentary Secretary will be doing in a few minutes, referring the matter to the Standing Committee.

I represent a riding which covers two thirds of the Province of Manitoba and which has many commercial fishermen. By virtue of the fact they all fish in fresh water, they sell their products through the FFMC. In the main they are very satisfied with that corporation. When there was an attempt by a previous Conservative Government in the Province of Manitoba to look at ways of changing the system, trying to bow out of the FFMC system, the fishermen in northern Manitoba, about 95 per cent of which are native, said no. That was done during the 1980 federal election and I stood with the fishermen in my riding and said "if I am elected, I will be there supporting the FFMC". I also said and I say now that the corporation is far from perfect.

I believe there are some officials from the Department upstairs listening at this time and they will be aware that there have been many complaints about the system. There are problems with it, just as there are problems with any system of marketing fish in this and other nations. The Hon. Member who spoke on behalf of the Liberal Party will recognize, being from Atlantic Canada, that there are many problems in the fishing industry there. There are many problems in the industry in western Canada. This is so even in some parts of this nation the marketing is done by private enterprise. So, it is not a matter of public versus private enterprise. Some people would like it to be an ideological debate, but it is not. It is not a matter of the FFMC having the monopoly and some people object to monopolies.

One of the problems we face is that regardless of where you fish, the prices are not high and costs are increasing. The increase in the cost of gas resulting from the recent Budget is not going to make life much easier for fishermen. It will make it more difficult for fishermen, especially in remote communities. As the price of gas goes up, obviously it is more expensive to operate. As well, it means that all goods shipped in to the fishermen are going to be that much more expensive.

I welcome the idea that this whole matter will be referred to committee and I hope to have a chance to participate on behalf of our caucus on that committee. I would also hope that in doing a thorough study, the committee will look at ways of travelling to where the fishermen live and work so we can see firsthand what the problems are. As I said in debate yesterday on northern transportation, the Hon. Member for Nunatsiaq (Mr. Suluk) put forward a motion that the Standing Committee on Transport should travel and look at the problems that people of the north face regarding transportation.

I believe that the Standing Committee on Fisheries and Forestry should do the same thing and listen to the people actually engaged in fishing. We should listen to the type of problems they face and the suggestions they may make concerning improving their situation. I recognize that fishermen will not speak with one voice. Like farmers, miners, labourers and businessmen, they do not always agree on what is the most perfect solution for their industry, but I think if we as Members of Parliament travel to those areas, we will hear for ourselves what people are saying. We will have some understanding of what the problems are.

We will not have this just by reading a report. We will not understand it by just listening to the FFMC officials testify in the standing committee once a year as they do at the present time. It is better for us to be out there and talk about the problems resulting from the high cost of transportation, from the fact we do not have processing stations in northern Manitoba and other parts of the north. We can talk about the problems they have with the fact that much of the fish they catch cannot be sold, whether through the FFMC or any other organization, because there is no market. Perhaps, after going through that process, we can come up with some changes to the FFMC which would satisfy the people involved.

One suggestion I would like to make at this time, and hopefully the committee would consider it, is that we make sure the fishermen themselves are actually on the board of directors in some numbers in order to have some effect on the direction and decisions made by the board. Right now the board of directors are not involved in the fishing industry themselves, basically. There is an advisory body representing the fishermen which gives advice to the board of directors, but that is not the same as having representatives of the fishermen on the board. If we made that one change so that fishermen felt they had some stake in the decision making, it would satisfy a lot of the fishermen in my area. They would be able to help determine price and the assistance the corporation gives to fishermen. They would be able to help plan the marketing and processing strategy, and deal with initial and final prices paid to the fishermen. That is not a new concept. We accepted that concept in the Wheat Board. We allow representatives of the farmers to be elected to the Wheat Board to help determine the decisions of that institution. I think that fishermen of freshwater fish would appreciate having that same input into their future and industry.

• (1630)

I could go on at some length talking about specific problems. I could spend a lot of time talking about the problems in my own riding, the fact that we do not have processing there, and the fact that most of the lakes are not connected to highways. I could talk about the disastrous effect of the last Budget on the fishermen in my riding because of the increase in the cost of fuel. However, I do not think that would serve any particular purpose at this time. I am going to sit down, but as I said at the outset, I would like to indicate my support for the proposal, which I believe we will be hearing in the next few minutes, to send this whole subject matter to the standing committee for further review and, hopefully, to travel across the country to allow the people who are actually fishing to speak to the Members of Parliament.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I would like to congratulate my colleague for introducing this Bill. It gives us a rare opportunity to address the freshwater fishery and the problems

of its fishermen, a group which we tend to ignore, given our preoccupation with the East and West Coast fisheries.

We are not the first to be concerned about these matters. For many years people with the best interests of the fishermen at heart debated the problems of fish marketing on the Prairies. It was a major question in terms of people, of profits, and of political will. When six governments finally joined to set up the Freshwater Fish Marketing Corporation, they knew they were making a fundamental change.

What brought them to that point? Perhaps we should look back for a moment to see what was on the minds of the federal, provincial, and territorial Governments at the time. Why did they want this corporation and how has it worked out? Their decision to set up the corporation followed many years of discontent and recommendations for change. For example, the 1933 Commission of Inquiry into Manitoba fisheries concluded that fishermen were in a most unfavourable position. American capital largely controlled the fish distributing agencies and it was said that racketeers had entered the business. The uneconomic competition between distributors for fish and markets was hurting the fishermen rather than helping them.

The 1933 commission called for collective action on behalf of the fishermen. It called for better co-ordination of the industry, better quality, better inspection, and for a fish-clearing house, another way of saying single-desk selling. The idea, of course, is that single-desk selling can give the producers more power in the market and can give the buyers a better availability of supply.

In 1938 the Manitoba Government again commissioned a thorough report. The author, H. C. Grant, said that "the most apt description of the fisherman in Manitoba is that he is a labourer working for a piece rate wage. For all practical purposes, the local packer or exporter provides the only source of credit available to the fisherman". The author linked the fisherman's lack of independence and his inability to sell his own fish with his discontent and suspicion about the whole marketing set up.

After the war, similar complaints persisted about market weakness, the strength of American buyers, and dirty deals. The Saskatchewan Government found it desirable to set up a fish marketing board and then a system of co-operatives. This helped, but American importers still had the upper hand and, by and large, exporters and dealers passed the risks and losses back to the fishermen.

A national conference on fisheries in 1964 brought matters to a head. The Manitoba Government presented a brief that said in part:

> Disorderly marketing is a central problem in the inland fishing industry. Local packers and shippers, apparently unable to bypass the American broker, force rapid changing prices f.o.b. the packing shed, and must therefore broaden their margin to offset losses caused by sudden devaluation of inventory. Consequently, the fishermen receive a lean share of constantly fluctuating prices. The packing-shipping firms tend to concentrate on shrewd marketing to earn occasional windfall profits rather than industrial engineering to economize on collection and handling costs . . . Handling and packing facilities are characterized by poor equipment and low quality control facilities—

The brief continued:

> At this time the Province of Manitoba knows of no better alternative than the establishment of a regional marketing board to meet the marketing problems of the industry.

Out of that conference a federal-provincial committee on Prairie fisheries recommended an export monopoly with monopoly single-desk selling. This recommendation lead to another and very thorough study by Commissioner George McIvor in 1965. Mr. McIvor talked to the various Governments. Among Prairies provinces Manitoba produces the most fish. Manitoba's Minister of Mines and Natural Resources, the Hon. Sterling Lyon, repeated the same arguments the province had made to the 1964 conference about the need for a marketing board. All the Prairie provinces and the Government of the Northwest Territories favoured an export monopoly.

Exporters and dealers had most to lose from a marketing board. However, even among them, Commissioner McIvor found an awareness that marketing of Prairie fish needed some from of re-organization and rationalization. In his travels and hearings, he found that the fishermen urgently wanted a changed system of marketing. The McIvor report said that prices were weak because of too many exporters selling to a few American importers. Some exporters only amounted to agents of U.S. importers. If the importer suffered a market setback, or took some risk that backfired, he had the power to pass the losses back to the Canadian exporter and the exporter passed the loss back to the dealers who passed it back to the fishermen.

McIvor discovered once again what previous studies had stated; the weakness of exporters linked up with a series of underlying weaknesses in the industry. The 35 or so exporters—too many—did business with 200 or so dealers—far too many for the amount of fish handled. There was no standardization of brands and no co-ordination of supply. The system created losses in efficiency, quality, and profits. All of this weakened market prices. Even when the export market took an upturn and exporters raised prices to their dealers, McIvor found that the dealers failed to pass the increase back to the fishermen. He investigated the sales of the two major products, white fish and pickerel, in 1965 and found that fishermen got less than half the export price. For Prairie fish in general, depending on the specific fishery, they got only 45 to 60 per cent of the price. However, the fishermen never knew what the market price was. Often they never even knew what price they would receive from their own local dealer from day to day.

Many of the fishermen worked on credit with the dealers and never got out of debt. Fully 25 per cent of them were completely dependent on the dealers credit, totally under the dealers' control. The commissioner's report said that "under these circumstances, the fisherman is essentially an indentured labourer for the fish companies. It is self evident that fishermen in this situation do not negotiate a price. There is no bargaining. The fisherman's prime concern is existing".

In short, if the exporters were weak, so was the whole system and especially the fisherman. McIvor added that "in

general, this commission is not aware of a worse pocket of poverty in Canada than the northern segments of the inland fishery". Fishermen in general were dissatisfied. "They are not happy, are not content, but are very discouraged".

McIvor concluded that clearing up the situation would take an export monopoly and more. With a single-desk exporting agency and no other change, any gains would disappear in the network of dealers and bring no help to the fisherman who should come first. He said, in effect, that the Government should take over marketing lock, stock, and barrel. It should buy the fish from the fishermen through its own agents, process the fish, and market it.

The six governments agreed, but only after taking another long look. They did economic studies, found that it would work, and finally in 1969 passed complementary legislation to set up the Freshwater Fish Marketing Corporation. They all did this even though it went against the grain of a free enterprise society. Like many other governments in many countries, they finally decided that this fishery was a special situation which needed special action. They saw a chance for progress in terms of people and profits and they had the political will to work together to make it happen.

In addressing this bill, Mr. Speaker, I would like to raise a question of process. Process is important in this matter, because, as I have said before, the Freshwater Fish Marketing Corporation involves five other provincial partners; Manitoba, Saskatchewan, Alberta, Northwestern Ontario, and the Northwest Territories. The legislation which established this corporation is effective because of companion legislation passed by those five jurisdictions. In addition, the federal Government entered into formal agreements respecting the operations of the corporation with the five Governments.

The House is already aware that the Government is deeply committed to improving the climate of federal-provincial relations. I would be concerned if we were to proceed on this matter in a unilateral fashion. In fact, the introduction of this Bill has already provoked reactions from four of the five governments. All four have expressed strong opposition to the intent of the Bill.

I move, seconded by the Members for Madawaska-Victoria (Mr. Valcourt):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-235, an Act to amend the Freshwater Fish Marketing Act, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Fisheries and Forestry."

● (1640)

Mr. Suluk: Mr. Speaker, I do not understand how the amendment will affect my remarks. My instincts tell me to support my hon. colleague for Western Arctic (Mr. Nickerson) and support the amendment. However, considering that I am a new Member, perhaps you may be able to instruct me as to the procedural matter involved.

The Acting Speaker (Mr. Paproski): The Chair cannot guide the Hon. Member and cannot participate in the debate. I will recognize the Hon. Member for Gander-Twillingate (Mr. Baker) on a point of order, then the Hon. Parliamentary Secretary.

Mr. Baker: Mr. Speaker, if I heard the Hon. Member correctly, he was rising on a point of order and was not addressing the subject matter of the resolution. That means that he can still address the subject matter of the resolution and the amendment that is before the House.

With respect to his point of order, the Hon. Member, who represents the eastern riding next to the Member for Western Arctic (Mr. Nickerson), has probably had time to confer with the Member for Western Arctic and understand his position.

Mr. Gass: Mr. Speaker, I rise on the same point of order. I appreciate the position of the Hon. Member for Nunatsiaq (Mr. Suluk). I would advise him that there was agreement between the Parties to refer the subject matter to committee so that we could discuss in more detail some of the concerns of Members of the House. Possibly at that time he will be able to raise his concerns about this Bill.

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, I wish to make some comments concerning the Bill proposed by my colleague, the Hon. Member for Western Arctic (Mr. Nickerson).

There have been a number of objections raised by residents in my riding because the people in my riding have become more politically aware of the intrusion of federal and territorial governments into every aspect of their lives. This corporation is another example of that because it was originally designed to assist fishermen 50 years ago and may no longer be relevant today.

Some months ago I received a resolution from the annual meeting of the Keewatin Wildlife Federation, which is directly north of the Province of Manitoba. The Federation was requesting that I present on their behalf a resolution calling for the Freshwater Fish Marketing Corporation to get out of the business of marketing fish in our region.

As the Hon. Member for Western Arctic said, perhaps more eloquently than I can, the Board has too much of a monopoly. People in the North want land claims to be settled and aboriginal rights to be entrenched in the Constitution because they believe that Governments are beginning to intrude too much into the everyday aspect of their lives.

While Inuit may have been considered not knowledgeable of Government matters and unable to govern their own affairs 15 years ago, many are now saying that they are able to address these issues themselves. This is just another example of a corporation that is perhaps designed more to help fishermen in the provinces and is no longer really relevant to the people in the North.

The resolution by the Federation asks the Minister of Fisheries and Oceans (Mr. Fraser) to rescind the provisions of the Board so that they no longer affect, them. They would like to

keep it in the provinces where it might still do some good, but we do not want it in our region because we do much of our marketing today. It is delaying another attempt by them to do their own business with whom they want.

I am reminded of a case in Ottawa in which a businessman inquired whether he could import Arctic char from the Baffin regions, which is east of the Keewatin region. I told him that he could not do so because the regulations require him to go through the Freshwater Fish Marketing Board.

In conclusion, I am sure that the committee would be more than able to look into many of these concerns in greater detail.

The Acting Speaker (Mr. Paproski): It has been moved by Mr. Gass, seconded by Mr. Valcourt:

That Bill C-235, an Act to amend the Freshwater Fish Marketing Act, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Fisheries and Forestry.

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

Some Hon. Members: Agreed.

Amendment (Mr. Gass) agreed to.

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

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Paproski): Accordingly, the order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Fisheries and Forestry.

Order discharged and Bill withdrawn.

The Acting Speaker (Mr. Paproski): I believe there is disposition to call it five o'clock.

[*Translation*]

It being five o'clock, this House stands adjourned until next Monday at eleven o'clock, pursuant to Standing Order 2(1).

The House adjourned at 4:49 p.m.

HOUSE OF COMMONS

Monday, June 10, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-31, an Act to amend the Indian Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development.

Mr. Speaker: There are 44 motions in amendment on the *Notice Paper* at the report stage of Bill C-31, and Act to amend the Indian Act. All of these motions have been examined and I am now in a position to make a preliminary determination as to their procedural acceptability and to group them for debate.

Motion No. 1 is in order and will be debated and voted on by itself. Motion No. 2 gives the Chair some procedural difficulty in that it appears to go beyond the scope of the Bill by amending the parent Act. Likewise, Motions Nos. 3 and 4 also appear to be amending the parent Act. In addition, the Chair has serious concerns about the effect of Motion No. 4 on the Royal Recommendation. Motion No. 5 infringes upon the financial initiative of the Crown and thus is out of order.

Motions Nos. 5A, 6, 7 and 18A will be grouped for debate and voted on as follows: (a) an affirmative vote on Motion No. 5A will dispose of Motions Nos. 6 and 7 and no questions will be put to the House on Motions Nos. 6 and 7; (b) a negative vote on Motion No. 5A will require that the question be put on Motion No. 6; (c) an affirmative vote on Motion No. 6 will dispose of Motion No. 7 and no question will be put to the House on Motion No. 7; (d) a negative vote on Motion No. 6 will require that the question be put on Motion No. 7; (e) Motion No. 18A will be voted on separately.

[*Translation*]

Motions Nos. 6A, 8, 9, 10, 11, 12 and 19 give the Chair some problems in that they all appear to infringe upon the financial initiative of the Crown and thus appear to be out of order.

Motions Nos. 13, 14, 14A, 15, 16, 17, 18, 20, 21, 24 and 32A all deal with various aspects of Band Lists and should be grouped for debate but voted on as follows:

(*a*) An affirmative vote on motion No. 13 will dispose of motion No. 14. Therefore, no question will be put on motion No. 14. A negative vote on motion No. 13 will necessitate the question being put on motion No. 14.

(*b*) As motion No. 14A is dependent on motion No. 32A, it is the Chair's intention to put the question on motion No. 32A.

The decision of the House on motion No. 32A will also apply to motion No. 14A.

(*c*) Motions numbered 15 to 18, 20, 21 and 24 will be voted on separately.

[*English*]

Motion No. 19 was grouped with Motions Nos. 9, 10, 11 and 12 and was dealt with earlier. Motions Nos. 22 and 23 appear to go beyond the terms of the Royal Recommendation and this is a cause of concern to the Chair. They appear to be out of order.

Motion No. 24 was dealt with earlier. Motion No. 25 will be debated and voted on separately.

Motion No. 26 gives the Chair some difficulty in that it appears to infringe upon the financial initiative of the Crown. Motion No. 27 also gives the Chair procedural difficulty in that it is attempting to amend the parent Act.

[*Translation*]

Motions Nos. 28, 38 and 39 will be grouped for debate but will be voted on separately.

Motion No. 28A appears to go beyond the scope of the Clause in that it expands the use of the term "dependents" and would thus infringe on the financial initiative of the Crown.

Motions Nos. 29 and 30A will be grouped for debate and voted on separately.

Motion No. 30, similarly, gives the Chair some procedural difficulty, in that it appears to infringe upon the financial initiative of the Crown.

Motion No. 30A I dealt with a moment ago.

Motion No. 31 also raises in the mind of the Chair some procedural concerns because it attempts to amend the parent Act.

Motion No. 32 will be debated and voted on by itself.

Motion No. 32A was dealt with earlier.

Motions Nos. 33 and 33A raise the same concerns expressed for motion No. 31, namely, these motions appear to be amending the parent Act.

[*English*]

Motions Nos. 34, 35 and 36 appear to infringe upon the financial initiative of the Crown, thus going beyond the Royal Recommendation. Motions Nos. 35A and 37A will be grouped

for debate and voted on separately. Motion No. 37 will be debated and voted on separately. Motions Nos. 38 and 39 which were grouped with Motion No. 28 were dealt with earlier.

Motions Nos. 40 and 41 will be grouped for debate and voted on as follows: (a) an affirmative vote on Motion 40 will dispose of Motion No. 41 and no question will be put to the House on Motion No. 41; (b) a negative vote on Motion No. 40 will necessitate the question being put on Motion No. 41. Motion No. 42 will be debated and voted on separately.

It would be the Chair's intention to give Hon. Members an opportunity to speak to the procedural acceptability of the motions on which I have expressed some concern. Following Routine Proceedings today when the order for resuming debate is read, I will hear Hon. Members on their procedural arguments.

[*Translation*]

For the benefit of Hon. Members, these motions are numbered 2, 3, 4, 5, 6A, 8, 9, 10, 11, 12, 19, 22, 23, 26, 27, 28A, 30, 31, 33, 33A, 34, 35 and 36.

For the moment, debate will begin on motion No. 1, standing in the name of the Hon. Member for Athabasca (Mr. Shields).

[*English*]

Mr. Jack Shields (Athabasca) moved:

Motion No. 1

That Bill C-31, be amended in Clause 1

(*a*) by striking out line 4 at page 1 and substituting the following therefor:

"1.(1) The definition of "elector"."

(*b*) by striking out lines 9 to 12 at page 1.

He said: Mr. Speaker, I am proposing this amendment to the definition of "elector" to put more control into the hands of the band so that it may define who the elector is and if he or she should reside on the reserve. It does not necessarily imply that others will be eliminated from the electors' list by not living on band property; it will be strictly up to the band. I believe the amendment goes a long way in creating the situation for which we are all aiming—self-government for reserves and bands. I ask Hon. Members to consider Motion No. 1, as it simply extends the definition.

● (1110)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the House is discussing Motion No. 1, I thought I might spend a moment on the general sense of the matter which is before the House and the various motions which have been grouped in a fairly extensive fashion.

Three months ago, I asked Hon. Members to consider legislation which would eliminate two very great historical wrongs in Canada's legislation regarding Indian people: discriminatory treatment based on sex, and the practice of dictating to Indian communities who may and who may not be members of each community.

When I tabled the legislation I said that I did not want to proceed in a way which would increase control of all Indian communities and people, men and women alike, in a colonial fashion which is no longer acceptable in 1985. I have attempted to ensure that the legislation is not simply a well-intentioned attempt to redress the injustices of the past. That would inflict even greater injustice and irreparable damage upon the people of the First Nations.

Following the policy of the Government to seek consensus, I encouraged parties to talk to each other in an attempt to reconcile their differences and to accommodate each other's concerns. I spent many thoughtful hours attempting to understand and attempting to respond positively to the various requests. I invited those who sought new avenues to present them to the Standing Committee on Indian Affairs and Northern Development. That committee, under very able chairmanship, has done a heroic and conscientious job in considering all the ramifications of the legislation and in recommending improvement.

While there might be other ways to reach the objectives which I am sure we all agree must be reached, the three pillars of principles which underlie the Bill, are unshakable. The first principle was the removal of discriminatory provisions in the Indian Act. The second principle was the restoration of status and membership to those who lost status and membership as a result of the sex-based discriminatory provisions in the Act. The third principle was to ensure that Indian First Nations, who wished to do so, could control their own membership. Those are the three principles which we needed then and which we need now to allow us to find the balance and to proceed with serenity in passing this legislation in the face of any disappointment which may be expressed by persons or groups who were not able to accomplish 100 per cent of their particular objectives.

As I said, decolonizing is not a painless process. No one comes out being a 100 per cent winner. We can never go back to square one and start over. We have to begin with the reality which confronts us today. The committee—and I refer to its members from all Parties—performed a difficult and lengthy task with diligence, compassion and fairness. I want to take this opportunity to remind Members of the high quality of the discussion which we had three months ago.

I would like to address Motion No. 1 which is before the House. Two purposes of Bill C-31 are involved in the amendment to the definition of a child: first, the equal treatment of children, and second, the right of specific Indian individuals to transmit status to their children.

If an Indian person is capable of transmitting status to his or her natural child, it seems logical to extend that capability to include a child whom the Indian person might adopt, either legally as defined by provincial or territorial law, or by the custom of his or her people. The equal treatment of children in an immediate family is important to the preservation and integrity of the family unit. Band custom adoptions are not uncommon and very frequently involve a relative of the child in question.

Section 48(16) of the Indian Act, on the subject of "distribution of property on intestacy", already recognizes children adopted in accordance with Indian custom as having the same rights as a naturally born child or a legally adopted child. Surely, an Indian parent does not have to die intestate for his or her children to be recognized as equals by the federal Government. The amendment to the definition of "child" as outlined in Bill C-31, simply complements the right already recognized in Section 48. Even more important, this Bill would remove that feature of Bill C-31, which would ensure that in future all children will be treated equally whether born in or out of wedlock.

• (1115)

In 1985, what used to be called "illegitimacy" should not affect the registration of children with Indian parents. To adopt this motion would be a step backward in treating all Indians fairly, and I urge this House, with great respect, to reject it for the reasons I have given.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I also would oppose this first motion. The Hon. Member said that it only expanded the definition of who is an elector. That is not so. As the Minister pointed out, in effect it drops the new definition of "child", and the definition of "child" as we have it here is, "Child includes a child born in or out of wedlock, a legally adopted child and a child adopted in accordance with Indian custom". When the committee held hearings on Bill C-31, there were a fair number of witnesses who pointed out that it was necessary to expand the definition of "child" to include those children who are adopted in accordance with Indian customs, and as the Minister pointed out, in 1985 it is completely incongruous and anachronistic to maintain a distinction between children born in or out of wedlock. On that basis, Mr. Speaker, we will not support Motion No. 1, which would have the effect of removing this expanded definition of "child" from Bill C-31.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, it is clear that the motion which is now before us demonstrates the difficulty we are facing in this Bill. The Minister was correct in pointing out that decolonization is never a simple process, and the reason that we are into this difficulty is that we have involved ourselves to such an extent in the lives of the Indian people of this country that we must come down to the fine distinction as to who can be properly considered a "child" within the context of an Indian First Nation.

Since the Minister began with a rather general statement about the thrust of Bill C-31, perhaps I can briefly comment on that as well. When I consider the provisions, including this first motion, it seems to me that the situation we are faced with is not unlike that of two passenger aircraft which are flying in opposite directions and have a separation between them. That separation is usually a thousand feet or so. That is the difficulty we have in Canada. There is a desire in this country, particularly now that we have the Charter of Rights and Freedoms, for individual or personal rights to be emphasized. At the same time, we have Indian First Nations which have never relinquished their autonomy. They have never turned over the control of their lives to the Government of Canada, to the Parliament of Canada. A long time ago, before any of us were here, that responsibility was assumed by the Government of Canada, and the rest of us have had to live with that ever since. As long as those aircraft are separated by 1,000 feet and flying in opposite directions, there is no difficulty. However, if that separation disappears, we have a clash.

• (1120)

That is the difficulty with Bill C-31, no matter which motion we debate. There is a cultural clash. We have individual rights which are a part of the Anglo Saxon tradition and part of the American tradition falling from the American Bill of Rights. Part of our traditions come from the French Revolution. All of that is dear to us who live in western democracies.

At the same time, in Canada we have another tradition which is equally valid but different, that is, the concept of collectivity, the concept of a group of people working together to protect their cultural integrity. The fact that we have assumed control over their lives to such a degree means that, inevitably, there will be a cultural clash. We are the ones who have the power, authority, and numbers. Therefore, the stage is set for grave injustices.

I know that the Minister is aware of this. All Hon. Members who served on the committee are aware of it. No matter what we do, when we involve ourselves in the lives of these people to such a degree as we are in clause 1 and in Motion No. 1 by defining who is a child, we find ourselves in an awkward, embarrassing, and difficult situation from which we cannot extricate ourselves with any grace. There is no answer to the problem.

As Members of Parliament we must constantly bear in mind that while we are engaged in this exercise our goal must be to put the emphasis on decision-making with the First Nations themselves. That is the direction in which we want to move. We cannot do that today with Bill C-31. We need too many other things. We need a constitutional amendment, if we can get it. We need agreements between Canada and Indian First Nations if and when we can get them. At the moment, no matter which motion we deal with today, we are going to be faced with this awkward and difficult situation.

Having said that, I must confess that it is confusing to know which way to go on Motion No. 1. In what way will we be interfering more or interfering less? The arguments of the Minister regarding illegitimate children and those who are adopted into the Indian First Nation ought to prevail. That would be the position of my Party.

Mr. Shields: Mr. Speaker, I have a point of order.

Mr. Deputy Speaker: The Hon. Member for Athabasca (Mr. Shields) on a point of order.

Mr. Shields: I have a few remarks I would like to make. When we started debate on Motion No. 1 I was looking for my

notes. I have now found them and would request unanimous consent to be given three or four minutes to speak.

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Member for Athabasca to complete his speech?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Very well, the Hon. Member for Athabasca has the floor.

Mr. Shields: Mr. Speaker, the proposed definition in Bill C-31 reads as follows:

"child" includes a child born in or out of wedlock, a legally adopted child and a child adopted in accordance with Indian custom.

A Member who spoke previously talked about how much we should interfere in the running of bands and band government. The present definition of "child" in the Indian Act says that a child includes a legally adopted Indian child.

As the Minister pointed out, the over-all objective of Bill C-31 is the elimination of sexual inequality, the establishment of band control over band membership, and the restoration of lost rights. The insertion of the new definition of "child" in the Bill is not aimed at, nor does it achieve, any of the three objectives outlined previously by the Minister. I contend that the determination of who is a child is not an issue of sexual discrimination. One of the principles of the Bill, in my view, is to eliminate the acquisition or loss of status in band membership through marriage. The objective of my amendment is to eliminate the acquisition of status or band membership through adoption.

• (1125)

Essentially, if this amendment is not allowed to go through, a family or individual will then be able to impose an obligation on either the Government of Canada or on the band concerned as a result of a family decision. I do not think that that is correct. We are unaware of any band which has requested this Government to amend the definition of a child, but we are going ahead and doing this on our own. We are not only giving the power to create Indian status and band membership to a family, which increases the number of persons entitled to treaty benefits, but it also creates a problem on some reserves where a family makes a decision that certain people are going to be recognized as band members and treaty Indians.

Those are the comments that I would like to make. I think this will increase the charge on the taxpayers and it will certainly interfere at a very basic level with band membership and its control.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I want to speak on this motion and make some comments, as Chairman of the Standing Committee, on the work done by the committee on this Bill. This is not the first attempt by Parliament to try to deal with a difficulty which has existed for close to 100 years. I have served on the committee for over 13 years now, and I know that over that time Members of Parliament and Ministers have brought this problem to the committee and the House many times. But as we moved on the constitutional process, Ministers became more serious regarding this matter. The committee was challenged by the Minister in the previous Government to deal with the situation. We had a special committee about two and a half years ago which met during the summer. Let me say, in answer to Members who will wonder why it did so, that it was in an attempt to try to deal with this question. A report was drafted and submitted to the Minister for his guidance.

About a year later, a Bill was presented to the House in the dying days of the session. An experience then took place of which I believe no member of any committee would wish to be a part. There was an attempt to deal with a question which is so serious to the lives of individuals in a matter of only a couple of days. The Bill failed. It failed not in the House of Commons but in the Senate. Of course, the session was over and therefore the issue came to an end. It has now been revived at this time in the House of Commons by the new Minister of Indian Affairs and Northern Development (Mr. Crombie). He outlined to the House on second reading the principles upon which the Government was standing and the Bill was drafted.

• (1130)

The committee took those principles seriously. The rules of the House limit what a committee can and cannot do. We went to work in our limited way and, as Chairman, I want to congratulate Members from all sides of the House who spent many hours not only trying to decipher the Bill but listening patiently to the intensive lobby from people interested in the Bill. These not only included Indians but many others in the country who have been concerned about this issue which involves discrimination, our attitude toward women and of course the very important issue of the treatment of Indian people of this country.

The committee spent 76 hours in public meetings and approximately three times as long preparing for those meetings. The committee heard 52 witnesses, starting at nine in the morning and often working until midnight in order to hear them. There were 10 written submissions from over 200 people, representing groups who did not appear at the hearings.

Members on the committee made 23 direct amendments to the Bill which were passed in the committee stage, 15 of which were a direct result of testimony that was given to the committee. The Minister and his staff were very helpful in assisting the committee draft the amendments properly and guiding us as we put them into the Bill.

As I said, we had some difficulty because we wanted to amend the Bill more fully than we were allowed. As chairman, I had to bring members to order from time to time as they attempted to put forward amendments that were not within the purview of the committee to pass. However, the committee made a recommendation to the Minister that he go to the Cabinet and get a Governor General's recommendation to make certain of those amendments. Some of them now appear

on the Order Paper and we will be debating and voting on them soon.

As members of the committee studied the three principles of the Bill, they agonized whether they were doing the right thing. The committee often received opinions from both sides of the question and, as stated by the Hon. Member for Cochrane-Superior (Mr. Penner), members were involving themselves in the lives of other people and therefore had to make decisions according to the governmental process now in effect, according to the Act which has been rarely amended. As I watched members of the committee perform, they attempted to do everything possible in their experience to be fair to all sides involved in the question. I believe they did everything possible under the rules to be fair to the bands because they are the groups who have held their culture together.

During the last 100 years, the Government has put numerous roadblocks in their way and a review of history makes one wonder how many bands in this country have been able to exist. However, they did so through tenacious survival tactics.

When we make these changes again and involve ourselves in their lives, we must be cognizant that we do not involve ourselves in future injustices that will result from legislation that may appear to be an attempt to put one more solid punch between the eyes before Government gets itself out of the process and allows Indian people to become self governing bodies within the Canadian concept of society.

At this time we are discussing an important amendment about the treatment of children. It is a difficult decision to be made by Members in the House. I know that as we make the decision every consideration will be given to the debate that is put forward and the fact that we are involving ourselves in the lives of people. They are not machines that can be manipulated and dealt with inhumanely. We are dealing with people's lives today and in the future. We are determining how they will exist in this country. As we make these decisions, I hope Members are cognizant of that.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for Athabasca (Mr. Shields).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Motion No. 1 negatived.

Mr. Deputy Speaker: The next group of motions consists of Motions Nos. 5A, 6, 7 and 18A.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moves:

Motion No. 5A

That Bill C-31, be amended in Clause 4 by striking out lines 44 to 49 at page 3 and lines 1 to 24 at page 4 and substituting the following therefor:

"1951, under subparagraph 12(1)(*a*)(iii) pursuant to an order made under subsection 109(1), as each provision read immediately prior to April 17, 1985, or under any former provision of this Act relating to the same subject-matter as any of those provisions;

(*e*) the name of that person was omitted or deleted from the Indian Register, or from a band list prior to September 4, 1951,

(i) under section 13, as it read immediately prior to September 4, 1951, or under any former provision of this Act relating to the same subject-matter as that section, or

(ii) under section 111, as it read immediately prior to July 1, 1920, or under any former provision of this Act relating to the same subject-matter as that section; or".

Recommendation
(pursuant to Standing Order 79(6))

Her Excellency the Governor General recommends to the House of Commons that Bill C-31, An Act to amend the Indian Act, be amended in Clause 4 by striking out lines 44 to 49 at page 3 and lines 1 to 24 at page 4 and substituting the following therefor:

"1951, under subparagraph 12(1)(*a*)(iii) pursuant to an order made under subsection 109(1), as each provision read immediately prior to April 17, 1985, or under any former provision of this Act relating to the same subject-matter as any of those provisions;

(*e*) the name of that person was omitted or deleted from the Indian Register, or from a band list prior to September 4, 1951,

(i) under section 13, as it read immediately prior to September 4, 1951, or under any former provision of this Act relating to the same subject-matter as that section, or

(ii) under section 111, as it read immediately prior to July 1, 1920, or under any former provision of this Act relating to the same subject-matter as that section; or".

Mr. Jim Manly (Cowichan-Malahat-The Islands) moves:

Motion No. 6

That Bill C-31, be amended in Clause 4 by striking out lines 3 to 10 at page 4.

Mr. Jack Shields (Athabasca) moves:

Motion No. 7

That Bill C-31, be amended in Clause 4 by striking out lines 9 and 10 at page 4 and substituting the following therefor:

"(B) to enable that person to satisfy an occupational qualification to maintain or obtain employment, or".

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moves:

Motion No. 18A

That Bill C-31, be amended in Clause 4

(*a*) by striking out line 17 and 18 at page 8 and substituting the following therefor:

"tered under paragraph 6(1)(*c*) and ceased to be a member of that".

(*b*) by striking out lines 39 to 45 at page 8 and substituting the following therefor:

"for the band

(*a*) if that person is entitled to be registered under paragraph 6(1)(*d*) or (*e*) and ceased to be a member of that band by reason of the circumstances set out in that paragraph; or

(*b*) if that person is entitled to be registered under paragraph 6(1)(*f*) or subsection 6(2) and a parent referred to that provision is entitled to have his name entered in the Band List or, if no longer living, was at the time of death entitled to have his name entered in the Band List."

(*c*) by striking out lines 3 to 6 at page 9 and substituting the following therefor:

"the first day on which he would otherwise be entitled to have his name entered in the Band List of the band of which he ceased to be a member shall be deemed to be entitled to have his name so entered."

● (1140)

Mr. Deputy Speaker: All those motions are grouped for debate.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the grouping includes Motions Nos. 5A and 18A standing in my own name, motion No. 6 in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) and Motion No. 7 in the name of the Hon. Member for Athabasca (Mr. Shields).

I would like to deal with those four motions in this grouping, but first I want to deal with those standing in my own name and then with the other two motions.

Motion No. 5A will ensure that all those who were enfranchised for whatever reason can regain status under the Indian Act. The related amendment, Motion 18A provides that decisions on band membership for this group will be made according to membership rules adopted by the bands themselves. If bands do not adopt such rules within two years, those enfranchised would also be entitled to band membership under federal law.

Bill C-31 as tabled proposed to restore Indian status and band membership to those who lost them through enfranchisement in circumstances deemed to be unfair. Such circumstances included enlisting in the Armed Forces, receiving a university degree or entering the clergy before 1920 or obtaining or maintaining a job.

It became very evident at the standing committee and elsewhere that more categories of enfranchisement could reasonably be considered as unfair. Several groups argued that all enfranchisements had been unfair.

On the other hand, granting band membership directly to all who had been enfranchises voluntarily under Subsection 109(1) and related sections, as well as their wives and children enfranchised with them, could be unfair to the bands and, indeed, fly in the face of our approved understanding of the importance of Indian control of Indian communities.

The fairest compromise in this matter, in my view, Mr. Speaker, is the following: First, to grant status under the Indian Act to all those enfranchised under Section 109(1) and related sections. Second, to leave band membership to be determined by the bands' own rules, which is Motion No. 18A. Specifically, this motion amends paragraph 6(1) of Bill C-31 to refer to all those enfranchised under Subsection 109(1). As a result, all references to categories of unfair enfranchisement are deleted. Nor would the Minister be required to exercise discretion in cases not falling into any of the specific categories as had been suggested at the standing committee. Not only do Motions Nos. 5A and 18A offer a balanced approach on restoration of rights to those enfranchised, but this approach will also lead to fairer and easier administration of the law.

The new Section 6(1)(*e*) refers to two sections of previous versions of the Indian Act that also resulted in enfranchisement. Section 13, before 1951, resulted in removal from band lists if a person were absent from Canada for more than five years. Section 111, before 1920, lead to loss of status for persons who gained a university degree or joined the clergy or a profession. These government motions will affect about 8,000 people who were enfranchised under Section 109(1). Previously it was estimated that only about half of these people would have benefited from Bill C-31. Their first generation descendants will also be eligible for status under the Indian Act.

That completes my remarks with respect to Motions Nos. 5A and 18A standing in my name to amend Bill C-31 as it came out of the committee. I would like to have the House support Motions Nos. 5A and 18A.

Let me now turn my attention to Motions Nos. 6 and 7. Motion No. 6 stands in the name of the Hon. Member for Cowichan-Malahat-The Islands which deals with a part of the amendment that I have put forward as a Royal Recommendation. I suggest, as outlined in Motions Nos. 5A and 18A, that the motion standing in the name of the Hon. Member for Cowichan-Malahat-The Islands, if it is not ruled out of order, be not supported given the changes made through Motions Nos. 5A and 18A. In the circumstances I am asking that Motion No. 6 not be supported.

Motion No. 7 moved by the Hon. Member for Athabasca deals with a technical adjustment to one of the categories of unfair enfranchisement which was specified in the Bill as originally tabled. In my view, approval of Motions Nos. 5A and 18A would make Motion No. 7, with great respect meaningless since all reference to such categories would be dropped. I urge the House to reject Motion No. 7 as well as Motion No. 6, and urge the House to support Motions Nos. 5A and 18A as a significant improvement to the Bill flowing from the discussions in the standing committee.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the position of my Party regarding this grouping of amendments will be to support Motions Nos. 5A and 18A. Before I get into the background of why these amendments were required, let me express a word of appreciation for the way in which the Minister of Indian Affairs and Northern Development (Mr. Crombie) has responded in amendments Nos. 5A and 18A to the wishes of the committee. This demonstrates a high degree of co-operation and of working together to achieve what the committee members felt to be a continuing injustice if an amendment were not put forward. The Minister has responded. Members of the committee are grateful for that.

If Hon. Members look carefully at the Order Paper, they will notice Motion No. 5, which is in my name, has been ruled out of order by the Speaker. There can be no procedural argument against that at all because such a motion does require Royal Recommendation. I hope, some day when we reform Parliament, that we will do something to spruce up the way we handle the report stage of Bills coming out of committee. Our committee Chairman quite rightly pointed out that to extend the range or categories of people eligible for the recognition of status obviously involves the expenditure of public money because such persons are eligible for certain benefits, such as post-secondary education and health care premiums. So it is not good sense at all to have the same motion come back in the House after it has been ruled on in the committee. However, that has been the practice of the House of Commons for as long as I have been here and until we hear from the reform committee a better way of dealing with the report stage, that is the situation.

● (1150)

It does give me the opportunity at least to compare my Motion No. 5 with the Minister's Motion No. 5A. The thrust is basically the same except that I went somewhat further than the Minister did. There were certain categories, for example, Métis people who had received script, who had been included in my motion and they are not in the Minister's motion. The acceptance of 5A and 18A gives us no difficulty at all.

Having said that, allow me, Mr. Speaker, to provide a little background and then to conclude with the comment about the distinction between status and membership in an Indian First Nation.

First of all, the background: it may surprise some Hon. Members in this House, I am sure it will surprise a lot of Canadian people who are not given to examine carefully all aspects of the history of this country, that within the Indian Act there is a good deal of Canadian history, an attitudinal approach to the aboriginal people of Canada.

Whether the Fathers of Confederation were not aware, or whether they were too much aware; but by assuming control over Indian people and subsequently Parliament passing the Indian Act, there was a policy in place that could be very accurately described, although it is crude and rough, as a policy of termination. That will shock a lot of Canadians because the very term smacks a little bit of the "final solution" coming out of the Third Reich. Of course there was nothing physical about the policy of termination, but there was everything cultural about it. It was in fact a policy of cultural genocide, to gradually do away with a distinct aboriginal or Indian culture in this country and to do so by a series of enticements which would allow individual Indian persons to remove themselves from certain prohibitions that were imposed upon them if they did not find the enticements to be attractive.

Among those enticements were the rights to vote, before it was extended to Indian people by an Act of this Parliament; the right to consume alcoholic beverages in public places; the right to go to universities and enlist in the Armed Forces; all of those categories that the Minister mentioned, if an Indian chose any one of those he was, so to speak, enfranchised. To say that in another way, he was terminated. He was no longer considered in the eyes of the Government of Canada to be an Indian.

So we have that very strange term in this country, which I am sure would baffle anyone. The term is non-status Indian. Let us say that you went to some other part of the world, Australia, for example, where there is also a significant aboriginal population and tried to explain to a legislator in any one of the Australian states or in the federal Parliament, which they call the Commonwealth, that we, by an Act of Parliament, have categorized Indian people; those who are of mixed blood, the Métis; those who have made certain decisions vis-à-vis the Indian Act as non-status; and those who have not made that decision as status, and if you could explain that in a logical, rational way to someone who does not live in Canada or has not been a part of it, then you are a much better teacher than I am, because the end result of that is just a puzzlement.

We can remove the puzzlement here because we know what the intention was. The intention was that, over a period of time—I do not think anyone knew how long it would take—the Indian people would disappear. They would be integrated. They would be assimilated. They would become part of the mainstream, and we would encourage this to happen by certain provisions of the Indian Act.

That is what we mean, Mr. Speaker, when we talk about terminating a people or enacting legislation which results in cultural genocide. Over a period of time it was hoped I think by the Fathers of Confederation, if they thought about it at all, but it must have been thought about by the framers of the first version of the Indian Act, that we will get rid of these people.

The Chairman of the committee has quite rightly noted that the Indian people of Canada have had tremendous tenacity, that now, deep into the 20th century, they still survive. They still have their cultural identity which is distinct and which is deeply held on to by these people despite all of the winds of adversity that have blown against them for so many decades, for a period of time that exceeds a century. They have held on to certain fundamental rights that they emphasize they have never, never relinquished: the right to control and manage and direct their own affairs; the right to be self-governing; they never relinquished that. They have not relinquished their own cultural integrity to any other authority. They retained all of that. What they did was to make generous room in this country for those who came from other parts of the world. In some cases they entered into treaties with the colonizers. Unfortunately, although those treaties are sacrosanct, highly respected and highly regarded, nevertheless I think, even though they have almost a sacred quality for Indian people, we all recognize that there was unequal negotiation for those treaties, that the colonizers had an advantage and they took advantage of these people.

All of that has continued up until the present time, and now at long last we have revealed this policy for all that it is. I

think we have stripped away the disguise. Part of that was done by the work of the special committee on Indian Self-government and many Members who are present in the House today who worked in that special committee will know what I am talking about. We stripped away the disguise of the policy of termination or cultural genocide and we said that we have to restore that original right which was never relinquished, the right to be self-determining within the context of the Canadian Confederation.

It does not need to be repeated here again that there is nothing threatening about this to anybody. There is no question here of separating the First Nations from Canada. There is no question here of setting up some kind of Canadian apartheid system, none of that. That is what we have now. That is exactly what we have now. We have people who are segregated now, who are dominated by an Act of Parliament called the Indian Act which dominates no other group of people in Canada. Can you tell me of another group of people in this country who would allow themselves to be controlled and regulated in every aspect of their lives by an Act of Parliament? No other group of people in this country would tolerate it for one single day. They would be here on Parliament Hill in vigorous demonstration asking for the repeal of the whole Act, because you cannot take a group of people and put them under a totalitarian regime such as we have done with the Indian Act when, disguised within that totalitarian scheme, is a scheme or plan or, if I may say so, a plot eventually not to need the Indian Act any more because there will no longer be any Indian people.

All of that has been resisted and the Indian people have gained allies in the Parliament of Canada. They have gained allies among some of the provincial Premiers, unfortunately not a sufficient number. But they will win; history is on their side; they will win. They will become self-governing entities within this country and they will be out from under the domination and the control of the Indian Act.

This policy of termination is now at long last coming to an end. The amendments that the Minister has proposed, the amendments that the committee recommended, go in that direction of saying, stop; stop taking away from people who call themselves Indian people, through some clause of an Act of Parliament saying that someone is no longer an Indian, however, if someone wants to call themselves something else such as non-status, we will accept that.

● (1200)

The Indian Act had a large number of ways of taking away the status of an Indian person. Sometimes this was done voluntarily and sometimes it was done involuntarily. During the committee hearings, we recognized that the distinction between voluntary and involuntary was a very false one because there were so many social, psychological, economic and cultural pressures that might cause a person to so-called voluntarily disenfranchise. Was that voluntary enfranchisement really voluntary? Did the person really know what he was doing? If the person was married and had children, did he sit down with his family to discuss the implications of this decision? We heard testimony that indicated that that did not occur.

While Bill C-31 says that we will allow Indian people to have their status restored, I do not think that we can be as selective about who will be able to have this opportunity as we were in the first version of Bill C-31. The committee indicated we should extend the privilege to other persons who were disenfranchised or lost their Indian status so they may apply to the Registrar to have their status restored.

I would like to conclude by drawing the distinction that the Minister drew between status and band membership because we do not want this to be interpreted as imposing persons upon First Nations without their consent. In the course of the committee hearings, the Minister was asked to define status, and the definition that he offered was a relationship between the Government of Canada and an individual Indian person. Recognizing that relationship and giving it legitimacy also means that there are certain benefits that flow from it.

In these amendments, we are saying that a large range of categories of Indian persons will have the opportunity to have their lost status as Indians restored. However, the matter of membership will then be up to the bands, provided, as the Minister pointed out, that after a period of two years, they have put in place a band membership code. If the bands have this code, people will be able to apply to them for band membership. If the First Nations fail to put together a band membership code, then these persons will be imposed upon them by having their names placed on the bamd membership list.

Once again, Mr. Speaker, you can see that we are moving in the right direction. However, we are moving cautiously in the right direction and we have not yet totally and completely relinquished the right of the Parliament of Canada to deal in such minute detail with something that is so absolutely central to the autonomy and ability of First Nations to define their own membership and citizenship. We are caught right in the middle of this maelstrom. The Chairman of the committee described very well the agony and sense of frustration that every single Member feels.

In the name of justice, if we are going to extend the right to have status restored to some, we cannot make these artificial distinctions between those who relinquish their status voluntarily and those who relinquish their status involuntarily. I think we must open the gates much wider. This will mean additional costs and obligations for the Government of Canada, but I think that they are costs and obligations that we should willingly bear.

We must face up to the fact that the imposition of persons on First Nations without their consultation and without them having their own membership or citizenship code continues in a way that none of us really want to see. However, we are in an evolutionary process. I think we are making slow progress. I am convinced that much of this problem will be swept away when we take the large step.

One of those constitutional conferences will succeed and will say either that an aboriginal right in this country is the right to be self-governing or, through the courts, that the right to self-government already exists in the Constitution as a primary and basic aboriginal right even though it is not spelled out in the Constitution for greater certainty and clarity. Once that decision is made, we will not need to focus our attention on this endeavour into which the efforts of the committee, the Minister and his officials have gone. We all know that no matter what we come up with at the end of this day or the next, none of us will be fully satisfied.

Every amendment that we approve or reject must be done in recognition of the fact that at some point, and let it not be too far down the road, we will have to take the big leap forward so that in the next Parliament and the Parliament after that we will not be engaged in the same kind of exercise. It is long overdue that we cease this constant meddling and interfering and turn over matters like this to the proper authorities, namely, the Indian First Nations themselves.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, first I would like to indicate that we will be supporting the Minister's Motions Nos. 5A and 18A. As well, I would like to make a few comments about my own amendment, Motion No. 6. Perhaps I could make a few preparatory comments.

For the first time, Bill C-31 is drawing a fairly sharp distinction between band membership on the one hand and Indian status on the other. Perhaps it is inevitable and necessary that we take this step as an interim one. I think it is important to remember that, going back in history, the Governments of Great Britain and later Canada dealt with Indian peoples primarily as peoples.

The whole concept of Indian status whereby the Government deals particularly with Indians as individuals is someting new. We are now refining that definition to some extent. While in the past, Indian status and band membership had been largely coterminous, now they are not nearly so much so. In fact, in the future we will see for the first time band members who will not have Indian status and we will see an increasing number of people who will have Indian status without band membership. I do not think any of us in this House are fully aware of all of the ramifications of that.

As we move toward a system of Indian self-government and recognition of the basic rights of Indian people, I think it is incumbent upon us to move away from the concept of recognizing Indian status as pertaining to individual Indian people. We should be dealing more and more with the recognition of the rights of Indian nations as nations so that we will recognize their rights as a people.

We heard testimony before the committee indicating that there should be no such concept as Indian status and that the Government should be dealing only with Indian nations and nations. Others came before us to say that what the Government wants to do in terms of Indian status for individuals is the Government's own business, that their business is with their people as a people, and that the whole concept of Indian status is a bit irrelevant. However, I think there was the overwhelming feeling that if we are to have the concept of Indian status, anyone recognized by the Indian people as being a band member should also be recognized as having Indian status in the eyes of the Government. I regret to say that the amendments brought forth by the Minister do not yet satisfy that requirement. This is a serious shortcoming in the Bill and one that continues to exist.

Clause 4 of the Bill contains a number of subclauses and basically repeals Sections V to XIV of the Indian Act. Those are the sections that deal with who is entitled to be registered as an Indian and who is entitled to have band membership. They develop a new system of determining who will be entitled to be registered as an Indian and who will have band membership.

• (1210)

Clause 6 of the Bill determines who is entitled to be registered. Basically it says that those who are entitled to be registered are those who already have such entitlement, those who lost status under paragraph 12(1)(b) or paragraph 12(1)(a)(iv) of the old Indian Act, and, subject to certain conditions, those who were enfranchised. The conditions are outlined in Clause 6(d)(i) for people who were enfranchised are as follows:

(A) as the result of the enlistment of that person in the Canadian Forces, the armed forces of Her Majesty wherever raised or the armed forces of any state allied or associated with Canada, or

(B) so that that person might obtain or maintain employment—

People who were enfranchised under those conditions will once again be eligible for Indian status. The testimony which the committee heard time and again pointed out that that distinction was completely arbitrary and absolutely unfair.

We were asked in committee hearings about the people who wanted the basic right to vote. Until the Right Hon. John Diefenbaker recognized that right for Indian people, they had to be enfranchised in order to obtain that basic right. What an affront that was to democracy! The basic right to consume alcohol, to go into a beer parlour or a liquor store, was something which status Indians did not have. For many young Indian people, that was discrimination. That is when they first realized that to be an Indian was to be discriminated against. Some Indian people became enfranchised to obtain liquor rights. Sometimes that is looked down upon by other Indian and non-Indian people. They feel that those Indians sold their birthright to have the ability to drink. Every Member in the House was once 18 or 19. Most of us remember how important it was to be able to have the right to go into a beer parlour and buy liquor.

Enfranchisement took place for a number of reasons. I am pleased to see that the Minister has recognized that to limit reinstatement to those who were enfranchised for the purpose of getting employment or for the purpose of serving in the Armed Forces, is a completely arbitrary situation. The Minister has proposed that the people should have the right to be

registered if they have been enfranchised. In Motion No. 18A the Minister has given the bands the right to determine whether or not those people should have band membership. That is a compromise. It might make the legislation marginally more acceptable to some people and marginally less acceptable to others. I believe that it would be unjust not to restore band membership to people who once had it, but who lost it unjustly. It would be unjust to grant band membership to those who never had it. It would be unjust to force those people into band membership.

It has been noted previously that there is no ideal solution to the situation. We are dealing with the whole policy of decolonization. We cannot do that with clean hands. The Minister, and all Members who are involved in decolonizing, have dirty hands. However, I believe that Motions Nos. 5A and 18A are reasonable compromises. We have a responsibility to deal with the situation. I believe the Minister has come up with a compromise which is as reasonable as that which could be suggested by our Party or by the Liberal Party. On that basis, we are prepared to support the amendments.

Mr. Jack Shields (Athabasca): Mr. Speaker, Bill C-31, as it was approached in committee, gives status to some persons who voluntarily enfranchised, either to join the army or to get a job. Other Indians who voluntarily left will not get status. I think Hon. Members are missing the impact which that could have on individual bands.

The way in which the Bill is presently constructed requires that lists be kept by the Department. If a two-year period elapses and the band has not implemented membership rules and regulations, the list which has been kept by the Department is automatically imposed on that band. There are a lot of bands in isolated communities which will not be totally familiar with the amendments which have been brought forward by the Minister within that two-year period. I see that as a danger.

Another very specific danger is what the legislation will do right across the country. Within the grouping I have moved Motion No. 7, which will not be voted on if Motion No. 5A is passed. However, in moving Motion No. 7 I was attempting to limit those who could receive status. A problem which faces Canadians, particularly those in my area, is that status Indians are allowed to hunt and fish out of season. Currently, there are challenges before the courts because status Indians who are working for Syncrude, Suncor and other oil companies in northern Alberta on Crown lands are claiming tax exempt status. I believe there are a lot more implications to this particular amendment than those which have been addressed.

Many bands will assume immediate control of their membership lists. However, my contention is that many bands will not do that.

I know of a number of individuals in Alberta who have left wealthy bands during the last five years. When they voluntarily enfranchised, they took with them a great deal of money from band trust accounts. Some people took upwards of $300,000 and some took $150,000 or $200,000. From the moment this Bill is passed, once again, those people will automatically become status Indians. I do not believe we are being sufficiently careful. I cannot remember many groups which came before the committee requesting that the legislation be expanded in this way.

• (1220)

I would like to compliment the Hon. Member for Cochrane-Superior (Mr. Penner) for the Penner Report on Indian Self-Government. The Department of Indian Affairs, all of us generally agree, is a monster of inefficiency and waste which we are trying to eliminate within a certain period of time so that the Indian people can become like any other Canadian, not having to answer to a Department of Indian Affairs. This Bill ensures that we are going to have the Department of Indian Affairs, with its bureaucracy, around for a very long time because we are increasing the number of status Indians from its present level. I would suggest we may even double the number of status Indians—not band members—across the country.

In Alberta there are Métis who have been members of the Métis Association of Alberta since they were young men. They have fought for the Métis cause, have lived as Métis, but now will be treaty Indians under this amendment. It has to stop somewhere. I think we should very carefully limit those who are granted reinstatement from the voluntary side. If these people left voluntarily, who are we to say, "The decision you people made years ago is not the right decision and we are going to make you Indians again"? They left voluntarily for a number of reasons. My grandfather voluntarily sold the mineral rights to his homestead. I cannot go back and say that he made a mistake when he voluntarily did it. He is dead now, but if he were alive he could not go back and say, "I made a mistake. Now that oil has been found on my homestead, I really shouldn't have done that". That is what we are talking about. It was not an easy thing to do. If someone wanted voluntarily to enfranchise, it was not just a case of going into the office and saying, "I want to quit" and signing a form. It took a year, and in some cases two years, to do so. We are trying that within a one-year or two-year period, people will have had time to think it over and we should not now say, "No matter how you thought then, we are now going to change things and make you an Indian. You cannot give up your status". I believe we have not given enough thought to that matter and I propose to vote against this amendment.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, Hon. Members will be happy to know that it is not my intention to rise to speak on every amendment. However, I would like to make just a few comments on this clause because I believe it is important. I am not going to attempt to comment on the excellent speech and history lesson given to us by the Hon. Member for Cochrane-Superior (Mr. Penner) because I think he outlined the basis upon which we now debate this clause.

I would like to remind Hon. Members who served on the special committee of the word "trust". When that committee began its work, we had a very interesting experience in the

Province of Alberta. We recognized that over the years the House of Commons had lost the trust of the band members across this country. They were constantly aware of the very points about which the Hon. Member for Cochrane-Superior talked, the policies of the past Government. Every time an Hon. Member of Parliament came to the reserve saying that he was there to do good things, the Indian people immediately said, "Just a minute. We have had some experience with the good things you talk about".

There is another word I would remind Hon. Members of, and that is the word "consent". Parliament, which assumed that it had certain responsibilities, could invoke laws which impinged upon the lives of the Indian people. Those two words, I believe, are very important as we amend the Indian Act one more time. As we said in the committee report, we should move toward allowing again the self-governing process to take place in this country for Indian people. But with this Bill we will again impose band membership on the Indian people, that is band membership for those people who lost it under subparagraph 12(1)(b). This amendment, I believe, is consistent with the report in which I believe so strongly which says that we trust Indian people to bring back to the reserve members of their family and people who they think have a right to be there and who will contribute to the community.

I congratulate the Minister for this amendment because he is giving our trust to these people who were voluntarily or involuntarily enfranchised. We are giving our trust to the Indian bands and allowing them back to band membership if they feel they have the right to be there. That was the basis upon which we reported to this House some time ago.

In this Bill there is a recognition as well of the fact that after this Bill is passed, Parliament cannot extract itself from the process. We must review what is happening, and if we find that the courts impose themselves upon this legislation and change it in any way which can be pointed out to be detrimental to the Indian people of this country, we must involve ourselves again in that process. This Bill provides that two years from now the Minister and the parliamentary committee will review this process.

The two amendments put forward by the Government, I believe, are good amendments to the legislation. They were, in part, asked for by the committee and I support them.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 5A standing in the name of the Hon. Member for Rosedale (Mr. Crombie). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yes.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

Motion No. 5A agreed to.

Mr. Deputy Speaker: An affirmative vote on Motion No. 5A disposes of Motions Nos. 6 and 7.

Motions Nos. 6 and 7 dropped.

Mr. Deputy Speaker: We will now vote on Motion No. 18A. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 18A agreed to.

Mr. Crombie: Mr. Speaker, I rise on a point of order. I take it that Motions Nos. 6 and 7 were disposed of as a consequence of the affirmative vote on Motion No. 5A?

Mr. Deputy Speaker: The Minister is correct. So far, Motion No. 1 was lost. Motion No. 5A was adopted. Motion No. 18A was adopted. There will be no votes on Motions Nos. 6 and 7 because of the vote on Motion No. 5A. The Speaker has given the opportunity to Hon. Members of the House to make comments on the acceptability of the other motions.

The next group of motions which are grouped for debate are Motions Nos. 13, 14, 14A, 15, 16, 17, 18, 20, 21, 24 and 32A.

The mover of Motion No. 13 is not present in the House. Is there unanimous consent to allow the Hon. Member for Cochrane-Superior (Mr. Penner) to move the motion in place of the Hon. Member for Mount Royal (Mrs. Finestone)?

Mr. Manly: Mr. Speaker, I rise on a point of order. In the preliminary ruling by the Speaker this morning, Item No. 7(a) says that an affirmative vote on Motion No. 13 will dispose of Motion No. 14. Therefore, no question will be put on Motion No. 14. I would like to submit, Mr. Speaker, that Motions Nos. 13 and 14 are two quite distinct issues. Motion No. 13 relates to the question of who is eligible to vote with regard to the establishment of band membership rules. Motion No. 14 requires a mandatory instead of a permissive appeal mechanism, and so I do not see how we can say that Motion No. 13 will dispose of Motion No. 14. I request the Chair's attention to that matter.

• (1230)

Mr. Deputy Speaker: Mr. Speaker has already ruled on the group of motions that I am about to put to the House. What I suggest to the Hon. Member is that debate will start on the grouping as I have given it now, and if the Hon. Member wishes to make additional comments this afternoon during Routine Proceedings, which is the time the Speaker has allotted concerning other motions, he may do so at that time.

Mr. Penner: Mr. Speaker, you quite rightly drew attention to the fact that my colleague who was to move Motion No. 13

is unable to be here this morning. However, I know that she feels very strongly about this motion and certainly wishes to speak to it. You asked whether I would move that motion in her name. I will not be able to do so because of a different point of view on its impact. But I think the whole grouping is going to entail a good deal of debate; it is central to the issue we are dealing with here.

Therefore, I would ask the Speaker whether he would agree that this particular grouping be stood until after Question Period and that we move ahead to the next item, which would be Motion No. 25. In the Speaker's ruling it is item No. 11, Motion No. 25 to be debated and voted on separately. I would ask for unanimous consent of the House to stand that one group, proceed on to Motion No. 25 for the remainder of the time available or perhaps the one following that, and let that other grouping be debated this afternoon.

Mr. Hnatyshyn: Mr. Speaker, I certainly understand the constructive intent of the Hon. Member. My thought was that we should try as far as possible to deal with these matters in sequence, and the Hon. Member's colleague will have an opportunity of addressing her motion when she is in the House, I am sure. Because of time constraints, we might want to proceed with this grouping as such. It will allow us to carry on debate, without being too technical, regardless of whether or not the Member is here. We can always revert to this item when the Member returns, if that deals with the concerns expressed by the Hon. Member.

Mr. Crombie: Mr. Speaker, I fully appreciate the concern of the Hon. Member for Cochrane-Superior (Mr. Penner). My concern is similar to that of the Government House Leader, that we maintain the order which I think we have implicitly agreed upon. I assume we will not conclude prior to one o'clock because there are nine or ten of these motions. If we did, it would certainly be a wonder of efficiency. I take it from the Government House Leader that we can move back to allow the Hon. Member for Mount Royal (Mrs. Finestone) to comment on Motion No. 13. There are a number of motions in front of us and many Members of this House who would like to comment on them, so I hope we would not necessarily move through the whole of this grouping but, rather, allow the flow of debate to go forward. It seems to me that if we are in danger of passing through these motions prior to one o'clock, we could perhaps deal with the question of procedure at that time.

Mr. Deputy Speaker: I am on Motion No. 13. I understand the Hon. Member for Mount Royal (Mrs. Finestone) can speak when she comes in, but right now I need a mover for Motion No. 13. If not, I will have to declare it withdrawn.

Mr. Penner: Mr. Speaker, I appreciate the concern of the House Leader and the Minister that to jump ahead does confuse the issue. I also appreciate that we want to proceed in order; there is no problem there. However, I have to tell the House quite forthrightly that my problem is that the Hon. Member for Mount Royal (Mrs. Finestone) feels very strongly about her motion. She made a significant contribution in committee and I think she deserves the opportunity to make her case. Perhaps what we can do, rather than moving the whole grouping, is to move on to Motion No. 14 and let that be the engine which starts the debate on this grouping. That motion is in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). If that could be done, and if we then allowed the Hon. Member for Mount Royal to move her motion as soon as she is back in the House this afternoon, it would present no procedural difficulty and I would appreciate it on behalf of my colleague.

Mr. Deputy Speaker: The suggestion by the Hon. Member for Cochrane-Superior is unacceptable to the Chair because the adoption of Motion No. 13 would dispose of Motion No. 14. The only way it would be possible is if we left those two motions out for the time being.

Miss MacDonald: Let someone get up and move it for her.

Mr. Deputy Speaker: Am I to understand that there is unanimous consent to start with the grouping of Motion No. 14A and leave Motion No. 13 and Motion No. 14 for the time being?

Mr. Hnatyshyn: This is clearly on the understanding that the Hon. Member for Mount Royal (Mrs. Finestone) will be here this afternoon. I do not want this to be delayed indefinitely. If we have a commitment that she will be here to move Motion No. 13 immediately upon Orders of the Day being called this afternoon, I think it would be reasonable. Otherwise we would have to take a vote on the motion at that time.

Mr. Penner: My understanding is that the Hon. Member will be here, and I am speaking on her behalf in asking that this delay be agreed to by the House, and I thank the House Leader for his co-operation.

Mr. Deputy Speaker: Very well, we will leave Motions No. 13 and 14 for now and start the grouping with Motion No. 14A.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moves:

Motion No. 14A

That Bill C-31, be amended in Clause 4

(*a*) by adding immediately after line 35 at page 6 the following:

"(3) Where the council of a band makes a by-law under paragraph 81(p.4) bringing this subsection into effect in respect of the band, the consents required under subsections (1) and (2) shall be given by a majority of the members of the band who are of the full age of eighteen years."

(*b*) and by renumbering the subsequent subsections accordingly.

Mr. Jack Shields (Athabasca) moves:

Motion No. 15

That Bill C-31, be amended in Clause 4 by striking out lines 36 to 48 at page 6 and lines 1 to 4 at page 7.

Mr. Jack Shields (Athabasca) moves:

Motion No. 16

That Bill C-31, be amended in Clause 4 by adding immediately after line 22 at page 7 the following:

"(6.1) Upon receipt of any notice under subsection 10(5), the Registrar shall not thereafter add or delete any name to or from the Band List for the band unless the Minister gives notice in writing to the band council of his decision that the membership rules do not comply with the conditions set out in subsection (1) or subsection (11) and, in that event, the Registrar shall not add any name to the Band List for that band until the expiration of a period of 180 days after the Minister has given notice of his decision in writing to the band council.

(6.2) Within six months after the Minister has given notice to a band council under subsection 10(6.1), the band council may either

(*a*) give any further notice or notices to the Minister under subsection 10(5), or

(*b*) appeal the decision of the Minister to a court referred to in subsection 14.3(5)

and, in the event that an appeal is taken under this subsection from a decision of the Minister, the provisions of subsections 14.3(2), 14.3(3) and 14.3(4) shall apply as if reference in subsection 14.3(4) to the Registrar were references to the Minister.

(6.3) In the event that, within six months after the Minister has given notice to a band council under subsection 10(6.1) the band council gives any further notice to the Minister under subsection 10(5) and the Minister decides that the further membership rules for that band provided to the Minister pursuant to that subsection do not comply with the conditions set out in subsection (1), the Minister may refer his decision to a court referred to in subsection 14.3(5) and the provisions of subsection 14.3(2), 14.3(3) and 14.3(4) shall thereupon apply *mutatis mutandis* as if the Minister was a person taking an appeal under subsection 14.3(2) and as if references to the Registrar in subsection 14.3(4) were references to the Minister.

(6.4) After the commencement of an appeal under subsection 10(6.2) or subsection 10(6.3) in respect of the membership rules of a band, the Registrar shall not thereafter add or delete any name to the Band List for that band until the final resolution of such appeal."

● (1240)

Mr. Jim Manly (Cowichan-Malahat-The Islands) moves:

Motion No. 17

That Bill C-31, be amended in Clause 4 by adding immediately after line 3 at page 8 the following:

"(11) In this section, "elector" includes every person whose name is included on the band list and is of the full age of eighteen years."

Mr. Jack Shields (Athabasca) moves:

Motion No. 18

That Bill C-31, be amended in Clause 4 by adding immediately after line 3 at page 8 the following:

"(11) Subject to subsection (12), subsections (3) and (4) shall not apply where, at any particular time before April 17, 1987, the council of a band gives notice to the Minister under subsection 10(5) and it is established to the reasonable satisfaction of the Minister that

(*a*) the number of persons alive at the particular time who were entitled on April 17, 1985 to have their names entered in the Band List for the band pursuant to paragraph 11(1)(*c*) is more than 20% of the number of persons whose names were entered in the Band List for the band immediately prior to April 17, 1985;

(*b*) the aggregate of the number of persons alive at the particular time who were entitled on April 17, 1985 to have their names entered in the Band List for the band pursuant to paragraph 11(1)(*c*) and the number of dependent children of such persons is more than 20% of the number of persons whose names were entered in the Band List for the band immediately prior to April 17, 1985 and who at the particular time are ordinarily resident on reserve lands set apart for the use and benefit in common of the members of the band; or

(*c*) the number of persons alive at the particular time who were entitled on April 17, 1985 to have their names entered in the Band List for the band pursuant to paragraph 11(1)(*c*) and who at the particular time are over the age of eighteen (18) years is more than 20% of the number of persons who were electors of the band immediately prior to April 17, 1985.

(12) Subsection (11) shall not apply unless the membership rules established by the band provide that

(*a*) all persons who would be entitled to have their names entered in the Band List for the band pursuant to paragraph 11(1)(*c*), paragraph 11(1)(*d*) or subsection 11(2) if the Band List was maintained in the Department shall be entitled to have their names entered in a transitional list which shall be maintained by the band;

(*b*) any person whose name appears in a transitional list shall be entitled to apply to the council of the band for membership in the band and to have his name transferred from the transitional list to the Band List for the band;

(*c*) all applicants for membership in the band and for transfer from the transitional list to the Band List pursuant to paragraph (*b*)shall be entitled to a hearing by the council of the band or by a committee established in accordance with such rules; and

(*d*) all applications for membership in the band and for transfer from the transitional list to the Band List pursuant to paragraph (*b*) shall be dealt with fairly and equitably without discrimination on the basis of sex.

(13) The name of a person who is entitled to have his name entered in a transitional list pursuant to paragraph 12(*a*) is not required to be entered therein unless an application for entry therein is made to the council of the band on or before April 17, 1990."

Motion No. 20

That Bill C-31, be amended in Clause 4 by adding immediately after line 40 at page 10 the following:

"13.4 No person shall be entitled to have his name entered in a Band List under paragraph 11(1)(*c*) unless the application is made on or before April 17, 1990."

Motion No. 21

That Bill C-31, be amended in Clause 4 by striking out lines 10 to 15 at page 12.

Mr. Jim Manly (Cowichan-Malahat-The Islands) moves:

Motion No. 24

That Bill C-31, be amended in Clause 4 by adding immediately after line 30 at page 13 the following:

"General

14.4 (1) Where the total number of persons whose names have been entered on a band list under paragraph 11(1)(*c*) and who have attained the age of eighteen years equals or exceeds fifty percent of the total number of members of the band who have attained the age of eighteen years, no amendment may be made to any trust arrangement relating to the assets of the band without the consent of a majority of the electors of the band and a majority of the electors of the band who were members of the band immediately prior to April 17, 1985.

(2) This section shall cease to have effect on April, 1995 or earlier if requested by the Band Council."

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moves:

Motion No. 32A

That Bill C-31, be amended in Clause 15 by striking out line 22 at page 17 and substituting the following therefor:

"band;

(p.4) to bring subsection 10(3) or 64.1(2) into effect in respect of the band;"."

Mr. Deputy Speaker: All of the motions that have been put to the House will be grouped for debate.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, before I begin to make comments with respect to the series of motions before us, I

take it that, given the procedural change, we are now dealing with Motion Nos. 14A, 15, 16, 17, 18, 20, 21, 24, and 32A. As opposed to the grouping, we are not dealing with Motions Nos. 13 or 14 in order to accommodate a procedural necessity.

Mr. Deputy Speaker: That is right.

Mr. Crombie: Thank you very much. I have some comments specifically with respect to all or most of these motions. I would first like to indicate that, as the Member for Cochrane-Superior (Mr. Penner) indicated, there are many aspects that are central to this Bill, and this is one of them. The voting rights regarding band membership rules and eligibility on the assumption of band membership control is very important because it goes a long way toward the principle of band control of band membership.

All of these motions before us are an attempt, from various perspectives, to try to fix up the situation. The situation is interesting because in many ways the current situation has evolved according to certain specific needs. Under the current provisions of the Bill, eligibility to vote varies from band to band. Some bands use the principle of the definition of "ordinarily resident" in the Indian Act. Others use a customary system and allow any band member to vote whether or not he or she resides on the reserve.

The short point I would like to make is to recognize that there is a variety which has arisen across the country over many years in response to the peculiarities and particularities of the particular band. My amendment seeks to ensure that that principle remains. There are motions with which I will deal in a moment that attempt to make it uniform across the country. While such uniformity may provide more clarity and understanding, I suggest that it is not the proper way to proceed. It would offend the requirement for a varied eligibility requirement for voting which the Indian communities have already evolved themselves.

● (1250)

Other motions which have been grouped for debate attempt to impose certain rules on certain bands. It is an attempt to improve the eligibility of those who may not be within the ambit of an Indian community. The Government rejects that as well.

The essence of the Government motion is to put into law and theory the practice which already exists. That is why Motion No. 14A would make it easier for band councils, through passage of a bylaw, to extend voting rights to all people over 18 if they felt it was appropriate for their particular situation. Nothing requires it; it simply states that a band has a right to move in that direction if it wishes to do so. If it does not wish to move in that direction, it need not do so.

That is why Motion No. 14A, standing as the Royal Recommendation, leaves the matter to be decided by the bands. That is where it should be, in the Government's view.

I will comment on Motions No. 13 and 14 later. With respect to Motion No. 15, in the name of the Hon. Member for Athabasca (Mr. Shields), it was well argued by the Hon. Member at committee. However, this motion would remove protection of acquired rights from the Bill. That is a principle which has not received much debate in the House, but it was central to the Government's argument.

Since it was not challenged significantly, we did not deal with it to a large extent in the committee. Certainly, if we accepted Motion 15 it would, as I indicated, remove from the Bill the protection of acquired rights. Band membership rules would not be constrained to respect the rights of people as they existed immediately prior to a band's rules being established.

It is the Government's view that protection of acquired rights is absolutely essential to ensure that membership rules are applied fairly. I think it is fair for me to say that the matter of protection of acquired rights is a matter of common justice. Without this provision, it would be possible for bands to deny membership as a result of action or events that took place years before the rules were established. For example, a band could make rules that all band members who married non-Indians could no longer be band members. This would clearly be unfair, as people had no knowledge of the rules when they decided to marry.

Also, without this provision, bands could conceivably frustrate the principle of restoration simply by saying that any person who had previously lost status as a result of Section 12(1)(b) was not eligible for band membership. Again, in the Government's view, that would be unfair. Therefore, I am urging Members of the House not to support Motion No. 15.

With respect to Motion No. 16, again moved by the Hon. Member for Athabasca (Mr. Shields), this would establish an unnecessary and cumbersome procedure for dealing with possible disputes between the Minister and the bands regarding the acceptance of band membership rules. This is especially true because the Minister does not have the power to reject memberships rules due to their content. The only grounds for rejection would be improper consent from the band or the community, inappropriate notice before the band vote, or lack of protection of acquired rights. Those are the only three ways in which the Minister could intervene.

It is difficult to see why disputes on these points would need to be resolved in the courts. During the first two years after passage of Bill C-31, it is essentially meaningless to freeze the band list during a dispute since Subsection 11(1) states that the only groups that can be added are: first, people already on the list; second, members of new bands established by the Governor in Council; third, persons restored to band membership under Bill C-31, even if that band takes over its own membership; finally, children born after April 17, both of whose parents are members of the same band.

There is no point, in our view, in excluding these people from band lists since, presumably, they would be entitled under any band rules.

The standing committee already dealt with the problem of Subsection 11(2) coming into effect inadvertently during a dispute over acceptance of a band's membership rules.

The new Section 10(7) provides that the rules will be effective from the date the band gives notice to the Minister, no matter when the rules themselves are approved. Quite frankly, I fail to see the need for this motion because it would make the Bill more complicated, without improving it. Therefore, I also ask that Members of the House not support Motion No. 16.

As I indicated earlier, I believe the effect of Motion No. 17 would be to have a uniform provision. In our view, that is not consistent with either the practice or good policy for Indian communities.

Motion No. 18 would establish a transitional list for some bands, the so-called high impact bands. This could mean that some women under Section 12(1)(b) who married non-Indians would not get their band membership. There are no guarantees that such people would ever come off the transitional list. That is the difficulty with Motion No. 18. It would contradict the principle of restoration for victims of sexual discrimination. That is why, in our view, it is important that Motion No. 18 not be supported by the House.

With respect to Motion No. 20, I suggest, with great respect to my hon. friend, that this motion is inappropriate and unfair. Bill C-31 quite clearly seeks to restore rights to certain individuals, as outlined in Subsection 11(1)(c). One of those rights is to regain band membership. Rights of individuals should not have artificial time limits imposed, as would be the effect of this motion.

While many take it for granted that all native people are aware of Bill C-31 and its implications, the fact remains that many are not aware of the proposed legislation. As indicated in the standing committee, the Government will have to engage in the appropriate communication and community consultation program. Furthermore, it is very possible that some individuals who would be eligible to be band members are living outside Canada and would not be aware of any changes to the Indian Act for many years to come. Others may be minors now and not in a position to make an application.

In practice, we can be sure that the vast majority of those who will want to regain their rights will make the necessary application within the next two to five years. There is no compelling reason not to allow those few who remain to apply at some later date. The attitude of some bands, as indicated at the hearings of the Standing Committee on Indian Affairs and Northern Development, may cause some reluctance on the part of individuals to apply actually for their status membership for a number of years. Therefore, in the Government's opinion, it is unacceptable to have any time restrictions imposed on restoration of rights.

I see that it is now one o'clock. I would ask that we proceed in the usual manner.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FITNESS AND AMATEUR SPORT

MORATORIUM ON FUNDING OF MULTI-SPORTS EVENTS

Mr. Sergio Marchi (York West): Mr. Speaker, I am once again dismayed, although not surprised, to learn of another broken election promise by the Conservative admnistration. This time it concerns the moratorium until April 1, 1990, on funds for major multi-sport events in Canada. Specifically affected by this decision are the bids by London and Thunder Bay, Ontario, for the Pan Am Games and the Nordic Games respectively, to be held in 1991. It is clear that this announcement will have far-reaching negative effects.

During the election campaign the Tories issued a sports manifesto highlighting their commitments. High on the list of priorities was, and I quote:

> We are committed to maintaining the highest level of federal support for amateur sports in Canada. We believe that the federal role can be improved, and we believe that in the years leading up to 1988 this role must be improved.

The recent decision by the Sports Minister makes a mockery of these promises and delivers a strong insult to the Canadian sports world. Canadian sponsorship of these international sporting events is most important for our young athletes as a source of motivation, inspiration and drive. There also exists an economic potential for job creation and tourism dollars. Finally, these international games encourage national pride, not just among our athletes but among all Canadians. I urge the Government and the Minister to re-think this proposal, to be good sports, and honour their commitment.

* * *

HISTORIC EVENTS

ANNIVERSARY OF 1935 UNEMPLOYMENT TREK

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, fifty years ago on June 3, 1935, a thousand unemployed set out from Vancouver riding boxcars on an historic trek to meet the Conservative Prime Minister to demand work and wages, and an end to slave labour camps.

The Prime Minister stopped the trek in Regina for a peaceful rally, which turned into a bloody riot, which became known as Regina's Day of Infamy.

Conditions are similar today. Unemployment remains high, youth have few opportunities, food banks have replaced soup kitchens, and the poor are facing social program cuts, while pensioners find their income reduced. As the trekkers say, "Fifty years later, we see the same government arrogance and

indifference. We see the same callousness and social programs that took years to win being slashed. Once again the jobless are blamed for their lack of work and the poor for their poverty."

We join the trekkers in calling on this Conservative Government to make employment its first priority. It is especially shocking that these same trekkers and their generation are having pensions cut by this Government through reduced indexation. We ask the Prime Minister (Mr. Mulroney) to apologize to these trekkers, and to make sure that the present generation of young people have work with decent wages.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

RESTRICTIONS ON RADIO STATION LICENCES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise today in the interest of preserving freedom of the press and other media. The Radio and Television News Directors Association (central Canada), met in my riding on the weekend and passed a resolution opposing unfair regulations sought by the CRTC prior to granting licences for radio stations in Windsor and Montreal.

Members of the Association say the CRTC is intimidating those seeking licences by accepting a minimum of 45 per cent Canadian content in news and editorial broadcasting. Such constraints would never be placed on newspapers and magazines, and it is completely unfair to expect the electronic media to comply.

This governmental intrusion into the newsrooms of Canada virtually destroys the mandate of our news gatherers. The preservation of the Canadian identity is all well and good, but the availability of world news should never be purposely omitted.

A promise of performance including Canadian news content percentages should never be offered by a radio station, nor should it be accepted by the CRTC. All other facets of broadcasting are regulated by the all-powerful CRTC and it must not be given the authority to regulate news broadcasts. I believe existing provisos in Windsor and Montreal should be lifted immediately, and no further suggestion of this kind should be offered or accepted in the future.

* * *

THE ADMINISTRATION

DELIVERY ON ELECTION PROMISES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the Progressive Conservative Government has kept its promises to Canadians. We promised to reduce government waste and control federal spending. We have delivered.

Since September 4 over $4 billion has been cut from government spending, pensions for Members and Senators have been reduced, and 15,000 civil service jobs will be eliminated by 1990.

We promised to reduce the huge national deficit, and we have delivered. Because of the measures taken last fall and in the recent Budget, the deficit will be reduced by $20 billion over the next five years. We promised fair and just social programs, and again we have delivered.

We have increased the child tax credit, increased pensions for veterans, and extended the Spouse's Allowance Program.

Above all, we promised Canadians jobs, and we have delivered in a very big way. Since the election over 270,000 jobs have been created, and business confidence is booming.

The Government has honoured its commitment to Canadians. We have strengthened the economy, improved government efficiency, and reduced unemployment. Because of the actions and policies of the Government, Canada is working again.

* * *

DISASTERS

OCEAN RANGER—COMPANY'S PROFITS FROM INSURANCE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the just released 1984 annual report of the U.S. company, Ocean Drilling and Exploration Company Ltd., it states that ODECO made a profit of $45 million from the sinking of the *Ocean Ranger*.

The rig was valued at $33 million but was insured in such a way that the company realized a $45 million profit, which was listed as profits per common share in its annual report. The company also bragged that only $16 million of a $200 million liability insurance policy was paid out in settlements. Eighty-four lives were lost, and the company made a $45 million profit, Mr. Speaker.

The settlements to surviving family members also show the same scandalous tone. The settlements to U.S. families, on average, was double the settlements to Newfoundland families. The offers made by the company, for example, to families of single men who died were $150,000 if they were American, and $75,000 if they were Canadian.

A cloud of scandal and lack of concern now hangs over this whole affair. The U.S. company and big business shareholders made a $45 million profit and, as far as the offers and settlements were concerned, it depended upon which country a person was from as to what he or she got. The federal Government and the provincial Government of Newfoundland should investigate this matter on an urgent basis. They should also tell offshore workers why the evacuation procedures have not changed since the sinking—

Mr. Speaker: I must advise the Hon. Member that his 90 seconds have expired. The Hon. Member for Essex-Windsor (Mr. Langdon).

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE VEHICLES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the abject failure of Conservative policies toward the Canadian auto industry is dramatically clear. This industry has been the major force in economic recovery in Canada but, rather than help to expand auto jobs and exports, the Government has demonstrated inaction, indecision, and incoherence.

Last week Honda Motors announced a four-fold jump in its U.S. imports into Canada, thereby finding a back-door way to escape any Canadian import limits on Japan.

Over the weekend, reports showed a 19 per cent increase in monthly Japanese car imports over April, 1984. The Minister has continued to reassure this House that there is no need for legislation and that he would act if there were signs of an import surge. These import increases show we need action now. We need immediate quota limits on the major Japanese auto companies, and the introduction of effective Canadian content laws as called for by the Auto Task Force.

The Government must get its act together. It is time for the Minister to stop wringing his hands in despair, and start showing economic leadership.

* * *

ABORTION

A DEFENCE OF THE UNBORN

Mr. Gordon Taylor (Bow River): Mr. Speaker, Nazi Germany enacted a law permitting the extermination of "useless members of society". Now we have the same pattern evolving in which a whole category of people, the so-called "unloved, unwanted, and unborn" are being senselessly slaughtered.

● (1410)

The morality of our parents and grandparents where abortion was not accepted is changing drastically to a false belief that the growing baby is nothing but a "fetal tissue" and aborting it is just like having a tooth pulled. I believe life begins upon conception. It has been proven that brain waves can be detected at seven weeks, and at 18 days the beating heart of a baby already pumps blood through its own bloodstream. In addition, a fertilized ovum can be transferred from one woman to another, and the embryo is not rejected as is the case many times when a kidney is transplanted. Many babies born prematurely live, even those born as young as four and one half months.

Preserving the life of the mother, the expectation of a defective child, rape and incest account for only about 4 per cent of the abortions; mostly it is for the convenience of the mother or parents, and the argument that a child is not wanted is merely an excuse as there are hundreds of couples wanting to adopt babies.

No one has the right to murder a child, born or unborn. The sooner we return to the morality of our parents and grandparents, the sooner thousands of unborn lives will be saved.

* * *

CANADA BROADCASTING CORPORATION

CALL FOR RETENTION OF *THE FRIENDLY GIANT*

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, in response to my question on February 13, concerning the phasing out of *The Friendly Giant*, the president of the CBC wrote me last week and said that repeats from a library of 800 will run from April for at least a year, and that Friendly will continue to work with the CBC-TV children's department as a consultant, and star in some half-hour holiday specials for next year.

That is not good enough. I have received hundreds and hundreds of representations from Canadians of all ages begging that the program be perpetuated. Let me quote only a couple:

> His warmth and gentleness are great—they discuss books and poetry and music—my kids dance and laugh and listen, and they learn about respect for people and animals.
>
> Kathy Nicholson,
> Orangeville, Ontario

And:

> This is one of the few symbols distinctly Canadian and has added value of being non-violent, a rare feature in children's television viewing.
>
> 53 students, Faculty of Law,
> McGill University

And:

> Friendly, Rusty and Jerome are equal contributors in conversation from which children receive a sense of equality.
>
> Rosalee and Allen Lockyer,
> Blandford,
> Nova Scotia

And:

> To argue that 26 years is enough is like saying that because Shakespeare has been done for four hundred years is reason to drop it.
>
> Rev. Peter Sharpe,
> St. Joseph's Basilica,
> Edmonton

I say to my colleagues, hang in there, don't be afraid of our big Crown corporations. Go after what you believe in. I believe the CBC is trying to close the drawbridge on three of our great Canadian fictional characters and I, for one, will not let that happen.

S.O. 21

[*Translation*]

FISHERIES

BUDGETARY CUT-BACKS—CONSEQUENCES FOR ATLANTIC PROVINCES

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the Budget brought down by the Minister of Finance (Mr. Wilson) sent shock waves through the Atlantic Provinces, to the point of threatening their very existence. The many cut-backs in federal spending will have a very severe impact on our region. In fact, we get the impression that the Federal Government has slammed the door shut.

Mr. Speaker, as if that were not enough, the Minister of Fisheries and Oceans (Mr. Fraser) got into the act, and I can tell you that the way he did it was certainly calulated to shock the people of New Brunswick.

Imagine, following a ruling by a court of justice, the Minister of Fisheries and Oceans threatened the fishermen of New Brunswick! The very person supposed to protect fishermen is helping to create a conflict situation. Mr. Speaker, all of this is happening in the so-called new era of consultation and co-operation the Government promised us.

If this goes on, Mr. Speaker, we are not out of the woods yet.

Maybe the Minister should take a few tranquilizers before opening his mouth in a conflict situation, because his threats of closing down the Atlantic fisheries have only made the situation much worse. The Minister ought to know that one does not settle fisheries conflicts by threatening fishermen. His conduct has raised some doubts as to his ability to settle conflicts of this kind. Statements like the Minister's increase uncertainty in the Atlantic fisheries industry, and the Minister should think twice before letting himself get carried away.

* * *

[*English*]

ENERGY

DEVELOPMENT OF NORTHERN OIL AND GAS

Mr. Dave Nickerson (Western Arctic): Following the Western Accord and the Atlantic Accord which have done so much to reinvigorate the Canadian oil and gas industry, the Minister of Energy, Mines and Resources (Miss Carney) has again struck paydirt in the North.

In her address to the Beaufort Industry Group Conference held recently in Inuvik, she reinforced the policy of the Government of Canada to proceed expeditiously with the development of northern oil and gas, emphasizing regional benefits and national security.

Of particular significance was her announcement of a comprehensive review of the Canada Lands management policy leading to amendments to the Canada Oil and Gas Act this fall, together with a replacement for the Petroleum Incentive Program until such time as transportation systems are in place.

The possibility of an Arctic Accord negotiated between the Governments of Canada and the Northwest Territories, which would address questions such as revenue sharing and the territorial responsibilities within the management regime, was well received, and ought to be implemented in a timely manner.

Such an Accord, Mr. Speaker, would have the same beneficial effects in the North as the previous agreements have had in both western and Atlantic Canada.

ORAL QUESTION PERIOD

[*Translation*]

OLD AGE SECURITY

PENSIONS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, for two weeks the Right Hon. Prime Minister, the Minister of Finance and the Minister of National Health and Welfare have been claiming that Canadian pensioners support de-indexation of Old Age Security pensions.

During the weekend, the Minister of National Health and Welfare finally admitted that our senior citizens are not in favour of this Bill to de-index their pensions.

My question is as follows: The Minister has a responsibility to protect the elderly here in Canada. Is the Minister prepared to act responsibly and insist that his colleague the Minister of Finance and especially the Right Hon. Prime Minister of our country restore the real value of Old Age Security pensions and related benefits?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the right hon. gentleman for the question which was put forward, I think, in a very reasonable point of view. He said that I and other members of Cabinet had used the words "fully support". I do not think, with all respect, that those are the words that I have been using. I have been saying that there are senior citizens whom I have spoken to who understand the circumstances and also understand the proposal. I do not believe I ever said that all senior citizens support the deindexing, or the partial indexing, of the OAS. I said that also in the interview, in a very straightforward statement that it is obvious that not every senior citizen or every senior citizens' group does support it.

I think the point that has to be made, and that is why I am pleased that he put the question in that context, is the protection of both the social programs and also their future. I think if we take a look at those social programs and also at what the

debt does to the ability to maintain those programs, and especially look at the future for new programs and new demands, when we look at that, then as we create new wealth and get the economy moving I think it is on that basis that we have to really see these programs, in total context.

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): I say to the Minister, Mr. Speaker, that when he finds that one single group of pensioners who do support the Budget we would appreciate it very much if he would give us the names and bring it to the attention of the House.

May I turn to the Prime Minister, saying that I have had the opportunity of listening to the Prime Minister state on one occasion—and I understand that he has said a similar thing when he has had other opportunities to defend the Budget—that our senior citizens must share in the burden necessary to bring down the deficit. Why ask our senior citizens to help cut the deficit when such extraordinary tax advantages are given to wealthy investors as a result of the capital gains tax exemption?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I may be wrong, but I do not think I ever used the phrase that my right hon. friend has imputed to me. I did indicate that we had inherited a situation which has now placed in grave peril the capacity of the Government to sustain, as it must, the integrity of social programs in the future.

When we pay 30, 40 and 50 per cent, hopefully never, if that were the case, of government revenues to sustain the interest on the debt, then as a country, collectively, the policies of the past, that degree of profligacy, would have compromised the capacity of the Government of Canada to do what it must to provide the elderly and others with the kinds of programs to which they are entitled.

● (1420)

We are trying to re-energize the economy through job creation so we can create the new wealth that we can then use to sustain these social programs. I hope my right hon. friend would agree that the 271,000 new jobs created since last September are a mark of confidence and go a long way toward helping the country back to the full economic recovery which will allow us to build new programs for the elderly.

BUDGET IMPACT ON SENIOR CITIZENS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are talking about a group of Canadians who have retired, who are no longer earning income and cannot protect themselves against inflation, and who should not be asked to bear their share of the burden of deficit control. Our position is that one does not control the deficit on the backs of the weak and those who cannot protect themselves.

The Prime Minister should know that, as a reslt of the deindexation provisions, about three-quarters of a million Canadians who are living just above the poverty line will be brought below the poverty line and, of those three-quarters of a million Canadians, about 230,000 of them are senior citizens. Does the Prime Minister really believe that it is proper for a budgetary measure to throw one-quarter of a million more senior citizens into poverty? Why does he continue to defend the indefensible?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, just to place the matter in context, on June 29, 1982, the Hon. Member for Winnipeg-Fort Garry said the following, as reported at page 18911 of *Hansard*:

> They say we are changing the tax system, that we are de-indexing down to 5 per cent or 6 per cent for certain tax brackets and changing the pensions and some of the allowances. Yes, we are doing that. We are doing it because we believe there are enough Canadians who feel compassion and concern for their fellow Canadians who are out of work.

That was the position of the Liberal Party. We have indicated that we will monitor events very, very carefully. Our proposal would have a 3 per cent effect, while the proposal brought forward by the Liberals deindexed pensions and other benefits by 6 per cent, because inflation was at almost 11 per cent. The Right Hon. Member has the temerity to say in the House of Commons today exactly the opposite of what his Party said in the past. He should be ashamed for taking that kind of position.

Mr. Axworthy: Mr. Speaker, I want to tell the Prime Minister that Liberal Members are not ashamed of telling the truth, but that is obviously not the case with Tory Members. The fact of the matter is—

Some Hon. Members: Oh, oh!

Mr. Axworthy: It is about time the Prime Minister learned the same lesson. At that time we doubled indexation of GIS and did not take $860 million out of the pockets of the poorest Canadians, the senior citizens.

* * *

THE BUDGET

CONCEPT OF FAIRNESS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): My question is directed to the Minister of National Health and Welfare, who has said that he has spoken to senior citizens. I spoke to the same group of senior citizens in Manitoba but I found that they had different points of view from the ones he was expressing. They want to know where the fairness is. They want to know why it is that senior citizens who are living at the poverty line will be losing $860 million. They want to know how it is fair that they will lose that money at the same time the Government is giving over $650 million worth of benefits to those who can invest in RRSPs. Why is it fair that there can be a full indexation of RRSPs for those who earn up to $80,000 per year, while there is no full indexation for a senior citizen who lives at the poverty line?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, knowing how the Hon. Member works in Manitoba, I am sure he also told them about the full indexing on the GIS. I am sure he talked about the minimum tax that will be effective January 1, when he was talking about fairness. I am sure he talked about the surcharge on upper-income Canadians when he was talking about fairness. I know the manner in which the Hon. Member operates in Manitoba, and I know that he does not put those kinds of propositions forward. I have seen the way he operates.

Surely it is best to look at the deficit. I can quote the Hon. Member's speech again. I can tell the Hon. Member what the former Minister of National Health and Welfare said, which is that if we continue to pay the cost of that deficit, that money is not available for social programs. Surely, when looking at that issue, we must look not only at the present but at the future. I would ask the Hon. Member what there will be in the future if the debt keeps growing and there is nothing to use on increased social programs.

USE OF GOVERNMENT REVENUE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am very pleased that the Hon. Minister has seen what I do in Manitoba. We never see him in Manitoba, so we do not know what he does about anything at all.

The Minister put a question to me. Let me reverse that. Let the Minister tell the House why it is that senior citizens will be losing $3.7 billion on both the OAS and the GIS while there exists the kind of give-aways the Government is giving to its corporate and wealthy friends, adding up to close to $14 billion? Is it not true that that has nothing to do with deficit reduction but with the fact that we are asking senior citizens to pay for the largest lottery give-away to the well-to-do Canadians in the history of the country?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can appreciate why he has never seen me in Manitoba. It is because he is not there to see me.

Mr. Axworthy: I was there this weekend; you weren't.

Mr. Epp (Provencher): I was there last weekend and the weekend before. In fact, if the Hon. Member were to look at addresses, he will find that certain of us know who lives in Manitoba, and who does not.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The Hon. Member likes to raise the issue of a class war. He likes to think that that is what the issue is.

Mr. Axworthy: It is. That's exactly what it is.

Mr. Epp (Provencher): A class war? Is it a class war for the farmers in Manitoba, for whom the Hon. Member occasionally spoke on the sugar-beet issue? Is it part of a class war that those people are now going to be able to use their farms as pensions? Is it a class war for small-businessmen, blue-collar workers, and other Manitobans? Obviously the only concern the Hon. Member has is to make sharp, small political points. The point to which we must surely return is the issue of the ability that—

Mr. Speaker: Order. I do have to tell the Minister that his answer is getting long.

[*Translation*]

DEINDEXATION OF PENSIONS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister.

Over the weekend the Minister of National Health and Welfare indicated that pensioners are not satisfied with the Budget and, again last weekend, even Nova Scotia and Manitoba Conservatives indicated they are not satisfied with the Budget.

Western Canada residents have urged me to ask the Prime Minister this question: If deindexation was not acceptable from the Liberals in the past, why is it now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the economic situation we inherited is altogether appalling, to the extent that it now costs more to service the national debt than to pay for all social programs. As a consequence—and there is a tragic aspect to this—the future of social programs throughout Canada is jeopardized if we do not take corrective measures. We believe, and I hope we are right, that the only way to maintain our social programs is to have a buoyant economy where ever more Canadians and Quebecers are working. Statistics published Friday reveal that 70,000 new jobs were created last month and 89,000 the month before. Admittedly that is very encouraging news in the job creation sector, and we hope this new wealth will enable us to maintain the integrity of all our social programs. That is what we want to do.

[*English*]

GOVERNMENT CONSULTATION PAPER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, ever since the Budget was brought down we have heard a whole series of excuses about this matter. The first excuse was that everyone supports what the Government is doing to pensioners. Government members found out that that would not wash. Then they said that there were no other options. Considering that the Prime Minister has said that the Government is now doing this in the Budget because it discovered that it had a larger deficit than it had anticipated, why is it that the Government indicated, as recently as the end of January, well after it knew its debt position, in a paper put out by the Government itself, that there would be no change to the OAS? Why were we given that commitment in January, and a reversal of it when the Budget was brought down?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have indicated to my hon. friend on many occasions, and to his colleagues, that this measure and its possible effects will be monitored closely over the course of the next few months. I take no joy whatsoever in cutting back on benefits to anyone, least of all elderly citizens. I take not the slightest amount of joy in that. The fact of the matter is that the profligacy of previous Governments has now placed in jeopardy the capacity of Canada to sustain those programs in the years 1989, 1990, and 1991. I think we have a moral obligation to take a very serious look at it, and to ensure that the elderly and others are protected in the future. We are in the process, through new job creation, of building a stronger economy. I have given my hon. friend—

Mr. Speaker: With great respect, the answers are very long today.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has spoken once again, as he frequently does, about moral obligation. It seems to me that there is a moral obligation for the Government to be consistent in what it says.

The Prime Minister did not answer the question. If he knew in January, as he did, what the deficit position of the Government was, why did the Government say that there would be no change in the old age pensions? Why has the Government now put the burden of deficit reduction on the backs of pensioners, when it made a commitment to the senior citizens of Canada in January that it would not do that? That is what morality is all about in politics.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member would cast his mind back to the debate then, the question was whether the Government would support and maintain universality of the Old Age Security Program. That was the issue. The point to which he was alluding at that time was that the Government was not committed to universality. The universality question in the report was stated very clearly. People who became eligible at the age of 65 for Old Age Security, regardless of their income, either before retirement or after retirement, would be eligible for the Old Age Security. The Budget has not changed that. In fact, if he takes a look at the amount of money which old age pensioners will get—and he likes to leave the impression that there will be less money in their cheques—he will realize that their cheques will not be less; they will increase.

[*Translation*]

FINANCE

INQUIRY RESPECTING STATEMENT THAT BUDGET IS TOUGH BUT FAIR

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Finance, my question is directed to the Prime Minister. We know he has repeated many times that the Budget was tough but fair.

Today, a headline in *The Globe and Mail*, for instance, reads:

[*English*]

Deficit cutting really a mask for aiding rich.

Allan Maslove, Director of the School of Public Administration at Carleton University, argues that "the Budget is in fact more noteworthy for its redistribution from the middle class to the high income groups than for its deficit reduction".

[*Translation*]

Considering the comments by analysts that were published today and many others that were published previously, would the Prime Minister explain to the House by what kind of mental acrobatics or magician's trick he manages to maintain that his Budget is fair and equitable?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is nothing magic about it. In September, we took over at a particularly difficult time. We had to start the uphill task of economic renewal, because it was the only way to provide for social programs in the future. Since September 17, we have created 271,000 new jobs in Canada, and I think that for an unemployed person, the best kind of equity is a new job. That is what we have done. We are taking economic renewal seriously, which was proved again last Friday, when statistics indicated there were 70,000 new jobs. I hope the Hon. Member will agree this is another step in the right direction for economic renewal in Canada and for social justice.

* * *

OLD AGE SECURITY

BUDGETARY CUT-BACKS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Right Hon. Prime Minister has been talking about the Budget deficit.

I would like to ask him a very simple question. How is it possible that a Government that says it is in financial trouble, has enough money in 1985-86 and 1986-87 to grant $900 million in task benefits to those Canadians who will be making capital gains, while it does not have the $265 million needed to maintain full indexation of Old Age Security pensions? Why was there enough money to help the rich who are given tax

exemptions on capital gains and was there none for the elderly, although this would cost a third less?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, frankly I am amazed at this kind of sophistry, coming from such a distinguished and Hon. Member.

He knows perfectly well that we are trying to boost the private sector, to which he was closely linked in the past. Several years ago, the Hon. Member was not against proposals of this kind. We are in a position to boost the private sector by means of the measures indicated in the Budget, but it is all aimed at achieving a new dimension of social justice, and first of all, social justice demands jobs. And that is what we are trying to achieve in Canada and Quebec: durable jobs for Canadians and Quebecers. That is what we are doing.

[*English*]

GOVERNMENT CONSULTATION PAPER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister implied that he was fulfilling his promise to senior citizens. I would like to quote from his blue book which stated: "In the Government's view, no change is required in the Old Age Security Program". Why does the Minister now feel justified in making the seniors pay for the deficit when he promised in the book, as the Prime Minister promised before the election, that senior citizens would not bear the brunt of the deficit?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will go back to the point which I made to her Leader. She has been asking whether the Government was committed to the universality question. I say to her that that issue, as the three principles in the consultation paper state clearly, has not been changed. I believe she should keep in mind that the largest single cost today to the Government of Canada is the payment on the debt. She is advocating that the debt should be increased. She has never committed herself to a reduction in debt. She feels, philosophically, that it can be increased. What she is saying, by so doing, is that the debt could increase and that it would have no impact on social policy. Obviously, that is not the case.

POSITION OF ELDERLY WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister is completely distorting the options which this Party presented to the Standing Committee on Health, Welfare and Social Affairs, and he knows it. Does he think it is fair for elderly women, who make up most of the poverty group in the country, to bear the brunt of the deficit, rather than placing a tax on the rich? We think that is where the Government should get the money to help reduce the debt.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member supports the Budget. In the Budget the Minister of Finance said that there would be a minimum tax as of January 1, 1986. There is also a surtax in the Budget—

Mr. Orlikow: Some day; not now.

Mr. Epp (Provencher): Mr. Speaker, now that I have their attention, they will know that that is the truth. That is what the Minister of Finance said. There is also a surtax which has been put into place. I hope, when the Bill on the spouse's allowance for widows and widowers comes before the House, that she will support it as well.

* * *

THE BUDGET

IMPACT ON PENSIONS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Premiers of three maritime provinces are meeting today and tomorrow to consider how they can cope with the disastrous Budget and the impact which it will have on eastern Canada. Conservative Premier Buchanan has already condemned the deindexing of the Old Age Security and has said that it "was not only wrong politically, it was the wrong thing to do for senior citizens". Conservative Premier Miller of Ontario and the Tories in Manitoba have also condemned it. Are you going to stonewall your own provincial leaders, as well as the elderly of this country?

• (1440)

Mr. Hnatyshyn: Order. Mr. Speaker does not stonewall.

Mr. de Corneille: Or are you going to stop looking after your political necks, and start looking after the seniors by reinstating their full indexing?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I answered this question on Friday, as well as a similar question which was asked on that day. I say to the Hon. Member that obviously Conservative Premiers, leaders, and provincial legislators can make their views known. That is their responsibility. But I say to them, and to the Hon. Member, that the Government, well before the Opposition raised it in the House, had taken this in mind. In fact I will quote again some words from the Budget; "The Government will review the adequacy of payments in light of future circumstances. It will increase them as resources permit". That has been a consistent position right from the night of the Budget.

TRANSFER PAYMENTS TO PROVINCES

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, the provincial Premiers who are meeting in the Maritimes right now are also agonizing and sick about the fact that this gruesome Budget will also soon be cutting back over $2 billion per year on transfer payments to the provinces. This will

ravage health care, and sock it especially to the elderly. What is the Minister going to do about these sneaky, hidden cutbacks in medical care when he knows that the quality of medical services is going to be impaired, and that an additional 230,000 seniors will be put under the poverty line by 1990 as a result of the Budget's inhumane treatment?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member says "sneaky" when it is in the Budget. But I remind the Hon. Member that the former minister of Finance made that provision without any consultation or beforehand notice to the provinces when he cut back on the established programs financing. The present Minister of Finance is giving notice now that when the negotiations start on the next five-year program, this is the process he wants to take.

If the Hon. Member takes a look at the budget words, he will find that that $2 billion would still allow for an increase in the EPF payments from the federal Government to the provinces. But it would be a reduction if one takes a look at the projections from this five-year plan of the EPF to the next five-year plan. If the Hon. Member takes a look he will also find that the percentage paid by the federal Government for both health care and post-secondary education would remain the same.

The Hon. Member should look at his own words when he was in Government and he will see that he said: "When are you going to cut back and make the provinces pay the money they receive from the federal Government for those two programs?" In fact those Hon. Members had a task force trying to monitor exactly that.

* * *

PENSIONS

EFFECT OF BUDGET

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, this weekend I talked with hundreds of pensioners who, like pensioners all across the country, feel angry and betrayed by a Budget which the Minister of National Health and Welfare himself admits will increase poverty among the elderly. Will the Minister explain to the House, and to those pensioners, why we cannot afford indexation of poverty-level pensions for the elderly but can afford to provide windfall profits to the wealthy and large oil corporations?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the Hon. Member puts words in my mouth—and I take it he does so inadvertently—when he says that I have admitted that the Budget would increase poverty. I have said no such thing. What I have said is that if we can get the economy turned around, and if we can create jobs and wealth, people who are now unemployed in communities such as the one the Hon. Member comes from, which was sorely hit by unemployment will get jobs. Poverty will not be increased, but wealth will be increased, and as that wealth is increased, and as taxes are paid on that new income, we can also maintain social programs. That is the equation I and my colleagues have been putting forward, and I suggest that that is the equation the Hon. Member should examine.

REVIEW OF EFFECT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, perhaps we should get away from rhetoric and get back to the issue of promises, so I will address my supplementary question to the Right Hon. Prime Minister who, a few minutes ago, made another promise. He promised that the situation of the pensioners would be re-examined. I would like to know how the Prime Minister expects to be believed when the Government promised the pensioners that full indexation would be maintained.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I notice that we did not hear from my hon. friend when we had, I think, the very good news again about job creation on Friday. But inasmuch as my hon. friend is from Windsor, perhaps this would interest him. "April was a banner month for motor vehicle dealers as sales of new cars and commercial vehicles hit their highest level ever in Canada".

Mr. McCurdy: I ask you about promises.

Mr. Angus: You don't have an answer.

Mr. Mulroney: Apparently the Hon. Member doesn't want prosperity for Windsor. They will dismiss you pretty quickly in Windsor.

This is good news for the automobile industry.

We have indicated very clearly that it is our intention to monitor events very carefully, and at the earliest possible moment, as soon as resources permit—

Mr. Rodriguez: Another promise.

Mr. Mulroney: —to be helpful to all those affected. The New Democratic Party hasn't said a single word about job creation. All it is concerned about is social discord and class warfare. We are interested in new prosperity and new wealth for all Canadians.

Some Hon. Members: Hear, hear!

Mr. Angus: That won't wash any more.

Mr. Thacker: Did your Leader take a reduction? Not one cent.

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PENITENTIARIES

COST OF MAINTAINING INMATES

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, my question is directed to the

Solicitor General. Many Canadians are helping to control the national debt. They are supporting the new philosophy of economic responsibility and restraint which now exists. What measures are being used by the Solicitor General's Department and how is the inmate population in Canada contributing to the control of this debt, reducing expenditures, and sharing in the economic responsibilities of the nation?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I say to my colleague that the cost of maintaining inmates is the responsibility of the Corrections Services of Canada. The security costs remain very high. However, I would like to remind the Hon. Member that we do operate industrial shops, greenhouses, and farms, and to the extent possible we try to be as cost effective as we can under the circumstances.

* * *

EMPLOYMENT

JOB-CREATION PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Fifty years ago today a large number of unemployed were stopped on their trek to Ottawa in a brutal way by the Conservative Bennett Government of that day. Today some of those people completed that trek, with many other behind them. Their demands are the same, "work and wages". Since the Budget had no specific programs for job creation, would the Minister tell the House when she is going to announce specific programs for job creation, and would she tell us what goals she wishes to attain by those programs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I know that it is sometimes difficult for the Hon. Member to accept the fact that there are facts and figures in the Budget which pertain to job creation and training. In this case there is some $900 million additional dollars for job creation and training.

Some Hon. Members: Hear, hear!

Miss MacDonald: I can also tell the Hon. Member that I had the opportunity to meet this morning with this group of people who had come to Ottawa to discuss their concerns and their needs, and also to tell them the trend which has been developing in the last number of months; the creation of some 270,000 jobs since September; the fact that every single sector of the economy improved as far as jos were concerned last month, and the fact that unemployment insurance will be reviewed positively.

Some Hon. Members: Order.

Miss MacDonald: All of these things were discussed, Mr. Speaker, and these people said they appreciated the fact that we were able to get together and discuss these matters.

Mr. Keeper: No, they were disappointed.

MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Minister has announced that $900 million several times, and we still have not seen the details. We were all pleased last week to see last month's slight improvement in employment.

Some Hon. Members: Hear, hear!

Mr. Allmand: We were all pleased about that. But no one can be content with a 10.5 per cent unemployment level. No one can celebrate that figure. I want to ask the Minister if she is content with 10.5 per cent unemployment? If she is not, what is her goal, and how does she intend to achieve a goal which is much lower? It was 7 per cent before the recession.

● (1450)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, of course no one is satisfied with 10.5 per cent unemployment. It was 11.6 per cent when we came into office, and it is on its way down. I would also tell the Hon. Member, because he does not seem to realize these things, that, yes, we did announce $900 million for job creation and training in February, but it was an additional $900 million announced in the Budget.

* * *

PENSIONS

REQUEST FOR RESTORATION OF FULL INDEXATION

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Prime Minister. Fifty years ago young unemployed men attempted to come to Ottawa to demand jobs. Today another Conservative Government is reducing their pension benefits.

Some Hon. Members: Oh, oh!

Mr. de Jong: Will the Prime Minister not admit that the policy of making the victims pay, and not those who own, control, and manage our economy, is as wrong today as it was in the time of R. B. Bennett? Will he stop repeating past mistakes, and not proceed with the deindexing of the Old Age Security pensions?

Right Hon. Brian Mulroney (Prime Minister): I am sure, Mr. Speaker, when my hon. friend reflects tonight or tomorrow upon that question, he will be before you asking that it be withdrawn. It is really quite unworthy.

The fact is that since we came to office we have managed, through co-operation with the private sector, trade unions, indeed all groups, to bring down interest rates by almost 3 per cent, and 271,000 new jobs have been created. In the months of April and May a total of 159,000 new jobs have been created, the largest back-to-back job creation figures since Statistics Canada began compiling them in 1953. That is great news for Canada, and you should stand up and celebrate it.

Some Hon. Members: Hear, hear!

Mr. de Jong: Mr. Speaker, I am not certain where the Prime Minister is. The answer I got certainly had nothing to do with the question I asked.

* * *

HISTORIC EVENTS

1935 TREK BY UNEMPLOYED

Mr. Simon de Jong (Regina East): Mr. Speaker, the Prime Minister knows that on July 1, 1935, a peaceful meeting of relief camp workers and Regina residents was attacked on orders of the Conservative Government of R. B. Bennett.

Mr. Hnatyshyn: Order. Is this relevant?

Mr. de Jong: Does the Prime Minister not feel that an apology is now in order?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will not dignify a scurrilous remark like that. But I will say that I look forward to meeting with representatives of the marchers in my office at 3.30 with a great deal of empathy and affinity because, unlike some members of the NDP, you are looking at someone from a union background as opposed to some other lofty circumstances.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Solidarity forever.

Mr. Hnatyshyn: We shall overcome, brothers.

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

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CANADA POST CORPORATION

REQUEST FOR FREEZE ON POSTAL RATES

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, in the absence of the Minister responsible for the Post Office my question is directed to the Parliamentary Secretary. When I served here in the early 1970s I found that the chief constituency complaint was mail delivery. Coming back in 1984 I find the certain grievance is still the Post Office. In view of this persistent lack of public confidence caused by things such as, for example, a constituent writing a letter to me here in Ottawa and having it take longer to deliver than it would have taken a messenger to carry it by foot, will the Minister consider freezing the cost of postage until the credibility of the Post Office is restored?

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, I thank the Hon. Member for his question and for his comments on the mails. His question has been noted and will be submitted to the Minister as soon as he returns to Ottawa.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

JAPANESE CAR IMPORTS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Last April, when the quota agreement for imports of Japanese cars expired, the Minister said he would monitor the situation and prevent any surge of imports of Japanese cars into Canada while discussions for a new deal with Japan were under way. There are now figures from the Japanese auto exporters indicating that in April there was an 18 per cent increase in those imports, and likely a similar increase in May. Yet there is still no deal.

Why has the Minister not kept his word? Why has he allowed this surge to go on? Will he undertake to take steps immediately to push back the level of Japanese automotive imports until there is a new quota arrangement at previous levels, or a new deal with Japan involving commitments for Canadian content equivalent to what is happening in the U.S., to preserve and enhance jobs and production in Canada for Canadian workers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member is referring to figures which appeared in the press over the weekend. If he checks Statistics Canada figures coming out this morning he will notice that the Japanese figure is a much lower increase. However, I can tell the Hon. Member that we are noting any increase and we have already written to Japanese authorities asking for an explanation of whether this is indicative of an increasing of their 18 per cent market penetration in Canada, or if it is just a monthly adjustment which sometimes occurs and does not indicate increased sales.

Mr. Broadbent: That is what Herb used to say.

REQUEST FOR GOVERNMENT ACTION

Hon. Herb Gray (Windsor West): Mr. Speaker, I think what my hon. friend needs is an adjustment in his attitude. He needs to act decisively right now to make sure that surge of Japanese cars into Canada does not go on because, whatever figures he quotes, the Japanese manufacturers themselves say there has been that increase. Will he take action now to stop that surge, and undertake to have an agreement in place by June 12, as was the case previously?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, it is rare that you see the Hon. Member excitable but he certainly is today, to the point of saying attack before you are even attacked as far as export market penetration is concerned.

Oral Questions

SOCIAL SECURITY

GOVERNMENT CONSULTATION PAPER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Health and Welfare, although I was going to ask the Prime Minister to lead the House in a rendition of *Solidarity Forever* after his last comment.

Mr. Hnatyshyn: We shall overcome.

Mr. Deans: No! Please, no!

Mr. Robinson: My question concerns a promise made by the Minister in January of this year that no change would be made to the Old Age Security or Guaranteed Income Supplement payment system, and that the Government was not proposing changes "at this time" in the elderly benefits system. What was it that that changed from January when the Minister knew full well the debt position of the Government which resulted in its decision to place the full load for debt reduction on the backs of those least able to pay for it, the senior citizens?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the Hon. Member is using words which are not adequate. He used the words "full load". That is not the case. He is taking a specific part of the Budget and saying that represents the full load. I say to him, as I have said to his Leader, that, if he looks at it, the system has not been changed. Universality is in place.

Mr. Broadbent: He did not say universality; he said no change, period.

Mr. Epp (Provencher): He used the word "system" in is question. I say to him that the people who were eligible for an old age pension before the Budget are eligible for that same pension after the Budget, and that is the issue.

Mr. Robinson: Mr. Speaker, the issue is why on earth Canada's senior citizens should have to pay for debt reduction when the wealthy are enabled to invest in condominiums in Florida and get a greater return on their capital gain. That is not fair. It is tough, but it certainly is not fair.

GOVERNMENT POLICY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister's discussion paper made no reference to universality. He said there would be no change.

Mr. Speaker: Order, please.

Mr. Robinson: Why is he changing the system now?

• (1500)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is not the case. If he looks at the three principles right on the front of that discussion paper, he will see "universality will be maintained". That is one of the three principles on which the whole paper is based. He can refer back to that.

He says that only the senior citizens are asked to carry the cost of the debt. I repeat, as I have done in other Question Periods, and today, that there is a surcharge on those who are recipients of a higher than average income. There is the minimum tax that will come into effect January 1, 1986. As well, it was necessary to turn the country around from the direction in which it was going, namely, that the deficit was going to grow, and grow, and grow, and take more, and more, and more from our social programs. That is untenable. It cannot be sustained, and that is why the changes were announced in the Budget.

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PENITENTIARIES

RENOUS—CANCELLATION OF SPECIAL HANDLING UNIT PROJECT

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, my question is directed to the Solicitor General. It was recently announced that construction of a special handling unit at the Atlantic Institution at Renous was to be cancelled. What impact will this have on local employment? Can the Minister give his assurance that this decision will not affect future staffing at the penitentiary?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can confirm that the special handling unit at the Atlantic Institution will not be constructed. Careful projections indicate that we have a surplus of these facilities now, and will have a surplus of space for some years. I sympathize with the Hon. Member's concern about the effect that this will have. However, I want to assure him that the preponderance of the jobs involved in this Institution, which are heavily weighted in favour of local employment, will not be affected.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, June 7, 1985 meet the requirements of the Standing Orders as to form.

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PRIVILEGE

ALLEGED DAMAGING AND INCORRECT REMARKS

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I gave you notice this morning of a question of privilege which involves comments made in the House a week ago today on Monday, June 3, when I was not present in the House. It is a most serious

matter, the publication of libel. It has to do with remarks made by the Member for Glengarry-Prescott-Russell (Mr. Boudria). At page 5322 of *Hansard* of Monday, June 3 he addressed himself to me and members of my family. I want to read the offensive passage, Mr. Speaker. He said:

> The Minister's family has one member who is a prominent businessman, and from whom Revenue Canada is now claiming $380,000.

There is not a word of truth in that, Mr. Speaker. It is not claiming $380,000. He went on to say:

> Both of the Minister's sons are legal agents for the Department of Justice, courtesy of their father, and have as their responsibilities the task of acting on behalf of Revenue Canada.

That is also untrue. Only one of the sons was a legal agent for Revenue Canada. He went on to say:

> The question is: will the Minister's sons, who were named as federal legal agents by their father, act to prosecute the uncle, who is their father's brother, and who owes the Government of Canada $380,000?

That is false in its entirety,, Mr. Speaker. My brother, who is Andrew C. Crosbie, does not owe the Government of Canada $380,000 or any amount in connection with his income tax or otherwise. However, it was totally irrelevant to the debate in any event. The Hon. Member slandered someone who is not in the House in a manner that has nothing to do with the House and on a matter with which he has nothing to do.

Mr. Speaker: Order, please. Could the Minister tell me what the question of privilege is, please?

Mr. Crosbie: Mr. Speaker, if Members of the House can libel whom they like in this connection, and draw the inference that some kind of deal is in place so that a son of mine would not be taking any action against the brother who owes $380,000, the whole thing is a shabby aspersion on myself, my sons, and a false allegation against my brother.

I hope, Mr. Speaker, that I am entitled to set the record straight because this has been repeated on the radio and in the news in St. John's, Newfoundland. It interferes with him in his capacity to enter into business arrangements because people now feel that he owes $380,000 to the Department of National Revenue.

Mr. Speaker: I must interrupt the Hon. Minister one more time. Could the Hon. Minister please tell me what his question of privilege is?

Mr. Guilbault (Saint-Jacques): He has none.

Mr. Crosbie: Mr. Speaker, my question of privilege is that my actions as a Minister and Member of the House have been reflected upon. The suggestion is that I will take some action which will relieve my brother from having to pay the $380,000 allegedly owed in income tax. Surely that is a breach of privilege. Mr. Speaker, I have a letter from the chartered accountants of my brother, Andrew C. Crosbie, who advised me—

Mr. Guilbault (Saint-Jacques): Order.

Mr. Axworthy: Order.

Mr. Speaker: Order, please. Order, please! The Minister is introducing into the record his view of a set of facts and is indicating that in his view the facts that were quoted earlier were not correct. That, I take it, is his right in one sense. However, I must ask the Minister to tell me quickly what question of privilege he is raising, because he has not raised one as yet.

Mr. Crosbie: The question of privilege is that the provisions of the Privacy Act with respect to Andrew C. Crosbie have been violated. The principles of the Income Tax Act have been violated because there is a claim against Andrew C. Crosbie in connection with a firm called Crosbie Offshore Services Limited and a question of payroll source deductions in his position as a director. A letter was sent—

Mr. Speaker: Order, please.

Mr. Crosbie: —to him from Revenue Canada—

Mr. Speaker: Order, please!

Mr. Crosbie: —on April 10, 1985, a private letter—

Mr. Speaker: Order, please. Will the Hon. Minister please take his seat?

Some Hon. Members: Order, order.

Mr. Speaker: I will give the Minister one more opportunity.

Mr. Guilbault (Saint-Jacques): Why? There is no question of privilege.

Mr. Speaker: Order, please. The Hon. Minister will please immediately come to the question of how his privileges, as a Member of the House of Commons, have been breached. There is no other question that can be raised as a question of privilege.

Mr. Crosbie: Well, Mr. Speaker, my privilege as a Member of the House has been breached because the Member has tried to cast aspersions on my conduct as a Minister by relating false information to the House about my brother and the Department of National Revenue. And, Mr. Speaker, we are entitled to know where he got his information, if he got the information, and he must be prepared to back up that information—

Some Hon. Members: Order!

Mr. Crosbie: —and put his seat on the line, or else there is no one in the country who is safe.

Some Hon. Members: Hear, hear!

Mr. Crosbie: That's where the question of privilege comes in.

Mr. Speaker: Order, order! There is a clear dispute as to facts. There has, therefore, as the Hon. Minister I think knows, been no question of privilege raised.

Presenting reports from standing or special committees.

Mr. Crosbie: On a point of order, then, Mr. Speaker.

Mr. Speaker: On a point of order, the Hon. Minister of Justice.

Mr. Crosbie: I pointed out to the House that the Member for Glengarry-Prescott-Russell has made a completely false and damaging statement in connection with my brother, Andrew C. Crosbie, who does not owe Revenue Canada $380,-000. And I ask—

Mr. Speaker: Order, please!

Mr. Crosbie: —the hon. gentleman to withdraw that statement unequivocally.

Mr. Speaker: Order, please!

Mr. Crosbie: Yes, Mr. Speaker, order. That's what I want, order. That's what I want, rights—

Mr. Speaker: Order, please!

Mr. Crosbie: —for innocent people being maligned.

Mr. Speaker: Will the Hon. Minister resume his seat? The Hon. Minister may wish to give his brother counsel as to his brother's rights outside the House in the courts.

Mr. Crosbie: What rights has he got?

Mr. Speaker: Order, please! Order, please!

Some Hon. Members: Order, order.

Mr. Speaker: There is no question of privilege here. There is no point of order here. Presenting reports from standing or special committees.

Mr. Crosbie: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Minister of Justice will please resume his seat.

Mr. Crosbie: There is a point of order.

Mr. Speaker: The Hon. Minister of Justice will please resume his seat.

Mr. Crosbie: On a point of order.

Mr. Deans: Don't get thrown out.

Mr. Crosbie: If this kind of reprehensible conduct can go on in the House, no one is safe.

Mr. Speaker: The Hon. Minister of Justice will please resume his seat immediately.

Mr. Deans: John, sit down.

Mr. Crosbie: This is a disgrace.

Mr. Speaker: The Hon. Minister of Justice will give me no choice in about one more try.

Mr. Guilbault (Saint-Jacques): That's what he wants.

Mr. Crosbie: Go ahead.

Mr. Deans: Don't do it.

Mr. Speaker: The Hon. Minister of Justice has raised a point which is significant to him, and he may wish to make a statement under Statements by Ministers, or he may wish to have someone make a statement under Standing Order 21, but no point of order and no question of privilege that I can see has been raised.

Mr. Crosbie: Standing Order 21, what's that got to do with it?

Mr. Speaker: Presenting reports from standing or special committees. Tabling of documents. Statements by Ministers.

Mr. Crosbie: We are not finished with this yet.

Mr. Speaker: Statements by Ministers.

Mr. Crosbie: All right, Mr. Speaker. I wish to make a statement in connection with the Department of National Revenue and the case of Andrew C. Crosbie and the false allegations made by the Member for Glengarry-Prescott-Russell (Mr. Boudria) on June 3, 1985.

• (1510)

Mr. Speaker: Is the Minister making a statement in his capacity as Minister of Justice or is he making a statement in his capacity as a brother?

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would just like to answer the Minister by indicating that I will verify my facts and respond tomorrow, or at the earliest opportunity, with a full withdrawal, if appropriate.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

OLD AGE SECURITY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to table a few petitions.

The first one is from people at the Centre d'accueil Champlain, a senior citizens' home in Brossard. These people are opposed to de-indexation of Old Age Security pensions, and they ask the Government to maintain full indexation.

The second petition, Mr. Speaker, is from Manoir Saint-Lambert, on the South Shore of Montreal, where people are against de-indexation and ask the Government to maintain full indexation.

Two more petitions of the same nature were signed by residents on the South Shore of Montreal.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from over 300 people, including B.C. pensioners, parents, workers and young people, who all agree that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security Program. That represents a loss of $100 this year and $680 in 1991.

This is reneging on the campaign promises of the P.C. Government in which they promised to index the old age pensions to the actual cost of living, and it is a massive withdrawal from our collective commitment to public pensions. The pensioners are asking that the Government reindex old age pensions to the full cost of living.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition on behalf of over 200 senior citizens from my constituency of Burnaby who are expressing their anger at the May 23 Budget which deindexes the Old Age Security Program and which further flies directly in the face of the promise made by the Prime Minister (Mr. Mulroney) that a P.C. Government would fully index the old age pension to the actual cost of living on a quarterly basis. These pensioners, my constituents, young and old, are asking that the Government withdraw this regressive proposal and reinstate full indexation of the Old Age Security Program for Canada.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have three petitions, all of which deal with the same issue. They all request that full indexing of old age pensions be reinstated.

These petitions are signed mainly by residents of my constituency of Trinity but also include signatures from other Toronto and Ottawa ridings.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the privilege of presenting a petition on behalf of Canadian citizens from British Columbia to Thunder Bay who call upon Parliament to reject the Government's proposal to deindex the Old Age Security and who ask that it be reinstated immediately.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 371.

Order Paper Questions

[*Text*]

BORDER CROSSINGS

Question No. 371—**Mr. Parry:**

What is a list of border crossings, between Canada and the United States, where a toll charge applies for the use of a road, bridge, tunnel, right-of-crossing or ferry under one kilometre and, in each case, what is the charge for a passenger automobile?

Hon. Don Mazankowski (Minister of Transport): There is no toll charge for the use of roads and rights-of-crossing between Canada and the United States. Of the international bridges and tunnels between the two countries, the following are under one kilometre and have a toll charge:

(1) The Baudette-Rainy River Bridge (Rainy River, Ontario) has a one-way standard toll of $1.25* for automobiles and drivers plus $0.10 for each passenger. It also has a one-way commuter toll of $1* for automobiles and drivers plus $0.10 for each passenger.

(2) The Fort Frances-International Falls Bridge (Fort Frances, Ontario) has a one-way standard toll of $2.75 for automobiles, drivers, and passengers as well as a one-way commuter toll for automobiles, drivers and passengers of $0.60.

(3) The Rainbow Bridge and the Whirlpool Rapids Bridge (both in Niagara Falls) as well as the Lewiston-Queenston Bridge (Queenston, Ontario) have a one-way standard toll of $0.50 for automobiles and drivers plus $0.10 for each passenger at least five years of age. They also have a one-way commuter toll of $0.24 for automobiles and drivers plus $0.08 for each passenger at least five years of age.

Most ferry crossings between Canada and the United States are greater than one kilometre. Those under one kilometre are:

Port Lambton, Ontario—Robert's Landing, Michigan, $2.50 (auto and occupants). Sombra, Ontario—Marine City, Michigan, $3.00 (auto and occupants).

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* U.S. funds.

[*English*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-31, an Act to amend the Indian Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development; and Motions Nos. 14A (Mr. Crombie), 15 and 16 (Mr. Shields), 17 (Mr. Manly), 18, 20 and 21 (Mr. Shields), 24 (Mr. Manly) and 32A (Mr. Crombie) (p. 5574).

Mr. Speaker: I indicated earlier this day that I would be prepared now to hear procedural arguments, should there be any.

Mr. Hnatyshyn: Mr. Speaker, I have reviewed the motions which the Chair had raised concerning procedural acceptability. I agree with the Chair's concerns and the reasoning cited on all motions.

Consultations have been held with Hon. Members opposite and I believe, notwithstanding procedural issues, there may be unanimous consent to accept Motion Nos. 3, 33 and 33A. Therefore, may I propose that Motions Nos. 33 and 33A be grouped for debate and voted on separately and that Motion No. 3 be debated and voted on separately.

With respect to the grouping of motions for debate and voting, I agree with the Chair's suggestions regarding the grouping.

Mr. Penner: Mr. Speaker, I believe that the procedure involved is that when there is some doubt that the amendment does not deal with the Bill to amend but with the parent Act itself, the only way to proceed is by way of unanimous consent. We certainly would in no way withhold unanimous consent.

I simply ask the Government House Leader that Motion No. 27, which is in my name and falls in the same category, be included for debate for the same purpose.

Mr. Hnatyshyn: Mr. Speaker, I am somewhat at a disadvantage because I have been advised with respect to negotiations. I feel somewhat constrained at this time, without further discussion with all concerned, to accept the propostion. I certainly will pursue that and perhaps we could seek the eye of the Chair again. However, I understand the request made by the Hon. Member.

Mr. Manly: Mr. Speaker, dealing with the groupings mentioned by the Government House Leader, we are certainly prepared to give our consent to move Motions Nos. 33 and 33A forwad for debate. We are particularly pleased that the Government is willing to give consent for Motion No. 3 to be debated. There will be a minor amendment which I hope will make that motion acceptable to the Government.

We would certainly be prepared to give our consent to Motion No. 27 being brought forward

I am very concerned about your grouping of Motion No. 14 with Motion No. 13 and the suggestion that the vote on No. 13 cover the vote for No. 14. These two motions deal with two distinct subjects: Motion No. 13 deals with the question of who is entitled to vote in a band referendum on band membership. This is, in fact, the same subject as Motion No. 17, which also stands in my name. However, I have no objection to Motion No. 17 being grouped with Motion No. 13, as the subject matter and indeed the intent are exactly the same with regard to those two motions.

However, Motion No. 14 does not deal with the question of who can participate in determining band membership rules as do Motions No. 13 and 17, but with the rules themselves. Motion No. 14 amends Bill C-31 to make an appeal process mandatory and not permissible under band membership rules.

Therefore, I urge you to re-examine that grouping and make it possible for us to debate and vote on Motion No. 14 separately.

I suggest that Motion No. 36 is a necessary acknowledgement by the Government of its responsibility for the consequences of Bill C-31. You have ruled, among other motions, that Motions Nos. 9 and 10, standing in my name, are out of order because they infringe upon the financial initiative of the Crown. Regrettably, I must accept that ruling, but that ruling itself implies that there is a government responsibility for the reinstated members. That is what Motion No. 36 seeks to recognize.

The Government is reinstating members to bands. Many of these bands are very poor. They require additional lands, additional houses and additional infrastructures such as roads and sewers. The Minister has acknowledged this responsibility. I think it is important to have it stated explicitly in the legislation. I hope you will rule that Motion No. 36 will therefore be in order for debate.

Mr. Speaker: It is somewhat unclear to me. The Member seemed to be debating Motion No. 36. The preliminary ruling concerned the fact that Motion No. 36 does seem to seek to expand the royal prerogative. Is the Hon. Member saying that it does not do that?

Mr. Manly: The burden of my argument was that you had made certain other rulings that infringed upon the royal prerogative because they expanded band membership. Bill C-31 is really about the whole process of expanding band membership and Indian status. Therefore, the kind of obligation that we see in Motion No. 36 is implied. I am simply asking that it be made explicit.

• (1520)

Mr. Speaker: Can I try one more time? Is the Hon. Member saying that Motion 36 does nor does not expand the royal prerogative?

Mr. Manly: I am saying, Mr. Speaker, that it does not expand the royal prerogative because it is implied in what Bill C-31 is trying to do.

Mr. Speaker: I think I will read the "blues" on that one.

Is the Hon. Parliamentary Secretary rising to speak on procedural points?

[*Translation*]

Mrs. Mailly: Mr. Speaker, I would like to raise a point of order in connection with this Bill. Should I raise it now?

Mr. Speaker: One moment, please.

[*English*]

If that is the end of the procedural arguments, I might indicate that I shall take them under advisement. I will say to Hon. Members that I have looked at the question of what can be done and what cannot be done by unanimous consent. There is a very significant difficulty when one comes into the area of those things that involve the royal prerogative.

I am also, as I think Hon. Members know, disinclined, where I sense there is a will of the vast majority of the House, to force something that could simply become the subject of another Bill and thus put it through all the stages again. I think that I sense there is a will to do those things and I will want to confirm that. I certainly do not believe the Chair should stand in the way of the will of the House. I do, however, want to enter a caveat. We have traditionally allowed unanimous consent on matters that do not relate to the Royal Recommendations. I may be making a phone call or two and I will be back to the House on the matters that have been raised.

Mrs. Mailly: Mr. Speaker, I rise on a point of order. At this morning's sitting on this Bill, Mr. Deputy Speaker, when putting one of the motions put forward by my colleague, the Hon. Member for Athabasca (Mr. Shields), used my name as that of the seconder. As a matter of courtesy I allowed this, but then Mr. Deputy Speaker proceeded to use my name for several other motions. I did not protest this morning, but I have now taken a look at the content of these motions and I am afraid that I find I cannot possibly support them. Therefore, I would like to have the record amended or, if that is not possible, at least to have a note put that I did second the motions as a matter of courtesy to my colleague. I wish the motions to be debated, then I will be able to vote on them according to my conscience.

Mr. Speaker: There is a procedural difficulty here.

Mr. Blenkarn: Mr. Speaker, in view of the need to debate these matters, I would be most pleased to second the motions put by our colleague, the Hon. Member for Athabasca (Mr. Shields).

Mr. Speaker: The rules of the House stipulate that where someone wishes to change a matter like that, it can only be done with unanimous consent of the House. Is there unanimous consent to change the name of the seconder of the motion and substitute the name of the Hon. Member for Mississauga South (Mr. Blenkarn)?

Some Hon. Members: Agreed.

Mr. Guilbault (Saint-Jacques): No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

Mrs. Mailly: Mr. Speaker, in that case, perhaps it could be said, for the record, that I did it as a courtesy, because the Acting Speaker actually did not give me a chance or a choice in the matter. He did not ask my opinion. He simply read the motion without consulting me.

[*English*]

Mr. Speaker: The Hon. Member will know she has sought the floor on a point of order and that that point of order and her comments will themselves be recorded in *Hansard*. *Hansard* will show what she has just said.

Resuming debate.

Is the House ready for the question?

Is there some confusion? I was calling resumption of debate. I indicated that I would reserve on the further procedural matters.

Mr. Crombie: Mr. Speaker—

Mr. Speaker: Order, please. I think the Minister was speaking this morning when we entered the debate.

Mr. Crombie: Yes, I was, Mr. Speaker.

Mr. Speaker: And I believe he had spoken for 10 minutes. The Table indicates to me that the Minister had completed his 10 minute comments and some other Member can now have the floor, unless the House wishes to give consent to the Minister to continue beyond the 10 minute period. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: There is unanimous consent. The Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie).

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not wish to delay my own Bill. I think there were approximately three other motions in this grouping. I have some modest though wise thoughts to offer to the House, although it may well be that the wisdom of the Bill is so overwhelmingly obvious that I do not need to do so. I was, however, speaking to that part of the grouping dealing with Motion No. 21 which I would urge the House not to support. Motion No. 21 would delete a positive amendment which was adopted after careful consideration by the standing committee, with support from all Parties.

The discriminatory provisions of the Indian Act have been present for over 100 years. It is a fact of life that documents such as birth and marriage certificates are often lost or destroyed. In some remote areas, especially in the period before the Second World War, they may never have existed.

It would seem imperative that the federal Government be prepared to accept other than official documents in order to ensure that every individual is entitled to be registered as an Indian can in fact be registered. It is simply a matter of fairness.

Some individuals have already indicated that they have tried to find official records and cannot do so, sometimes because fire has destroyed the vital statistics of their community or files have been lost or displaced. While the onus is on the individual to prove his or her claim, it would seem that the federal Government should be prepared to accept proof in whatever form it is available. Accepting sworn hearsay evidence will not add one person to those eligible to gain Indian status or band membership. It might permit some people to prove their entitlement who would otherwise have no way to do so. That is why I suggest, on behalf of the Government, that the House not support Motion No. 21.

In the grouping there is as well Motion No. 32A. I would like to respond briefly with respect to Motion No. 32A only because it is a motion standing in my name. It is a motion necessary to ensure that bands have the power to pass by-laws with regard to certain matters covered by this Bill, the first of which was added by the standing committee and the second moved by the Government in this debate.

The two provisions affected are, first, Subsection 64(1)(2) whereby band councils can decide to make persons who receive pay-outs over $1,000 on loss of status ineligible for programs funded by the band until such time as the amount over $1,000 paid to that person, plus interest, has been repaid to the band. Second, Subsection 10(3), Motion 14A, is another government report stage amendment. This is a provision whereby band councils can decide to permit all band members over 18 to vote on membership rules and not just those ordinarily resident on reserve, as is the normal requirement for electors. I think that covers all of the comments I would like to make with respect to the motion in this grouping.

● (1530)

Mr. Keith Penner (Cochrane-Superior): Thank you, Mr. Speaker. Dealing as the Minister just has with the same grouping, that is to say, motions Nos. 14A through to 32A, and Motion No. 7 as per the Speaker's ruling of this morning, before indicating my own view on each of these amendments, some of which I can support and some of which I will have to vote against, I want to say that the Minister is correct in pointing out that on this group of amendments, we come to a very central aspect of the Bill. There are bound to be some differences of opinion within political Parties on matters of this kind. That has been demonstrated this morning and it will be demonstrated again this afternoon, regardless of which Party of the House we are talking about.

Let me begin by putting my view on these amendments in some kind of context. The Member for Cowichan-Malahat-The Islands (Mr. Manly) this morning quite correctly indicated to the House that a long time ago, and the precise date and year is not important, we got off the track when we began as a Parliament and as a Government thinking in terms of individual Indian persons. We got off the track because that was not the pattern that had been established for us by the Royal Proclamation of 1763 when the Crown, according to that Royal Proclamation, confronted various tribes and nations and established a pattern for negotiation and agreement which was, in effect, nation to nation. It is true that the colonial power was a nation that dominated the world and it was dealing with small nations here in continental North America, but nevertheless that was the pattern or the *modus operandi* for proceeding nation to nation or, if you like, nation to tribe.

When we came to the time of our Constitution and we began to assume unto ourselves the responsibility for Indians, we no longer dealt with nations or tribes, we began to deal with individuals. It is at that point that we talked about integration and assimilation, or putting people into the mainstream. Even if we do not use those terms, that in fact is the thrust of what the Indian Act tries to do in so many cases.

We are left now, in this last period of this century, with the problem of having categorized Indian people into all of these strange categories, status and non-status, on-reserve and off-reserve, and who knows what other kinds of designations, either because of the legislation or for some kind of bureaucratic convenience in the delivery of programs. That is one difficulty.

The second aspect I want to refer to is that which was raised so eloquently by the chairman of the Standing Committee on Indian Affairs when he pleaded with the House that what we really need is to restore the trust relationship as it ought to be properly understood, not in some kind of legal, carefully defined terms but as a trust relationship; that is where we stop doing things to other people and have a relationship where we assist one another, and we reach agreements by way of negotiation. The Indian nations of this country have to learn to trust this Parliament and they have to learn to trust the Government. I think we have started down that road, but we have only just begun.

If you put those two together, that is the context I am trying to establish in getting to the amendments. Thank you for your patience. The context is that we ought to be dealing nation to nation; The Crown ought to be dealing with Indian First Nations on the basis of trust and confidence.

With respect to Bill C-31, the kind of proposal that has been suggested by the chiefs of Ontario is a very reasonable and adequate approach. What they say, and here there can be no argument in the House, is first, they support the removal of sexual and other forms of discrimination from the Indian Act. We support the removal of those odious and unacceptable sections of the Indian Act based on discrimination, sexual and otherwise.

Second, the chiefs of Ontario have reminded Members who have received their resolution that they have taken a lead role in accommodating all of their citizens into their communities and they have done so, Mr. Speaker, despite the restrictions of the Indian Act. Is it not interesting that here is a group of First Nations coming together in the Province of Ontario, the

chiefs of Ontario, and they have not allowed these discriminatory provisions to keep them from having in their communities those whom they want as their citizens, despite the law that we have passed?

They say in their resolution that what we should be doing here today is, and this was the burden of the speech that I made this morning, first to recognize the exclusive right of Indian First Nations to determine their own citizenship and/or membership, whichever term one prefers to use—exclusive right.

Second, and here we are going to get into some differences of opinion, the Hon. Member for Mount Royal (Mrs. Finestone) says don't look at me, but when she gives her speech, it is going to become evident. I would argue along with the chiefs of Ontario that the existing band list currently in use by Indian First Nations should be the starting point in the definition of membership and citizenship of the First Nations. Then, having established their membership code, if it is not already in place, those members who are currently on the band list will establish the citizenship criteria, if it has not already been done. For us to say, "oh, can we allow them to do that", this is where we come back to the chairman of the standing committee and the trust relationship. Do we have to be so suspicious and so fearful that there is going to be injustice and unfairness and that it is not going to be equitable if we say that that is their exclusive right? Do we really have to, by an Act of this Parliament, make sure that it happens? I do not think so.

That having been done, Mr. Speaker, if you have followed me so far, the people on the existing band lists will draw up the membership code, if it has not already been done, and we trust that it will be done in fairness and equity and with justice. Now we come to deal with those people who are on this expanded band list, all of the persons whom we talked about this morning and whom I argued had lost their status because of various provisions of the Indian Act, either voluntarily or involuntarily. They will be on what we may describe as an expanded band list. The chiefs of Ontario said it was a general band list. I do not think that the particular term matters very much.

When all of those people are added who have been affected by the various provisions of the Indian Act, then these persons shall be eligible, shall have the right to make application for membership to the Indian First Nation Government. Finally, each First Nation Government will have a membership code, which we have already talked about, and it also will have an appeal mechanism. That is the basis upon which I will make my decision on the amendments of this particular grouping.

I would say this with respect to the Minister's Amendment No. 14A simply gives a choice to the bands. It says the bands, in enacting their by-laws, can either include those who are electors or those who are on the band list. That gives them a choice. It is optional. If it allows the First Nations to have a choice, to have an option, and it is not an imposition, I see no way in which I could oppose that. With respect to the others, the same principle will apply.

● (1540)

I have no difficulty with Motions Nos. 15 and 16 in the name of the Hon. Member for Athabasca (Mr. Shields) which both attempt to provide the band with a greater degree of power and with less control and manipulation coming from the Registrar. I have to vote no on Motion No. 17 because it goes contrary to what I already suggested was acceptable, which was that contained in Motion No. 14A, the existence of an option.

Motion No. 18, which stands in the name of the Hon. Member for Athabasca, comes very, very close to what I described as the expanded list, what the chiefs of Ontario called the general list and what the Hon. Member has called a transitional list. What is in a name? From my point of view, speaking as a private Member of Parliament rather than on behalf of all of the Members of my Party who can speak for themselves, I would be inclined to vote yes to that.

Motions Nos. 20 and 21 put some restrictions on the timing. I would vote in favour of those motions. Motion No. 24 is a motion to which the Hon. Member for Cowichan-Malahat-The Islands will wish to speak. It stands in his name and is a very technical motion dealing with what we call the double majority. We will be dealing with that in another context later on. I think it has been shown that what the members of the committee thought would be achieved by that motion will not in fact be achieved. I would be inclined to reject that motion.

Finally we come to Motion No. 32A which is intimately linked to Motion No. 14A. To accept one is to accept the other. However, Motion No. 32A does have one addition which I accept; that is that those who return to a band but have taken a benefit from the band at the time of leaving will now have to return to the band anything in excess of $1,000, plus interest, before they can become beneficiaries. I think that that is a safety clause and I would be able to accept it.

The Acting Speaker (Mr. Paproski): The Hon. Member for Athabasca (Mr. Shields).

Mr. Shields: Mr. Speaker, I would like to say a few brief words. I would like to address my remarks to the amendments that I have grouped.

Mr. Manly: Mr. Speaker, I rise on a point of order. Is it not usual practice to recognize Members of all three Parties in the initial stages?

The Acting Speaker (Mr. Paproski): I thought I would, but after I had recognized the Hon. Member for Athabasca.

Mr. Shields: Mr. Speaker, I will relinquish the floor to the Hon. Member in order to keep with tradition, if that is what he wishes.

The Acting Speaker (Mr. Paproski): I did not see the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) rise. When I saw the Hon. Member for Athabasca rise, I thought he deserved the floor. I will bow to whatever the

House wishes. The Hon. Member for Cowichan-Malahat-The Islands has the floor.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to make a few comments on this grouping of motions because I think that this particular series of amendments is of absolute importance to this Bill. Motion No. 14A standing in the name of the Minister falls short of what is required for the Bill. Motion No. 14A makes it permissible for band councils to recognize the right of all people over the age of 18 to take part in determining any membership rules that the band wishes to develop. I think that this is a fundamental right that should be recognized in this Bill.

In committee, we heard a great deal of testimony from some of the native women's groups, from the Native Council of Canada and from its affiliates, indicating that there is a necessity for the people to be heard. They pointed out that they should not be shut out of the political process. We are dealing with a situation in which people have lost their Indian status and their band membership. As a result, they do not have residency on the reserve. In the Indian Act as it reads now, the band electorate are those who are normally resident on the reserve, unless it is handled by band custom. That means that in many cases, people who are non-resident are not able to vote. That also means that people who are reinstated will not be able to take part in making membership decisions.

The women who are about to be reinstated would like to be able to take full part in all band political processes. I think an argument can be made on the other side indicating that perhaps non-residents should not be involved in making decisions regarding the chief or council, although I think a very good argument can be made that they should have a voice there. Perhaps an argument can be made that non-residents should not have the right to take part in making decisions with respect to the amendment that the Minister would like to bring in regarding the sale, possession or consumption of alcohol. This kind of decision is something that should be left to those who are resident in the community.

In this motion, we are talking about the basic rules for band membership. Band membership has not been exclusively limited to those who live and are ordinarily resident on the reserve. It is a very broad question and I think that all people who are members of a band should have the opportunity to take part in that decision. On that basis, I would urge the House to support Motion No. 17 rather than Motion No. 14A because Motion No. 17 would amend Clause 4 to read:

In this section, "elector" includes every person whose name is included on the band list and is of the full age of eighteen years.

I think some rights must be guaranteed the people who are being reinstated to band membership.

With regard to Motion No. 15, I was a bit surprised to hear the Hon. Member for Cochrane-Superior (Mr. Penner) say that he was prepared to support that motion. Motion No. 55 gives bands the right to deprive membership from people who have been reinstated. In other words, it indicates that Bill C-31 can be disregarded by some bands if they so choose. I do not think that that is something about which this House has been talking for the last four, five and even 10 years when we were speaking of Indian women who lost status and band membership under Section 12(1)(*b*) having those rights restored. I do not see how the Hon. Member for Cochrane-Superior can give his support to Motion No. 15.

The Minister has said that there is no need for Motion No. 16. I do not see too many problems with that motion, but I do not see any great merit in it either.

Motion No. 18, submitted by the Hon. Member for Athabasca (Mr. Shields), attempts to deal with the question of high impact bands. I find this motion quite unacceptable because it enables bands to circumvent the intent of this Act by placing the names of people who would be reinstated on a so-called transitional list. This would be a limbo list and one that would have no real meaning. People would be put on this transitional list and left there forever and a bay if the band so wished. Those on the list would not really have their rights restored in the way Bill C-31 attempts to restore them.

Motion No. 20 establishes a time line such that people must apply for their band membership by 1990 if they want to be accepted under this legislation. I do not think that is realistic. I think the situation should be much more open. As the Minister pointed out, there are people who may have lost their Indian status and their band membership who are out of the country and who will not hear of the legislation in time to apply by 1990. If we are attempting to reinstate people, we should leave the situation wide open.

● (1550)

Mr. Blenkarn: Oh, come on.

Mr. Manly: If the Hon. Member for Mississauga South (Mr. Blenkarn) does not like the Minister's argument, he can talk to the Minister about it. I happen to agree with the Minister.

Motion No. 21 would restrict the type of testimony which could be used by the Registrar in hearing evidence as to who should or who should not be accepted for membership. The part of the Clause which the Hon. Member for Athabasca wants to remove reads as follows:

For the purposes of this section, the Registrar may receive such evidence on oath, on affidavit or in any other manner, whether or not admissible in a court of law, as in his discretion he sees fit or deems just.

We are dealing with a situation in which many people were deprived of their band membership and Indian status in ways which were quite unjust and not always properly documented. It is sometimes very difficult to get proper legal documents. The committee, in its wisdom, opened it up by adding the Clause which I have just read, in order that the Registrar would be able to hear a wider variety of evidence than would normally be admissible in court. Motion No. 21 would remove that. I believe it is a retrogressive motion and we will oppose it.

Motion No. 24, which stands in my name, is very similar to Motion No. 35A, which was moved by the Minister. As has

been pointed out, Motion No. 32A, the last in this grouping, is consequent upon Motion No. 14A. I have no further comments.

Mr. Jack Shields (Athabasca): Mr. Speaker, I believe the grouping of amendments which we are now discussing is the very heart of Bill C-31 and is also representative of the disagreement which many bands across the country have with implementing the present Bill.

In bringing forward Motion No. 15, I am attempting to establish band control of band membership. It is as simple as that. There are two issues: band control of band membership and their status. I think we all agree that the Government of Canada can determine status. The Government can name, by legislation, anyone whom it wishes to the status list, making those persons treaty Indians. That is a government prerogative. However, it is the very nature of the bands to determine membership. Nowhere in the present Indian Act has there ever been licence to determine what is band membership. This is a first attempt by the Parliament of Canada to dictate to the bands who should be their members. There is nothing in the Indian Act which indicates who is entitled to be a band member. Therefore, I am suggesting, as a matter of logic, that band members should be determined by the Indian bands.

Bill C-31 is unprecedented in the massive assertions which the Parliament of Canada would have over band membership. Bands have controlled their membership from the time the rivers began to run and the sun began to rise, and before white man came to the country. I think that is the basis of Bill C-31. As I said before, it is quite proper for the Government to determine who is an Indian and to determine the question of Indian status. However, in my view, we must distinguish between Indian status and band membership. We cannot impose band membership on the bands. It has never been done before. The Penner Report indicated what should happen in Indian self-government. One of the key recommendations in the Penner Report was the control of band membership. That parliamentary committee spent a year-and-a-half going across the country, seeking the information from Indians and bands. Yet, we are going against what a parliamentary committee recommended after it had studied the question for more than a year. It does not make sense.

The principle of Bill C-31 is to be lauded. We should all be ashamed that we have allowed the Indian Act to stand for so long, as it discriminated against women. In other words, if an Indian woman married a man who was not a treaty Indian, she lost her status and her band membership. That was wrong. Indian Governments did not impose that on their women; the Parliament of Canada imposed it. That is the tragedy. Now we recognize that it was not just. Clearly, women were discriminated against. In our wisdom, we will now change the law and automatically return the women who were discriminated against to the band lists. They will now be band members. In fact, we are saying that we cannot solve the problem because we made a real mess of it, so we will impose the problem on the bands. In Motion No. 15, I am asking only that control of band membership go to the bands.

There seems to be the feeling that we cannot trust the bands to make intelligent assessments and judgments in saying whom they will return to their membership. There is nothing in the Constitution Act, 1867, that gives to the Parliament of Canada the right to determine who are members of a particular band. It has always been the band which has decided that. Never before in the history of Parliament has an attempt been made to determine who will be a band member. That is obvious. It is the bands which determined membership.

The Indians did not ask for this. The Indians who appeared before the committee unanimously said that if we were talking about self-government, they wanted control of their band memberships. I will give a list of the groups which appeared before the Standing Committee on Indian Affairs and Northern Development: the Brotherhood of Indian Nations for Manitoba, March 12, 1985; Assembly of First Nations, March 14, 1985; the Coalition of First Nations, March 18, 1985; the Union of New Brunswick Indians, March 13, 1985; Treaty Six Alliance for Alberta, March 18, 1985; Indian Women of Treaties 6, 7 and 8 for Alberta and Saskatchewan, March 20, 1985; Treaty Six Chiefs Alliance and Saddle Lake Indian Nation, March 21, 1985; Sarcee Nation, March 21, 1985; Treaty 7 Blood Tribe, March 21, 1985; Four Nations of Hobbema, March 21, 1985; Yellowhead Tribal Council, March 21, 1985; Six Nations Band Council, March 25, 1985; Treaty 8, March 26, 1985; Muskegog Cree Tribal Council, March 27, 1985; Nishnawbe-Aski Nation, March 27, 1985; Union of Nova Scotia Indians, March 28, 1985; Federation of Saskatchewan Indian Nations, March 28, 1985; Council for Yukon Indians, March 28, 1985; Conne River Band, Newfoundland, April 1, 1985.

• (1600)

There have been additional supporters since then of band control and membership which is fundamental to Indian government. They are the First Nations of Quebec by resolution May 23, 1985; Indian Association of Alberta by way of resolution and a telex, May 3, 1985; The Prairie Treaty Nations Alliance, letter of May 10, 1985 and Chiefs of Ontario Resolution of June 4, 1985.

We have a Prime Minister (Mr. Mulroney) who has the confidence of the Indian people in Canada who are seeking at the First Ministers' Conference aboriginal rights for the First Nations. Now we are bringing in Bill C-31 to this House which imposes membership on the bands, undercutting the very thing we are attempting to do at the First Ministers Conference. It truly does not make sense to me. The Indian people, the bands, as a fundamental right and, as has been proven in the past, an historic right, should control band membership. That is why I put forward Motion No. 15.

Motion No. 16 is a minor amendment. Because of the present Minister of Indian Affairs and Northern Development (Mr. Crombie), I have no problem if Motion No. 16 is not accepted. I know that the Minister of Indian Affairs and Northern Development will be reasonable. He has the knack of sitting down and resolving a problem if it comes before him.

But, what about the next Minister of Indian Affairs and Northern Development? That is the reason I put Motion No. 16 forward. It is a mechanism to resolve a dispute if one develops between the Minister and a band.

If Motion No. 15 is accepted, then we do not need my Motion No. 18. Motion No. 18 is only a transitional band list because, believe it or not, Mr. Speaker, there are some bands which face the possibility of extinction by the reinstatement of the very people we are talking about in the Bill, if they outnumber the present members of the bands. There are some small bands with a good economic base which have 15 to 40 members. If we had the band controlling band membership, we would not need Motion No. 18. I only put it forward in the hope that we could come to our senses and agree that we really should be giving control of band membership to the bands.

Motion No. 20 provides a five-year deadline to apply for band membership. That is all it does. What I am saying is once this Bill is passed, 20 years or 30 years from now someone could approach the band and ask to be registered as a treaty Indian. He did not worry about it 15 or 20 years ago because gold had not been found on the reserve in northern Ontario, but now that it has been, he wants his band membership back. I say that that is ridiculous. Each band, as a Government, has the right to know over a period of time—is my time up, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes, it is.

Mr. Shields: Then I will close off right now. I do appreciate being allowed one more minute. Motion No. 21 is with respect to evidence going before the Registrar. I was hoping to make the Bill a little more clear because I think we are allowing the Registrar too much leeway as to what he can receive into evidence and what he cannot.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Before I recognize the next Hon. Member, it is my duty, pursuant to Standing Order 45 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—Divorce—Proposed change in waiting period; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—(a) Impact of toxic chemicals on sea-gulls. (b) Request that Minister meet scientists; and the Hon. Member for Scarborough West (Mr. Stackhouse)—Industry—Employees of Dominion stores in Ontario.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-31, an Act to amend the Indian Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development; and Motions Nos. 14A (Mr. Crombie), 15 and 16 (Mr. Shields), 17 (Mr. Manly), 18, 20 and 21 (Mr. Shields), 24 (Mr. Manly) and 32A (Mr. Crombie) (p. 5574).

Mr. Gordon Taylor (Bow River): Mr. Speaker, my comments will be short but I feel a responsibility, having met with the three tribes in my riding, the Stoneys, the Blackfoot and the Sarcees, to bring their views to the attention of the House. I would like to deal with Section 15 only. These three tribes of Canadians of Indian descent feel very strongly that they were given the right to control their membership under Treaty 7 and they have been doing so. Now they are worried about the size of their reserve, about the increase in population, the housing problems and how these matters are going to be handled.

Members of the Blackfoot tribe, even the women of the tribe, oppose the Bill entirely. The primary reason for their opposition to the Bill is the fact that there are now going to be some memberships imposed on the band council without adequate funds to handle that situation. I do not know how much money will be made available, and I am worried about that aspect. If an Indian woman marries a white man with four or five youngsters, which is not beyond the realm of possibility, she is then entitled to live on the reserve and her husband's children, under the definition which was passed this morning, could become members of that reserve.

Some of the reserves are exceptionally well off financially. There are benefits which Indian people have such as education, health and welfare and no taxation. There is the real danger of a lot of people moving on to the reserve under these provisions who really do not have the interests of the band at heart, or even the interests of the Indian people. I think we should take another look at this particular aspect.

Even the native women are not happy with the suggestion that they have been discriminated against. Under their code, they feel they were not discriminated against. They made choices of their own free will. I think there is a danger in this type of Bill of being influenced by the white population to too great an extent. The Indian people have to live their own lives. They want to retain their culture and their way of life. White people want to impose their moral values on the Indians. The people of the tribes in my riding, at least, feel that they are mature enough to use their own culture, develop their own ways, accept their own religions and run their own reserves. They do resent other people being imposed on them by legislation. I want to voice that view of the three tribes in the Bow River riding.

I have been advised by another delegation that all tribes in Alberta are opposing this section. I do not know that for sure, but I am disturbed by the fact that the Indians in Alberta generally are not members of the National Brotherhood. I just do not like the idea of their being left out. A very prominent chief of the Stony tribe came here to the constitutional conference. He could not get in because the National Council of Indians would not let him in. He went home very disappointed. This is a very important tribe in Alberta which could not even have an observer because of the National Brotherhood. These things disturb our people. They are disturbed over the fact that the legislation will force people on to the reserve who would otherwise not be able to do so.

• (1610)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I cannot sit here and listen to this wonderful list of bands and groups who have spoken out with respect to the right to band control, and the issue of discrimination against women which is elucidated, enunciated and spoken to but not meant sincerely. Discrimination against women has been done against their will. They were enfranchised despite the band practice. As the Hon. Member across the way mentioned, the bands controlled their process, procedure and membership long before we got here, but they did not enfranchise their women; we did.

What I am saying is that before the Minister moves in this regard, I think he should reinstate the women and the people who lost their status and then start from a degree of equivalency, equity and good common sense and let them participate. I think discrimination, the way he is putting it, is a false issue. Discrimination against women is blatant and they very definitely spoke out. The list that was read earlier was not a complete list.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I just want to say a few words on this particular group of motions. I know that this Bill is trying to make the best out of a bad deal. This was part of the Indian Act for a good many years and, while it was inadequate, people learned to live with it. Therefore, it is important that as many wrongs as possible be corrected through the enactment of these amendments without doing harm to the future of the bands which are presently worrying about what is going to happen to them over the next couple of generations. One of the weakness of this Bill is that it does not put in place the finances which might be necessary because of the changes wich are going to be made.

I guess we have covered Motion No. 14A fairly well. Our concern was that it is permissive. If you took Motion No. 14A and Motion No. 17 together, I suppose you would fulfil those requirements we feel are important because if the Bill is passed in its present form, there are a lot of people who might be returned to status. However, with Motion No. 14A, they may not get an opportunity to say anything about what the membership should be or will be. There are people who were enfranchised against their will in many cases, or for reasons which are now considered by this House and most of the people of Canada as being unacceptable. The motion does not make it necessary for those who might be returned to status to be listed and be part of the democratic structure of the band. I think it is also necessary to point out that this clause does not return to status anyone who did not have status before. Consequently it is not a particularly bad approach, as I indicated, since it does correct some of the wrongs in the original Indian Act.

Motion No. 16 makes an effort to reduce the power of the Minister and allow for a little more open discussion. I agree with that and support it to some extent at least. As to Motion No. 21, there are groups of Indians and individuals who have never been given status. I have quite a large number of these people in my constituency. They were not given status because they were not on any of the reserves at the time the treaty was signed. Consequently, they find themselves roaming around from reserve to reserve, never getting status because there are no records of their status. It is very important to be able to accept as evidence statements which may not be documented. Therefore, we support that particular approach. As I said, it is making the best out of a bad deal, but in the process we have to be sure that all positions are aired, and that we ensure the possibility of economic and social development among the bands in the future. If this is the aim of this legislation and we are willing to put in place the necessary funds, then we should support it and get the Bill through the House.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion No. 32A (Mr. Crombie) agreed to.

• (1620)

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 15 in the name of the Hon. Member for Athabasca (Mr. Shields). Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The question is now on Motion No. 16 standing in the name of the Hon. Member for Athabasca (Mr. Shields). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. Accordingly, the motion is lost.

Motion No. 16 (Mr. Shields) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 17 standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 79(11), the recorded division on the motion stands deferred.

The next questions is on Motion No. 18 standing in the name of the Hon. Member for Athabasca (Mr. Shields). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. Accordingly, the motion is lost.

Motion No. 18 (Mr. Shields) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 20 standing in the name of the Hon. Member for Athabasca (Mr. Shields). Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Motion No. 20 (Mr. Shields) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 21 standing in the name of the Hon. Member for Athabasca (Mr. Shields). Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Motion No. 21 (Mr. Shields) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 24 standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: No.

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

Some Hon. Members: Nay.

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

Motion No. 24 (Mr. Manly) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 25.

Mr. Penner: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cochrane-Superior (Mr. Penner) on a point of order.

Mr. Penner: You will recall that there was an agreement, under Speaker's ruling No. 7, to take out Motion No. 13 in order to accommodate my hon. colleague, the Member for Mount Royal (Mrs. Finestone). I think it would be proper at this time to call Motion No. 13 before Motion No. 25 is called. That was agreed to earlier.

The Acting Speaker (Mr. Paproski): I must advise the Hon. Member that we will have to reserve that until the Speaker comes in with his decision, if that is agreeable to the Hon. Member. It has to be that way because I believe the Speaker ruled that he will decide—

Mr. Penner: No, no, Mr. Speaker. I do not wish at all to dispute with the Chair, but there was an agreement reached that at three o'clock, as soon as debate was resumed, assuming that all other motions had been disposed of, that we would return to Motion No. 13. It has taken some time to deal with the whole grouping but, by agreement of the Parties, Motion No. 13 was to be heard next. That was agreed to. I think the Speaker simply saw it as an agreement among the Parties.

The Acting Speaker (Mr. Paproski): The Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie) on the point of order.

Mr. Crombie: Mr. Speaker, on the same point of order, as I recall the procedural discussion at the time, the Hon. Member for Mount Royal (Mrs. Finestone) wished to speak to it. Motion No. 13 also involves Motion No. 14 standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). I think that if you are going to call Motion No. 13, you should also call Motion No. 14. That would complete the original grouping.

Mr. Penner: That is quite correct. That is my understanding.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

Mr. Manly: Mr. Speaker, the problem is that the Speaker has still not ruled on whether or not Motion No. 14 requires a separate vote from Motion No. 13. I would respectfully ask that any division on this wait until we have had an opportunity to hear the Speaker's ruling. I am quite prepared to have the Hon. Member for Mount Royal (Mrs. Finestone) move her motion and speak on it, but I would like an opportunity to wait for the Speaker's ruling before there is any vote on it.

The Acting Speaker (Mr. Paproski): I would like the Hon. Member for Mount Royal (Mrs. Finestone) to speak also. However, I must wait for a ruling from the Speaker. I am hoping that that will happen shortly and then we can debate Motions Nos. 13 and 14 together. I cannot really do anything until the Speaker has ruled because I believe that the speakers have a different view on Motions Nos. 13 and 14 and they would like to participate in this debate. I must wait for the Speaker to make that decision. Does the Hon. Member for Cochrane-Superior have another point of order that he would like to bring up?

• (1630)

Mr. Penner: Mr. Speaker, it is quite right, as I indicated earlier, that we would debate Motions Nos. 13 and 14 together. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) has created an additional problem for the Speaker by suggesting that Motion No. 14 must be considered on its own merits. It is that ruling for which we are waiting.

There is no difficulty at all with Motion No. 13. Since it is agreed that that would be debated, I think we should proceed with it and dispose of Motion No. 13 before proceeding to Motion No. 25. In keeping with the dictum of the Government House Leader earlier that we should deal with these in the order in which they appear and in which the Speaker has made his ruling, I would suggest that you would have no difficulty in just calling Motion No. 13 and leaving No. 14 in abeyance.

The Acting Speaker (Mr. Paproski): I must disagree with the Hon. Member who is a distinguished Member of the House from the class of 1968. I appreciate his argument but, the Hon. Member will know because he has occupied the Chair a number of times, when the Speaker groups Motions No. 13 and 14 for debate, an Acting Speaker cannot change it at this stage. I hope he will allow debate to begin on Motion No. 25 and wait for the Speaker's ruling on Motions No. 13 and 14. Therefore, I believe we should start with debate on Motion No. 25.

Mr. Shields: Mr. Speaker, I wish to withdraw the motion and perhaps save a lot of time.

The Acting Speaker (Mr. Paproski): The Hon. Member for Athabasca (Mr. Shields) is withdrawing Motion No. 25. Is there unanimous consent for its withdrawal?

Some Hon. Members: Agreed.

Motion No. 25 (Mr. Shields) withdrawn.

Mr. Penner: Mr. Speaker, in an attempt to improve my batting order with the Chair, since I did not succeed in having Motion No. 13 debated, I want to draw Your Honour's

attention to ruling No. 13 by the Speaker this morning, dealing with Motion No. 27. The ruling states that Motion No. 27, which stands in my name, gives the Chair procedural difficulty in that it is attempting to amend the parent Act. Far be it for me to even begin to dispute that ruling of the Speaker, but may I, in keeping with the traditions of the House, ask whether I can have unanimous consent to at least debate Motion No. 27 and then have it disposed of by a vote, after my arguments have been heard?

Mr. Crombie: Mr. Speaker, having heard the representations made by the Hon. Member, certainly we on this side of the House have no difficulty with the Chair calling Motion No. 27 and hearing the Hon. Member's arguments.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to group Motion No. 27 with Motions Nos. 28, 38 and 39?

Some Hon. Members: Agreed.

Mr. Keith Penner (Cochrane-Superior) moved:

Motion No. 27

That Bill C-31, be amended in Clause 7 by adding immediately after line 10 at page 14 the following.

"(2) Subsection 17(2) of the said Act is repealed and the following substituted therefor:

"(2) Where pursuant to subsection (1) a new band has been established from an existing band or any part thereof, a portion of the reserve lands and funds of the existing band may be held for the use and benefit of the new band, if the council and a majority of the electors of the existing band consents." "

Mr. John Parry (Kenora-Rainy River) moved:

Motion No. 28

That Bill C-31, be amended in Clause 7 by adding immediately after line 10 at page 14 the following:

"(2) The Minister shall, within two years of receiving notice from a representative of a body of persons seeking a declaration pursuant to paragraph 6(1)(*b*), cause an investigation to be made as to the desirability of such a declaration and report his recommendations to the Governor in Council, which report the Minister shall cause to be laid before Parliament at its next session for consideration through an appropriate committee."

Mr. Keith Penner (Cochrane-Superior) moved:

Motion No. 38

That Bill C-31, be amended in Clause 20

(*a*) by adding immediately after line 21 at page 19 the following:

"(*b*)(i) the number of people entered on band lists maintained pursuant to section 10 whose applications for registration under section 5.(5) of this Act have been rejected by the Registrar;

(ii) the total number of applications made under section 5.(5) of this Act which have been rejected by the Registrar;".

(*b*) by adding immediately after line 27 at page 19 the following:

"(2) The Minister shall make available to every band council a copy of the report referred to in subsection (1)."

Motion No. 39

That Bill C-31, be amended by adding immediately after line 35 at page 19 the following:

"21. (1) Where a band council requests a study of the impact of the amendments on the band, the Minister shall, in agreement with the band council, designate a person, who shall serve without remuneration, to work with the band council for the purpose of identifying such impacts.

(2) The Minister's designate shall, in agreement with the band council, determine the social, cultural and economic effects of the amendments on the band, including the requirements for additional land, increased program, service and capital costs, and any other matters that may be identified.

(3) The Minister's designate shall report his findings and recommendations to the Minister and the band.

(4) The recommendations of the Minister's designate and the Minister's response to these recommendations shall be included in the report referred to in section 20."

He said: Mr. Speaker, let me begin by speaking to Motion No. 27. I thank the Minister and Hon. Members for giving this motion the benefit of the doubt with respect to its procedural acceptability. However, we can do almost anything here by unanimous consent. I will never forget my first day here when someone moved that we call it six o'clock when it was only 4.30.

Motion No. 27 is not very complicated and simply amends Clause 7 of the Bill, which deals with new bands. Clause 7 amends Section 17(1) of the Indian Act which deals with the Minister's power to create new bands.

The present legislation allows the Minister to amalgamate bands which request that amalgamation. We are not suggesting any change in that respect. The law also allows the Minister to constitute new bands from existing bands and we do not suggest any change there. A new power provided to the Minister is that new bands may be constituted out of the Indian registry. He may do so if requested by the persons proposing to form a new band from the Registrar's list. I point that out by way of background.

However, we are concerned that Section 17(2) of the Indian Act remains in Bill C-31. According to Section 17(2) of the Indian Act, when a new band has been created from an existing band, the Minister can take whatever reserve lands and funds from the existing band he deems necessary for the new band. In other words, if two bands are being created from one, the Minister of Indian Affairs and Northern Development (Mr. Crombie) has the power to select whatever amount of land and whatever amount of funds he deems to be appropriate to give to the new band. As stated by the Hon. Member for Athabasca (Mr. Shields), the problem is that it impinges an external authority on the autonomy of the bands. There is no provision for consent of the existing band to any such action by a Minister.

Let me come directly to Motion No. 27. That motion would simply require the consent of the council and a majority of the existing band electors to any such action by the Minister. The Minister knows, and so do all Members who served on the committee, that one of the basic concerns about Bill C-31 is the necessary resources of land and funds to accommodate the reinstated people. The Minister before the committee has given his assurance that the bands will be no worse off as a result of these amendments. We have taken the Minister at his word because there is nothing in the legislation to guarantee that. I think if we accept my amendment, Motion No. 27, and put in this consent clause, it is one way of assuring the existing bands that if new bands are to be created out of this new

registry list that the land and the funds will not be taken from them to create the new bands.

● (1640)

I do not need to tell you, Mr. Speaker, as I am sure you are aware already that the existing pie, if you can call it a pie, is very very small in most cases. Our Indian First Nations, with only a few exceptions, are among the poorest communities in Canada. If by ministerial prerogative we can take that pie, which does not have very much filling, and subdivide it still further, I think we will be imposing a very serious injustice on these people. We are saying that nothing could be done without their consent with respect to the further division of their property or the further division of their funds. It is simply a consent clause.

With your permission, Sir, I would go on to the other two motions in my name since they are grouped for debate. I turn my attention to Motion No. 38. Motion No. 38 can be dealt with very quickly because it has to do with the reporting provisions to Parliament of the actions taken by the Registrar in accepting new people.

As it is now, by my amendment Motion No. 38, we would require more specific information to be included in the report. The Bill does not cover all the Indians who may be recognized as Indians by their own people. I will not say anymore on that except to say that it just improves the reporting provisions. The motion provides more elaboration.

I come now to Motion No. 39. It is somewhat weaker than I would like it to be. The reason it has been watered down is we had to be very careful I did not step on the toes of the Royal prerogative. If I had been able to do that, and if private Members were able to spend even a little public money, our amendment would have had much more validity and strength. Since we could not do that, I had to get the idea across that there has to be some method or means of assessing the impact on bands of those people returning to the community.

I would have liked the Minister to be able to appoint a commissioner through this amendment and have the commissioner agreed upon by the bands to study the impact and then report to Parliament, making it an obligation upon Parliament, where there was an impact determined which demanded there be more land made available or that there be more resources be made available, to respond. Since there no Royal Recommendation can go with a private Member's motion, the best we could do here was to have a Minister's designate who would serve without remuneration, approved by the Minister and by the bands to take a look at the impact of the new reinstated people coming back into the bands to find out what impact was on housing, on educational facilities, on recreational facilities, on the amount of land and on funding made available to the band. That Minister's designate would then make certain recommendations about what ought to be done and report back to the Minister.

It is not as strong and as forceful an amendment as I would like it to be. In fact, it is not as strong an amendment as I originally wrote myself, but I had to take guidance and counsel from learned people who work for the House of Commons. This is the end result of that.

I would like to emphasize that we should look behind the motion and recognize that there needs to be some way for the Minister and for Parliament to know what the impact is of what we have done by way of Bill C-31. If the Minister finds Motion No. 39 to be appealing or even if it is accepted and proves to be a useful way of proceeding, he may in due course want to give it additional strength and use his ministerial powers to do so.

Those are the three motions to which I wanted to draw your attention and the attention of all Hon. Members, Mr. Speaker.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am pleased to make a few comments on these four motions grouped for debate. I am in support of all four motions. First, Motion No. 27 which, as the Hon. Member for Cochrane-Superior (Mr. Penner) pointed out, places the responsibility for making decisions with the band council and the majority of the electors of the present band for any decision regarding new bands. The present Act leaves this at the discretion of the Minister. I am sure the present Minister of Indian Affairs and Northern Development (Mr. Crombie) would agree that this is the kind of decision that should rightfully belong with the band council and the band electors. I am pleased to give my support to this amendment, and I hope the Government will also.

Motion No. 28 in the name of the Hon. Member for Kenora-Rainy River (Mr. Parry) simply seeks to have some mechanisms by which people who wish to form new bands will be able to get some answer from the Minister because, at present if people want to form a new band and apply, their letters can just fall into limbo. Motion No. 28 requires that the Minister, after receiving notice, shall within two years make some investigation into the merits of forming a new band and issue a report to the House of Commons. I think two years is a realistic time period. It is something where the bands obviously need Government support.

Motion No. 38 just briefly deals with further reporting and more detailed reporting to the House of Commons. That is something I think all Members would want to see. The results of Bill C-31 are something all of us will want to monitor very closely in the next number of years. The more detailed information we have laid before us so we can assess the impact on bands, the better we will be able to do our job and the better we will be able to respond to any situation that many arise that requires parliamentary action.

Motion No. 39 I find very interesting. There will be someone to do a study when bands request a study on the impact of Bill C-31 on a band. The impact of Bill C-31 will be considerable on a number of bands. When I first read this, I thought the Liberals had reformed their whole approach toward patronage since September 4. I thought perhaps they were carrying it a little too far when the Hon. Member for Cochrane-Superior wrote that "this person shall serve without remuneration", or perhaps he just assumed the person to be

appointed would not be a Liberal. I understand that he was really concerned about not treading on the toes of the Royal prerogative, so I can understand the reason for putting in that clause. This is a worthy amendment and one that I hope will receive the support of the Government.

● (1650)

Mr. Speaker: Could I interrupt the proceedings just for one second, before recognizing the Parliamentary Secretary, to clear up the remaining procedural matters and get them out of the way.

I have had the opportunity to review the Hon. Member's contribution to the procedural debate on Bill C-31 and I am now ready to make a definitive ruling.

The President of the Privy Council (Mr. Hnatyshyn) has suggested that if unanimous consent were sought, Motion No. 3 could be debated and voted on separately if such is the will of the House. Since this amendment does not infringe upon the prerogative of the Crown, I would therefore seek the consent of the House for Motion No. 3 to be deemed in order. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: It is so ordered.

The President of the Privy Council also suggested that the House would be disposed to debate together Motions Nos. 33 and 33A but would vote upon the motions separately. Again, is there unanimous consent to deem Motions Nos. 33 and 33A in order and to be proposed to the House?

Some Hon. Members: Agreed.

Mr. Speaker: It is so ordered.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) has argued for a separate vote on Motions Nos. 13 and 14. I have listened to his argument and reviewed both motions. Motions Nos. 13 and 14 both seek to amend line 30 at page 6 of the Bill and must be dealt with as previously announced. Therefore, an affirmative vote on Motion No. 13 will dispose of Motion No. 14. If Motion No. 13 however is negatived, then and only then will the question be put on Motion No. 14.

The Hon. Member for Cowichan-Malahat-The Islands has also submitted argument to the Chair on Motion No. 36. On reviewing that motion, once again I regret to inform the Hon. Member that this amendment clearly infringes upon the financial initiative of the Crown and therefore cannot be put before the House.

For the benefit of the House I would therefore recapitulate the motions which have been ruled out of order. They are Motions Nos. 2, 3, 4, 5, 6A, 8, 9, 10, 11, 12, 19, 22, 23, 26, 28A, 30, 31, 34, 35 and 36.

As soon as we have finished with the current grouping now before the House, the Chair will return and propose the question on Motion No. 3. When Motion No. 3 has been disposed of, Motions Nos. 13 and 14 will be proposed.

Mr. Manly: Mr. Speaker, when you were reading the list of motions that had been definitely ruled out of order, you mentioned Motion No. 3 but then you later said that it was in order.

Mr. Speaker: Thank you. The Hon. Member is absolutely correct. I did read Motion No. 3 and should not have. I thank the Hon. Member for his attention.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to speak briefly to Motion No. 27. As the Indian Act now reads, the Minister of Indian Affairs and Northern Development (Mr. Crombie) has complete discretion in Subsection 17(1) to constitute new bands from existing band lists, in effect to split bands. In Subsection 17(2) he also has discretion to divide reserve lands and funds accordingly. Bill C-31 originally provided for future band splits to require approval of a majority of band electors.

In reviewing the Bill, however, it became clear that this approach would indeed be impractical. In fact, it might even make band splits impossible. This is because such splits normally involve a minority group, frequently one that lives apart from the majority of the band. There may be good reasons for acting on the desire of such minorities to split away, but it is unlikely that a majority of the whole band would agree.

During the standing committee's clause by clause review, the Bill was revised to require that those persons proposing to form a new band make a request to the Minister, rather than that a majority of all band electors approve. Any split would still be subject to the Minister's discretion, so inappropriate cases can be rejected. If a decision is taken to split a band, it is only logical to split the band's land and resources accordingly. The members of the new band obviously have a right to a fair share of the assets of the whole band. It would be inconsistent to give a group within a band a right to request the Minister to constitute a new band without also giving them effective access to a reasonable portion of band assets.

The present motion does not seek to amend Subsection 17(1) as reported by the standing committee. To be consistent, and indeed in fairness to those who may seek to form a new band, we cannot accept the change proposed in this motion to Subsection 17(2). In fact, probably the fairest way to share band assets in the case of band splits would be to leave the matter to an independent third party, namely the Minister. Such decisions would only be taken after consultation with all those affected. I might also point out, Mr. Speaker, that we are not talking about a frequent problem. In the past 10 years, for example, there have only been approximately two dozen cases of band splits under Subsection 17(1).

In conclusion, I urge all Members to vote to defeat this motion. Thank you, Mr. Speaker.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I simply want to make a few comments with respect not to Motion No. 27 but, in the

current grouping that we have of Nos. 27, 28, 38 and 39, some comments with respect to the latter three.

Motion No. 28 refers to a motion placed in the name of the Hon. Member for Kenora-Rainy River (Mr. Parry). The motion is well intentioned, but I would submit, with respect, inappropriate. The basic idea seems to be to ensure that applications to constitute a new band are dealt with within two years. In my view, this motion is entirely unnecessary. As it now stands, it is the responsibility of the Minister of Indian Affairs and Northern Development to recommend to the Governor in Council on the formation of entirely new bands under the Indian Act. Such decisions are properly dealt with in this way. With the range of issues involved, and I could tell you from some experiences in northern Ontario, dealing with five bands in particular, it is a complex process from the identification of the land base and negotiations with the province on that issue to agreement on financial arrangements. Such investigations and negotiations may take six months or six years, depending on the circumstances. Such cases are always the object of public scrutiny and affected bands have in the past been very effective in convincing the standing committee to champion their cause. There is no reason to think that that informal process cannot continue to serve well the interests of all concerned.

On a technical level, I should point out that the motion is, with respect, flawed. There is no authority under Paragraph 6(1)(*d*) to declare a body of persons to be a band. That paragraph only sets out the eligibility of such persons to be registered as status Indians under the Indian Act. The mechanism for declaring a new band is provided by a combination of the definition of band in Subsection 2(1) and the power in Subsection 73(3) for the Governor in Council to make orders, and I quote "make orders and regulations to carry out the purposes of the provisions of the act".

In conclusion, with respect to Motion No. 28, in my view we should only make rules where they are needed, and in this case there is no reason to change the existing situation. No arbitrary requirement to report to Parliament will make it easier to resolve the complex issues normally involved. With the technical nature of the motion, along with the substantive comments I have made, I hope the House will not support Motion No. 28.

With respect to Motion No. 38, Mr. Speaker, proposed and standing in the name of the Hon. Member for Cochrane-Superior (Mr. Penner), Motions Nos. 38 and 39 deal with Clause 20 which provides that the Minister will report to Parliament within two years of the Royal Assent to this Bill on the steps he has taken to implement the Bill. Motion No. 38 in particular, as presented by the Hon. Member for Cochrane-Superior would require the Minister to report on the number of people granted membership by the bands that are denied registration as status Indians. The Bill as presently drafted gives bands full control over membership if they wish. There is no obligation to inform the Minister who has applied for, been accepted or denied membership. The Minister would have no accurate way of reporting to Parliament on which, if any, such band members had been denied status. The proposal, with great respect, is not practical.

The second part of the motion, which would require that the implementation report be made available to every band council, is merely a statement of current practice and would seem hardly necessary to require a statute. All reports to Parliament are, of course, available to all citizens, and copies of the report would be circulated to all band councils as a matter of routine at any rate. That is the practice of the Department in dealing with such important documents.

• (1700)

Very briefly, Motion No. 39, which was also moved by the Hon. Member for Cochrane-Superior, requires the Minister to designate a person to carry out a band impact study if a band so requests. I have already said before the committee and publicly that I have every intention of carrying out such studies on a band-by-band basis as required. Forcing the Minister to designate a specific person to carry out impact studies for individual bands is, I submit, unnecessary. It establishes an unduly rigid model which infringes on what is already a clear Ministerial responsibility. The Government has introduced this legislation and it will take all the steps necessary to ensure that it is properly implemented.

Questions might also be raised about the quality of studies to be done by persons serving without remuneration. If studies are to be done as I believe they should be, is it not necessary to ensure that they be done properly? If it is likely that we may be required to hire or to have volunteers, we should have the option to do both. Finally, the proposal, while well intended by the Hon. Member for Cochrane-Superior, is neither necessary nor practical in my view.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 27. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. Accordingly, I declare the motion lost.

Motion No. 27 (Mr. Penner) negatived.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 28. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. Accordingly, I declare the motion lost.

Motion No. 28 (Mr. Parry) negatived.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 38. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. Accordingly, I declare the motion lost.

Motion No. 38 (Mr. Penner) negatived.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 39. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it. Accordingly, I declare the motion lost.

Motion No. 39 (Mr. Penner) negatived.

The Acting Speaker (Mr. Paproski): It being 5.04 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Is there unanimous consent that the House proceed to Motion No. 181?

Some Hon. Members: Agreed.

* * *

VETERANS AFFAIRS

SUGGESTED ANNUITIES TO DSO RECIPIENTS

Hon. Allan B. McKinnon (Victoria) moved:

That, in the opinion of this House, the government should consider the advisability of paying veterans of World War I and all recipients of the DSO, the same annuities with respect to gallantry awards received by veterans of World War II.

He said: Mr. Speaker, I am pleased to have the opportunity to discuss my motion in the House today on behalf of World War I veterans who received awards for gallantry during that war. It may come as a surprise to some of us here today that some of these veterans receive annuities for their awards from the Government of the United Kingdom. This fact came to my attention earlier this year when one of my constituents telephoned me about the matter.

I knew that the veterans of World War II who received gallantry awards did receive a small annuity from the federal Government and a quick look at the Veterans Affairs annual report confirmed that gallantry awards and annuities were being paid by the Canadian Government only to those veterans who served in the Second World War and later. I found that the total of those payments in 1983-84 amounted to about $62,000. That would indicate that the resolution that is before us today would do well if it managed to find recipients still surviving from World War I to receive a tenth of that amount.

Prior to 1943 when the current policy came into effect, all awards, pensions and gratuities with respect to gallantry had been paid to Canadians by the British Government. In June 1943, an Order in Council was passed which made the Canadian Government responsible for awards to Second World War veterans.

For reasons which have been long forgotten and are completely unknown to me, the Order excluded World War I veterans who, up to the present time are paid gratuities and

annuities from the British treasury. Perhaps I could read a few words from the policy manual as it relates to gallantry awards:

In 1943 the Canadian Government assumed the responsibility for the payment involved insofar as members of the Canadian Forces were concerned, with respect to awards earned during World War II or later, but did so under the rules established by the British.

This may account for the amount of these awards which is meagre indeed. The policy manual goes on:

If the veteran is in receipt of a pension for disability under the Pension Act, or an allowance under the War Veterans Allowance Act, or an annual allowance under the Canadian Forces Superannuation Act, he is entitled to an annuity of $50.00 from the commencement date of his pension or allowance or 24 August, 1972, whichever is the later date.

Later on, this was changed to read as follows:

—that it is deemed advisable for the Dominion of Canada, through the Canadian Pension Commission, to assume payment of all such grants arising out of awards which have been or may hereafter be made in respect of the war to members of the armed forces of Canada;—

Remember that this was dated 1943.

It is important to realize that these gratuities are only paid to Canadian gallantry award winners if they have applied to the British Government for them. I submit that many Canadians did not know to whom to apply in the British Government and some were disinclined to apply to another Government in any case. It is now time for our Government to recognize officially the brave members of our Armed Forces who fought in World War I by granting to them, directly from Canadian funds, the annuities and gratuities for which they were eligible if they applied to the British Government.

In connection with this and included in my motion is a request that recipients of the Distinguished Service Order also be entitled to an annuity or award. By way of background, it had been decided many years ago and at least as far back as World War I that winners of the DSO who were almost exclusively of the rank of Major or above were not soldiering for money and indeed that it would be an affront to offer them a gratuity for merely being brave. While the Victoria Cross, the George Cross and the Distinguished Service Cross are included in gratuities, the DSO has been excluded. I would like to see that changed as well. The exclusion of the DSO is a relic of a class distinction that has never really fitted the relatively classless Canadian society of the 20th century.

• (1710)

Since tabling this motion last March, there has been some progress, which leads me to believe that the Minister is giving serious consideration to accepting the motion. I do not need to tell the House that the Minister of Veterans Affairs (Mr. Hees) has made great strides in bringing to the veterans of the country the maximum benefits to which they are entitled. He has passed legislation to ensure that their pensions are realistic and he has initiated policy changes that give the advantage to the veterans in deciding controversial claims. I am confident that he will continue in this manner and that veterans will receive every consideration, as they so richly deserve.

I would like to speak on another matter, which has been brought to the Minister's attention by the Royal Canadian Legion. Indeed, I have quite a large file on the matter. The matter concerns World War II volunteers who served in Canada only, but who served as volunteers for 365 days or more. Those veterans are not entitled to receive war veteran's allowance, as they did not serve in a theatre of war.

The Minister knows very well of the anomalies to which that policy has given rise, as a result of some "Canadian only" veterans who were deemed to have been in a theatre of war as a result of having crossed over from the mainland to Prince Edward Island. However, on Vancouver Island the rules are different. Vancouver Island was at one point shelled by an enemy submarine, yet it is not considered to have been in a theatre of war. Veterans who served on Vancouver Island do not qualify for the war veterans allowance. As far as I am concerned, any veteran who volunteered for active service but, through circumstances not of his or her own making, did not make it outside the western hemisphere, should be entitled to the full benefits which are accorded to other veterans.

I know the Government has a first priority to reduce the deficit and, therefore, I understand the reluctance to commit additional funds. In that respect, the Legion made the following suggestion in the brief which it presented to the Standing Committee on Veterans Affairs. It read:

While the estimated cost is high, some of it would be offset by reduced expenses for the Canadian Pension Commission in the consideration of disability claims. With a change in legislation it would not then be necessary to seek rulings from the Commission to try to establish an entitlement to qualify for an assessment of 1 per cent or more. Furthermore, there is the provision in our resolution of having had to serve for a period in excess of 365 days in Canada as the basis of eligibility.

The veterans of Canada would no doubt appreciate a statement of principle from the Minister that "Canada only" volunteers who served in excess of 365 days are deserving of the war veterans allowance and that, when fiscal circumstances are more favourable, a plan of action to implement payment of the allowance to those veterans would be made known.

With respect to the motion, as I have stated, some progress has been made. The Chairman of the Canadian Pension Commission provided to the Minister a cost breakdown of the provision of gratuities and annuities to World War I veterans and to all recipients of the DSO. The Minister graciously provided me with a copy. After the start-up costs, which would provide for all one-time payments in 1985-86, subsequent years' costs for World War I recipients, who are currently paid by the British Government, would amount to less than $5,000 in 1986-87 and would lessen each year thereafter. It should be clearly understood that nothing I am saying would limit the payments to those veterans who are currently being paid by the British Government. Many veterans preferred not to apply to the British Government for the gratuities, and many others, while eligible, were never aware of their eligibility.

The Chairman of the Canadian Pension Commission recommended that consideration be given to assuming the costs. The Chairman's brief noted:

The present situation appears to be a widespread source of dissatisfaction and has been the subject of several resolutions from veterans organizations. Failure

to assuage this dissatisfaction may appear to be failure to honour promises of generosity.

The Chairman also pointed out that the advantage to the Government of Canada in assuming the costs of all gallantry awards would provide a "positive image of Canada accepting full responsibility for costs associated with gallantry awards to members of the Canadian Forces".

A meeting of the Standing Committee on Veterans Affairs to discuss the Estimates on May 30 gave me the opportunity to question the Minister directly on the subject. As I anticipated, the Minister was receptive to my suggestion. In response to my questions the Minister stated:

—it seems to be a reasonable suggestion and as soon as I get the figures from the British High Commissioner I will be able to do something—

The Minister's statement is most encouraging and I am hopeful that his request will become a reality very soon. The Minister has to be counted among the best in Veterans Affairs. He has received well-deserved praise from many segments of the veteran population. He can count me among those who support his efforts to ensure that veterans are given the best treatment possible.

I have made representations to the Minister on behalf of numerous veterans from my riding of Victoria and from elsewhere in Canada. Members of the House will know of my concerns for veterans and of the legislation which I have put forward. I want to continue work in that vein and I am assured of a sympathetic hearing with the current Minister.

In summary, the motion presented today is a request to the Government to pay to recipients of gallantry awards from World War I, along with all recipients of the Distinguished Service Order, the same annuities which are received by Canadian veterans of World War II. A corollary to this, but not included as part of the motion, concerns making the veterans aware of the change. The Minister may wish to consider instructing his officials to prepare an advertisement, which could appear in a publication such as *Legion* magazine, to inform veterans of the change in the payment of the awards.

There are, no doubt, some veterans who not are aware of their entitlement to an annuity. Others—and I know of some who fit into this category—have chosen to forgo a payment from the British Government. However, if the award were to come from their own Canadian Government, they would gladly accept it. The awards represent very small sums of money. They are based on 10 pounds per annum, which is currently approximately $50 or $100 per annum, depending on whether the veterans have any other government income. The annuities are a source of enormous pride, far larger than the amount would indicate, to the recipients.

I look forward to this initiative being taken and hope that the motion will gain the necessary acceptance of the House.

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, first of all I would like to congratulate the Hon. Member for Victoria (Mr. McKinnon) on the motion standing in his name on the Order Paper of the House, in which, as he explained so eloquently, he urges the Government to—

—consider the advisability of paying veterans of World War I and all recipients of the DSO, the same annuities with respect to gallantry awards received by veterans of World War II.

I know that the Hon. Member for Victoria, who also served in the military, has done a great deal to improve the lot of our veterans, and especially World War I veterans. At the time, as the Hon. Member described in his speech, everything was the responsibility of the Government of the United Kingdom, especially everything concerning acts of bravery and gallantry, as they used to say, by those who fought under the Canadian flag—the Canadian Expeditionary Force as it was called at the time.

• (1720)

I also wish to congratulate the Hon. Member for Victoria on the detailed exposé given at the last meeting of the Standing Committee on Veterans Affairs, of the problem he outlined for us this afternoon. I feel there is indeed an injustice that should be remedied, because, need I repeat, all acts of bravery and gallantry rewarded either with the Victoria Cross or the George Cross or any of the other awards were remunerated or subsidized by the United Kingdom or England, as we said at the time. This was the case until 1942, when it was decided by order in council that the Government of Canada would pay the annuities with respect to awards given to veterans for distinguished service during World War II. However, nothing was done for veterans of the battlefields of 1914. There is an element of unfairness that should be corrected, and I am very happy to see that the Minister of Veterans Affairs (Mr. Hees) is here in the House and is considering the comments made by the Hon. Member for Victoria. I am very pleased.

I also would like to take this opportunity to say a few words about our World War I veterans, for the simple reason that we have never had any official figures on the number of veterans who are still with us. According to the 1971 Census, there were still 18,500, and of that number, 5,000 were receiving a War Veterans Pension or some kind of allowance from the Department of Veterans Affairs. However, I am sure that if we calculate how many veterans are still alive today, the number receiving a pension or an allowance has decreased. In any case, according to the figures available to the Department of Veterans Affairs, it seems that the average age of World War I veterans was 88. I imagine we should follow up at least some of the recommendations that were given in a most eloquent brief submitted by the Canadian Legion on May 30 of this year, which said that all World War I veterans should receive benefits under the new "Aging Program" that has been very successful for the simple reason that it makes it possible for the veteran to live comfortably with his family until he can no longer take care of himself. I believe we can extend life, not indefinitely, of course but quite substantially if we can help these people enjoy a comfortable old age.

I therefore totally agree with the brief on veterans submitted by the Canadian Legion, and I am sure the Minister will give special attention to the entirely justified demands being made for those who served so well. I do not think there is any reward in this world that could possibly be considered adequate compensation for these people who fought in the first of three wars, and I do not think anything we could give them would ever be commensurate with their efforts to fight for freedom.

Finally, Mr. Speaker, I would like to read a letter I received, and I suppose the Hon. Member for Victoria has received a number of letters like it. It is a letter from a veteran who wrote to me, not without humour, in May 1985, on the subject raised by the Hon. Member for Victoria in his motion. I quote:

[*English*]

The Acting High Commissioner, Sir George Perley drew up with the War Office an agreement that was finally approved on January 24, 1915.

That is not yesterday, Mr. Speaker.

It specified that Canada provide the pay, allowances and pensions of her troops and defray the cost of transporting them and material to the United Kingdom. In addition to paying the actual cost of all supplies and stores issued in Great Britain. There is one interesting addition to this agreement. It states that Canada shall pay the sum of six shillings per shell, per man, of all shells fired by Canadian artillery with the exception of seige artillery shells.

[*Translation*]

Mr. Speaker, I have no idea who dreamed up such a thing, but if we could find out how many shells were fired during World War I, perhaps we would know how much all that cost Great Britain, if the agreement was in force.

In any event, I continue reading the letter of my British Columbia friend who states:

[*English*]

My contention is that the Conservative Party under Sir Robert Borden made these agreements so they should straighten it out.

[*Translation*]

He was referring to this Government, of course. So I am sure that—

[*English*]

I contacted the Legion Magazine asking that any former members of the CEF—

The expeditionary force.

—who had won gallantry awards for World War I and had not received such gratuity get in touch with me.

I have been flooded with letters from both winners of awards and next of kin and all say that they have never received any such gratuity and in most cases were not aware that such gratuities were in force.

Personally I have no particular bone to pick on this issue as the only award I ever received was the Croix de Guerre. (Came up with the rations).

[*Translation*]

Mr. Speaker, all that to say that most veterans did not know that gratuities were offered those who had sacrificed themselves and accomplished acts of bravery during World War I.

I fully agree—and I am sure the Minister will look into this matter—that the policy ought to be reviewed so that the Canadian Government might offer gratuities to those Canadians who have served with honour. Needless to say, that would include the group which has always been forgotten, the group of veterans who were recipients of the Distinguished Service Order.

That, Mr. Speaker, is the humble contribution I wanted to make. I rest assured that our representations will be given every consideration by the Minister of Veterans Affairs who has always paid close attention to the claims of the Canadian Legion and of Hon. Members who have shown great interest in veterans affairs so as to improve the situation of those to whom we owe so much.

[*English*]

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am pleased to have the opportunity to speak in support of the Private Members' Bill which has been introduced by the Hon. Member for Victoria (Mr. McKinnon) which deals with the annuities paid to veterans of the First and Second World War who received gallantry awards such as the Victoria Cross, the Military Cross, the Distinguished Flying Cross, the Distinguished Conduct Medal, the Military Medal, the conspicuous Gallantry Medal and others. The Bill proposes also that recipients of the Distinguished Service Order also receive similar annuities.

Recently I had the honour of being one of those who were members of the veterans and parliamentary delegation who went to Europe to commemorate the heroic contribution of Canadians in the last World War. Our delegation was headed by the Minister of Veterans Affairs (Mr. Hees) and included the Hon. Member for Victoria as well. The trip contributed significantly to my understanding and pride in the contribution of Canadians who fought to preserve freedom in Europe.

● (1730)

We owe a great debt to those who served during both wars. Many did not come back, and many of those who did suffered wounds and made great personal sacrifices. This motion deals with the way we honour some of those people, those who received awards for gallantry in the service of their country and the defence of freedom.

At present the veterans of the two World Wars receive annuities of different amounts and from different Governments. This discrepancy was brought to the Canadian Government's attention by a resolution of the Royal Canadian Legion last year which pointed out that an additional pension is paid to veterans of World War II by the Canadian Government when they are recipients of various medals and awards. Veterans of World War I are not eligible for this payment. Until 1943 it was the British Government's responsibility to pay a gratuity and annuities to the recipients of gallantry awards. In June of that year the Canadian Cabinet agreed to take over the payment of annuities to all future recipients, as well as for those who had received awards up to that point in World War II. The Canadian Pension Commission was authorized:

To assume and pay out of the War Appropriation or out of moneys provided for the purpose by Parliament any gratuity annuity, pension or other pecuniary obligation, arising out of any award which has been or may hereafter be made by His Majesty the King in respect of gallantry during the present war to any member of the Armed Forces of Canada.

Under the Gallantry Gratuities and Annuities Order, the CPC pays an annuity to those who have received one of the gallantry awards if he or she is awarded a disability pension, War Veterans Allowance or an annuity under the Canadian Forces Superannuation Act. This applies only to those who earned awards since the beginning of World War II. As for annuities still being paid to veterans of World War I, we do not know exactly how many there are at this time or how much they receive. I understand that the Canadian Government has made inquiries of the British Government as a first step in eliminating the discrepancies between the different groups of gallantry award recipients, but has not yet received the requested information. When it is received, I am confident that the Minister will move with haste to bring about the necessary changes to eliminate the present inequities. Even though it has been the responsibility of the British Government to pay monetary benefits to members of either the Canadian or British Forces who fought in World War I, I understand that Government has no interest in changing the amount it pays to those veterans. In order to ensure that veterans of both wars are treated equally, the Canadian Government will be required to accept responsibility.

As I stated earlier, we will support this motion. There is no reason that veterans from the two World Wars should be treated differently. I understand the Canadian Government has made inquiries and taken the first steps necessary to bring the two groups up to the same level. I trust it will also provide for the inclusion of DSO recipients among those qualifying for annuities. I cannot believe that the issue of deficits or controlling Government expenditures could be significant when one considers the heroic contributions of the people involved on the one hand, and the trivial amounts involved on the other.

Mr. Alan Redway (York East): Mr. Speaker, I am very pleased to have this opportunity to speak very briefly in support of the motion of the Hon. Member for Victoria (Mr. McKinnon). It is a particular pleasure to have the opportunity to speak in favour of a motion put forward by that Hon. Member because, while I have known of his reputation for many years, I actually had the opportunity of looking at his picture on a daily basis for a good many years in the office of my former law partner, Sydney Frost, who had served with the Hon. Member for Victoria as a Company Commander with the Princess Patricia's Canadian Light Infantry in the Netherlands during World War II. I can still remember that picture on Syd Frost's filing cabinet showing all the Company Commanders gathered in front of a tent in a muddy field in Holland in 1945. Therefore, I am really pleased to have an opportunity to speak in support of a motion put by him today.

It is astounding to me that the veterans of World War I would not be receiving the same sort of recognition, as far as gallantry awards are concerned, as the veterans of World War II. The only reason I can attribute this to, it seems to me, must be the fact of the slow but steady growth of Canada to that of a complete and sovereign nation. You will remember, Mr. Speaker, that the collection of Canadian colonies came together in 1867 to form Canada, and that was some 47 years before the beginning of World War I. There had been slow but steady progress in that period of time toward full sovereignty for Canada, but of course we had not achieved that exalted status in spite of the fact that at the beginning of this century we had sent a contingent of our Armed Forces to serve in the Boer War. Many people believed that World War I was really the beginning of the true Canadian nationality.

You will recall, of course, that there was the Canadian Corps where the Canadian Forces served together, albeit as part of the British Expeditionary Force in Europe. However, they were a separate fighting unit. Of course, many people consider that the Battle of Vimy Ridge itself marked the creation of the true Canadian nationality. That of course was the premier exercise of the Canadian Corps in World War I, although there were many, many outstanding battles in which the Canadian Corps received recognition.

It is interesting to think back to those times and remember that the Prime Minister of the day, Sir Robert Borden, insisted that the Canadian Corps fight together as one separate unit, and that Canada have its place in the Imperial War Cabinet separate and apart, not just as part of a war effort involving Canadian forces being directed by the British Government alone. He also insisted, of course, on a separate place at the peace table for Canada. Flowing from that a few years later, the Statute of Westminster was passed by the British Parliament which gave Canada full control over its foreign affairs as well as the control over its domestic affairs which it achieved in 1867.

The time is long since past when we should be recognizing our Canadian heroes of World War I. They are a symbol of Canadian sovereignty and I am very pleased to be able to support the motion of the Hon. Member for Victoria. I am sure that the Hon. Minister of Veterans Affairs (Mr. Hees) is going to stand now and tell us that the Government accepts this responsibility as well.

The Acting Speaker (Mr. Paproski): Before he does I have to recognize the Hon. Member for Gloucester (Mr. Clinch) and the Hon. Member for Okanagan-Similkameen (Mr. King).

Mr. Roger Clinch (Gloucester): Mr. Speaker, one might think it strange that a relatively young new Member in the House would want to say a few words on this Bill, but I feel compelled to rise in support of the motion put forward by my colleague from Victoria (Mr. McKinnon). There are many reasons for doing so, not the least of which is the fact that as a former member of the executive of the local Legion, I found that the support of this Government and this Ministry has been excellent since the new Minister took office.

● (1740)

I would like to congratulate the Minister on his fine work. The words of my constituents in Gloucester are all favourable on the moves the Minister has made for veterans. That is another reason I stand to support my colleague today in his efforts to better the lot of some heroes of World War I.

As we know, Mr. Speaker, there are many heroes, not the least of whom reside in my riding. World War I was to be the war to end all wars. We know that that did not come about, unfortunately. There were also many heroes in World War II. That is why I am pleased to support my colleague, the Hon. Member for Victoria and give him my wholehearted support for this motion.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am pleased indeed to speak in support of this very worthy motion which would seek to bring a degree of equity to a matter which, by national measurement, may not assume very significant proportions, but which, to a number of deserving Canadians, would in fact be of considerable significance.

The financial cost implicit in the recommendation is not a consideration. It is, therefore, increasingly important that this symbolic gesture of appreciation to those who served our country's interest with such courage and valour be made. It is important that they should receive this tangible acknowledgment that we recognize them and their individual actions. We fully expect that this motion will pass. We endorse the purpose of the motion which states that:

—the Government should consider the advisability of paying veterans of World War I and all recipients of the DSO, the same annuities with respect to gallantry awards received by veterans of World War II.

We have confidence in the end result of this consideration. We should note that the Minister of Veterans Affairs (Mr. Hees) has already written a letter to the British High Commissioner in Canada asking for information pertaining to the numbers of Canadians who are eligible to receive this gallantry award because of specific decorations which they received for service during World War II. Until the figure is obtained from the United Kingdom with respect to those Canadians for whom they accepted responsibility in the matter of gallantry awards, it is not possible to respond to the request through Government of Canada action.

It is with a degree of satisfaction that we would point out that the proposed action is completely consistent with the directions taken by the present Government of Canada. The spirit of this motion reflects and parallels the desire expressed in Bill C-28, which is to ensure that veterans and their dependents be treated with equity and generosity compatible with the sacrifices which they made and the service they rendered their nation.

I believe that the entire nation endorses this general thrust in all that is done through the Department of Veterans Affairs. It is certainly the case that the Minister has, by deed and word, spoken encouragingly of the attitude of the Government in respect of expanded and improved programs for the veterans of Canada.

We are all aware that such legitimate responses to identify inadequacies in present legislation and present programs cannot be immediately implemented because of financial constraints. However, this motion should confront no such impediment since the cost is insignificant. We appreciate the opportunity to speak in support of the motion and commend the Hon. Member for Victoria (Mr. McKinnon) on his presentation.

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, it is with considerable pride that I rise today as the grandson of a veteran of World War I, the son of a veteran of World War II, and a former member of the armed services of Canada myself. I am very pleased to support the private Member's motion of my colleague from Victoria (Mr. McKinnon). In relative terms, he is my neighbour on Vancouver Island in British Columbia.

I think it is important that the Government act on this matter, and I expect it will. After all, this is the same Government that, through Bill C-28, increased pensions for our veterans. I think it worth noting today, as we discuss those who fought to protect what we hold dear, just what Bill C-28 made possible.

Through Bill C-28, the basic rate of pension will be increased to reflect parity with the average take-home pay of selected categories of public servants. The basic rate of pension will be increased each year hereafter by the percentage increase in the above-mentioned take-home pay, or by the percentage increase in the Consumer Price Index, whichever is the greater. Disability pensions at the married rate will be continued for a full year following the death of a pensioner. Survivors of pensioners who had been receiving an Attendance and-or an Exceptional Incapacity Allowance will see the allowances continued for a full year following the death of the pensioner. It will be enshrined in the legislation that whenever a split decision occurs in the adjudication of a veteran's pension claim, the decision favouring the veteran is the decision of the Commission.

More than 700,000 Canadian veterans will directly benefit as a result of that Bill. Should the Department of Veterans Affairs act on the motion of my colleague from Victoria, over 22,000 veterans of World War I will benefit. This attention is long overdue. The average age of these people is 87. Their ranks are becoming thin. How often have we watched the veterans file past us during Remembrance Day ceremonies? How many veterans of that first war to end all wars have marched on to their final reward without receiving the attention they deserve from their nation? This thank-you, if we can call it that, is long overdue.

I commend my hon. colleague from Victoria for his motion. I know it arises from his sincere representation, over many years, to represent those who served Canada so well. I think I speak for all members of this Chamber when I say that the Hon. Member for Victoria is still fighting the battles that count and still serving his nation so well. I urge our Government to support this Bill.

The Acting Speaker (Mr. Paproski): I would like to recognize the Hon. Minister of Veterans Affairs (Mr. Hees).

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, I want to thank all Hon. Members for giving me this opportunity to speak during Private Members' Hour. The House has extended the utmost courtesy to me in doing so and I very much appreciate it. In fact, it is an honour to be able to participate in this debate. I would like to congratulate all of those who have spoken in the debate so far on the excellence of what they have said. They have put forward their views on behalf of themselves and their Parties very well indeed.

The motion before us is yet another example of the dedication of the Hon. Member for Victoria (Mr. McKinnon). It is the kind of dedication that he has always shown in dealing with Canada's veterans. No matter the time or place, veterans can always count on the Hon. Member to speak out on their behalf.

In his comments today, the Hon. Member advanced a relevant and forceful argument in support of his motion. It was a superb speech truly befitting a superb motion. Mr. Speaker, I hope the House is not waiting for the other shoe to drop because this is a private Member's motion that I wish to adopt. The Government is perfectly willing to consider the feasibility of following through on the excellent proposals put forward by the Hon. Member for Victoria. I would like nothing better than to go a step further and say that these measures will be acted on immediately. Unfortunately, further study is required.

At present, the British Government is responsible for the payment of World War I gallantry awards made to Canadians. Canada assumed the same responsibility in 1943 for those Canadians who won decorations in World War II. Those Canadians decorated in the Korean War are also the responsibility of our Government.

● (1750)

When the Hon. Member for Victoria first placed his motion on the Order Paper, I initiated inquiries with the British authorities. I wanted to find out how many Canadian veterans were involved and what exactly has been paid to these veterans. As of today, I have not received the answers to these questions. Once the facts are at hand, however, I can assure the House that it will not take me long to reach a decision on this matter.

There is one concern I will be pursuing in the interim. First World War veterans are unique in many ways, and one of those is the almost 70 year tie to the British Crown in respect of gallantry awards. I would not want to sever that tie without first making absolutely certain that the veterans want me to do so.

The second part of the Hon. Member's motion concerns the Distinguished Service Order and the Military Medal. Unlike Second World War veterans, First World War holders of these medals receive no additional pension. In response to this motion, and to a resolution passed by the Royal Canadian Legion, I wrote to the British authorities to inquire as to what plans the United Kingdom might have to compensate these particular medal holders. I received word last week that it was not considered possible to trace all surviving holders of these medals, let alone to track down the beneficiaries of the estates of those who died. The United Kingdom, therefore, has no plans to compensate these individuals. This reply settles half of the question. The remaining half must be answered by the Canadian Government. I fully intend to do that.

The House has already been most gracious in allowing me to participate in Private Members' Hour. I do not wish to abuse that courtesy by speaking too long. Let me just state once again that I salute the Hon. Member for Victoria for his sincere interest in Canada's veterans. The Hon. Members' motion is commendable and deserves the support of all Members of the House.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. McKinnon, seconded by Mr. Darling, moves:

That, in the opinion of this House, the government should consider the advisability of paying veterans of World War I and all recipients of the DSO, the same annuities with respect to gallantry awards received by veterans of World War II.

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

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): Shall we call it six o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): It being six o'clock, the hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

DIVORCE—PROPOSED CHANGE IN WAITING PERIOD

Mr. Bill Attewell (Don Valley East): Mr. Speaker, in the House on May 9 I asked the Minister of Justice (Mr. Crosbie) if he would consider meeting with concerned and interested

groups to discuss the proposed changes to the divorce legislation and specifically to reconsider the proposed change of the waiting period when there is a marriage breakdown from three years to one year.

Perhaps the length of time which has passed since the divorce legislation was last changed warrants an argument for review and change. The 17-year old Act is due for a change so that it properly reflects and represents the 1980s, and recognizes that attitudes to marriage are much different today than they were in 1968. Indeed, it is very distressing to know that today 40 per cent of all marriages end in divorce. Some may say that it is a national epidemic. This obviously represents a large number of Canadians and ultimately the divorce legislation will have a great impact on many lives.

On May 25, I escorted my older daughter down the aisle in a marriage ceremony. They started that marriage with great hopes and dreams, and both sets of parents share that dream. It would be an outright tragedy if that marriage which has so much hope was in any way eroded as a result of legislation that we might pass in this Chamber. That is why I encourage my Government to proceed with caution on this very important legislation.

Even more distressing and disturbing is the fact that almost 70 per cent of divorced spouses either refuse or fail to comply with their court ordered alimony and child support payments. I feel that this is a total disgrace and an abuse of the present system.

The proposed legislation is an excellent attempt at humanizing the process of divorce. This legislation and its elements can ease the pain of ending an unworkable marriage.

The legislation recognizes some of the unpleasant social realities of divorce, and also strives to recognize the consequences of divorce rather than concentrating on the grounds of divorce, as does the current law. It is indeed time that "no fault" divorce legislation was introduced so that Canadians are no longer forced to lie or create often scandalous, unreal situations for the sake of a divorce. It is refreshing and sensible to know that the new legislation will permit couples to divorce without having to go through a charade of events in order to qualify for divorce on such grounds as adultery.

I fully support and commend the intention of the Hon. Minister of Justice to clamp down on divorced spouses who do not meet their financial obligations. I hope the provinces will mutually agree to the establishment of a tracing system for defaulting spouses, much like the current system that exists in Manitoba. It is outrageous that this negligence is currently costing Canadian taxpayers approximately $1 billion a year. This proposal will go a long way in attempting to correct this alarming situation.

While divorce may be the dissolution of a marriage, it is not necessarily the absolute end of all relations between family members. Indeed, we must consider seriously the quality of life and, more important, the quality of family life in Canada. I believe that family life is the cornerstone of Canadian society, and divorce legislation must continue to protect the victims of divorce, usually the children.

I am concerned about the proposed change to the length of separation from the current three years to one year. Perhaps a move to a one-year no fault divorce clause may indeed speed the legal process of a divorce, but I also strongly believe that this will weaken the institution of marriage and hamper the prospects for reconciliation. I believe that quicker access to divorce will add to the hardship by encouraging people to seek divorce rather than try to improve their marriage. Perhaps we could compromise and institute a two-year test trial separation period rather than one year, because it is always more difficult to raise the limit of a law once it has been lowered.

In summary, I hope the Minister of Justice will take my suggestion of compromise seriously and implement a two-year separation period for an uncontested no fault divorce. I remind the House, that on the whole I believe this legislation is an excellent representation of what Canadians are looking for in new contemporary divorce law.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I am fully aware of the deep seated concerns that have been expressed by the Hon. Member, not only publicly but also privately to me and other Members of Parliament.

I point out to the Hon. Member that not too many years ago all grounds for divorce were based on fault. Other sections of the Divorce Act were introduced which allowed for marital breakdowns, those in which there was consent in terms of marital breakdowns, and the element of abandonment, which took five years. Right now it is perceived by the Government that three years is too long a time; that people resort to the more traditional grounds of adultery and cruelty rather than waiting three years.

• (1800)

I invite the Hon. Member to attend the committee which is about to study the Divorce Act in detail, commencing tomorrow morning at 9.30 a.m. We have an abundance of witnesses and this will be one of the areas we will explore. Because of the deep-seated feeling the Hon. Member has with respect to this matter, I cordially invite him to hear the evidence and maybe suggest further witnesses on this point if he is not satisfied with those who appear before the committee. Certainly he will be heard.

ENVIRONMENTAL AFFAIRS—IMPACT OF TOXIC CHEMICALS ON SEA-GULLS. (B) REQUEST THAT MINISTER MEET SCIENTISTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, on May 22, 1985, at page 4957 of *Hansard*, the Minister of the Environment (Mrs. Blais-Grenier) is recorded as saying in reply to my question that the program on the impact of toxic chemicals on sea-gulls has been reinstated at the Burlington Centre, and monitoring continues. The purpose of tonight's intervention is to get as a minimum an understanding as to what the word "reinstated" means. Does reinstating mean as

the word implies, as it was before? That is what reinstating means. Does it mean reinstating the full-time scientists, three of them at least, who conducted bio-effects analysis? Does it mean more than just the collection of eggs, but the examination of contents? By examination we will know what the long-term effects are on human health.

The statement in *Hansard* raises a number of questions. We would like to know whether the new fund announced only a week ago for toxic studies on wild life will support these activities. As you know, Mr. Speaker, the Canadian Wildlife Service was cut by some $4 million last November with a loss of some 70 scientists and technicians. Will this fund permit the continuation of these activities at the Burlington Centre on sea-gull eggs? To what extent is the new fund going to pick up the earlier work? It is a new fund in the amount of $1 million a year. Previously it was some $4 million. Therein lies the importance of the meaning of the word reinstated. The importance will, I am sure, not escape the Parliamentary Secretary.

• (1805)

We have heard a number of rather unhappy statements from this Government about other environmental areas. We have not seen much happiness in the country as a result of last week's statements by the Minister on the future of parks. The reference to possible mining and logging has caused an incredible amount of unhappiness from Newfoundland to British Columbia. After a visit to the Niagara River, which incidentally took place after eight months in office, the Minister was quoted as saying that the water in the Great Lakes is becoming better, following the acknowledgement that toxicity in fish found at the mouth of the Niagara River is increasing. No commitment has been made on South Moresby, despite a number of interventions from Members on every side of this House, including the Government side. Having found a disposition to proceed with acid rain as a result of the previous Government's activities, there has been no action taken by this Government internationally, *vis-à-vis* the United States, in order to encourage them to join some other 20 nations in the signing of the protocol at Helsinki next month. This Government has been totally silent on that front, yet this matter is crucial now, and becomes even more so as every week goes by and we approach the date of the signing of the protocol.

You will understand, Mr. Speaker, why it is becoming imperative that this Minister, when giving an answer in the House, be clear in what she says. If reinstating the program of sea-gull egg analysis at the Burlington Centre and monitoring continuation means what the words mean, as it did before, then of course we are glad to hear that. We will be glad to know that perhaps the activities of the wildlife services as they existed until November of 1984 will be re-established. Hence, Mr. Speaker, you will understand the necessity of putting this question to the Parliamentary Secretary, so as to understand clearly what the word "reinstating" means as far as this particular program is concerned.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member from Davenport (Mr. Caccia) included a number of interesting notions in his preamble. I will not have an opportunity to respond to all of them, but certainly I will try to answer as precisely as possible the specific question he asked initially in the House on May 22, and that he ended with today.

The one comment I would add is that the Minister of the Environment (Mrs. Blais-Grenier), while visiting the very serious situation in the Love Canal and other areas on the American side, in viewing those directly, was doing that subsequent to visitations made by myself and other Members of Parliament some months ago, and with information that had come to her along the way. In fairness, Mr. Speaker, she did that within a much less period of time than did the Hon. Member for Davenport, who was the Minister of the Environment in the last Government. I do not think he has visited Inco even yet. I do not know whether or not he really saw what he was dealing with in Sudbury. The Minister of the Environment did take it upon herself to go and see directly what the serious nature of the problem was.

I am really happy with the tone that the Hon. Member from Davenport has taken because I think I can come directly and precisely to the question—

Mr. Caccia: Answer the question and stop fiddling around with other issues.

Mr. Gurbin: He wants me to come directly to the question. Having had the chance to ramble on about 10 different subjects I guess I too should have a little latitude too.

Specifically, he wants to know about the herring-gull egg program. He knows that there are two components. One is the Canadian Wildlife Service and the other is the Canadian Centre for Inland Waters.

Since April 1, 1985, the Canadian Wildlife Service has been gathering the eggs and monitoring the colonies, preparing the eggs for chemical analysis and interpreting the biological significance of chemical data from the analysis of the eggs. From the same date, the Inland Waters Directorate has been in charge of the chemical analysis of dioxin in the eggs, carrying out the analysis of new contaminants in the eggs, ensuring the reliability of the data through quality control and administering contracts for standard analysis of toxic chemicals in the eggs.

• (1810)

Those are the parts of the program and precisely the things that are being done on behalf of the Department of the Environment. I think that this very precisely indicates the continued efforts on the part of the Department of the Environment toward ensuring, in so far as possible, as a part of a much broader and necessary approach, that we deal with those contaminants that are in the Great Lakes waters in particular.

INDUSTRY—EMPLOYEES OF DOMINION STORES IN ONTARIO

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, on May 16 I raised a question regarding the closing of 93

Dominion stores through sale to A & P and the possible closing of other stores that remained in the ownership of Dominion Stores Limited. In his answer, the Minister of Regional Industrial Expansion (Mr. Stevens) indicated that the sale of those 93 Dominion stores to A & P had been approved by FIRA through a concern for the preservation of about 7,000 jobs. However, he said that he would naturally be concerned about the jobs in the remaining stores.

I appreciate the Minister's answer and I appreciate his concern, because I believe it is incumbent upon all of us in Parliament and associated with the Government to show an active, positive concern for the all too large number of Canadians who, through no fault of their own, are turned out of work as a result of reorganization of the corporate structures by which they have been employed. That has happened in the case of this impressive food chain which for so long was the leading food distribution organization in this country.

I am concerned about this matter because a large number of Dominion employees from as far away as Hamilton gathered together in Scarborough West to express their concerns about their futures in the stores that had not been sold. They had concerns about what kind of alternative employment opportunities they might be given, what kind of severance pay they might enjoy and what assistance they might receive in finding alternative employment. I recognize that these are not necessarily the legal responsibility of the federal Government, except in those areas that come directly under the jurisdiction of the federal Government. However, there is a human concern here that must weigh very heavily upon our hearts and minds.

One of the things that impressed me when looking at the annual reports of Dominion Stores Limited is that its reports have contained considerable discussion of the various arrangements that were required for the reorganization of the company and the sale of certain stores, but almost no reference at all to the human dimension of this reorganization. There was no explicit concern expressed for the well being of the persons who would be affected, in contrast to the annual reports of other major corporations which, while with comparable realism in the business world, recognize their social obligations to the people who have made those companies possible. For example, the annual report of Alcan states the following:

> Any organization is only as effective as the people in it, and the Board of Directors would like to acknowledge the efforts of Alcan employees around the world in meeting the challenges of today's sometimes frustrating conditions.

I was impressed by the statement of one of the owners of Dominion Stores Limited, as quoted in the press, that the return on investment is what it's all about. Certainly all of us can see that a practical concern for the return on investment has to be on the agenda of everyone concerned with the operation of a business, small or large. However, people are part of what it is all about. One cannot build a business without people investing their lives in the well being of that organization. A great company is put together not just by financial capital, equipment and material things, but is put together by people. It is through the efforts of the people, their self-discipline and devotion that a company grows.

• (1815)

When a handful of people who control a company, and who possess the ownership of its capital, decide to close it, surely it is incumbent upon them to recognize the responsibility they have to the people who helped make it possible. It is incumbent upon us to accept the same responsibility. If it is not possible for a federal government to inject its concern directly into a transaction because of constitutional implications, surely it is possible for a federal government to take the lead in bringing together its provincial counterparts so that just procedures can be formulated in behalf of the people who find themselves threatened with unemployment, through no fault of their own.

For example, in the case of Dominion Stores Limited, some people have worked for the company for more than 20 years. They might well have expected that their seniority would have guaranteed them a place in one of the stores which A & P had purchased. However, the agreement between Dominion Stores Limited and A & P has made it essential that employment be provided only to those people already working in those stores. The people in the remaining stores now face an uncertain and anxious future. They came together and requested their Member of Parliament, their provincial member and other representatives to share with them in this concern.

I am grateful to the Minister of Regional Industrial Expansion that I was able to put this question to him. I am grateful for the concern which he expressed. I hope we will take a further step forward in showing our sense of responsibility as a Parliament and as a Government to those men and women who, through no deficiency on their part, now wonder if they will ever again have the chance to work.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, in connection with the sale by Dominion Stores Limited of 93 of its stores located in Ontario to The Great Atlantic & Pacific Tea Company, Limited, the Hon. Member for Scarborough West (Mr. Stackhouse) asked what assurance the Government of Canada could give employees in other stores in Ontario that they would receive fair treatment if any more stores were sold or closed by Dominion Stores.

As the Hon. Member is aware, Dominion Stores has, in recent years, reduced and restructured its retail sales activities in the food sector. As a result, some stores have been sold, and stores that were not economically viable were closed. Many have been reopened as warehouses under the name Best for Less, while others have been converted into Mr. Grocer franchises.

Under the Foreign Investment Review Act, the Governor in Council authorized the acquisition of 93 Dominion stores by A & P on April 29, 1985. The screening of this transaction under the Act made it possible to ensure that any loss of jobs at Dominion Stores Limited would be minimized. In fact, as mentioned by the Minister of Regional Industrial Expansion (Mr. Stevens) in his letter of May 2, 1985 to the Hon.

Member, A & P must keep the 7,479 employees in the 93 stores concerned. The agreement also protects the jobs of a further 429 working in the warehouse and in administration. In any case, it was expected that 373 full-time and 300 casual employees would be laid off by Dominion Stores Limited because of a reduction in activities following the sale. To help these employees, a complete program was set up covering lay-off notices, severance pay, adjustment committees consisting of representatives of the company and the federal and provincial governments, as well as a number of relocation counsellors from the private sector. It is estimated that the program will cost Dominion $6 million.

The screening process was necessary because A & P is controlled by non-Canadians. The sale or closing of one or more stores by Canadian investors is not subject to screening by the Government under the provisions of the Foreign Investment Review Act.

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

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Tuesday, June 11, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

The House resumed from Monday, June 10, consideration of Bill C-31, an Act to amend the Indian Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development.

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved:

Motion No. 3

That Bill C-31, be amended in Clause 2 by striking out lines 5 to 15 at page 2 and substituting the following therefor:

"striking out subsection (2) and substituting the following therefor:

"(2) The Governor in Council may by proclamation declare that this *Act* or any portion thereof, except sections 5 to 14.3 or sections 37 to 41, shall not apply to:

(*a*) any Indians or any group of band of Indians or

(*b*) any reserve or any surrendered lands or any part thereof,

and may by proclamation revoke any such declaration." "

He said: Mr. Speaker, I would first like to have a clarification on a point of order. I understand that if I make a minor amendment, the motion will probably be acceptable. Am I entitled to move that amendment, or must it be moved by someone else?

Mr. Speaker: Given that the motion is in the Member's name, the amendment must be moved by someone else. Technically, the Member is now rising to move and to speak on Motion No. 3. Therefore, The Hon. Member must seek someone else to move the amendment, other than the seconder of Motion No. 3. Therefore, I will change the seconder of the main motion. With the unanimous consent of the House, the seconder of the main motion shall be Mr. Deans.

Mr. Manly: Mr. Speaker, I would first like to make a few comments and perhaps after that my colleague could move the amendment.

Basically, the motion suggests that the suspension of power by the Governor in Council should include the membership restrictions which we are dealing with in Bill C-31. The power to suspend certain sections of the Act goes back to the first federal Indian Act which was implemented in 1876. The only restrictions which presently exist upon that power apply to Sections 37 to 41 of the Act. As Hon. Members will know, Sections 37 to 41 deal with the surrender of land. I believe the reason that these sections are restricted is the great importance of land to Indian people and to their existence as a nation. The Government, in its wisdom, hedged the surrender of land with a fair number of procedures that were intended to protect Indian people from fraud or from alienation of their land without very careful consideration being given by the people of the band and by the band council. Those procedures are set out in Sections 37 to 41.

Section 4(2) of the Act states that the Governor in Council may exempt certain bands from certain sections of the Act, except those sections dealing with land surrenders.

For the past several days we have been debating Bill C-31, which is attempting to restore one of the most basic rights to Indian people, that being the right to belong to their own people. I believe that right should also be protected from any arbitrary action on the part of the Governor in Council. For that reason, I believe that Bill C-31 should be amended, in line with Motion No. 3, so that Section 4(2) of the Indian Act will specifically exempt the new membership sections from the power of the Governor in Council over certain bands.

My colleague will move an amendment which will change line 15 to line 6 in the motion. That will leave the "greater certainty" clause which is already in the Bill. I did not intend to remove that clause. It was an error on my part that line 15 remained rather than line 6. Therefore, my colleague will be moving a minor amendment which I hope will correct the situation.

• (1110)

In the last Parliament, Mr. Speaker, the Standing Joint Committee on Regulations and Other Statutory Instruments has some very negative comments about the whole use of Section 4(2) by the then Minister of Indian Affairs and Northern Development in trying to circumvent the problems we all recognized with Sections 12(1)(*b*) and 12(1)(*a*)(iv) of the Indian Act. The Committee on Regulations and other Statutory Instruments pointed out quite rightly that the Government should not try to do by proclamation what should properly be done by legislation.

As I listen to this debate, it seems to me to be the clear will of the House of Commons that those people who lost status through Sections 12(1)(*b*) and 12(1)(*a*)(iv) should have their status and their band membership restored. We want to see this happen without exception. Therefore, I feel we should build that protection into the Act and request that this motion be accepted, with the amendment which will be moved by my

colleague, the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), so that the membership sections will not be open to suspension by the Governor in Council.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, as my colleague, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) has indicated, a technical amendment to his motion is in order. I would read it as follows:

That motion No. 3 to amend Clause 2 of Bill C-31, dated May 9, 1985, be amended by subtituting for the reference to "lines 5 to 15" in the second line of the motion, a reference to "lines 5 and 6".

The Hon. Member for Cowichan-Malahat-The Islands has given the reasons for presenting this amendment which I put before the House.

Mr. Deputy Speaker: Could we have a seconder for the motion? Mr. Robinson. The Chair will take the amendment under advisement for a few moments and will make a ruling shortly. In the meantime, I will recognize the Minister of Indian Affairs and Northern Development (Mr. Crombie).

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to speak on the matter which is contained in Motion No. 3 standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) and the minor amendment put forward by the Hon. Member for Thunder Bay-Nipigon (Mr. Epp).

I agreed with the general intent of this motion as originally drafted. However, at that time it had, in my view, a serious flaw which would have prevented me from supporting it. This problem, I believe, has been corrected by the proposed subamendment. Section 4(2) of the Indian Act could be used to frustrate the will of Parliament if, at some time in the future, a proclamation were issued exempting some bands from the application of the provisions in this Bill regarding registration and membership. Such an action would be clearly undesirable and could result in unfairness to people seeking membership or the restoration of rights. The Hon. Member's motion would ensure that this would not occur.

The aspect of the motion which gave me some trouble before was that the original motion struck out lines 5 to 15 of Clause 2 of the Bill as reported. These lines provide that previous proclamations made under Section 4(2) of the Indian Act, which dealt with various membership issues as well as other matters, would be deemed valid. As Hon. Members may recall, over the past several years the Governor in Council has used Section 4(2) to exempt bands, if they so requested, from discriminatory provisions in the Indian Act. This procedure was seen as a stopgap measure for those bands wishing to eliminate discrimination without having to wait for the sometimes lengthy process of legislative change.

I might say, Mr. Speaker, that since 1980, 111 bands have been granted exemptions from Section 12(1)(*b*) and 313 bands from Section 12(1)(*a*)(iv). The use of this procedure was not without dispute. The Standing Joint Committee on Regulations and Other Statutory Instruments raised serious questions as to the propriety and validity of using Section 4(2) in this manner. Motion No. 3, which was offered by my friend, the Hon. Member from Cowichan-Malahat-The Islands, and is now before the House, is one which, therefore, the Government can clearly support.

I might say, Mr. Speaker, before I leave this issue, that the fact that a considerable number of bands, on their own, without any pressure whatsoever from anyone, utilized Section 42(*a*), is a very good record. And those who are concerned about whether or not the bands will act in an appropriate manner in dealing with their own people and those people coming back to their community should look at that record; 111 bands were granted exemption from Section 12(1)(*b*) and 313 bands from Section 12(1)(*a*)(iv).

● (1115)

Having said that, I would like to thank the Hon. Member for his Motion No. 3 and indicate that the Government will support it.

Mr. Deputy Speaker: The Chair has received the amendment to Motion No. 3 and finds it to be in order.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I just wanted to rise very briefly to indicate, as a member of the Standing Joint Committee on Regulations and Other Statutory Instruments for the past six years, that it is with a great deal of pleasure that I see the Minister accept the amendment proposed by my colleague from Cowichan-Malahat-The Islands. Certainly we had a number of very serious concerns with the process under the existing provisions of the Indian Act, and I hope the Minister's colleagues might be as willing to consider seriously the recommendations of that rather obscure committee as has the Minister himself today.

Mr. Jack Shields (Athabasca): Mr. Speaker, I just wanted to say briefly that I have no problem supporting this amendment either, but I want to pick up on the remarks made by the Minister of Indian Affairs and Northern Development (Mr. Crombie) when he said that the record of Indian bands in employing the Order in Council provision to allow women under Section 12(1)(*b*) to retain status prior to this Act going through is probably one of the best arguments one could make for allowing bands to control their own membership. Recognizing the discrimination in the Indian Act, an Act imposed by this House of Commons, recognizing the injustice to their female band members who married non-Indians and subsequently lost their treaty rights and band membership, 112 bands took the initiative to come forward to seek an exemption. One of those bands was the Fort McKay band north of Fort McMurray, my home town. Chief Dorothy Macdonald of that band supports the principle that the bands should control band membership. She supports this principle 100 per cent. In effect, that is what she, a woman chief, did when she made representations to Cabinet for special exclusion from the Indian Act as it presently reads. I still firmly believe we are making a mistake by not allowing the bands to control their own membership and I want to elaborate on that for a moment.

I do not for one minute agree with the law the way it was. The Indian Act discriminated against women, and I do not for a moment agree with that. But righting the wrong, forcing it on the bands in this cavalier manner, is not the way to do it, in my view. We would have been much wiser if we had said that bands should control their membership. We would have been much wiser if we had said that if in two years there are still injustices and they have not been redressed, this Parliament would then act. On one hand we say we want Indians to have self-government, and we talked about it at the First Ministers Conference. As I said yesterday, the Penner Report published last year clearly indicates that this is the way we should be moving. I understand the push. I understand the abhorrence that we all feel when we look at the Indian Act and see the discrimination that was practised for many years. Indian women who married non-Indians lost their Indian status and were removed from the reserves. The wives of men who married non-Indians became treaty or registered Indians and band members. That was certainly an injustice.

• (1120)

Indian self-government has evolved to a point. The control of band membership has always been their jurisdiction. The federal Government in Canada can determine who is a status or registered Indian, but that does not force band membership. We have done a disservice to the women who wish to regain treaty status. We are doing them a disservice inadvertently as well because we are preventing the children and grandchildren of those women from gaining Indian status and band membership. With the amendments now, some of them will gain Indian status. However, we have done a disservice because the bands that would have been open and accepting, had we allowed them to proceed in their jurisdiction without interference, will now resist.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment of Mr. Epp (Thunder Bay-Nipigon). Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Deputy Speaker: The question is now on Motion No. 3, as amended. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 3, as amended, agreed to.

Mr. Deputy Speaker: Motion Nos. 13 and 14 will be grouped for debate.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 13

That Bill C-31, be amended in Clause 4

(*a*) by striking out lines 25 and 26 at page 6 and substituting the following therefor:

"membership", a majority of the members of the band of the full age of eighteen years gives its consent to the band's".

(*b*) by striking out lines 29 and 30 at page 6 and substituting the following therefor:

"sent of a majority of the members of the band of the full age of eighteen years,"

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved:

Motion No. 14

That Bill C-31, be amended in Clause 4 by strking out lines 30 to 35 at page 6 and substituting the following therefor:

"band establish membership rules for itself.

(3) Membership rules established by a band under this section shall provide a mechanism for appealing decisions on membership."

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I particularly want to thank my colleagues in the House for delaying the debate on my motion. I guess that the airlines are getting to be as reliable as the post office. I am very pleased to speak on Motion No. 13 of Bill C31 at report stage.

When this Bill was first introduced at the end of February, the Minister of Indian Affairs and Northern Development (Mr. Crombie) indicated that this Bill would achieve the elimination of discrimination based on sex in the Indian Act, that status and band membership would be restored to those who lost it as a result of discrimination, and that there would be recognition of the principle of band control of its membership. I agree with the Minister. These are very laudable principles, but they have not been met in this Bill.

• (1125)

In the Standing Committee on Indian Affairs and Northern Development we heard from many Indian and non-status women and men who will be affected by this Bill. I think I am correct in saying that not one witness expressed satisfaction in total with the Government's proposals. Perhaps that would have been too much to expect. I think the Minister has gone a long way to redressing some of the concerns.

I share, however, many of the concerns expressed on this very complex issue relating to the Indian Act and the Bill before us and to self-government. I understand all that. Nonetheless, I moved this motion in response to the many questions raised by reinstated persons with regard to their participation in the decisions to take control of the band lists and the development of band codes. It seems to me that we are now planning a new version of the Boston Tea Party where rules will be drawn up without the input, impact or participation of those members upon whom it will have a true impact.

As the Bill now stands, a majority of the elected, not a majority of the members, must give their consent to the band's control of its own membership and to the establishment of membership rules. Under the Indian Act, in the definition of electors the term "ordinarily resident" is used to determine elector eligibility. Given the difficulty some bands now have in providing housing for all those who wish to reside on the reserve—and the Minister knows well I have addressed that issue—and the need for infrastructure and increased and

improved housing, the reality is that there is much poverty and poor housing that needs to be addressed. The Minister has inherited that problem and he has to address it in another forum at another time. That is not related to the fact that people of Indian persuasion, of Indian belonging, of Indian custom, are now not going to be allowed, because they cannot obtain housing, to have their say. That is why I called it a Boston Tea Party. It is unlikely that many of these reinstated persons will be able to take up any kind of residence with their former bands, even if they would want to do so. As a result, they will be unable to meet the electors' criteria and will therefore be ineligible to participate in the decisions on the band list and, more important, the development and adoption of band membership codes.

I believe all members of an Indian nation should have an opportunity to participate in the band membership process since these rules represent a legitimate move toward native control and self-government over their own affairs. I think it is totally unfair to exclude them. I support this move not only because it affects the decision of the bands, but because they will have no opportunity even for input.

Their absence is not of their doing. I heard the Member talk before about ancient times et cetera. He spoke, and I agree with him, of the river running, the sun shining, and the moon rising. But the bands would have been there if we had not interfered. Why can we not take it that we will start from scratch after we have regulated what we stuck our nose into, something that we should not have done in the first place?

The children of men and women who regain their status as a result of this Bill do not get automatic band membership themselves. This is discriminatory and results from past injustices suffered by their parents. It is regrettable that the Minister did not move an amendment that would have righted this wrong. That aside, their only option for gaining band membership is through application to the band following the adoption of membership rules. Who knows what is going to play at that time? I do not think anyone can claim that a democratic process has been followed if reinstated persons are unable to contribute to the development of the rules that will ultimately affect them and their children. Under this Bill there is no assurance that children under the age of 18 who will be allowed to return to the reserve with their parents will be able to continue to live there when they turn 18.

● (1130)

It is totally unacceptable to me, and to most women, to divide families according to different status of transmittable rights to offspring. I should like to know who gave anyone, including the Minister, the right to play Solomon and to determine whose child shall be allowed to be a member of the Indian nation and whose child shall not. I also reject the notion that somehow we would be infringing upon the principle of band control. With all due regard, I think the principle of democracy and participation in the future of one's life is paramount, not band control.

At any level of Government, be it federal, provincial, municipal or international, citizens are given the opportunity to voice their concerns and views on decisions which affect their daily lives. Through various forums, they are able to affect change if they feel strongly on a particular issue.

I have travelled with the equality rights committee across Canada, listening to discriminatory practices and repeatedly hearing from many women's groups about the discrimination with which they are living. They are looking for equality. It is actually ironic that no one in the House has come out with the best of efforts. There have been many who have tried, and I congratulate everyone in the House who has been involved. However, good intentions are not an acceptable replacement for resolving the first level of discrimination, that is, the right to participate in the development of band codes and in the control over band lists. The bands should have the right to continue to make those decisions after the original inequity has been removed. At that point we start from square one, but not until then. I just find that to be totally unacceptable.

The Minister indicated—and I think it was yesterday—that he would be unable to reject an application for control of band membership rules on the basis of their content, but only on procedural grounds. In committee I wanted to bring forth an amendment that all band membership rules and by-laws would conform to the Charter of Rights and Freedoms. At that time I was informed that this was implicit in all federal legislation. If the Minister finds himself in the position of having to accept rules which do not comply with the Charter at the end of this two-year process, and if the Minister does not have that responsibility, band members will have to go to court to fight for their rights. The Minister has to recognize that not only should the Charter apply, but our signature on international covenants should apply, if we in the halls of Parliament want to be perceived as respectable.

I would like to take this opportunity to ask the Government to give consideration to this amendment which ensures full membership and band participation and the development of band codes, and which avoids the great cost of fighting injustices in the court. If Bill C-31 remains unchanged, we will continue to deny their rights to men and women who have suffered enough as a result of discriminatory factors and sections of the Indian Act. Members of the Indian nations should not confuse nationhood and self-government with their right to have something to say about what is happening to them and their right to be heard on important and fundamental issues which concern both them and their children and will certainly impact forever on their lives.

These rules will affect women, some men and their children. I ask the Minister to let them have a say. If what the Hon. Member opposite keeps saying is so, those women will agree with everything that has been well thought out with respect to the development of band code and the development of membership. It will not create the tremendous problem which he seems to feel is inherent in women's participation in these kinds of developments, those who do not have the right to be ordinarily resident through no fault of their own.

Mr. Jack Shields (Athabasca): Mr. Speaker, the Hon. Member for Mount Royal (Mrs. Finestone) probably outlined more graphically exactly what happened with Bill C-31. I listened with a great deal of interest to what she had to say. She said that she had travelled with the equality task force, had listened to women's groups, and that she thought it was unacceptable to most women. My whole point is that Bill C-31 is not just a women's issue. Women have been discriminated against in the past under the Indian Act. The Indian Act is a federal government Act. It was not imposed by the Indian people themselves. That is the point. Our predecessors in the House of Commons passed an Indian Act which discriminated against those women. I abhor the thought that my colleagues of 30 or 40 years ago would have agreed that that was the proper thing to do. Indian people were discriminated against, absolutely. However, they have developed a collective system of Government. For the first time in the history of this country, we are now saying to Indian people that we cannot trust them to run their own affairs and that therefore we will impose membership upon them. We are telling them that we will right the wrong which we know has been done to Indian women. We are not going to compensate; we are going to impose those people back on them and they are the ones who will have to compensate. That is what we are doing.

We must understand the issue and what would happen if the Hon. Member's amendment were accepted. The way it reads now, we would have people influencing the electors, and the electors who are normally residents of the band would determine the membership code. I see nothing wrong with that; I see absolutely nothing wrong with that. If we had influence from the other side, what would happen in small bands where the people returning to the reserves outnumber those already there? The people living off the reserves could actually determine who would live on the reserves, in the collective. It just does not make sense to me that people living in Ottawa, in Montreal, perhaps as a neighbour of the Hon. Member in Mount Royal, or in the United States, should have a say in determining the membership code of a collective in northern Alberta, northern Saskatchewan or northern Ontario. It just does not make sense.

There is no protection for old members. What about band members who for years worked under discrimination, who could not vote or do the kinds of things we normally do? What about people living on reserves who had to go to a white Indian agent, perhaps from Mount Royal, Edmonton or Calgary, and ask for permission to leave the reserve to go into the Town of St. Paul to do some shopping, and the Indian agent would say that it was all right and give them a pass? That is the type of rule those Indian people lived under. They developed their own system of government. We are now saying that we will give them no protection, and that we will let people who have had no connection with the band or with their system of government come in and determine the membership codes.

In the Province of Alberta we have had Métis colonies, for example the Kikino Métis colony. A number of people have lived there all their lives. They were born there. They participated in ranching, farming and so on, and now they are living in this Métis colony. If we cause the Métis to be categorized as Indians, they are going to be kicked off the colony because the colony people have said treaty Indians cannot live on the colony.

• (1140)

We have done some terrible things here that none of us have really addressed because we are rushing this Bill. The way it is in the Bill, the electors must be at least ordinary residents on the reserve. This amendment that the Hon. Member from Mount Royal (Mrs. Finestone) is proposing would let anyone, with or without connection to the reserve, vote on membership rules. It would strip the historical community of control. It cedes to the newly created membership. It could devastate bands. It offends, in my view, the fundamental, basic issue, and that is, band control of band membership. The whole Bill offends that, but this amendment would clearly offend that.

I think that I have had my say on this one, Mr. Speaker, but I wanted to get those remarks on the record. The fundamental problem that we have is that although, with good intention, we have said that we have to do something to undo the wrong that was done to the women, unfortunately it has become a women's issue. I suggest that that is how the Hon. Member for Mount Royal was drawn into the whole debate, because she sees it as a woman's issue. I see it as discrimination to women; I see it as an injustice, but it is fundamentally an Indian issue; it is not a women's issue.

The issue is: are we truly going to allow the Indian people to develop their own system of Government, as we keep saying in this House of Commons that we are going to do? Are we going to do that, and when? Six months or a year from now are we going to come forward and say, Well, we have to do some more changing on the Indian Act before we turn over control of their lives to the Indian people?" Are we going to say, "Oh, gee, we did not recognize that all these people were going to want to become Indian again; we have to expand the Department of Indian Affairs and Northern Development to accommodate all these new Indians we have created". That is what we are talking about in this House.

At what point in time are we going to say, "Enough is enough, let these people become full Canadians with every right that you and I have". They should not have to come running to Ottawa with a band council resolution to do something on their own reserve, to build a school, to build a damned privy out behind the community centre. That is what we are talking about. It is an Indian issue and we have forgotten that because we have allowed the women's groups right across the country to snowball this thing into a women's issue. I am sorry that the Hon. Member from Mount Royal has fallen into that trap.

Mr. Deputy Speaker: The Hon. Member for Mount Royal (Mrs. Finestone) on a question of privilege.

Mrs. Finestone: It is not a women's issue that I have been addressing; it is an Indian issue of which women are a part, and I would like to know how—

Mr. Deputy Speaker: Order, please. I do not believe this is a question of privilege. The Hon. Member for Cochrane-Superior (Mr. Penner).

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I listened with great care to the contribution to this debate made by the Hon. Member for Mount Royal (Mrs. Finestone), and we all know that the Hon. Member has a reputation as an advocate of human rights which is enviable. We all wish we had equivalent reputations in fighting for human rights. The Hon. Member's speech this morning was certainly an eloquent speech.

Mr. Robinson: But—

Mr. Penner: Yes, exactly, but a very big but. The speech was eloquent, all of the sentiments expressed were correct, but the speech was made in the wrong forum. That speech should be made by one who is a member of an Indian First Nation. That is where the speech should be made.

All of those arguments are valid; all of the suggestions put forward by the Hon. Member for Mount Royal are in fact in the report of the Special Committee on Indian Self-government as matters that should properly be considered by an Indian First Nation in putting together the components of their Government and in seeking recognition by the Government of Canada, because one nation seeks recognition from another nation. There are certain requirements in seeking recognition, and so the report laid forward a pattern or a suggestion by which this process may be undertaken. The matters referred to specifically and clearly by the Hon. Member for Mount Royal are all listed there.

The issue here is not really the validity of the arguments themselves about including the maximum number of people in decision making about the membership code and about the particular form of government and the other requirements for seeking recognition. All of those are valid arguments. The simple question is, who calls the shots?

The report of the special committee, on page 54, says:

> Representatives of Indian band governments rejected any federal intervention in the matter of reinstatement.

I quote from a brief presented by the Assembly of First Nations on that occasion.

> It is up to the Indian governments across the country to resolve that and to put into place some just means of making sure that there is reinstatement or whatever it is they want to do.

The special committee did not shy away from the difficulty that these First Nations were facing in putting together the components of a Government that would be eligible for seeking recognition from the Government of Canada, but you will notice the emphasis that I am giving time and time again—I am talking about Indian First Nations. There is a kind of accepted way of proceeding when you are dealing nation to nation, which is the pattern that was laid down for us by the Royal Proclamation of 1763 and one that we departed from, as the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) correctly pointed out in his remarks yesterday. When we started dealing with Indian people on an individual basis, we got off the track. We should have stayed on that nation to nation approach, and we would not be here debating this issue today; we would not be in this difficulty in which we find ourselves at the present time.

The special committee did not shy away at all from the problem that is raised by the Hon. Member for Mount Royal. All of her arguments are good. Allow me to repeat the arguments for her. You will notice a subtle difference, which is, that the suggestions for proceeding were suggestions to be seriously considered by Indian First Nations, not matters to be legislated here in this forum, in this Parliament of Canada. Here they are, Mr. Speaker.

> The following procedure might be adopted—

Not "shall" but "might be adopted".

> —by Indian First Nations to determine membership or citizenship:
>
> 1. The people in each community would begin with the Indian Act list, plus those who might be reinstated by any changes in legislation.
>
> 2. These people would get together to ask who might be missing and to include those they wished to include.
>
> 3. These people would agree on membership criteria and thus decide who else might be included or excluded. The criteria should be in accordance with the standards in international covenants concerned with human rights.
>
> 4. These same people would agree on appeal procedures and mechanisms.
>
> 5. The whole group would then determine their form of government and apply for recognition.

Now we come to Recommendation No. 9:

> 9. The Committee asserts as a principle that it is the rightful jurisdiction of each Indian First Nation to determine its membership, according to its own particular criteria. The Committee recommends that each Indian First Nation adopt, as a necessary first step to forming a government, a procedure that will ensure that all people belonging to that First Nation have the opportunity of participating in the process of forming a government, without regard to the restrictions of the Indian Act.

● (1150)

The difficulty that we are facing at this time with this motion is that everything that has been said is so right. Everything that has been said cannot be argued against. The validity of the proposition put forward by the Hon. Member for Mount Royal is unassailable.

We are dealing with Indian First Nations which never relinquished their autonomy to anyone. Their autonomy was taken away from them and now, a long time after that took place, it is beginning to dawn on a few of us that we made a terrible mistake and created problems that are beyond our ability to solve here in this place. If we were to put aside Budgets, transportation matters, agricultural matters and all the other matters with which we in this House deal, and if we were to give full and undivided attention to all the problems that are facing the Indian First Nations, we would exhaust ourselves with work and we would exhaust ourselves with endeavour, but we would not begin to solve the problems because we do not have the understanding and capacity to do

so. Far more important than that, we do not even have the jurisdiction. The jurisdiction belongs to the Indian First Nations themselves, and that is what Indian self-government is all about. It is about putting the problem-solving in the hands of the people who know how to solve the problems and who have never relinquished the right to deal with their own problems in their own way. We are not arguing about the principle contained within Motion No. 13 nor the ideas behind it. We are simply saying that the jurisdiction or the forum is wrong and it is the Indian First Nations themselves which should be dealing with matters of this kind.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, there seems to be some problems within the Liberal Party regarding where Liberal Members really stand on this issue. I was listening to the Hon. Member for Cochrane-Superior (Mr. Penner) who said that it is the right of each Indian First Nation to determine its own membership criteria. I think that that is certainly a principle that we in the New Democratic Party would support 100 per cent. The question, however, is what constitutes a First Nation? Bill C-31 attempts to reinstate people to their proper membership in a First Nation, a membership which was unjustly denied and taken away through the action of the infamous Section 12(1)(*b*) of the Act.

At the beginning, I might point out that we are in support of the motion put by the Hon. Member for Mount Royal (Mrs. Finestone). We believe that people who lost memberships unjustly should still be regarded as members of First Nations. It was an unjust Act by the Parliament of Canada that took their membership in First Nations away from them. Certainly those people who are trying to get together to reconstitute their own authority to determine their own membership, those people who were wrongly denied membership by the Parliament of Canada, should have the right to participate in this entire debate.

We must realize that we have, over the past 150 years, destroyed the institutions of the Indian people to a very great extent. The fact that they have survived is due to their persistence and durability rather than to the good intention of the Parliament of Canada. We have destroyed the accountability systems within Indian Governments. For us simply to abdicate and walk away from the situation by saying that we will grant Indian self-government is a farce. It is to act as did King Leopold of Belgium who walked away from Katanga. The example set in the Belgian Congo was one of the worst instances of colonialism that existed in the 19th and 20th centuries, and the example of Katanga was one of the worst instances of decolonialization that we have seen. We cannot decolonialize by simply walking away from the situation. I think we have a responsibility to the Indian people to make sure that when vacating the field, we leave some proper mechanism in place to ensure that the rights of ordinary people are protected. That is what the motion put by the Hon. Member for Mount Royal, Motion No. 13, attempts to do.

Motion No. 14 is similar to Motion No. 13. It suggests that when Indian peoples develop their membership criteria, there shall be an appeal mechanism. The present legislation indicates that there may be an appeal mechanism. We say that such an appeal mechanism is necessary. This is not because we are dealing with Indian people but because we are dealing with human beings. It is important that we recognize that while we have a positive view of Government and believe that Government can and should be doing positive things for people, we also believe that Government should be bound by certain checks and balances. We believe there should be certain processes that give people the right of appeal.

Certainly, if people feel that they have not been properly dealt with in terms of applications for membership, they can go before the courts. However, we know that going before the courts is a very expensive and time-consuming process. It would serve the interests of all parties if, before appeals to the courts were made necessary, people who felt a sense of grievance could go before an appeal board that would be devised by the Indian First Nations. In committee, the suggestion was made by several witnesses that it could be some kind of a council of elders. This appeal mechanism would make it less necessary to go before the courts in many instances and would save time and money. I think it would work in the best interests of all concerned.

It has been pointed out that in many cases Indian bands will build in their own appeal mechanisms. I know that that is so and I have full confidence that they will do so. However, there are other situations in which this might not happen. I think it is important that there should be an appeal mechanism in place for all membership criteria so that if people feel a sense of grievance, they know what first step they can take.

I urge all Hon. Members to consider the arguments that were presented by the Hon. Member for Mount Royal in support of Motion No. 13 and to consider the arguments I presented in support of Motion No. 14 so that we may make sure that when we talk about an Indian First Nation developing membership criteria, we mean to include all members of that First Nation. On that basis, I urge the support of both Motions Nos. 13 and 14.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, Motion No. 13 proposed by the Hon. Member for Mount Royal (Mrs. Finestone) would make all band members over the age of 18 eligible to vote on membership issues. This would be a uniform provision applying to all bands irrespective of their current practices with regard to voting on important band matters. We heard very forceful arguments put forward by the Hon. Member for Athabasca (Mr. Shields) and the Hon. Member for Cochrane-Superior (Mr. Penner), and I support most if not all of the views put forward by those Hon. Members.

The over-all issue of eligibility for voting was debated at some length yesterday. Unfortunately, as was disclosed this morning, the Hon. Member for Mount Royal was not able to be present in the House for that very lively debate. Other Hon. Members will recall that the House debated and passed Motion No. 14A standing in my name. This motion enables

bands to have flexibility in deciding on the voting regime most suitable for their particular circumstances. I think that this approach is preferable to the restrictive approach advocated by the Hon. Member for Mount Royal.

With respect to Motion No. 14, I have the following comments to make: the provisions of Bill C-31 dealing with band control of membership were only intended to be enabling provisions. There should be a minimum of statutory restrictions on how bands organize their membership activities. Motion No. 14 would make it mandatory for bands to have rules concerning a band level mechanism for appealing decisions on membership.

• (1200)

There is little debate on the desirability of appeal systems. However, bands should be able to determine whether such mechanisms are required or appropriate for their particular situation. A mandatory requirement to have appeal rules will be viewed as an encouragement of an area of decision-making which should and can be exercised by the bands.

During the hearings, many bands expressed the view that the Bill was overly restrictive and that the ability to make membership decisions was too confined. We trust the bands. In our view, bands will act fairly in exercising their membership function. Bands will establish formal or informal mechanisms, which will be appropriate to their particular circumstances, to ensure that membership decisions will be fair and equitable. With few exceptions, fairness has always been a part of Indian self-government. We have confidence in their ability in the very sensitive area of membership rules.

If there are isolated cases in which disputes cannot be resolved at the local level, it will still be possible to seek redress through the court system. Of course, that is an option which is available to all Canadians. Members of Indian bands can certainly use that mechanism if it is required.

Motion No. 14 is also flawed in that it would strike out an important amendment which was made during committee stage. In the amended version of the Bill, the committee agreed to include a provision that membership rules could be approved only after appropriate notice had been given of the band's intention to adopt such rules. The provision is important as it ensures that all members will have an opportunity to participate in the decision-making process. The proposed amendment would delete that provision.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 13 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). I would remind the House that an affirmative vote on Motion No. 13 would dispose of Motion No. 14.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Motion No. 13 negatived.

Mr. Deputy Speaker: The next question is on Motion No. 14 standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stand deferred.

The next grouping includes Motions Nos. 29 and 30A.

Mr. Jack Shields (Athabasca): Mr. Speaker, I rise on a point of order. I would like to withdraw Motion No. 29.

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member for Athabasca to withdraw the motion?

Some Hon. Members: Agreed.

Motion No. 29 withdrawn.

Mr. Deputy Speaker: The House will proceed to the consideration of Motion No. 30A.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved:

Motion No. 30A

That Bill C-31, be amended in Clause 11

(*a*) by striking out line 13 at page 15 and substituting the following therefor:

"amount that exceeds one thousand dollars under paragraph 15(1)(*a*), as it".

(*b*) by striking out line 25 at page 15 and substituting the following therefor:

"amount by which the amount that he received under paragraph".

(*c*) by striking out line 29 at page 15 and substituting the following therefor:

"subject-matter as that paragraph, exceeds one thousand dollars, together".

He said: Mr. Speaker, first I would like to thank the Hon. Member for Athabasca (Mr. Shields) for withdrawing his motion.

Motion No. 30A is simply a technical motion. The Standing Committee introduced Subsection 64.1(2) into the Bill which would permit bands to deny programs financed from band funds to persons who received a per capita pay-out from band capital and revenue accounts on loss of status, until the amount of that pay-out, less $1,000, is repaid to the band, plus interest.

Subsection 64.1(1) is similar, in that it denies such persons access to current distributions of band funds to individual band members until the amount previously received is repaid, plus interest. The purpose of the amendment is to introduce into Subsection 64.1(1) the same $1,000 threshold which is included in Subsection 64.1(2). The amendment is required in order to ensure that the two parts of Section 64.1 are consistent in establishing a threshold of $1,000. I would commend the amendment to all Members of the House.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I want to rise in support of the amendment. However, I would first like to indicate how pleased I was when the committee initially added the original amendment to the Bill, as I believe it deals with fairness.

In cases in which band members have had to leave recently because of sections in the Act which were discriminatory, the law required that the band had to make a per capita pay-out, based on investments in both their capital and revenue accounts. The bands had no choice in the matter. They had to make the pay-out.

When making these changes to the Bill, the committee felt that there ought to be some fairness. Those individuals who withdraw from their reserve in the month or year before the Bill passes ought to return with the amount of money and assets with which they left, in order that it will be fair to the band to which they are returning. That amendment was accepted by the committee. However, during committee debates, the committee moved an amendment which indicated that we should not ask—nor would the band want to ask—the people who left 30 years ago with $10 or $15 to repay that amount, as most of the bands in Canada at that time did not have assets which amounted to a large pay-out. The committee felt that a limit should be placed on it.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) moved such an amendment, and it was accepted by the committee. However, arguments have been put forward that the amount, which was at $5,000, was too high and would not be sustained in the courts if challenged. Therefore the amendment is now being moved to reduce that amount to $1,000. I hope that all Hon. Members will take this seriously and support this amendment so that there can be some fairness as we impose this Bill on many Indian communities.

• (1210)

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion No. 30A agreed to.

Mr. Deputy Speaker: The next motion to be debated is Motion No. 32 in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved:

Motion No. 32

That Bill C-31, be amended in Clause 15 by striking out lines 10 and 11 at page 17 and substituting the following therefor:

"(p.1) the residence of persons who are not members of the Band;".

He said: Mr. Speaker, Clause 15 of Bill C-31 recognizes new powers of band councils in Section 81 of the Indian Act, including Subsection (*p*)(1), the right to make by-laws regarding "the residence of band members and other persons on the reserve." I do not believe that any Government should have the right to decide whether or not its citizens can reside within their own territory. Basically, that is what the present legislation does. Section 81(*g*), (*h*) and (*i*) of the Indian Act already recognizes the powers of band councils to make laws respecting zoning, construction and land allotment. This gives band councils the right to make necessary regulations regarding where people are going to live and properly to allocate reserve lands.

However, that is quite different from giving band councils the right to determine basic residency rights for their own members. Last year the Assembly of First Nations and the Native Women's Association of Canada reached a consensus that band councils should have the right to determine the residency of non-Indian spouses and other non-Indian people on reserves, and I support that right. I do not think that band councils should have the right to make basic decisions about whether or not band members should reside on reserves. I think that that is a right of band members which should underlie any rights of band councils.

This becomes particularly important in light of the fact that the House has just finished rejecting Motions Nos. 13 and 17 which would have ensured that even non-residents would be able to participate in developing membership criteria. The House has voted against that. I believe it was a wrong decision on the part of the House, but the House has done so and we must accept it. However, that means that it is up to band councils to determine whether or not some of these people who have been reinstated are going to be able to take part in elections. It is going to be up to band councils to determine basic residency. I do not believe that this is a right which band councils should have because I feel it is a fundamental right of Indian people who belong to a band to be able to reside on the reserve of that band. This amendment would recognize the proper right of a band council to make provision for regulations for the residents of persons who are not members of the band. I urge the adoption of this motion.

Mr. Jack Shields (Athabasca): Mr. Speaker, I would just like to make a couple of remarks. I think the motion is socialism in its purest form. Someone could jump in a car and say, "I'm going to move back on to the reserve", if the band has no control over membership. We are only giving them in this Bill the same control that the people in Ottawa or Edmonton have over who lives within the community. They may not control it directly, but they control it by by-law. One cannot, for example, move a house trailer on to a lot, even though one owns it, if it is in the middle of downtown Ottawa or in a suburban development of Mount Royal. One cannot move a mobile home there if that is what one wants to do. We are controlled by by-laws on our residency requirements in these various areas.

All city councils and town councils have the right to make by-laws to determine how and where one is going to live within the community. The Hon. Member's Motion No. 32 would give the absolute right not to the collective membership to control what happens on the reserve but to the individual. To me, this would result in chaos because anyone would have the absolute right to move on to the reserve and pitch a tent, a teepee, live in an abandoned truck or whatever, with no thought to the orderly development of the reserve. That is why I could never support this motion. It borders on the ridiculous.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have sat here in utter astonishment as I listened to what the Hon. Member for Athabasca (Mr. Shields) had to say. The Act already provides the power to band councils to divide the reserve, or a portion thereof, into zones and to prohibit the construction or maintenance of any class of buildings or the carrying on of any class of business, trade or calling in any such zone. That is from Section 81(*g*). The Hon. Member's argument that what my friend, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), is proposing is a socialist measure, I find utterly astonishing. I do not know how the Hon. Member for Athabasca, who regards himself as the defender of the right of individuals, can suggest that city Governments are involved in determining who can live within their borders when they decide what sorts of dwellings people are going to have. That is quite incredible.

Surely, in this country we prize our right to move about. We do not, as is true in many European countries, believe that one needs to register with the police when one arrives in a city or town so that the police know that one is there even as a visitor. We prize the right to move about. It is surely a fundamental liberty which Conservatives generally, I believe, defend, and certainly it is important to we New Democrats. That is why my hon. friend, the Hon. Member for Cowichan-Malahat-The Islands, is proposing that the Act specifically provide for the right to be resident on the reserve.

I ask my colleagues on both sides of the House to reject out of hand the argument made by the Hon. Member for Athabasca. It is simply ridiculous.

Mrs. Mary Collins (Capilano): Mr. Speaker, I would like to make a few comments on this particular motion. First, I do not agree with the motion put forward by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) which would restrict the application of band by-laws concerning residence to persons who are not members of the band. I really feel that probably we are not in that much disagreement on this issue. However, in my view, the suggested change would seriously and unnecessarily restrict the powers and responsibilities which should legitimately be vested with band councils. In fact, the Bill, as presently drafted, recognizes the long standing informal power of bands to regulate residence of all people living on the reserve.

As the Hon. Member for Athabasca (Mr. Shields) said, control over residence is essential if bands are to ensure orderly and effective planning and development of their communities and the smooth integration of new and restored band members. Concerns have been expressed that the current provision in the Bill might be used arbitrarily to restrict people, whether existing or restored band members, from living on the reserve. I would like to assure my colleagues that this is indeed not the intention of the provision. Personally, I do not believe it will be used in that way. Rather, it is a simple way of ensuring that communities can control residence in the best interests of the total community.

As we know, the bands must make decisions on community services, infrastructure, housing and education. By-law powers over residence will enable bands to co-ordinate such decisions with the actual flow of people back to the reserve and ensure that existing conditions of over-crowding or over-taxed facilities are not made worse. Recognizing control over residence as a by-law power merely confirms a long-standing and accepted practice. At present, most bands already control residence through their ability to control allocation of land and housing, and through a process of arriving at a group consensus on the pace and direction of development. The adoption of the proposed motion would needlessly restrict such band authority. Formalizing residence control in a by-law should also make the system fairer because it will make the rules more explicit. At present, control is exercised informally and rules are not explicit. With by-laws in place, individuals will have a much clearer picture of what rules are being used to regulate residence. If the rules are unfair, they can also be attacked more easily.

• (1220)

Therefore, I believe this motion is not in the best interests of the Indian bands and I urge my colleagues and all Hon. Members to vote against it.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I just want to add a few remarks to those of the Hon. Member for Capilano (Mrs. Collins). I think she outlined the situation very eloquently and properly. I think the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) will recognize that there is one other difficulty, that is, that on most, if not all, reserves in this country there is a shortage of housing and a shortage of the capital to build that housing. In most of these communities there is a long list of people waiting for a

residence on the reserve. In fact, in most communities there is crowding in the existing housing. Even though the bands have been fair in providing housing on the reserves, to then impose on the community additional residents who would have the right to move directly on to the reservation would cause chaos in most bands. What we are attempting to do in this clause is to offer the bands a fundamental right, one which exists across Canada, to an orderly and well-planned system which is fair to the people who live in the community.

Many of us in committee who examined this question have said it is right and proper that those people presently on a waiting list ought to be looked after as quickly as possible by the Government and the band before the new residents move in and put themselves on the list. This clause as it now stands allows that right to the band chief and council, and I think that is very important. So I would reject this amendment as well.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 32. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The next grouping includes Motions Nos. 33 and 33A.

Mr. Jack Shields (Athabasca) moved:

Motion No. 33

That Bill C-31, be amended by adding immediately after line 22 at page 17 the following:

"15.1(1) Paragraph 81(*r*) of the said Act is repealed and the following substituted therefor:

"(*r*) the imposition on summary conviction of a fine not exceeding one thousand dollars or imprisonment for a term not exceeding thirty days, or both, for violation of a by-law made under this section.

(2) Section 81 of the said Act is renumbered as subsection 81(1).

(3) Section 81 of the said Act is further amended by adding thereto the following subsections:

(2) Where any by-law of a band is contravened and a conviction entered, in addition to any other remedy and to any penalty imposed by the by-law, the court in which the conviction has been entered, and any court of competent jurisdiction thereafter, may make an order prohibiting the continuation or repetition of the offence by the person convicted.

(3) Where any by-law of a band passed is contravened, in addition to any other remedy and to any penalty imposed by the by-law, such contravention may be restrained by action at the instance of the band council."

15.2 Section 82(2) of the said Act is repealed and the following substituted therefor:

"(2) A by-law made under section 81 comes into force 40 days after a copy thereof is forwarded to the Minister pursuant to subsection (1) but the Minister may declare the by-law to be in force at any time before the expiration of that period."."

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved:

Motion No. 33A

That Bill C-31, be amended

(*a*) by adding immediately after line 22 at page 17 the following:

"16. The said Act is further amended by adding thereto, immediately after section 85 thereof, the following section:

"85.1 (1) Subject to subsection (2), the council of a band may make by-laws

(*a*) prohibiting the sale, barter, supply or manufacture of intoxicants on the reserve of the band;

(*b*) prohibiting any person from being intoxicated on the reserve;

(*c*) prohibiting any person from having intoxicants in his possession on the reserve; and

(*d*) providing for exceptions to any of the prohibitions established pursuant to paragraph (*b*) or (*c*).

(2) A by-law may not be made under this section unless it is first assented to by a majority of the electors of the band who voted at a special meeting of the band called by the council of the band for the purpose of considering the by-law.

(3) A copy of every by-law made under this section shall be sent by mail to the Minister by the chief or a member of the council of the band within four days after it is made.

(4) Every person who contravenes a by-law made under this section is guilty of an offence and is liable on summary conviction

(*a*) in the case of a by-law made under paragraph (1)(*a*), to a fine of not more than one thousand dollars or to imprisonment for a term not exceeding six months or to both; and

(*b*) in the case of a by-law made under paragraph (1)(*b*) or (*c*), to a fine of not more than one hundred dollars or to imprisonment for a term not exceeding three months or to both.

17. Sections 94 to 100 of the said Act are repealed and the following substituted therefor:

"OFFENCES"

18. Subsection 103(1) of the said Act is repealed and the following substituted therefor:

"103. (1) Whenever a peace officer, a superintendent or a person authorized by the Minister believes on reasonable grounds that an offence against section 33, 85.1, 90 or 93 has been committed, he may seize all goods and chattels by means of or in relation to which he believes on reasonable grounds the offence was committed."

(*b*) and renumbering the subsequent Clauses accordingly.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I have an amendment to Motion No. 33, which reads as follows:

That Motion No. 33 be amended:

(*a*) by deleting all the words after the word "by" in the seond last line of the proposed new Subsection 81(3) and substituting the following therefore

"court action at the instance of the band council."

(*b*) by deleting the proposed new Clause 15.2.

Mr. Jack Shields (Athabasca): Mr. Speaker, Motion No. 33 would amend Bill C-31 to accomplish three particular objec-

tives. First, it would increase the maximum fine for breach of a band by-law from $100 to $1,000. Second, it would create a power to enforce by-laws in the courts identical to that given to all towns and municipalities in many provinces, including Ontario. You will understand in a moment why I underline Ontario. Finally, it would remove the power presently enjoyed by the Minister of Indian Affairs and Northern Development (Mr. Crombie) to veto legal and valid band by-laws.

Under Section 81 of the present Act, bands have a power similar to towns and municipalities elsewhere in Canada to enact by-laws over a great number of matters, including traffic, zoning and construction, residential health, regulation of business concerns, and the preservation of wildlife on reserve lands. Section 81(r) of the present Act provides that the maximum fine for breaching a band by-law is $100. This is obviously inadequate, thus the proposed amendment would leave Section 81(4) as it is except for the replacement of the words "*one hundred*" with the words "*one thousand*".

The second part of the amendment would give to bands the power to seek injunctions from the courts where their by-laws have been breached. The proposed amendments, which would add new Subsections 81(2) and (3), are taken word for word from Ontario's Municipal Act, with which the Minister is most familiar. Let me say as an aside, that I think the Minister, when he was mayor of the City of Toronto, helped push this through to Queen's Park. I am given to understand that, indeed, he may have had some involvement in obtaining these amendments from the Ontario Legislature to assist municipal Government in Toronto, and he would therefore understand why these powers are necessary for the bands. It is impractical for the bands to be laying charges every day when there is a persistent violation of the by-laws. These by-law making powers would apply to all bands and would reinforce band control over band matters, which is one of the principles of the Bill and something dear to my heart.

Finally, the new Subsection 82(2) would delete the present power of the Minister to disallow valid band by-laws. I emphasize that, at present, even if a band makes a perfectly legal and completely valid by-law, the Minister has an unfettered discretion to veto it. With the amendment, we will still allow the Minister to have some say in that area. The amendment would also apply to all bands and would reinforce the principle of band control.

Mr. Deputy Speaker: The Chair rules that the amendment to Motion No. 33 moved by the Hon. Member for Timiskaming (Mr. MacDougall) is in order.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to speak with respect to Motion No. 33 and the amendment, as well as to Motion No. 33A, which deals with an entirely different matter, but the two are grouped for purposes of debate and the vote.

• (1230)

I am pleased to speak in favour of Motion 33, subject to the subamendment moved by the Hon. Member for Timiskaming (Mr. MacDougall). This motion will very clearly strengthen the power of the bands to enforce their own by-laws. This was not included in the original Bill, but all Members who have dealt with this at the committee level understand the importance of the motion of the Hon. Member for Athabasca (Mr. Shields). The motion will strengthen the power of the bands by raising the maximum fine for violation of by-laws from $100 to $1,000. That is only reasonable given the fact that the original $100 was fixed in the 1950s. It will strengthen the power of bands to enforce their by-laws by permitting court orders to be sought to prevent the continued violation of band by-laws.

Anyone who understands the administration of Indian communities at the band level understands the frustration of by-laws being continually broken while bands are unable to enforce them. Increasing the fine to $1,000 and giving bands the power to apply to the court for injunctions in order to stop the continued violation of the by-laws is clearly in the interest of bands. It clearly ought to have the support of all Hon. Members.

I am pleased with the subamendment as well, Mr. Speaker, because it was impossible for me to agree to that part of the original motion which would have done away with the Minister's power of disallowance regarding certain by-laws. Given the normal understanding of how we ought to proceed with Indian self-government, I would have liked to agree to that, but at this time, and within the context of this Bill, it seemed to me inadvisable. It is an awkward power for the Minister to have, but in some cases, in the interest of everyone, it may be necessary. That is why I did not want to have that power cut out at this point within the context of this Bill. I am very pleased with the good work done by the Hon. Member for Athabasca. I urge all Members to support Motion No. 33 as amended.

I will now turn to an entirely different matter. It relates to by-laws but the subject matter is of greater moment and immediacy. I would like to take this opportunity to deal with a matter that has come up which is of pressing concern to Indian communities across the country. I would like to deal with the issue of the use of intoxicants on reserves.

Several recent court decisions in Manitoba have brought into doubt the validity of key sections in the Indian Act which deal with intoxication. The sections may contravene both the Bill of Rights and the Charter of Rights and Freedoms. Many bands, particularly those in remote areas, are very concerned that if these sections are not valid, they will have no means to control the serious alcohol problems which unfortunately exist on many reserves.

These motions are intended to give bands the means to control this serious problem in a way that is consistent with both the Bill of Rights and the Charter of Rights and Freedoms. We cannot wait for the outcome of appeals on these court cases as in the interim, during which prohibition could

be effectively lifted, several years could elapse. The result could be devastating for certain Indian communities.

Motion 33A would enable band councils, subject to the approval of band electors at a special meeting, to prohibit the sale, barter, supply or manufacture of intoxicants on reserves; the state of intoxication on reserves; or the possession of intoxicants on reserves. The by-laws could also provide for exceptions to the prohibitions on intoxication or possession of intoxicants. These exceptions could deal with such cases as medicinal use of alcohol, transportation of unopened bottles across reserves, intoxication in a private house, or consumption on special holidays.

This new provision would replace Sections 94 to 100 of the current Act. These sections established prohibition on reserves unless a band explicitly decided by referendum to go "wet" under provincial law. At present, only about half of the bands have decided to go "wet". By putting this new by-law power outside of Section 81 of the Indian Act, any by-laws adopted by bands would not be subject to disallowance. Bands would be required to forward a copy to the Minister, but this is only intended to facilitate registration under the Statutory Instruments Act, a condition which must be met if prosecutions are to be valid.

Clause 16 requires that such by-laws have the consent of the majority of electors voting at a special meeting. This preserves the concept of community approval in the present Indian Act whereby switches from "dry" to "wet" require band consent, although now consent will be needed to shift in the other direction, from "wet" to "dry". This reversal arises since, with the repeal of Sections 94 to 100, it is assumed that provincial laws, normally "wet", will apply unless by-laws are enacted.

Subsection (4) establishes penalties to replace those eliminated by repealing Sections 94 to 100. A distinction is made in the severity of the minimum penalties between offences against the prohibition on access where the person providing the intoxicant deserves a strong penalty and likely can afford to pay, and offences against the prohibitions on possession or intoxication where the person charged is likely to be poor and unable to pay. The actual amounts, $1,000 and $100 maximums, are based on the fines in the present Act of $300 and $50, adjusted to take account of inflation. The summary conviction method of prosecution is retained to facilitate expeditious handling of cases.

Clause 18 amends Section 103 to clarify that intoxicants or other property related to offences against by-laws passed under Section 85.1 can be seized. Warrants will still be required under Subsection 103(9)(4) to conduct searches related to the offences.

The by-law power of new Clause 16 would come into force with the rest of Bill C-31. Motion 42 would delay the repeal or amendment of the existing Indian Act provisions for a period of six months. This will allow time for bands to develop band by-laws to replace the provisions of the Indian Act which are to be repealed. In Manitoba, interested band by-laws could be implemented shortly after Bill C-31 passes. Many bands, especially those in Manitoba which are directly affected, as well as the Attorney General of Manitoba, have urged prompt federal action on this problem. I am pleased that we can take advantage of the present deliberations on Bill C-31 to plug this very large hole which now exists in the Indian Act.

That is the technical aspect which I wanted to emphasize with respect to Motion No. 33A. The bands, chiefs, and council members who have been in touch with me are very concerned. I hope that we will have no difficulty in getting this part of Bill C-31 passed. It is important that it be passed as soon as possible.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to debate the amendment to Motion No. 33A proposed by the Minister and to commend the Minister for responding to a very serious concern arising as a result of the decision of the Manitoba court.

I would like to raise a matter about the terms in which the Minister is proposing to respond to the Manitoba decision, which I hope he will take into consideration before moving forward. My concern is with respect to the proposed power of the Act under Section 103 as set out in paragraph 18 of Motion No. 33A. That would permit a peace officer, a superintendent, or a person authorized by the Minister to seize goods and chattels with respect to this particular offence.

Section 103 of the existing Act provides a power with respect to Section 97, the relevant section in the current Indian Act, in virtually identical terms. It allows for seizure under a number of sections in the proposed Act. I want to draw to the Minister's attention that, while this particular amendment seeks to respond to a decision of the Manitoba court on the Charter of Rights, I believe the proposal in Section 103 itself is in breach of the provisions of the Charter of Rights. I ask that the Minister consider very seriously the concern in this regard.

• (1240)

As it stands now, the Charter of Rights requires that search and seizure provisions be reasonable, and I refer Members to Section 8 of the Charter of Rights. This provision was recently interpreted by the Supreme Court of Canada in Hunter and Southam. As a result of that interpretation, the Minister's colleague, the Minister of Justice (Mr. Crosbie), brought before the House Bill C-27. This Bill, among other things proposed a series of amendments to search and seizure provisions in a number of federal statutes. This provision, Section 103, was not touched by the Minister of Justice's proposed amendments in Bill C-27, presumably because it was felt that it was more appropriately addressed in the context of Bill C-31.

I want to draw to the Minister's attention the fact that, as a result of the decision of the Supreme Court of Canada in Hunter and Southam, a provision such as this, which allows for a seizure to take place without any warrant whatever, at any time whatever, falls far short of the standards which are set out in the Charter of Rights and Freedoms. I would also note, Mr. Speaker, that the provisions of the Criminal Code

may be relevant here. An amendment proposed in Bill C-18 may make this provision inoperative, that is, an amendment to the seizure provisions in Section 443 of the Criminal Code. I want to note specifically the concerns with respect to this proposed Section 103 in a number of respects, and I am relying upon the Supreme Court of Canada's decision in Hunter and Southam that established the standards which were then used to amend other federal legislation in the search and seizure area.

First, there is no requirement whatever in this provision to obtain a warrant. As it stands now, as long as there are reasonable grounds, a police officer can go on the property of the individual in question and seize goods without any warrant at all. Under the provisions of the Charter, such a search and seizure would, in my view, be clearly struck down as being unreasonable. There is no warrant requirement at all. The only circumstances in which a warrant may not be required are circumstances in which there might be a danger to human life, society or loss or destruction of evidence. In those special circumstances, a warrant can be dispensed with. This particular provision allows for a seizure in all circumstances whenever there is a suspicion of an offence.

What is a typical amendment made to other legislation? First, let us take one example from Bill C-27, the amendment of the seizure provisions of the Customs Act. That amendment provides that there must be a warrant issued where there are reasonable grounds. The only circumstances in which a warrant can be dispensed with are clearly set out. Those are the circumstances to which I referred earlier.

Second, the section requires that the warrant be executed at a reasonable time. There is no provision whatever in Section 103 as to when the warrant might be executed. Once again, that provision is unreasonable in that respect.

I would urge the Minister to reconsider this section. Certainly I think all sides of the House agree that there has to be a response, and a speedy response, to the Manitoba court decision which could lead to very serious problems were this Parliament not to move forward quickly. I ask that the Minister consider standing this provision in order that perhaps there might be an amendment brought forward similar to the amendments brought forward to other legislation dealing with search and seizure provisions to deal with those two basic concerns. First, there should be a warrant requirement for a seizure, unless the circumstances are such that a warrant is not appropriate, and that is again contained in the terms set out in Bill C-27. Second, the warrant should be executed at a reasonable time, not at any time.

I would appeal to the Minister to stand this particular clause in order to review the provisions that have been brought in with respect to other search and seizure provisions in other legislation flowing from the decision of the Supreme Court of Canada in Hunter and Southam. If that is not done, then we may be responding, ironically enough, to one Charter challenge by including a provision that is wide open to challenge as well, and the Minister may just have to come back before the House to make the amendments which, I submit, we should be making now to ensure that Section 8 of the Charter is respected in this Bill.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member raises an important issue. However, the cases mentioned relate to search. Section 103(4) already requires a warrant to conduct such a search. I will read Section 103(4):

> (4) A justice who is satisfied by information upon oath that there is reasonable ground to believe that there are upon a reserve or in any building, receptacle or place any goods or chattels by means of or in relation to which an offence against any of the sections mentioned in subsection (1) has been, is being or is about to be committed, may at any time issue a warrant under his hand authorizing a person named therein or a peace officer at any time to search the reserve, building, receptacle or place for any such goods or chattels.

Therefore, there is no need to deal with this matter in Motion 33A. There will be no problem under the Charter.

Mr. Deputy Speaker: Is there unanimous consent to allow the Minister to speak again?

Some Hon. Members: Agreed.

Mr. Crombie: Mr. Speaker, I knew that my friend, the Hon. Member for Erie (Mr. Fretz) was going to speak to the matter. I simply wanted to assure those who have raised the concern, and I appreciate their raising it, that I checked the matter to make sure it was consistent with our understanding of any challenge under the Charter, as I have with other parts of the legislation. I was assured that we had no difficulty with respect to the Charter in so far as our wisdom could take us in determining it.

Second, I understand the general argument which the Hon. Member has made, not only concerning this Bill but in other forms and on other occasions and other Bills. I did not want to have to move in the whole freight of that argument to deal with what is a decision that needs to be made now. That is why I took the route of saying, "This is what we need to do. Will it offend the Charter?" The answer was no.

I appreciate the Hon. Member's bringing the matter forward. I think the Hon. Member for Erie has supported the legal view that we have. In my own view, I think it is necessary not only that we not stand the item but that we proceed with it as fast as we can, given the fact that, according to the best wisdom possible, we are consistent with our obligations concerning the Charter.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I just want to make a few comments on this entire section. First, I welcome Motion No. 33 in the name of the Hon. Member for Athabasca (Mr. Shields). This recognizes more power on the part of band councils to enforce by-laws. I think any of us who have dealt with Indian bands are aware of the great frustrations that bands feel in having to make by-laws and then finding they have virtually no power to enforce them. This gives band councils the right to seek some kind of court action and provide for stiffer fines.

Again, I think we will all recognize that this is a partial measure. What we really need is for a broad recognition of the

powers of band councils and Indian Governments far beyond Section 81 of the Indian Act. I think it is important to take this one step, and I am pleased to support that motion.

With regard to Motion No. 33A concerning the alcohol problem I should like to make some comments. Of course, this is one of the key problems which has existed between Indian and non-Indian people since the time of first contact. There has always been a fine line between discrimination and the rights of Indian people to protect themselves from the ravages of alcohol. I first became aware of this problem as a United Church minister in British Columbia, where we were lobbied very extensively by groups such as the Native Brotherhood. They protested against discriminatory sections which prohibited them from having, purchasing, being in possession of or consuming alcohol. I came at the problem from a slightly different perspective some years ago than it is being approached right now. Some Indian bands in Canada see protection from alcohol as a basic treaty right. When the Manitoba courts struck down the sections dealing with alcohol in the Act as a contravention of the Charter of Rights and Freedoms, many people urged the Minister to act with some speed. Certainly I was one of those who wanted to see some action.

• (1250)

At the same time, some concern has been expressed about the way in which the resolution was brought forward. To be fair to the Minister, he checked with me beforehand, but since then people have raised concerns. I would like to share one concern with the House, the fear of some Indian bands that by repealing Sections Nos. 94 to 100 of the Indian Act, the federal Government is in effect vacating the field and leaving it open to provincial incursion. If there is one area of Indian affairs about which Indian bands are most sensitive, as the Minister knows, it is the opening up of the Indian reserves to greater provincial incursion. We have a problem in this regard. Some Indian bands want reserves to be completely dry, and this amendment gives them that power. I hope it will be effective. However, what alternatives are there to total prohibition? What rights do band councils have to regulate, for example, the sale of alcohol, except by coming under the jurisdiction of the provinces?

On that basis, I should like to move a subamendment—and I would ask the House to support it—which reads as follows:

That Motion No. 33A be amended in lines 9 and 10 to read:

(*a*) prohibiting the barter, supply or manufacture of intoxicants on the reserve of the band and prohibiting or regulating the sale of intoxicants on the reserve of the band;

By way of explanation, this means that in addition to band councils having the power to prohibit the manufacture, barter and so on of intoxicants, they also have the right to regulate their sale. This will formulize what is already taking place where some Indian bands want the power to regulate the sale of intoxicants. Certainly we are not talking about the manufacture of intoxicants as being something which should be regulated by Indian bands at the present time. Perhaps with Indian self-government, that is something at which we should look. Even in 1985, even before we have moved to full-scale Indian self-government, we should recognize the right of Indian bands to regulate the sale of alcohol on their lands as well as to prohibit it completely.

Mr. Crombie: Mr. Speaker, I have not had an opportunity to look at the actual wording of the subamendment of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). I heard his words, and I think I understood his intent. I would like to stand the amendment over until after we resume debate following Question Period, which would provide me with an opportunity to assess its impact and whether it would assist us in trying to deal with the problem currently experienced by Indian communities.

Mr. Deputy Speaker: The House has heard the terms of the amendment moved by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). The Chair rules that the amendment is in order. Shall I call it one o'clock, or is the House ready for the question?

Mr. Crombie: Mr. Speaker, I would ask that the motion be stood over, so that I could read the subamendment of the Hon. Member.

Mr. Manly: Mr. Speaker, I rise on a point of order. Perhaps we could call it one o'clock.

Some Hon. Members: Agreed.

Mr. Penner: Mr. Speaker, just for the purpose of clarification, did Your Honour make a ruling on the amendment to the amendment of the Hon. Member for Timiskaming (Mr. MacDougall)? Is it found to be in order?

Mr. Deputy Speaker: The amendment of the Hon. Member for Cowichan-Malahat-The Islands is to Motion No. 33A, and the amendment of the Hon. Member for Timiskaming (Mr. MacDougall) is to Motion No. 33.

Mr. Penner: I understood that the additional amendment was to Motion No. 33. You said that you would look at it, Mr. Speaker, and I was just wondering whether you reached a decision on it.

Mr. Deputy Speaker: Yes, the ruling was given. The amendment of the Hon. Member for Timiskaming to Motion No. 33 is in order, as is the amendment of the Hon. Member for Cowichan-Malahat-The Islands to Motion No. 33A. May I call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE BUDGET

EFFECT ON ATLANTIC PROVINCES

Mr. George Henderson (Egmont): Mr. Speaker, the May 23 Budget brought down by the Government is bitter medicine for eastern Canada. When the Members from the Atlantic provinces toured the region last week, we heard from angry and frustrated Canadians, people who have less money in their pockets because of the Budget. Farmers say higher gas taxes and user fees for potato inspection will force farmers off the land. They are also afraid that the Maritime Feed Freight Assistance Program will be reduced or eliminated.

Tourist operators are scared of higher ferry rates, increased National Park fees, higher taxes on gas, cigarettes, and alcohol. They say that they will be operating in the red by the end of the season.

Fishermen are still smarting from a cut of $40 million last fall. How will a further reduction of $25 million affect their business? Fisheries research and development programs need more money. Programs for small craft harbours and vessel subsidies need more money, not less.

P.E.I. has the highest rate per capita of senior citizens in the country. They are not standing for deindexing; they are fighting back. The three Atlantic Tory Premiers agree with those people. They agree that the Maritimes got the short end of the stick in the Budget. They said so at the Council of Maritime Premiers' meeting held yesterday and today in Prince Edward Island.

It is time for the Members on the government side to stand up and speak in their caucus, to speak in the House and tell the Government that they will no longer tolerate the shabby treatment Atlantic Canadians are getting from the Prime Minister (Mr. Mulroney) and the Government.

* * *

INDUSTRY

WHITE FARM EQUIPMENT COMPANY

Mr. Derek Blackburn (Brant): Mr. Speaker, the Government must come clean on aid for White Farm Equipment Ltd. For weeks the Minister of Regional Industrial Expansion (Mr. Stevens) has avoided direct questions on this issue with assurances about consultation and private sector financing. There has been little concrete action, and the June 14 deadline is fast approaching.

If the Minister has arranged private sector financing, let him say so today. If none is available, he should announce that the Government is prepared to step in with loan guarantees.

The Minister has heard the president of White Farm Equipment Ltd. put his case. The financial picture is clear. He need not consult further with the workers. They have demonstrated full support for Mr. Sinclair, the president. He does not have to discuss the matter with small business. All suppliers have told him White Farm is vital to their health. He need not consult Members of this House. Many have sent letters to the Minister urging support for White Farm Equipment.

What are we waiting for? The Minister must simply make his recommendation to Cabinet, and the Government must demonstrate the political will to save those jobs. I ask him to consider this. White Farm is a Canadian company. It does research and development in Canada. White Farm's Canadian workers are bringing new technology into production. Even a depressed market has seen the value of White Farm's new products increase its market share. That is a Canadian success story that the Government must continue to support.

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EMPLOYMENT

LONDON UNEMPLOYED HELP CENTRE—PROVISION OF WORK BOOTS

Mr. Tom Hockin (London West): Mr. Speaker, last month, after a dark year and a half searching for a job, a virtually penniless constituent of mine was brightened by a job offer on a construction site in London. When he reported for his first day on the job, it was apparent that he was not wearing work boots. He was sent home, and his job was put in jeopardy.

A new pair of steel-toed work boots is an expensive proposition for an unemployed worker. The House may be wondering why I am recounting this story this afternoon. I want to share it with my colleagues because there is a solution to this problem as developed by an organization in my riding, called the Unemployed Help Centre.

This non-profit organization has established a work boot depository that makes used work boots available to those in need, for use on their new jobs. The initial reserve was generated by labour councils and others who contributed used work boots. This unique program has proved to be very useful in London. I am certain that it would be similarly useful elsewhere, and I would like to commend it to this House and encourage my colleagues to establish similar programs in their constituencies.

[*Translation*]

SCIENCE AND TECHNOLOGY

SIGNING OF AUXILIARY AGREEMENT BETWEEN CANADA AND QUEBEC

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, yesterday in Quebec City, I witnessed the signing of the Canada-Quebec Subsidiary Agreement on Scientific and Technological Development, with the Minister of State for Science and Technology (Mr. Siddon), and for Quebec, the Minister of Intergovernmental Affairs, Mr. Pierre-Marc Johnson and the Minister of Higher Education, Science and Technology, Mr. Yves Bérubé.

The five-year $100 million agreeemnt is aimed at stimulating scientific and technological development and the attendant jobs in Quebec and facilitating coordination of efforts at both levels of government, with particular emphasis on implementing projects of strategic value for Canada and Quebec.

The signing of this agreement comes at a particularly important time, after the new federal Budget which emphasizes technological development and innovative projects in order to spur economic growth.

Government representatives jointly stressed the importance of the consensus reached on management of the Institut d'optique et de laser located in Sainte-Foy, in my riding.

The subsidiary agreement contains provisions concerning the conversion of the Institute into an independent enterprise, managed by a board of directors whose members will be mostly recruited from the private sector.

I must say I am extremely happy with the signing of this agreement, because it will undoubtedly be very—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but her time has expired.

* * *

OLD AGE SECURITY

LIBERAL PARTY'S POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I want all Members of this House to know exactly what kind of senior citizens this Progressive Conservative Government is asking to make sacrifices and to submit to cuts in their Old Age Security pensions.

First of all, these are all people who were born before 1920. They grew up during the Depression. They got married and raised children and sent them to school at a time when education was not free. They are all parents, fathers and mothers, who had to pay for medical care for their children at a time when health insurance and hospital insurance were non-existent. These are people who are still making sacrifices to remain independent and avoid being a burden to their children and who are living in their own homes. These are all people who helped build our country.

Mr. Speaker, we in the Liberal Party say no to the sacrifice the Progressive Conservative Government wants to impose on our elderly. We in the Liberal Party say: we are going to fight this Government to ensure that our elderly get the social justice to which they are entitled.

* * *

[*English*]

DISARMAMENT

STATEMENT ISSUED BY WOMEN'S INTERNATIONAL PEACE CONFERENCE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Women's International Peace Conference which ended in Halifax this past weekend called for significant initiatives in advancing world peace. The official statement issued at the end of the conference calls for a comprehensive test ban treaty, an end to research, testing, development, and deployment of all weapons of mass destruction, and an end to the militarization of space.

At this time of foreign policy review, a peace statement which reflects the views of many Canadians deserves strong support from the Government. A telex of the official statement has gone to the Prime Minister's Office and a Conservative Member of Parliament in attendance at the conference has also brought him a copy. I urge the Prime Minister (Mr. Mulroney) to use his good relations with Soviet Leader Gorbachev and President Reagan to press them to negotiate in good faith. I urge him to take decisive action in stopping Canada's participation in the testing of Cruise missiles over Canadian territory. I urge him to act on the opposition of most Canadians to Canada's participation in President Reagan's star wars program.

The Women's Conference in Halifax gives us hope that reason will prevail in the international power play. The Canadian Government must take the hope this statement expresses, and act decisively.

* * *

SPORT

TRIBUTE TO EDMONTON OILERS, STANLEY CUP HOCKEY CHAMPIONS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, Edmonton, my home city, has produced superb championship sports teams. In an earlier era, the Edmonton Grads were the world's best women's basketball team, and for 25 consecutive years most players were from Edmonton, and they were amateurs.

In recent times, the Edmonton Eskimos reigned supreme in the Canadian Football League, winning the coveted Grey Cup

five consecutive years, an unprecedented record, and a number of players were from Edmonton. On Thursday, May 30, the Edmonton Oilers won the Stanley Cup for the second year in a row. Last fall eight Oilers played on Canada's victorious team for the 1984 Canada Cup, considered to be the world championship.

For championship teams, Edmonton has an unequalled record. The Edmonton Oilers have Wayne Gretzky, the acknowledged "world's" best hockey player. A number of other players are considered to be in the superb class. Naturally, we have a few players native to Edmonton.

The Oilers' excellence is due to a combination of good business and team work. The general manager and coach, Glen Sather, must be given credit for assembling and fusing these excellent hockey players into a team of such excellence that they are forging a completely new dimension of hockey in North America, and, indeed, the world.

● (1410)

Peter Pocklington, owner and entrepreneur, is responsible for the Edmonton Oilers, and made it all happen. The City of Edmonton continues to represent the very best in Canadian sports, and that has been recognized around the world.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

RE-ESTABLISHMENT OF DEATH PENALTY

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, last weekend once again, in the Montreal Region, two heinous crimes were perpetrated on young people, including one girl from Longueuil who was raped and murdered and a five-year old child from Ville Emard who was sexually assaulted and fatally beaten, and whose body was found in my riding. A few weeks ago, an elderly couple was murdered for the sake of $70, and in the last few months, many more such murders have been committed.

Mr. Speaker, it has become very urgent to re-open the debate on capital punishment in Canada, and I am addressing these words especially to my colleagues, the Solicitor General (Mr. MacKay) and the Minister of Justice (Mr. Crosbie), in the hope that the Government will table, as soon as possible, a bill to restore capital punishment in Canada.

Although some people tend to say that bringing back capital punishment would be a return to barbarism, I wonder whether they feel the same way about the perpetrators of these foul murders. Imagine, sexually assaulting a defenceless five-year old child and beating it to death. It is too horrible for words. If that is not barbaric, I wonder what is.

Finally, Mr. Speaker, I hope that the police will manage to arrest the murderers so they can be brought to trial and sentenced. As for the victims' families, I offer them my sincere sympathy.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—STATEMENTS MADE BY UNITED STATES SENATOR KENNEDY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, last Friday in Toronto, Senator Kennedy acknowledged a long-standing problem in his address to the Canadian Acid Rain Coalition. The problem he recognized is that the utilities and other powerful interests in the United States are determined to block congressional action on the problem of acid rain. Senator Kennedy also recognized the appointment of two special envoys on acid rain for what it really is, a delaying tactic. Kennedy sees little purpose in having two individuals conduct yet another study to determine if there is an acid rain problem.

While waiting for envoys to deliver the impossible, because they have no political clout, our forests, fisheries, lakes, buildings, and structures continue to suffer from the damaging effects of acid rain. Instead of waiting, the Government should take an active role in urging Canada's friends and allies to exert pressure on the United States between now and July 30 when, in Helsinki, 20 countries will sign an agreement to reduce acid rain emissions by a minimum of 30 per cent by 1993. It should be the highest priority of the Canadian Government to do everything in its power to ensure that the United States joins us and the other 20 nations in signing that agreement in Helsinki next month.

* * *

FINANCE

REGULATIONS GOVERNING REGISTERED RETIREMENT SAVINGS PLANS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, a person who owns a Registered Retirement Savings Plan is entitled at any time until the age of 71 to cash in that plan, pay the tax on it, and use the money in any way he wants. Indeed, people have used Registered Retirement Savings to enjoy a sabbatical, to put together money to purchase a business, or for any other purpose they had in mind. However, when a person attains the age of 71, Big Brother steps in. For some reason the Government has treated those with Retirement Savings Plans who reach the age of 71 as nincompoops, as incompetents, and as having the management ability of an infant child.

By edict, the Government demands that anyone who has a Registered Retirement Savings Plan must either convert the plan and purchase an annuity from a life insurance company or, in the alternative, enter into a Registered Investment Fund arrangement with a trust company, when he reaches 71. We trust people to save their own money until they reach the age

of 71. However, when they turn 71, all of a sudden treat we them as second-class citizens.

I call on the Government to change immediately the provisions of the Income Tax Act, to allow those over the age of 71 the right to continue to manage their Registered Retirement Savings Plans as they wish, to invest as they wish, to withdraw money as they wish and as they need, and, in short, to have the same freedom as the rest of us.

* * *

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the seeming demise of the RRAP program is causing considerable concern to municipal governments across Canada. Mayor Dick Spencer of Prince Albert has written:

> Not only has the RRAP program been a considerable benefit to the home owners whose accommodation has been upgraded, but it has had substantial impact on the small business construction industry. The program has enabled many people on low incomes, senior citizens, and working families, to maintain their homes and remain in them. We have canvassed our community and find a continuing need for this assistance, and are concerned that it might be further reduced or eliminated. Our allocation has dropped from a high of over $1,000,000 in 1977 to $280,000 in 1984, and $170,000 in 1985.

Mayor Spencer goes on to say:

> Housing is one of the vital sectors of our economy and so directly significant to the citizens of this country. We believe adequate housing is a fundamental right and this program has assisted to achieve that objective through direct senior government intervention to the home owner.

We call upon the Government to increase RRAP funding to its previous high levels. The program's socio-economic benefits will far outweigh its costs.

ORAL QUESTION PERIOD

[*English*]

FINANCE

PROPOSAL TO CREATE INDEXED BONDS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question this afternoon is for the Minister of Finance who, on the CBC this morning, told us that he might consider the creation of indexed bonds for investors. I wonder if he could explain to the House and the Canadian people the rationale or logic that exists in his mind behind giving investors protection against inflation for investment income, while at the same time depriving those Canadians who depend on Old Age Security of full indexation to protect their incomes.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, perhaps I should ask the Hon. Member to discuss that matter with his Leader. Last August, the Leader of the Opposition suggested that this was the way to save money in interest costs. I would point out to the Hon. Member that today we are paying between 10 per cent and 11 per cent on normal bonds. There are some people who suggest that we could issue indexed bonds at rates of 7 per cent to 8 per cent. We are exploring this as a possibility and, if it proves to be a way of saving money, perhaps it is something we will do.

* * *

PENSIONS

MONITORING OF BUDGET'S IMPACT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, it is interesting that the Minister has to reach into the Liberal platform for the first fresh idea he has provided the House. The proposal put forward by the Leader of the Opposition when he was Prime Minister was not to deindex at the same time the incomes of those Canadians who were surviving on Old Age Security payments.

I am sure the Minister of Finance will correct me if I do not paraphrase him correctly, but I believe the Prime Minister said yesterday that he would monitor the situation and that, as resources became available, he would monitor those resources and establish full indexation if that were possible. He would no longer be monitoring hardship but would be monitoring resources. I wonder if the Minister of Finance would be able to tell us that this is not arbitrary, and what level of growth beyond that which is in his Budget is necessary, in his mind, in order to establish full indexation for the beneficiaries of Old Age Security.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in two places the Budget said that we would be monitoring not only the performance of the economy and the financial performance of the Government of Canada but also the impact on elderly people. It indicated that, if resources permit, we will take the opportunity to enhance these programs. That is something that we have to watch carefully as time goes by, before we make a decision.

MINISTER'S POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, perhaps the Minister of National Health and Welfare could defuzzify that response for us. We know that the Minister of National Health and Welfare is interested in re-establishing full indexation as quickly as possible. In view of the statements he has made in the House, could he tell us what level of projected growth must be reached before he will insist to the Minister of Finance and the Prime Minister that full indexation be established? It is important that the elderly poor know that this figure is not arbitrary but that targets have been established, targets to which the Government will adhere.

● (1420)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member feels that

growth in the economy is now possible, and that the direction has been set in which growth can be maintained, sustained, and developed. I am pleased that he has accepted that. What I would say to him, as the Prime Minister said yesterday, is that we are monitoring the situation. I said that the situation would be monitored and that the Government would make a decision in the light of those statistics as they become available.

REQUEST THAT BUDGET MEASURE BE RESCINDED

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it is an unfortunate day when the Prime Minister accuses anyone in the country who is opposed to the OAS reductions of promoting class warfare. Whether or not he knows it, that is an insult to the 2.5 million senior citizens who are opposed to those reductions.

My question is directed to the Minister of Finance. Given that the Atlantic Liberal caucus, during the last week, heard from senior citizens in Atlantic Canada, who, in their own words, are normally calm, moderate intelligent and mature, and given that those same senior citizens have described the Budget as immoral, indecent, dishonest—and to use a new buzzword, it stinks—is the Minister of Finance prepared to accept the reality that senior citizens do not support this measure? Will he reverse these Draconian measures which will increase an already unacceptably high number of senior citizens who live at or below the poverty line?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to ask the Hon. Member, when he was meeting with the senior citizens and others in Atlantic Canada, whether he set out very clearly the over-all thrust of the Budget, which is to create jobs through the private sector, to reinforce the clear record of success which we have had. Since September 4, 271,000 jobs have been created.

Some Hon. Members: Hear, hear!

Mr. Allmand: But we still have 10.5 per cent unemployment.

Mr. Wilson (Etobicoke Centre): The Hon. Member for Notre-Dame-de-Grâce-Lachine East has reminded me that unemployment is down from 11.6 per cent to 10.5 per cent. I thank him very much for reminding me of that.

As that performance in the economy continues, as we are confident it will, then we will be able to look carefully at all ranges of social programs, and we will do what the country can afford. That is the direction in which we are going, and I hope he has clearly made that point to the people with whom he has met.

REQUEST THAT MINISTER MEET SENIOR CITIZENS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I want to assure the Minister of Finance that senior citizens do not need to be lectured by anybody. They are intelligent, they are articulate, and they understand that the Budget is not fair. They do not need lectures from me, and they do not need lectures from the Minister. I will tell the Minister that they are coming to Ottawa.

Is it fair to ask a pair of senior citizens in their eighties, with $100 of discretionary spending a month, to bear the burden of deficit reduction in Canada? Is that fair? Is the Minister of Finance prepared to set aside a day to meet, in a public forum in Ottawa, with those senior citizens from whom we heard in Atlantic Canada? The Minister had better reverse himself now, to avoid the spectacle of swallowing himself whole when he does reverse himself when the senior citizens of the country get organized. I tell you, they are coming to Ottawa—

Some Hon. Members: Question.

Mr. Speaker: Order, please.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it very clear that there is no one on this side of the House who is happy doing what we have been doing.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): There is a fundamental reason for it. The fundamental reason is that the interest costs of the Government have grown from $8 billion to $25 billion over a six-year period. The accumulated debt of the country is increasing three times faster than the country is growing, and the interest costs to the Government of Canada are exceeding the total amount of what the federal Government spends on medicare, OAS and GIS. Clearly there is a problem. If the Member is worried about fairness, what is fair about a baby being born and having a debt of $7,000 put on its head the minute it is born, knowing that five years from now, when the baby starts school, that it will have a $14,000 debt if nothing is changed? That is why something has to be done.

Some Hon. Members: Hear, hear!

* * *

FINANCE

PROPOSAL TO CREATE INDEXED BONDS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. Last week he went to Montreal and told Canadians that there were not enough rich people in the country. Yesterday he went to Quebec City and announced a proposal to make the rich richer. Is it his concept of justice for the Government of Canada to bring down a Budget that reduces indexation for pensioners, which will increase the number of pensioners living in poverty by some 200,000, and then, a few days later, announce that it will introduce indexation to protect the income of all those rich Canadians who invest? Is that his concept of fairness?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker, and I believe the Hon. Member knows that the premise of that question is totally false.

What is happening is that the Government of Canada is paying between 10 per cent and 11 per cent on marketable bonds. Some people in the marketplace have proposed that we should consider indexed bonds because they can be issued at between 7 per cent and 8 per cent. That amounts to a saving of some $30 million to $40 million on a bond issue of $1 billion.

The Leader of the New Democratic Party cannot have it both ways. He cannot tell us to look for other ways of saving money, and then turn around and say that we should not try to do something which some people have said will save $30 million to $40 million.

INVESTOR PARTICIPATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister cannot have it both ways. He cannot take away indexation from the pensioners and give it to the investors of Canada. That is what he is doing.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I would like to ask the Minister, as we have checked with a stock brokerage firm today, will he admit to the House—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —he has talked about the bonds which he wants to create—

Some Hon. Members: Name it.

Mr. Speaker: Order, please.

Mr. Broadbent: Will the Minister acknowledge that it is not the ordinary pensioner who will be able to take his money and buy stocks? In fact it will be, as the stock brokerage firm informed my office, wealthy individuals on the one hand, and large corporations on the other hand, which will use his scheme. Will he admit that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would suggest that the Hon. Member change his broker, because that is wrong. Buyers of indexed bonds, if they are to meet any sort of successful response in the marketplace, would be pension funds, insurance companies, and those financial organizations which are established to provide for the retirement income of Canadians. That is the market at which we are directing the proposal. It is not for corporations, and it is not for upper-income people. It is for the companies which are providing pensions for the many unionists whom the Hon. Member says, he likes to represent.

REQUEST THAT PROPOSAL BE DROPPED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister is in a nice position to give some assurance to Canadians. He has talked about pension funds for pensioners. He does not have to wait for a monitoring process, which will go on for a number of weeks or months, to admit that pensioners will suffer because of this measure. If he is concerned about pensioners, will he now tell the House that the Government will restore indexation for pensioners, and that it will not proceed with its scheme to give investors a special break until all groups of Canadians are protected against inflation?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear that this proposal, if you want to call it a proposal, had been discussed by the Liberal Party when it was in government—

Mr. Broadbent: So?

Mr. Wilson (Etobicoke Centre): —and it was raised with me during my time as Minister of Finance, as a proposal. There is nothing imminent about it. Nothing is going to happen tomorrow or next month. It is something we are trying to explore to see whether there are ways of saving money for the Government of Canada and, through the Government of Canada, for all taxpayers.

I would hope that the Leader of the New Democratic Party would give us some support in trying to control government spending, so that we can then restore some of the social programs which all Canadians, including my colleagues on this side of the House, would like to see in place.

* * *

[*Translation*]

OLD AGE SECURITY

SOCIAL PROGRAMS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister of Canada.

Mr. Speaker, I think everyone is aware that this Government is more concerned about helping the rich than trying to help the needy.

Mr. Speaker, last January, five months before this Government came to power, the Prime Minister was aware of the Government's financial situation, he was aware of the national debt, and at that time, through his Minister of National Health and Welfare, he promised that changes in social programs would not be used to reduce the deficit.

My question is as follows: Could the Right Hon. Prime Minister explain to the House, and perhaps he would care to look me in the face instead of reading, could he explain to Hon. Members and all senior citizens in Canada what made his Government renege a second time on its commitments to senior citizens?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what happened is that last Friday, we were informed that

70,000 new jobs were created in Canada, that interest rates dropped by 29 base points, that automobile sales rose 29.9 per cent during the month of April, and that today, for the first time, real investment in Canada will have increased by approximately 13 per cent.

For the first time since we inherited this extraordinary Liberal legacy, we are seeing signs of progress in our economy which I think should be encouraging to everyone, and which, if the pace is maintained—and we will be monitoring it regularly and closely—will enable us to ensure that a renewed economy can be used to improve and maintain Canada's socio-economic programs which were placed in serious jeopardy by the approach taken by the Liberal Government, as pensioners know so well.

Mr. Malépart: Mr. Speaker, why deprive the elderly of their Old Age Security pension? Why turn on the neediest in Canada? My supplementary will therefore consider two aspects of the question.

I want to ask the Prime Minister first of all, why, if he failed to meet his previous commitment, he would be any more likely to meet the commitment made in the Budget, namely that he will be monitoring the situation of the elderly? Why would he be telling the truth this time, when he did not keep his word before?

Finally, Mr. Speaker, could the Prime Minister inform the House why he preferred to spend $56 million to change the colour of military uniforms and $400 million over the next four years to send more members of the Canadian Forces to Europe, instead of protecting the elderly here in Canada? Why did he do that?

Mr. Mulroney: Mr. Speaker, all Canadians and all Quebecers are aware that for fifteen years, the Liberal Government did everything it could to undermine the credibility of our Armed Forces across Canada. It is common knowledge, and that is one of the reason why they were repudiated at the polls.

Furthermore, Mr. Speaker, I suggest we ask for the unanimous consent of the House to award a special prize, an Oscar to the Hon. Member for his brazen nerve, because two years ago, they were saying the exact opposite. They were the game people who cut the elderly off at 6 per cent. That is what the Liberal Party did, the bunch of hypocrites!

* * *

[*English*]

FINANCE

PROPOSAL TO CREATE INDEXED BONDS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Does the Minister think it is fair to propose a scheme for the indexing of investments, a scheme which guarantees not only protection from inflation for those investors but also guarantees them a return on that investment, while at the same time moving to partially deindex the pensions of old age pensioners? Does the Minister of Health, responsible for pensions, think it is fair for the Government to offer to protect the investors' incomes against inflation, while requiring the pensioners to accept all of the burdens of the loss of their income?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has heard the explanation of the Minister of Finance.

Mr. Broadbent: That's why he asked you.

Mr. Epp (Provencher): The Hon. Member has clearly, I hope, understood—or at least listened to—the proposal put forward by the Minister of Finance—

Mr. Deans: I understand.

Mr. Epp (Provencher): —that if moneys can be saved for the taxpayers of Canada, that is a responsibility he has. That is a responsibility not only of every member of Cabinet but it should be a responsibility and objective of every Hon. Member of this House of Commons.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, there is a responsibility on all Hon. Members here to be fair to the senior citizens. But I am asking the Minister of National Health and Welfare if he thinks it is fair today to propose that, through some measure brought forward by the Minister of Finance, we will make sure that those who invest in Canada are protected against inflation to the fullest extent, plus receive an income, while at the same time we are moving to deindex the pensions of senior citizens—partially, but nevertheless to reduce their incomes? Is that fair?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe what should be fair—

Mr. Rodriguez: Is it fair?

Mr. Blaikie: Answer the question.

Mr. Epp (Provencher): —is that we want to get the economy working, that we want the economy turned around—

Mr. Waddell: Why do it on the backs of seniors?

Mr. Epp (Provencher): —that we want to protect seniors' pensions, that we want to protect their future pensions, and that we want to protect the jobs which Canadians must have.

Mr. Rodriguez: Is it fair?

Mr. Blaikie: Answer the question.

Mr. Epp (Provencher): All that is part of the equation of living in society, and I think that when we talk about fairness we should look at the entire package rather than the specifics

which the Hon. Member wants to raise in the House of Commons so that he can get on evening TV.

Mr. Broadbent: So do you, with that answer.

* * *

THE ADMINISTRATION

STATEMENT MADE BY MINISTER OF JUSTICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. Yesterday we heard the Minister of Justice tell the House and the country that, to use his own words, "his brother Andrew was innocent and didn't owe the Government one red cent", in connection with claims of which National Revenue has given his brother notice. Does the Prime Minister consider it proper and acceptable for the Minister of Justice to take sides like that?

Some Hon. Members: Oh, oh!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am very reluctant, not knowing anything about the case, to comment on anything which might become the subject of litigation at a future date. I understood yesterday's exchange to be much more related to an accusation which had been raised by a Liberal Member of Parliament, which impugned a member of the Minister's family, about which he, as a Member of Parliament, attempted to set the record straight. That was my understanding.

PROCLAMATION OF BROTHER'S INNOCENCE

Hon. Bob Kaplan (York Centre): Mr. Speaker, that question may be resolved in other proceedings which will take place in the House, but what the Prime Minister has a responsibility for is his Minister of Justice taking sides in any matter before the courts.

An Hon. Member: Oh, come on.

Mr. Kaplan: The Prime Minister has indicated that he himself won't be taking sides because he does not know the facts. But does he think it is proper for the Minister of Justice to stand here, or in the hall outside, and influence, or attempt to influence the way things may develop, by proclaiming his brother's innocence? Is that a proper course to follow for the Minister of Justice of this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, does the Hon. Member feel that it is improper for an Hon. Member from any part of the House to rise—

An Hon. Member: He's a Minister, come on.

Mr. Mulroney: —or a Minister—and attempt to deal objectively with an allegation—

Mr. Nunziata: Objectively? He was ranting and raving.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Mr. Speaker, I will be careful, because I know how offended the Hon. Member for York South-Weston is by ranting and raving.

Some Hon. Members: Oh, oh!

Mr. Mulroney: But that was my understanding of it. I would, quite frankly, in the presence of a loose allegation of that kind, defend with vigour the right of my hon. friend, if that kind of accusation was made against a member of his family, to rise and have it clarified.

* * *

● (1440)

THE BUDGET

EFFECT ON ATLANTIC PROVINCES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister for Bay Street, the Minister of Finance. He will know that over the last number of days it has become clear that any advice the Minister received from Atlantic Canada prior to the Budget was thrown overboard on May 23. The Budget is very clearly biased against Atlantic Canada. Not only does it pick on those who are most vulnerable, the seniors, it also picks on the most vulnerable region, Atlantic Canada. Is the Minister of Finance prepared to stand in his place today and defend a Budget which will short circuit economic development in Atlantic Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Budget took very much into account the interests and concerns of Atlantic Canada. I am sure the Hon. Member would be quite interested in the comments made concerning the Liberal task force down there: "There is very little spontaneity in the meetings. The politicians sitting at the head table could not resist the opportunity to make speeches and dominate the proceedings". This is because, as the Hon. Member knows, there were no other people at the meeting except the politicians and the media.

Some Hon. Members: Hear, hear!

Mr. Broadbent: A typical Liberal meeting.

Mr. Epp (Provencher): Is that right, Brian?

Mr. Tobin: You just hung yourself.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Leader of the New Democratic Party says—

Mr. Tobin: You just hung yourself—

Mr. Speaker: Order, please.

Mr. Tobin: —and you are too foolish to know it.

An Hon. Member: Shut up!

Some Hon. Members: Hear, hear!

Mr. Tobin: That is what you are telling the people of Atlantic Canada, to shut up.

Some Hon. Members: You!

Mr. Speaker: I invite the Hon. Member to be quiet.

REQUEST FOR RECONSIDERATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, perhaps there are some interesting people at Liberal gatherings, but the Conservative Premier of Prince Edward Island said the Atlantic Provinces got short circuited in the Budget. The Conservative Premier of Newfoundland said the other day that the Budget fails to address regional disparity.

The Minister of Finance has clearly indicated that if, there is undue hardship on senior citizens as a result of deindexing, the Government will reconsider that move. Will he, as a sensitive Minister for the Atlantic Provinces, in theory, have a look at the Budget provisions which impact negatively on that part of Canada?

Mr. Clark (Yellowhead): You are pretty good in theory, Nelson, when you are across the floor.

Mr. Riis: This Budget is definitely biased against that part of Canada. Will he reconsider what it is doing to Atlantic Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to ask the Hon. Member to reconsider the question, because 10,000 jobs were created last month in the Province of Nova Scotia. So good things are happening in Atlantic Canada.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Members opposite wonder why these things are happening. They are happening because there is a good response to the philosophy and style of this Government and the direction it is following in encouraging—Mr. Speaker, it is hard to compete with the fog-horn on the other side of the floor.

The Atlantic Provinces, like all parts of the country, are responding positively to the direction the Government has been following since September 4, and will continue to respond positively as time goes by.

* * *

NUCLEAR ARMAMENTS

FUTURE OF NON-PROLIFERATION TREATY

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Last year, the fortieth of the nuclear age, saw the world experience 35 nuclear explosions. The future of the Non-Proliferation Treaty depends to a great extent on the credibility of the nuclear powers. In light of the uncertain future of the NPT, will the Minister support its future by calling upon all nations to cease and desist from further nuclear testing as a sincere way of showing support for the Non-Proliferation Treaty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the review of the Non-Proliferation Treaty occurs, as the House knows, later this summer, in August and September, with an eye toward trying to achieve a successful result of that conference. Canada's Ambassador for Disarmament has been meeting with representatives of other countries, nuclear and non-nuclear powers, and through the Department of External Affairs we have been in touch with countries which are not yet signatories to the Treaty, urging that they affix their signatures to that document. We will continue to follow every means open to us to try to assure the regime of the Non-Proliferation Treaty.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SASKATCHEWAN MINISTER OF REVENUE AND FINANCIAL SERVICES

Mr. Speaker: May I indicate the presence in our gallery today of the Hon. Paul Rousseau, Minister of Revenue and Financial Services for the Province of Saskatchewan.

Some Hon. Members: Hear, hear!

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ENERGY

PETROLEUM INCENTIVES PROGRAM

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the fact that the Minister is meeting with her Nova Scotia counterpart this week, does she still stand by her commitment to that Minister that the Petroleum Incentives Program will be replaced by a frontier incentives program?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, there are a number of items on the agenda for our talks tomorrow, and I am sure that in the course of those talks we will certainly be concentrating on the subject the Hon. Member has introduced.

REPLACEMENT INQUIRY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, first she says yes, and now she says she does not know. Who is speaking for the Government on energy matters? Is it the Minister? Is it the Minister of Justice, who said in Halifax that the Government has to be convinced a new incentive is needed? Is it the Minister of Finance, who told Members of the oil industry in the West that when it comes to

special measures to encourage northern and offshore exploration we need to be pushed, "by You"? Who is speaking for the Government on energy matters, and are we going to get a replacement for the Petroleum Incentives Program?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member ignores the fact that under the grandfather clause of the present PIP grants there will be something like $2.5 billion spent in the offshore and the Beaufort over the next few years. That is a very generous grandfather provision. The best incentive for oil and gas development is going to be the development of Venture and Hibernia, and those projects are progressing. Adjusting the incentives is, as I said, one of the things we will be discussing with the Nova Scotia Energy Minister tomorrow.

* * *

[*Translation*]

TRANSPORT

REPLACEMENT OF MEMBERS OF THE BOARD OF THE PORT OF QUEBEC

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Transport. Members of the Board of the Port of Quebec have just been informed that they are to be replaced, against their will, by a new board that is to be appointed by the Conservative Government and that will be more favourably inclined towards the policies of that Government. Could the Minister inform the House why the Government continues to consider this board of directors as a repository of Conservative patronage instead of providing for local autonomy as in other ports like Toronto and Hamilton, by letting the municipalities appoint port commissioners?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member knows that members of the Quebec Port Corporation serve at pleasure and there are some changes to be made in the port directorship. Those changes will be announced in due course.

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[*Translation*]

PORTS

REASON FOR NON-INVESTMENT IN QUEBEC OF PROFITS MADE BY PORT OF QUEBEC

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, according to the Budget, from now on, port administrations will have to return any financial surpluses to the Federal Government. Since the Port of Quebec is one of the ports in Canada that shows a profit, could the Minister explain to the House why the profits of the Port of Quebec are not left with the Port to be invested in Quebec instead of being given to the Treasury to be spent elsewhere in Canada, without any positive economic impact for the Quebec region?

• (1450)

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, there are several ports in Canada that operate at a surplus. That surplus is funneled through the Canada Ports Corporation. When there are surpluses they accrue to the Consolidated Revenue Fund, and that is what was contained in the Budget.

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[*Translation*]

ADMINISTRATION OF JUSTICE

RE-ESTABLISHMENT OF DEATH PENALTY—GOVERNMENT POSITION

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, my question is directed to the Solicitor General.

In view of the increasing number of heinous crimes in recent months and considering that 25 to 35 years in prison does not seem to act as a deterrent, and also considering that in a survey I made in my riding, 80 per cent of respondents said they agreed with bringing back capital punishment, could the Solicitor General inform the House whether he intends to table, in the near future, a Bill to restore capital punishment in Canada?

[*English*]

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I appreciate the question of the Hon. Member which illustrates his concern for a very sensitive issue. Earlier in this Parliament the Right Hon. Prime Minister indicated the hope that, sometime during the life of this Parliament, there would be a chance to deal with this issue. At the present time the priorities of the country and the House are for economic renewal. I will certainly take the Hon. Member's question as a representation.

* * *

NATIONAL PARKS

PARKS POLICY—MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment who has developed an amazing skill of upsetting Canadians from coast to coast whenever she is interviewed on environmental matters, no matter which official language she chooses to speak in. Is she prepared to confirm that she firmly supports the 1979 Parks Canada policy that reads as follows:

> Commercial exploration, extraction or development of natural resources will not be permitted in a national park.

Will she therefore withdraw the dreadful statement that she made on this subject last week?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, if the Liberal environment critic had bothered to read the whole article, he would not be reacting to a headline that failed to reflect accurately the content of an hour-long interview. Canada's parks are part of our national heritage, and I intend to protect, improve and beautify them.

[*English*]

REQUEST FOR MINISTERIAL ASSURANCE

Hon. Chas. L. Caccia (Davenport): Since she has withdrawn her statement, is the Minister now prepared to assure the House, and concerned Canadians from coast to coast, that she will not review or change the present policy of Parks Canada, namely, that there will not be any mining, timber cutting, or other activities in conflict with Parks Canada policy?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I repeat that if the Hon. Member would stop reading newspaper headlines all the time, he would know about the many statements I have made before the Standing Committee of the House.

I believe that the stupidity of the Hon. Member's questions is equalled only by his abysmal lack of sincerity.

* * *

[*English*]

AGRICULTURE

UNITED STATES RULING ON CANADIAN HOG EXPORTS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. We now have the ruling of the U.S. Commerce Department on the hog countervail. Can the Minister explain to the House what actions, if any, the Government is prepared to take to meet the conditions laid down by the U.S. ruling in order that the countervail will be withdrawn?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I share the concern of the Hon. Member on the issue which he has raised. This is not good news for us, or for the Canadian pork industry. However, this is not a final decision. The matter has been referred to the U.S. Trade Commission which will have to prove injury or damage to the U.S. pork industry. We have been successful in previous cases. We will be utilizing every opportunity possible to continue making representations on the issue, in hope that a positive, final decision will be rendered on or about July 25.

UNITED STATES POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my supplementary question is directed to the same Minister. Given the response from the United States thus far, is there any indication that the Government will withdraw the proposed stabilization amendments which do not seem to meet with the approval of the U.S. Commerce Department?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not exactly sure what the Hon. Member is referring to in his question. We must recognize that the greater part of the bonding provision results from traditional payments under the federal stabilization program coupled with numerous provincial stabilization payments. The message to be received from that is that we should attempt to move toward the tripartite stabilization plan which is currently before committee and the House.

* * *

[*Translation*]

ADMINISTRATION

PORK INDUSTRY—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister.

This morning we had an opportunity to meet with Quebec producers who readily told the committee they are convinced that they have been betrayed by the Government. Earlier the Prime Minister attempted to tell us that everything is going just fine, but I would point out to him that tragedy has just struck the pork industry in Canada and that the American decision is siphoning $200 million from the industry. The Minister is saying he will wait until July 25.

Mr. Speaker, would the Minister tell us whether he intends to wait for the fourth decision—he has already lost the first three and we happen to know that his inaction will lead to many bankruptcies in the pork industry—or whether he will do something now rather than wait until he is once again faced with a unilateral decision by the American Government?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Government has not abandoned the Quebec pork producers or any other producer group in the country. One can simply look at the facts to see what we have achieved since assuming office on September 17. In fact we resisted an application from pork producers to make additional stabilization payments. That was not a popular or pleasant position to have to take but, upon reflection, the resistance which we exerted at the time resulted in benefit to the pork producers.

I have indicated before that this is not a final decision. It now goes back to the U.S. Trade Commission which will have to prove injury. Experience in previous cases has shown that we have been successful. We are going to continue to work

with the hog industry to utilize every available opportunity to make representations on its behalf, in order that we will be successful in the final analysis.

[*Translation*]

REQUESTS TO THE UNITED STATES PRESIDENT FOR ASSISTANCE TO PORK PRODUCERS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I wish the Prime Minister would answer and not dissociate himself from the whole thing, because as Prime Minister he is directly concerned.

President Reagan told him in Quebec City that he is as close as the nearest telephone. Does the Prime Minister intend to phone the President of the United States at the earliest opportunity and take up the cudgels for Canadian pork producers, making sure that the industry will not go belly up instead of waiting as his Minister wants to do? He lost three times in the United States and seems prepared to lose a fourth time while the situation is deteriorating rapidly.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I fail to understand why the Hon. Member is always so intent on making such unfounded cases against his colleague. The Minister of Agriculture gave him a complete and logical answer and we will continue to make all the necessary representations to the American administration in support of producers from Quebec and elsewhere. This is an important issue which, in our opinion, deserves a new approach on the part of the American administration. We are pushing hard in this case to obtain fair treatment for Quebec producers.

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[*English*]

NATIONAL PARKS

ECONOMIC ACTIVITIES—REQUEST FOR MINISTER'S RESIGNATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Prime Minister and follows from the question asked by the Hon. Member for Davenport of the Minister of the Environment. The Minister of the Environment has consistently refused to answer questions in the House in a mature and comprehensive way. Could the Prime Minister tell us, on behalf of the Government, whether the Government will ensure that the kinds of economic activity referred to by the Member for Davenport will not take place in our national parks? While he is at it, would he consider asking the Minister of the Environment for her resignation, given the ripples of anxiety that she consistently causes among Canadians concerned about the environment, and her many offences against the environment since she was elected?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I noticed a number of Members twitched when the Hon. Member used the term maturity—

Mr. Broadbent: Only in the Cabinet.

Some Hon. Members: Oh, oh!

Mr. Mulroney: —particularly his colleagues. In point of fact the comment is unfair. The Minister has just provided a very thorough and, I thought, proper response to the Member's first question.

Some Hon. Members: Oh, oh!

Mr. Deans: Better read *Hansard*.

Mr. Broadbent: Answer the question.

Mr. Mulroney: Last week I was given an opportunity to provide an appropriate answer to the same Member with regard to the Government's intentions in this area. I think also that the Hon. Member, who is so interested in this, should from time to time acknowledge that the Minister was the first person to bring in such a massive and successful program to clean up the Canadian environment, and that she should be encouraged for that kind of action—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —as opposed to a Minister who did absolutely nothing for years and years.

Some Hon. Members: Hear, hear!

Mr. Speaker: A very short supplementary question.

REQUEST FOR COMMITMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Prime Minister's gift for exaggeration does not mask the fact that there are very serious problems. I would ask the Prime Minister to answer the question asked of the Minister of the Environment by the Hon. Member for Davenport, and give a commitment that there will not be those kinds of economic activity in our national parks. Yes or no? Just answer the question.

Some Hon. Members: Hear, hear!

Mr. Blaikie: It is you I asked the question of, in case you did not get the message.

Some Hon. Members: Oh, oh!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sorry the Hon. Member was not speaking loudly enough.

Some Hon. Members: Oh, oh!

Mr. de Jong: You were not listening. You do not listen to the pensioners. You listen to no one.

Mr. Mulroney: The Progressive Conservative Party takes a back seat to no one, least of all the NDP, when it comes to protecting the environment.

Some Hon. Members: Hear, hear!

Mr. Mulroney: No one has any lessons to learn from you.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, June 10, 1985, meet the requirements of the Standing Orders as to form.

* * * *

Mr. Speaker: I am in receipt of a notice of a question of privilege from the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

* * *

[*Translation*]

POINTS OF ORDER

CONFORMITY WITH RULES OF PRIME MINISTER'S REMARK

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I wish you would ask the Right Hon. Prime Minister (Mr. Mulroney) to withdraw what he said about me this afternoon and on another occasion last week. Last week, I decided to let the matter pass, but today, for the second time, the Right Hon. Prime Minister has called me a hypocrite.

Mr. Speaker, I may remind you, with respect, that in Beauchesne's, on page 108, chapter 7—

Mr. Speaker: Is the Hon. Member making a presentation on language in the House?

Mr. Malépart: Yes, Mr. Speaker.

Mr. Speaker: The kind of language used by another Hon. Member?

Mr. Malépart: The language used by the Right Hon. Prime Minister in referring to me.

Mr. Speaker: So in fact, this is a point of order.

Mr. Malépart: Yes, Mr. Speaker, I wish to raise a point of order. As I said before, for the second time, the Right Hon. Prime Minister used unparliamentary language as defined in Beauchesne's on page 108, chapter 7. For the second time, the Right Hon. Prime Minister called me a hypocrite.

Mr. Speaker, if you would allow me to show that what the Right Hon. Prime Minister said about me is not true, because I have official papers to prove that he is mistaken—

On the other hand, Mr. Speaker, I think you should just ask the Right Hon. Prime Minister to withdraw what he said.

Mr. Speaker: What did he say?

Mr. Malépart: "Hypocrite."

Mr. Speaker: I am sorry I missed the word, so there is a complaint. It was the word—?

Mr. Malépart: "Hypocrite."

Mr. Speaker: Very well.

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I do not want to prolong this—

Some Hon. Members: Oh, oh!

An Hon. Member: Defend him.

Mr. Hnatyshyn: I think the Hon. Member would be the first to agree that he probably is the last person in this House to rise on a point of order about unparliamentary language.

Mr. Deans: That is immaterial.

Mr. Hnatyshyn: He has been yelling across the floor of this House more unparliamentary terms in this session than anybody I have seen in the course of my parliamentary career.

An Hon. Member: What about Nunziata?

Mr. Hnatyshyn: I would suggest to you, Mr. Speaker, that when the Prime Minister (Mr. Mulroney), as I recall, makes reference to statements made in that context as being hypocritical, that is not unparliamentary.

There are many, many instances when that has been ruled not only not to be a question of privilege but also it is clearly not a legitimate point of order because it makes reference to things being hypocritical, as opposed to referring to a Member being a hypocrite, which I will desist from saying.

Mr. Speaker: Hon. Members will know that the use of the word "hypocrite" has been rules both parliamentary and unparliamentary. There is no word itself which is unparliamentary; there is only a contextual circumstance in which language can be used in an unparliamentary way. What I heard amid the noise was an accusation made against what I thought were members of a political Party and not a specific Member. Had it been made against a specific Member, then I would have had a different position.

Some Hon. Members: No.

Mr. Speaker: I am sorry. I will check the "blues". Under the circumstances, what I heard was an accusation against a political Party. I will, for the sake of the record, check the record. I am sorry, under the circumstances, that was all I could hear.

ALLEGED IMPUTATION OF MOTIVES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to submit a point of order flowing from the answer to my supplementary question which I asked of the Minister of Environment (Mrs. Blais-Grenier). In her answer, in the concluding sentence, the Minister of the Environment imputed to me the motive of being inspired by bad faith. It was done in a manner, I think, not consistent with proper parliamentary language.

Maybe this escaped you, Mr. Speaker, and therefore, I would ask you please to check the "blues" and perhaps let me have the benefit of your views tomorrow. If you agree with me that the language used by the Minister of the Environment is improper and the accusation of being motivated by bad faith is improper, then I ask the Minister of the Environment to withdraw her words and apologize.

Mr. Speaker: The Hon. Member for Davenport (Mr. Caccia) has a request to which I will gladly accede. I would remind Members of the citation in Beauchesne which is very clear:

—a Member will not be permitted . . . to impute to any Member or Members unworthy motives for their actions in a particular case—

I take it that is the citation to which the Hon. Member is referring. I will, therefore, be happy to do as the Member requested and verify the record one way or the other.

ROUTINE PROCEEDINGS

[*English*]

LOTTERIES

FEDERAL-PROVINCIAL AGREEMENT ON FUNDING OF 1988 OLYMPIC GAMES

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, last September, just days after taking office, this Government announced that the Canadian Sports Pool Corporation would be wound up along with the dormant Loto Canada Corporation.

This decision was made for two very obvious, and I believe good reasons. First and foremost was the fact that the existence of the Canadian Sports Pool Corporation contravened the spirit, if not the law of the 1979 lottery—

Mr. Speaker: Could I interrupt the Minister for one second to ask two things: First, that there be an opportunity to hear him. Second I sense that in the noise we missed an earlier call for Tabling of Documents. To do that we need unanimous consent. With the consent of the House, may I revert to Tabling of Documents for one moment?

Some Hon. Members: Agreed.

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ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF WHITE PAPER ON REDISTRIBUTION

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 46(2), I have the honour to lay upon the Table in both official languages copies of the document entitled White Paper on Redistribution.

Mr. Speaker: Statements by Ministers. Again I apologize to the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) for interrupting him. The Hon. Minister of State for Fitness and Amateur Sport.

* * *

● (1510)

LOTTERIES

FEDERAL-PROVINCIAL AGREEMENT ON FUNDING OF 1988 OLYMPIC GAMES

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, we will try again. As I said, last September, just days after taking office, the Government announced that the Canadian Sports Pool Corporation would be wound up along with the dormant Loto Canada Corporation.

This decision was made for two very obvious and, I believe, good reasons. First and foremost was the fact that the existence of the Canadian Sports Pool Corporation contravened the spirit, if not the law, of the 1979 lottery agreement between the federal Government and the provinces. For this reason alone, it was necessary to terminate the sports pool as soon as possible, in order to restore a measure of trust and co-operation between the two levels of Government. Second, at the time of our announcement the corporation was losing approximately $1.5 million per week. Suffice it to say, the sports pool was a burden which Canadians could ill afford to bear.

In the spirit of greater federal-provincial co-operation, not to mention fiscal responsibility, the cabinet decision was obvious. Within days of the resumption of the new parliamentary session, Bill C-2 was introduced, thus beginning the legislative process of winding up both the sports pool and Loto Canada.

Of course, this left us with the problem of raising the necessary non-tax revenue dollars toward our commitment to the 1988 Winter Olympic Games in Calgary. I immediately approached the provinces with a view to having them share with us this financial commitment, in light of the tremendous economic impact the games would have on all regions of Canada. Specifically, I am pleased to announce that a recent

study concluded that the games will indeed contribute approximately $1.2 billion in new economic activity and 28,000 new person-years of employment.

As well, in return for the support of the provinces, I recommended that we clarify once and for all by way of legislation the federal-provincial relationship as it pertains to lotteries. Based upon our show of good faith, the provincial Governments were more than willing to sit down and talk.

As negotiations ensued, it was determined that the Department of Justice, along with the Interprovincial Lottery Corporation and in co-operation with the provinces, would propose draft amendments to the Criminal Code for our consideration, proposals which could protect the provincial *status quo* in the field of lotteries. In return, it was proposed that the provinces would pay $100 million in non-tax revenue dollars to go toward the funding commitment of the federal Government to the games.

Over the course of the past nine months, much intensive work and many hours of negotiations have taken place. In this regard I should like to take this opportunity to thank my provincial colleagues responsible for lotteries for the co-operative and open manner under which these negotiations were conducted.

On that note, I am very pleased to announce that as a result of these extensive consultations and negotiations I have concluded today, on behalf of the Government of Canada, an agreement with the provincial Governments whereby the provinces will contribute $100 million to the federal Government in three equal payments over the next three years. For our part, my colleague, the Minister of Justice (Mr. Crosbie), will be introducing legislation in due course which will propose amendments to the Criminal Code guaranteeing the protection of the provincial *status quo* in the field of lotteries.

It goes without saying that this agreement will greatly contribute to the future promotion of federal-provincial relations and in fact confirm that a new era of co-operation is a reality. Indeed, it is as great a day for Canadian sport as it is for Canadian federal-provincial relations. It is with this newfound sense of friendship and co-operation that we can look forward to both a "best ever" performance by our young athletes and hosting the most successful winter Olympics held anywhere in the world.

Some Hon. Members: Hear, hear!

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise today on behalf of my Party to respond to the statement of the Hon. Minister of State for Fitness and Amateur Sport (Mr. Jelinek). I congratulate the Minister for being successful in obtaining a total of $100 million from the provincial Governments for the 1988 Winter Olympic Games in Calgary.

The Minister suggested for a number of months that he was seeking to secure this type of arrangement from the provinces. The sports community in general will indeed be heartened by today's news. It will also be reassuring to the athletes, to the Olympic organizing committee and to all those involved in staging the 1988 winter games.

However, notwithstanding this announcement, the federal Government has made a commitment of some $200 million in federal contributions to the winter games. With the provincial share, plus an Olympic coin program, there is a shortfall of between $50 million and $70 million, depending upon how much the Olympic coin program generates. Toward this end, I think it would be incumbent upon the Minister and his Government to inform the House and Canadians, as well, from where the remainder of the federal contribution will come, how these funds will be generated, and when they will be generated.

These are fundamental questions which need to be answered so as to provide certainty and consistency to all interested parties involved in staging the Olympic games, that is, that the promised funding plan will indeed be maintained in full and in time.

The second important aspect is whether the agreement with the provinces is a one-time arrangement or whether a new deal has been negotiated which would amend the agreement of the Conservative Government back in 1979. At that time the federal Government agreed to provide exclusivity in the area of lotteries to the provinces in exchange for an annual amount of some $35 million. Yet, when one examines the arrangement closely, the projected lottery-generating revenues are in the neighbourhood of some $200 million annually. Simple mathematics would suggest clearly that this deal certainly does not favour the federal Government and provides a good and attractive monopoly for the provinces.

Perhaps the Minister has changed those terms, not to penalize the provinces, but to obtain a fairer arrangement for the federal Government, so as to assure greater dollars for federal sports initiatives on a national scale. I trust, in the time allotted to us following the statement, the Minister will address himself to those concerns.

Finally, I assure the House that we on this side had always been firmly committed as a Government to amateur sports and to the pursuit of athletic excellence by Canadians of all backgrounds and from all walks of life. It should be well noted that it was the previous Liberal Government which gave the strongest guarantee ever offered so that Calgary would play host to the Olympic games in 1988. In addition, we need to be reminded that it was a Liberal administration which paid the lion's share in order to send our athletes to Los Angeles, where they made Canadians extremely proud and honoured by their athletic abilities.

It is our sincerest hope that Canadian athletes participating in the 1988 Calgary Winter Olympic Games will do equally well. Moreover, as the eyes of the international community will be upon us in 1988, we wish to ensure our support in making these Olympic games a truly magnificent occasion, an occasion which will instil a huge degree of honour and pride in all Canadians from one coast to the other.

Some Hon. Members: Hear, hear!

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am pleased to rise to respond to the statement of the Minister of State for Fitness and Amateur Sport (Mr. Jelinek). I am sure he was very pleased to make the announcement that a part of the federal contribution from non-tax dollars has been nailed down. At the same time, recognizing the source of those funds, I am a shade ambivalent about the agreement. I should like to comment on the basic nature of it and raise some questions, which I hope the Minister will be able to answer this afternoon.

The fact that half the federal contribution of $200 million is drawn from gambling revenues, albeit gambling in the hands of provincial Governments, leaves my caucus colleagues and me unhappy. We think that sporting activities should not be involved in this form of misery tax which gambling so often becomes for people. We would sooner see a genuinely progressive tax as the basis for supporting amateur sport.

It is hardly surprising that the Minister was able to arrive at this agreement, given that he decided to follow along the same lines as the Government in 1979 of giving the entire responsibility for gambling to the provinces. If you are giving away the store, it should be possible to receive something in return. Considering an amount of $100 million over three years, it is not very surprising, although it is curious, that it has taken this long, for an agreement to be reached with the provinces.

• (1520)

The fact that we are going to have an amendment to the Criminal Code which will seek to establish once and for all the provincial responsibility in these areas leaves me uneasy because gambling certainly requires supervision by the federal Government. I hope that the Criminal Code amendment will be drawn up with some care so as to ensure that the conceivable entry of criminal elements into this area will not happen without the attention of the federal Government to the matter. It could in any case be done by delegation rather than by way of this proposal to do something to the legislation once and for all.

To come more particularly to the situation that the federal Government faces in making its contribution, I note that the Minister envisions a tremendous economic impact of the games on all regions of Canada. The situation of the Maritime provinces has been in the public eye for the last day or two and it seems to me doubtful that the Atlantic provinces will share very much in the gain from the Olympic Games. I do not doubt that the Province of Alberta and other parts of the Prairies will share in it fully. I hope that the provincial contribution towards this $100 million is largely drawn from persons in the western provinces, given the fact that it is going to be based on gambling revenues.

I wonder whether the Minister could tell us what the regional split, if not the provincial split, on the $100 million will be to assure us that it is people who may have some benefit from the Olympic games who will, in fact, be the ones who will be paying the shot.

He has also indicated that a recent study on the economic impact of the Olympic games envisions approximately $1.2 billion in new economic activity and 28,000 new person-years of employment. Has that study been tabled or would the Minister be good enough to table it in the House so that we may have a way of assessing it, because an earlier study in the news recently—

Mr. Speaker: I am sorry but I must indicate to the Hon. Member that the time for his statement in reply has expired, unless the Member could come to an end in a very short time.

Mr. Epp (Thunder Bay-Nipigon): Other points that I would like to make have to do with the additional $100 million. As has already been suggested by my Liberal colleague, the coin program may not reach $50 million. If it does not, more than $50 million will have to come from the private quarter—

Mr. Speaker: I am sorry, I must indicate to the Hon. Member that his time has expired.

Mr. Paproski: I would like to ask the Minister a question if I may, Mr. Speaker. I would like to know if this $100 million is a one-time contribution over the next three years from the provinces, and does the original agreement for which the annual funding from the provinces from the lotteries, I believe, is around $37 million to $38 million still exist? Is this money over and above the $37 or $38 million that the federal Government is receiving from the provinces at this time?

Mr. Jelinek: Mr. Speaker, I am pleased to confirm to the Hon. Member that the 1979 agreement does indeed stay intact. As he knows, we are receiving in the neighbourhood of $36 to $37 million a year tied to the CPI. Those Members who are suggesting that we have given away the store are totally on the wrong side of the track because we are getting our fair share from the provinces. The agreement that I announced today is separate from the 1979 agreement. It is a one-shot deal beyond and above the monies that the provinces are already contributing to sports and cultural matters, from the federal perspective.

Mr. Marchi: Mr. Speaker, that was one of the questions that I was going to ask. What I was going to ask as a supplementary was whether or not the Minister would see fit, since he was discussing with his provincial counterparts amending that 1979 agreement, to try to get a much fairer split for the federal side.

Second, I would like to get an indication from the Minister as to how he plans to make up that shortfall between $50 million and $70 million depending on how much the Olympic coin program is going to be generating, so that we will be able to know more specifically the complete package of the $200 million commitment that was made by the Government.

Last, I would like to know, based on the interventions made by my hon. friend from the NDP Party, what the provincial split will be. Will it be an even type of agreement based on all the 10 provinces, or will some provinces, particularly the host

province, be picking up the greater portion of the $100 million than, let us say, the eastern provinces?

Mr. Jelinek: Mr. Speaker, I always find it amazing that when we do something right we still get questioned and criticized for it. I just want to point out to the Hon. Member that it took the Liberal administration, the previous Government, about nine months to lose 46 million tax dollars on the Canadian Sports Pool Corporation. It took us the same amount of time to raise 100 million non-tax dollars. I just want to put that on the record to make it very clear.

In order to answer the Hon. Member more specifically, there is a formula that the Interprovincial Lottery Corporation has on behalf of the provinces as to what their share is in their contributions to the federal Government. In round figures, the Atlantic Provinces contribute approximately 5 per cent; Ontario contributes 32.7 per cent; Quebec contributes 26.65 per cent; and the western provinces contribute the rest, which is approximately 36 per cent.

Having said that, however, concerning this new agreement it will be up to the provinces and the Interprovincial Lottery Corporation to determine what the split is going to be. I am just guessing that it will be based on the same split by which the regular payments are made to this Government.

As far as the Hon. Member's other question is concerned, he knows full well that we have been working with the private sector and we have been looking at other areas of fund raising. We are convinced that the commemorative coin program, the first issue of which comes down this fall is going to raise at least $50 million. As well, other matters are not only under review but under actual consideration at the present time. I hope that he will have the same type of confidence in me that he has had in this field and as I have.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, pursuing the matter of the private sector contributions, I would appreciate the Minister's clarifying the matter somewhat. The Calgary organizers are pursuing very actively the support of various sponsors and have in fact had some singular successes, particularly with the ABC Network in a very large payment for the rights, of which $270 million, I take it, is coming to the organizing committee. What is the federal Government able to hold out to the private sector and how real do the chances seem to be that $50 million, or possibly more, will have to be raised by that means?

Mr. Jelinek: Mr. Speaker, let me clarify. The fact of the matter is that I never said that the remaining portion was going to be coming from the private sector. What I said and what I repeat is that the private sector is one of the areas being considered as to where these funds could possibly come from. In fact, there is some discussion among some of our parliamentary committees of potentially raising funds from another source. I do not think that it would be prudent at this time to get into that matter just for the sake of trying to make sure that it comes forward.

As far as the private sector is concerned, I want to say what I have said on many occassions publicly, that the program that we hope to have in place before Christmas is one that is not going to compete against the Calgary organizing committee. We are not going to be looking for sponsors to the Olympics. We are going to look at other ways and means that are now being negotiated to raise funds not only for the Olympics but, more important, for future amateur sports programs.

Mr. Shields: I have one last question to the Minister. During the 1988 Winter Olympics in Calgary, will the Minister be commentating on the figure skating competitions?

• (1530)

Mr. Speaker: Order. A short question from the Hon. Member for Thunder Bay-Nipigon (Mr. Epp).

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I would like to ask the Minister specifically whether or not the economic impact study which he cited in his statement will be tabled in the House.

Mr. Jelinek: Mr. Speaker, I apologize for not having answered that question. That impact study has perhaps not been tabled in the House, but it has been made public by the Department of Supply and Services. I am not sure whether or not I am in a position to table it. I know that the study has been made public. I would be very happy to make it available to the Hon. Member and if the Hon. Member would persist, my colleague, the Minister of Supply and Services (Mr. Andre), and I would look at the possibility of tabling it. However, it was made public some time ago.

* * *

PETITIONS

LACK OF SAFETY IN SCARBOROUGH

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I would like to present a petition on behalf of a group of Canadian citizens residing in the St. David's Senior Citizens' Village and residents who live on or near Danforth Road and Trudelle Street. They wish to express their concern about the lack of safety on Danforth Road and Trudelle Street in the City of Scarborough.

Mr. Prud'homme: Why would they bring that here?

Mr. Speaker: Order. I do appreciate the Hon. Member's interest in the matter. However, might I suggest that in the future, petitions of that nature would more properly be tabled with the municipal council by the Hon. Member. That process might in fact achieve the purpose that is intended.

KIDS ACTION FOR PEACE

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I was presented a petition in my riding this morning signed by 17

students from the Emily Carr Middle School in Gloucester, Ontario, who represent an important initiative called Kids Action for Peace. Their petition for peace is accompanied by these 1,000 paper cranes made in the ancient Japanese tradition as symbols of hope and peace.

Mr. Speaker: Order. Does the Hon. Member wish to summarize the petition?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I take great pride in presenting this petition and these 1,000 symbols of the petitioners' determination to remind us all that peace is essential for our survival.

CHANGES TO OLD AGE SECURITY ACT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am presenting a petition from a group of seniors, a kind a petition which the Conservative Member should have presented.

Some Hon. Members: Order.

Mr. Waddell: My petition on behalf of these people states that they are against the deindexing of the pensions in the Budget and they are going to suffer as a result. I would like to table the petition.

Mr. Hnatyshyn: Order. That's not what they said.

Mr. Waddell: Mr. Speaker, I rise on a point of order. As I was tabling the petition, the President of the Privy Council (Mr. Hnatyshyn) called me a liar. He yelled across the floor that this is not what these people said.

Mr. Speaker: Order, order. The Hon. President of the Privy Council (Mr. Hnatyshyn) did not call the Hon. Member a liar. He did say something across the floor just as the Hon. Member for Vancouver-Kingsway (Mr. Waddell) earlier today in Question Period said something across the floor. I think under the circumstances I will now recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a number of petitions making the case that the May 23 Budget imposes undue hardship on pensioners by deindexing the Old Age Security Program which will amount to $680 by 1999 and increase from that year thereafter.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I too have the honour to present petitions from constituents of the riding of Thunder Bay-Nipigon who protest that the cuts in the OAS fly in the face of Conservative campaign promises indicating that a P.C. Government would once more index the old age pensions to the actual cost of living on a quaterly basis and call upon the House of Commons to reverse the decision proposed in the Budget.

Mr. Waddell: Mr. Speaker—

Mr. Speaker: Is the Hon. Member rising under petitions? The Hon. Member for Vancouver-Kingsway (Mr. Waddell) may rise again only with the unanimous consent of the House.

Mr. Waddell: Well, it's a different petition.

Mr. Speaker: The Hon. Member for Vancouver-Kingsway again seeks the floor on petitions.

Some Hon. Members: No.

Mr. Speaker: The Hon. Member can only rise a second time with the unanimous consent of the House.

Mr. Waddell: Mr. Speaker, are Conservative Members saying that I cannot present another petition on behalf of petitioners containing the exact wording to which the Hon. Member objects?

Mr. Speaker: Order, please.

Mr. Hnatyshyn: The rules are here for a purpose.

Mr. Waddell: What rules? I rise on a point of order. With respect, Mr. Speaker, I wonder if you could tell me which rule indicates that I cannot present more than one petition.

Mr. Speaker: There is no rule that says that the Hon. Member cannot present more than one petition. There is a practice that says a Member may seek the floor once to present petitions at which time the Member may try to present more than one petition. With great respect, that has been the practice for some years while the Hon. Member has been a Member of the House.

Mr. Waddell: No.

Mr. Speaker: Yes. The difference between the two is a matter for discussion outside the Chamber. Our practice is that a Member seeks the floor to present petitions. The Hon. Member sought the floor, presented a petition and sat down. He had the right at that time, as he would know if he would check our practices, to present more than one petition, but he must do so at the same time.

Mr. Waddell: That's not what Madam Speaker Sauvé did.

Mr. Speaker: Yes, that is exactly what Madam Speaker Sauvé did. I only say that *sotto voce* to the Hon. Member who would not have things yelled across the floor.

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ELECTORAL BOUNDARIES READJUSTMENT ACT

REFERENCE OF WHITE PAPER ON REDISTRIBUTION TO COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties. I think you will find that the following order would be accepted by the House if presented at this time:

Order Paper Questions

That the document entitled "White Paper on Redistribution", tabled earlier this day, be referred to the Standing Committee on Privileges and Elections;

That the Committee report its findings and recommendations not later than June 28, 1985; and

That, notwithstanding the usual practices of this House, if the House is not sitting when the final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table.

Mr. Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent necessary to introduce his motion?

Mr. Allmand: Mr. Speaker, is it in order for me to ask a question of clarification of the Minister?

Mr. Speaker: If the Motion were introduced, it would be a debatable motion. However, I believe that what is sought would probably be a helpful practice.

Mr. Allmand: Mr. Speaker, did the Minister say that the committee will report by the end of June 1985? Does that mean that no hearings will be conducted on this particular paper?

Mr. Hnatyshyn: Mr. Speaker, the intention is that this White Paper, which consists of a draft Bill, will receive the consideration of the committee until the end of this month and the committee will make its recommendations, at which time it is the intention of the Government to consider the recommendations of the committee with respect to the amendments proposed in the White Paper. We would then have to take other legislative action if it is the will of the House to proceed. This is not in any way dealing with legislation as such but rather a White Paper setting out certain principles that will allow Members to have input before legislation is introduced.

Mr. Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, Question No. 367 will be answered today.

[*Text*]

CHEESE IMPORTS PERMITTED BY GOVERNMENT

Question No. 367—**Mrs. Cossitt:**

1. For (*a*) 1984 (*b*) 1985, what was/is the level of cheese imports permitted by the Government for (i) speciality cheeses (ii) cheddar cheeses?

2. Have the cheese producers in eastern Ontario asked the Government for a reduction in these levels and, if so, was a decision made and, if not, for what reason?

Hon. James Kelleher (Minister for International Trade): 1. The total quantity of cheese imports in 1984 and 1985 permitted under the global import quota was 20,400,000 kg. (45,000,000 lbs.): (i) Allowable imports in 1984 consisted of 19,946,403 kg. (44,000,000 lbs.) specialty cheeses and (ii) 453,597 kg. cheddar (1 million lbs.). In 1985, the permitted levels for specialty cheese and cheddar are the same.

2. The Government is not aware of any representation made specifically by eastern Ontario cheese producers to reduce the present level of the cheese quota.

[*Translation*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-31, an Act to amend the Indian Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development; and Motions Nos. 33 (Mr. Shields) and 33A (Mr. Crombie) (p. 5627).

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, prior to the break at one o'clock, there was a motion put standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) and further motions from another Member of that Party dealing with my Motion No. 33A.

● (1540)

I have had an opportunity to look at the suggestions which have been made with respect to both the search and seizure question and, indeed, at the matter relating to the question of changing the powers with respect to the distribution of liquor in the Act. With great respect, although I appreciate the

matters which have been raised, I am going to ask the House to reject the amendments to Motion No. 33A, as they are matters which relate to the powers which exist between the federal Government and the provinces. Clearly it would be inappropriate for me, in the context of this Bill, and without consultation, to make any changes in that connection. All I am seeking to do in the motion is to fill the gap which was created by the court.

With respect to the powers that exist between the two levels of Government, I would be happy to look at any further changes with the Hon. Member to determine if there is an appropriate way in which to proceed. However, I think it would be inappropriate for me to proceed without first holding appropriate consultations with the provinces which are involved.

These are no small matters. Anyone familiar with the constitutional history of Canada will recognize that many powers, in terms of the interpretation by the courts of the legislative powers which exist between two levels of Government, were determined by matters which arose from the power to make rules, regulations, laws and by-laws with respect to the production and distribution of liquor. I do not want to get into all of that, as it is a much more complicated matter. However, as the matters which have been raised by the Hon. Member are important, I think we should look for another form. Certainly I do not want Motion No. 33A to be lost, as we still need to have the power delivered to the Indian communities to make rules and regulations with respect to the distribution of liquor, according to the powers which exist in the Indian Act.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The first question will be on the amendment to Motion No. 33. The next question will be on Motion No. 33. Then the question will be put on the amendment to Motion No. 33A. The final question will be on Motion No. 33A.

The first question is on the amendment to Motion No. 33 standing in the name of the Hon. Member for Timiskaming (Mr. MacDougall).

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

Some Hon. Members: Agreed.

Amendment (Mr. MacDougall) agreed to.

Mr. Deputy Speaker: The next question is on Motion No. 33 standing in the name of the Hon. Member for Athabasca (Mr. Shields). Is it the pleasure of the House to adopt the motion, as amended?

Some Hon. Members: Agreed.

Motion No. 33 (as amended) agreed to.

Mr. Deputy Speaker: The next question is on the amendment to Motion No. 33A standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Amendment (Mr. Manly) negatived.

Mr. Deputy Speaker: The next question is on Motion No. 33A standing in the name of the Minister of Indian Affairs and Northern Development (Mr. Crombie). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 33A agreed to.

Mr. Deputy Speaker: The House will now proceed to Motion No. 35A.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved:

Motion No. 35A

That Bill C-31, be amended

(*a*) by adding immediately after line 30 at page 18 the following:

"19. (1) Where the total number of persons whose names have been entered on a band list under paragraph 11(1)(*c*) of the *Indian Act* and who have attained the age of eighteen years equals or exceeds one third of the total number of members of the band who have attained the age of eighteen years and the council of the band makes a by-law bringing this section into effect in respect of the band,

(*a*) a surrender to Her Majesty of any right or interest of the band and its members in a reserve is void,

(*b*) no expenditure of Indian moneys under paragraph 64(1)(*a*), subsection 66(1) or subsection 69(1) of the *Indian Act* may be made, and

(*c*) no amendment may be made to any agreement or arrangement in order to effect a payment or distribution of property held for the use and benefit of the band to any member of the band

unless it is assented to by a majority of the electors of the band and a majority of the electors of the band who were members of the band immediately prior to April 17, 1985.

(2) The council of a band may make a by-law to bring this section into effect in respect of the band.

(3) A by-law made under this section may not be amended or revoked unless its amendment or revocation is assented to by a majority of the electors of the band and a majority of the electors of the band who were members of the band immediately prior to April 17, 1985.

(4) Any by-law made under this section shall cease to have effect on April 17, 1992 or on such earlier date as may be specified in the by-law.

(5) This section shall cease to have effect on April 17, 1992."

(*b*) and by renumbering the subsequent Clauses accordingly.

He said: Mr. Speaker, I have had some discussion with those who have been concerned with this matter. These two motions deal with what is known as the "high impact" bands question.

Members of the committee will be well acquainted with the many hours of discussions which we had on the matter. Of course, the point was that we wanted to determine if we could establish a mechanism that would allow us to deal with those bands which would be affected to a far greater degree in terms of community members returning to their communities. Therefore, there were a number of thoughts and concerns as to how we might proceed.

With respect to Motion No. 37A, I have carefully studied the committee's proposal and I certainly appreciate the hard work that went into devising a solution to the high impact problem. I cannot, however, endorse the 10 per cent rule which was proposed by the committee in Clause 19. I think the rule was an imaginative approach to the issue, however, I believe that it is seriously flawed. Therefore, it is not possible for me to support that 10 per cent solution.

I had proposed another amendment, which is contained in Motion No. 35A. It is clear that the people who would gain the most from it are not in favour of it. I have listened to representations from the Hon. Member for Athabasca (Mr. Shields), the Hon. Member for Wetaskiwin (Mr. Schellenberger) and a number of Indian communities and organizations from the Province of Alberta and elsewhere. However, I can find no one who wishes to support the proposal and, therefore, I will withdraw Motion No. 35A. I do so, without gilding the lily in any way, for those who do not think that the parliamentary system yields opportunities for people to be heard and to have matters changed to suit their interests. Those who doubt that the process works ought to come and visit the life of Bill C-31.

Mr. Deputy Speaker: Motion No. 35A has been withdrawn by the Minister. I will now move to Motion No. 37A, which I have not done.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved:

Motion No. 37A

That Bill C-31, be amended

(*a*) by striking out lines 31 to 46 at page 18 and lines 1 to 9 at page 19

(*b*) and by renumbering the subsequent Clauses accordingly.

Mr. Penner: Mr. Speaker, I am rising on a point of order. You said that the Minister had withdrawn Motion No. 35A, but I believe when a motion is on the Order Paper, it must be withdrawn by unanimous consent. We are prepared to offer consent to have the motion withdrawn. I would like to make a comment, apropos that, which I think will be in order.

As my Party gave consent to the Minister to withdraw Motion No. 35A, I wanted to point out, as the Minister said, that there was a very genuine effort made in committee, and a very genuine effort made by the Minister himself, to accommodate Bill C-31 to those bands which would be impacted upon much more than other bands as a result of the enactment of this legislation. The House should be aware that the so-called "high impact" bands are primarily located in western Canada, in the Province of Alberta. Those bands also have the good fortune of being resource rich. If this Bill is not restricted in any way, they could have their populations increase from 200 per cent to 400 per cent.

Committee members made a genuine effort, in listening to testimony, to attempt to find a way in which we could lessen or cushion the impact over a period of time. We failed. Anything which we came up with was not acceptable to the high impact bands. In giving consent to the withdrawal of the motion, I want to have the assurance of the Minister that his office and officials will make a concerted effort to follow what happens when Bill C-31 becomes law, as some bands felt that the legislation would impact upon them in a way which would be felt to a much lesser extent by other Indian bands across the country.

● (1550)

I think we need to pay special attention to see that there is fairness, that we are not imposing a terrible injustice on these people in a way in which the Minister never intended, based on the three principles or the three pillars he enunciated at the beginning of this debate. We just need an assurance that somehow it will just not be forgotten. I am sure the Hon. Member for Athabasca (Mr. Shields) and the Hon. Member for Wetaskiwin (Mr. Schellenberger) will not let the Minister forget it, in any case, but I feel the House does need the assurance that it is not just going to be ignored and that very special attention, a monitoring if you like, will continue until such time as the committee, in two years hence, reviews the operation of this legislation. I do not want the so-called "high impact" bands to have to wait two years before there is some analysis of what in fact is happening to them.

Mr. Manly: We are happy to give our consent to the withdrawal of Motion 35A, although it is very similar to my Motion No. 24 which was rejected yesterday. Motion No. 35A would have attempted to meet the concerns of the high impact bands without at the same time undercutting the basic principles of the Bill, providing for reinstatement of those people who had lost their status unjustly. It was an attempt to find a better way than the present clause 19 of the Bill which, I am pleased to say, the Minister also feels is inappropriate to the intent and principles of Bill C-31. We are very pleased, therefore, to support Motion No. 37A which withdraws and strikes out clause 19 of Bill C-31.

Mr. Crombie: Mr. Speaker, I would like to respond to the concern raised by the Hon. Member for Cochrane-Superior (Mr. Penner), and other Hon. Members, and give him and the House the assurance that we will take special care with respect to monitoring the impact of Bill C-31 certainly on all bands but particularly on those bands which are known as "high impact" bands.

As was so well put by both Hon. Members opposite, there was a strong attempt to try to deal with it, but all of the people who are going to be affected have asked for a withdrawal of the only solution we finally had. I am aware of the potential problem. I feel that there is protection enough in the Bill, but I

will take the stricture of the Hon. Member and make sure that I will be able to report a process over the next two years which will ensure that the high impact bands are not adversely affected by this Bill.

Mr. Deputy Speaker: Does the Chair have the unanimous consent of the House to allow the Minister to withdraw Motion 35A?

Some Hon. Members: Agreed.

Motion No. 35A withdrawn.

Mr. Deputy Speaker: We will now resume debate on Motion No. 37A. Does the Minister wish to speak on the motion?

Mr. Crombie: Mr. Speaker, perhaps I should make a remark on Motion 37A. I thought I had mentioned it earlier in my comment with respect to 35A. Much of this, of course, came after considerable work by the Hon. Member for Athabasca (Mr. Shields) who is representing the interests of those bands in Alberta which have been so concerned about the impact of the Bill on their future fortunes and I would like to thank the Hon. Member for his hard work on behalf of those people and on behalf of all of us for making this a better Bill.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion No. 37A agreed to.

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved:

Motion No. 37

That Bill C-31, be amended by deleting Clause 19 and substituting the following therefor:

"19. For greater certainty, membership rules established pursuant to Section 10 and all by-laws and regulations made under the authority of this Act, are subject to the Canadian Charter of Rights and Freedoms."

He said: Mr. Speaker, we have already deleted Clause 19 with Motion No. 37A. I would simply like to make a few comments about the necessity for including a greater certainty clause ensuring that the Charter of Rights and Freedoms will apply to all membership rules, by-laws and regulations made under the authority of the Act. The argument is made, and I am sure will be made, that in passing the Constitution and the Charter of Rights and Freedoms, it applies to all legislation which is passed by the Canadian Government or indeed by any legislature in Canada. However, we know that the question of aboriginal rights is detailed in the Constitution outside of the Charter of Rights and Freedoms. This has raised some questions with regard to the whole concept of the equality clauses.

The argument will be made, for example, with Motions Nos. 40 and 41 that perhaps by moving that kind of a motion we are in effect weakening the constitutional guarantees of aboriginal rights. I believe Motion No. 37 is somewhat different. All Hon. Members who are interested in this subject, dealing with Bill C-31, should be aware of the history of Jeanette Lavell. When she brought a case before the courts to try to have her rights restored under the old Bill of Rights, she found that the Indian Act took precedence.

We are very concerned that this House declare with every bit of conviction it can that there shall be nothing which will take away the rights of people who are re-established by Bill C-31. On that basis, I urge all Hon. Members to support Motion No. 37, which would establish Clause 19 to read, "For greater certainty, membership rules established pursuant to Section 10 and all by-laws and regulations made under the authority of this Act, are subject to the Canadian Charter of Rights and Freedoms". I urge all Members to support this motion.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to respond to Motion No. 37 standing in the name of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). Simply put, it is the government's view that the amendment proposed in Motion No. 37 is, with great respect, not necessary. Section 32(1) of the Canadian Charter of Rights and Freedoms provides that, "This charter appplies (*a*) to the Parliament and Government of Canada in respect of all matters within the authority of Parliament". There is no need, in the government's view, for "greater certainty" as is proposed in Motion No. 37. Membership rules and by-laws are subject to the Charter. They are pieces of legislation subordinate to the Indian Act, which is a federal statute and, therefore, the Charter applies. No further clarification is required.

I would add one other consideration. I know the Hon. Member does not intend this, but I think that putting the clause in the Bill as contemplated in Motion No. 37 has the feel of paternalism about it. We do not include it in any other Bill with respect to the federal legislation touched by the Charter.

I think that some people could reasonably argue why we would do it in a Bill affecting Indians through the Indian Act. My view, and the view of the Government, is that it is not only unnecessary but unnecessarily paternalistic so that we would reject, and ask the House to reject, Motion No. 37.

• (1600)

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I hesitate to oppose or support any amendment to Bill C-31 because in my opinion the Bill, in its present form, is so bad, so flawed, that no one amendment can improve it. What is particularly distasteful to me is the whole process by which we are dealing with this Bill and passing these amendments. Here we are a group of non-Indians—there is one Inuit and one or two Métis in the House but no status Indians—still passing laws in 1985 which will impact on the lives of thousands of Indian people. I find that process distasteful.

I can remember after the war, when I was a young person in school, the British Parliament was debating ending its colonial regimes in Africa and Asia. I listened to the argument that, well, we cannot let these people be independent just now and do their own thing because they may do the wrong thing. They may violate human rights or hurt certain people and so on. Unfortunately, that attitude is still present in this Parliament. We do not trust the Indian people to do what is right by themselves, despite the fact that we, the Governments of Canada, made up of almost entirely non-Indians, have a horrible record with respect to the Indian people over the last 100 years.

We have over 100 years of Canadian Governments of all political stripes, Conservative and Liberal, dealing with Indian affairs, and Indian communities are still in abject poverty and still suffer social conditions which are way out of line with what is seen in the rest of the country, but here we are still legislating and imposing upon them our views and our way of doing things. That is very distasteful and so when I rise on an amendment, I do not do so with great relish.

In committee I finally got so frustrated with the process I refused to participate any further because this is a colonialist, patronizing and manipulative process we are going through. However, and unfortunately, the Bill is going through and some of us have tried to improve it to the best of our ability. It was in that spirit that I put forward an amendment which would have guaranteed land, resources and funding to those bands impacted by these measures. However, it was ruled out of order.

A few years ago the Government of the day agreed to a bilateral process whereby no laws impacting on Indian people would be passed unless they were developed in a bilateral way between the Indian nations and the Government of Canada. I have great respect for the Minister, I think he attempted to do that in developing this Bill, but in committee amendments were thrown on the table helter-skelter and we were obliged to deal with them, vote for or against, without any further consultation with those groups and individuals whose lives will be touched by this Bill. I think all Members agree 100 per cent that we should remove the discriminatory provisions from the Indian Act immediately. Where the problem arises is with respect to those measures in the Bill which attempt to restore status—

Mr. Shields: I rise on a point of order, Mr. Speaker. With great respect, I think the Hon. Member is involved in third reading debate. We are dealing with one clause of the Bill under amendent and I think we have been very good in keeping our remarks to the amendment rather than having full debate on the Bill.

Mr. Deputy Speaker: I am sure, given the experience of the Hon. Member, that he will keep his remarks to the amendment.

Mr. Allmand: Mr. Speaker, I appreciate the comments by my hon. friend. This amendment relates to the Charter of Rights which deals with some broad principles and I will get to the point I want to make in a second.

I was saying that none of us are in disagreement with the principle of removing discrimination from the Act. It is all these other provisions which are causing a lot of difficulty. Since the Bill was reported to the House several weeks ago, I have not found anyone who really likes the whole thing. Some people like this section or that section, but I have not found anyone who thinks the entire Bill is a good one. It is my honest conviction that the Bill should be sent back to committee for further consultation with all those groups who are touched by it.

With respect to the amendment now before us, the Hon. Member suggested we put a provision in the Bill to state that the membership lists will be bound by the provisions of the Charter of Rights. Well, again it seems to me that is a very serious statement of mistrust with respect to our Indian people. It seems that we just do not trust them to do the proper thing, yet we have had a terrible record in attempting to do the right thing ourselves. The Hon. Minister said it: Why do we put it in the Bill when we do not put it in all the other Bills we have passed since the Charter has gone into effect? Are the Indians any worse than any other people in Canada? Why should we bind them in a special way to the Charter? On the other hand, thank God for the Charter and the Constitution because they contain two provisions which, if tested, I think will overturn many of the provisions we are attempting to pass today. Section 35 of the Constitution Act, 1982 says:

(1) The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

According to my interpretation of "aboriginal and treaty rights", they include the right to determine your own band membership, and the right to self-government. If we pass some of the provisions of this Bill and they are tested in the courts, they will, in my opinion, be overturned. However, only time will tell. Section 25 of that same Act says that:

The guarantee in this Charter of certain rights and freedoms shall not be construed so as to abrogate or derogate from any aboriginal, treaty or other rights or freedoms that pertain to the aboriginal peoples of Canada—

It goes on to state in detail some of those rights and freedoms. I rise in this debate out of a sense of frustration with the fact that we have been dealing with things like this for over 100 years and it is regrettable that we, as a Parliament of people of European descent, pass laws like this to govern lives of the Indian people of this country. It makes me feel uneasy, and we are rightly criticized by countries around the world when we continue to do it. I feel that this amendment, like many of the others, is out of place and I will oppose it.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am puzzled by the remarks of the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). He is right in saying what many Members have said, that we are dealing with a problem which has developed in this country over a period of more than 100 years. We are dealing with the descendants of the original inhabitants of this country who, for a host of reasons, have the poorest health record, the poorest education

and the lowest rate of employment. In every statistic showing people living in a bad way, the natives are at the top of the list. We are proposing in this Bill to go a long way towards doing away with the authoritarian, paternalistic approach which we, the white people who took this country over from the original inhabitants, have dealt with them in the past. We are proposing that they be given, as much as possible, the right to self-government. We all support that.

● (1610)

Surely the Member must realize that, just as we white people have often been less than fair in dealing with certain individuals or groups, the same thing has happened and could again happen with native people. The Member knows, better than I, the differences that arose between the national and provincial organizations of native people and native women because of the different way in which the children of a native person married to a non-native are treated. The children of a marriage between a native father and a non-native mother have been classified as native. The children of a native mother and a non-native father have not been classified as native. When women and other groups said that children of all mixed marriages should be treated in the same way, many leaders of native organizations opposed that.

Mr. Shields: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Athabasca (Mr. Shields) on a point of order.

Mr. Shields: Mr. Speaker, I cannot help but say once again that we are dealing with Motion No. 37 moved by the Hon. Member which applies to membership codes. The Hon. Member is debating the total Bill. We should be getting on with debate on the motions. There will be time for the Hon. Member to make comments on any other areas when they come up for debate. However, we are presently dealing with a specific motion.

Mr. Deputy Speaker: The Member for Athabasca (Mr. Shields) has a point and I would like the Member for Winnipeg North (Mr. Orlikow) to debate Motion 37.

Mr. Orlikow: Mr. Speaker, with all due deference, this is the first time that I have spoken in this debate at any stage. I have spoken for less than three minutes and I will come to this particular amendment in about one more minute. If the Member for Athabasca (Mr. Shields) would contain himself, we would move on a lot faster than we would with him raising these so-called points of order.

The teachers on the Fort Alexander reserve near Pine Falls, Manitoba, some of who are native, decided that it was in their interest, and in the interest of most teachers, to have an organization and to associate themselves with the Manitoba teachers' society. They followed the provisions of the Canada Labour Relations Act and tried to get certified. The Canada Labour Relations Board and the courts have ruled that they have a right to become members of that organization. The chief and the band council absolutely refused to accede to that very legitimate request.

We believe in Indian self-government, but in administering their self-government, the Indians must live up to the same basic principles as everyone else who lives in this country. They should not have the right to do things that are contrary to the Charter.

Mr. Penner: You're wrong.

Mr. Orlikow: Well, the Member says I am wrong.

Mr. Penner: You're wrong. Read the Constitution.

Mr. Orlikow: He is entitled to his opinion. That is my view and I say that the Charter—

Mr. Penner: You're wrong.

Mr. Orlikow: Well, the Member can say that I am wrong. In my view the equality provisions of the Charter should apply to everybody in the country. Therefore, Mr. Speaker, I support the amendment moved by my colleague, the Member for Malahat-Cowichan-The Islands (Mr. Manly).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Administration of Justice—Enforcement of Young Offenders Act; the Hon. Member for Burnaby (Mr. Robinson)—Charter of Rights—Funding of litigation. (b) Departmental studies. (c) Override provision; and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Pensions—Minister's position. (b) Concept of fairness.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-31, an Act to amend the Indian Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development; and Motion No. 37 (Mr. Manly) (p. 5653).

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, if the Hon. Member for Winnipeg North (Mr. Orlikow) were not such an experienced and sensitive Member, I would not take the time to indicate once again why his arguments on this particular issue are as wrong as wrong can possibly be. All he need do is acquaint himself with the Constitution which is now the law of the country. As my hon. friend, the Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) correctly pointed out, Section 25 of the Charter of Rights and Freedoms says that aboriginal rights and freedoms are not affected by the Charter. My hon. friend from Cowichan-Malahat-The Islands wants to make a Constitutional change. The Minister is quite correct in saying that we should reject that. He wants the contents of our Constitution to be applied to Bill C-31. That is absolutely wrong.

Section 25 of the Charter of Rights and Freedoms says:

> The guarantee in this Charter of certain rights and freedoms shall not be construed so as to abrogate or derogate from any aboriginal, treaty or other rights or freedoms that pertain to the aboriginal peoples of Canada—

Mr. Orlikow: What are those rights?

Mr. Penner: What are those aboriginal rights? Among them is the basic right to determine the membership of your First Nation. That right does not belong to the Parliament of Canada. It belongs to the Indian people.

Some Hon. Members: Hear, hear!

Mr. Penner: That is what my friend from Notre-Dame-de-Grâce-Lachine East was trying to get across and he did it very well.

Mr. Deputy Speaker: Order, please.

Mr. Orlikow: Could I ask—

Mr. Penner: The Hon. Member failed to listen and came up with the spurious argument that this Charter ought to apply to everybody.

Mr. Deputy Speaker: Order, please.

Mr. Penner: I tell him now that he is wrong and he is wrong—

Mr. Deputy Speaker: Order, please!

Mr. Penner: —and he is wrong and he should understand that he is wrong.

Mr. Orlikow: I wonder if I could ask the—

Mr. Deputy Speaker: The Hon. Member for Winnipeg North (Mr. Orlikow) on a point of order, and he has already spoken on debate.

Mr. Orlikow: I am wondering, Mr. Speaker, if the Hon. Member would permit me to ask him a question.

Some Hon. Members: No.

Mr. Deputy Speaker: There is no provision for questions and comments. The only way in which the Hon. Member for Winnipeg North can speak again is by getting unanimous consent of the House.

Mr. Crombie: Back to C-31, folks.

Mr. Deputy Speaker: The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) on debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am grateful not to have to get involved in this particular tempest. The measure that is before us proposes that all by-laws and regulations made under the authority of this Act are subject to the Canadian Charter of Rights and Freedoms. The Minister has spoken carefully in objection to this suggesting that the legislation of the land is subject to the Charter of Rights and that it is both unnecessary and paternalistic to propose the addition of this section to the legislation.

In contention of that position I would suggest, with all due respect to the Minister and the committee that has worked very hard on this Bill and made much progress on it, that the question which faces us here is not so much the legislation itself as lists and by-laws under the Act. There is reason to put this forward. I would take a moment to read from the committee which debated this at length and heard from witnesses. I read specifically from the testimony of Ms. Beth Symes, legal counsel to Indian Rights for Indian Women. On this very question she says:

> We have heard, from various opinions, that, in fact, the band membership rules, codes, applications etc., would be subject to the Charter. As that is still an open question and the determination as to how far down the structure the term "government" goes, is still very much an open question—

She offers the opinion that this will be an open question for the next 10 to 25 years in constitutional law in Canada. She concludes:

> I think it only prudent to ensure that the rights set out in the Charter be protected. The membership codes and the residency rules should be specifically required to conform to the minimum requirements enunciated in the Charter. Not to do so may prove to be extremely expensive, say, 10 years down the road. I say it should be in and it should be in expressly.

That is a good reason for supporting the motion which my colleague and I have put forward this afternoon.

● (1620)

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 37. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred. Motions Nos. 40 and 41 will be grouped for debate.

Mr. John Parry (Kenora-Rainy River) moved:

Motion No. 40

That Bill C-31, be amended by adding immediately after line 35 at page 19 the following:

"21. For greater certainty, nothing in this Act shall be construed as abrogating or derogating from the aboriginal and treaty rights of the aboriginal peoples of Canada."

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved:

Motion No. 41

That Bill C-31, be amended

(*a*) by adding immediately after line 35 at page 19 the following:

"21. Nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada."

(*b*) and by renumbering the subsequent Clauses accordingly.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in rising to address Motion No. 40 which stands in my name, I would like to forewarm all Members of the House that it is my intention to withdraw Motion No. 40. Following consultation with the Minister of Indian Affairs and Northern Development (Mr. Crombie) and with the three principal native organizations which, as the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) pointed out, have the largest stake in Bill C-31, we have reached the belief that no really valid useful purpose would be accomplished by the inclusion of the text of Motion No. 40 in this Bill. Bearing in mind that the Constitution in Paragrpah 35(1) provides a very similar clause as to the non-derogation and non-abrogation of the very important and fundamental aboriginal and treaty rights of the aboriginal people of Canada, it is my intention, therefore, to withdraw Motion No. 40. With your permission, Sir, I would seek unanimous consent of this honourable House so to do.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, of course I will not withhold unanimous consent. I want to say that I do so with some regret. I think that although the arguments of the Hon. Member for Kenora-Rainy River (Mr. Parry) are valid, that it is a bit redundant to have Motion No. 40 included in the Bill because we already have in our Constitution a section which says that nothing can abrogate or derogate from recognized aboriginal and treaty rights. Nevertheless, I found a certain amount of appeal of actually having this motion in the Bill because there is such a threat that aboriginal rights in some way can be transgressed by Bill C-31.

I regret the Hon. Member for Winnipeg North (Mr. Orlikow) is not here at the moment because it would be clearer now what a contradiction there is between the motion we have just defeated put by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) who wanted to put the effect of the Charter upon the membership codes of the bands and the motion of my hon. friend from Kenora-Rainy River, with whom I agree fully. I want the Hon. Member for Winnipeg North to hear this now that he is here. I am not making peace. I am saying on the basis of substance and validity that these two motions are in direct contradiction with each other and the motion of the Hon. Member for Kenora-Rainy River, had it not been withdrawn, would have been given my full support.

Let me draw to the attention of Hon. Members Section 35 of the Constitution. It states that the existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed. Meetings have been going on among first Ministers as well as preparatory meetings with the Ministers of Justice and Attorneys General trying to define precisely what those rights are. I would argue it is axiomatic, it is a basic principle, it is a foundation of aboriginal rights that among those rights are the right of self-government. If you accept that there is the right of self-government, then you have the right to determine your own membership codes.

We cannot say that we have developed a magnificent Charter. We know in this House of Commons that when we were debating the Constitution we knew that there was give and take and wheeling and dealing on the Charter. We know it is not something that has come from Mount Sinai. It is the product of the men and women who worked on it. It was the best we could do at the time, but it is not perfect. It is not such an absolute perfect document that we now have to say that if we cannot impose this on other people then somehow what they do will be inadequate.

I go back to what the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) said so well. "Can we not trust other people, the aboriginal peoples of this country, the Indian people of this country to develop a Charter that may be in terms of their membership code and in terms of their nationhood far, far superior to anything we have developed in this House up to the present time?" In fact, have we made enough inquiries to know that such may not already exist? I would suggest if we were a little more aware of the principles that govern Indian nations, we may discover to our amazement and surprise in centuries upon centuries and thousands upon thousands of years of governing themselves that they have acquired certain principles we could very well adapt for ourselves which would be far superior to what we have done with our Constitution and our Charter of Rights and Freedoms.

I regretfully say to the Hon. Member for Kenora-Rainy River that I will agree to his request. I understand his argument. We already have the Constitution, but I would have been very happy to see that clause included for greater certainty.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Hon. Member for Cochrane-Superior (Mr. Penner) says that the Indian bands have the absolute right to determine membership. I say to him if they have that right then I can see some band deciding that a child born of a mixed marriage where the father is an Indian and the mother is not will be a

member of the band, but a child born in a mixed marriage where the mother is an Indian but the father is not will not be a member of the band. Maybe that fits with the Hon. Member's concept of justice and equality, but it does not fit mine.

I say again what I said before, as far as I am concerned every person living in Canada regardless of race, colour, creed, age or any of the other things we have talked about is entitled to equal treatment and equal rights. It could also be another group. If a band can vary that, then I am opposed to it.

Mr. Penner: Read the Royal Proclamation of 1763.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have enjoyed the debate with respect to this motion so far. I know how Members can feel so strongly about it. We have enjoyed the debate on the organizing principles of the Bill as well. I might say, Mr. Speaker, as Motion No. 40 standing in the name of the Hon. Member for Kenora-Rainy River (Mr. Parry) is now being withdrawn with unanimous consent, that I would seek unanimous consent to withdraw Motion No. 41 standing in my name because it stands in my name only because the Hon. Member for Kenora-Rainy River has Motion No. 40 standing in his name. If the Hon. Member for Kenora-Rainy River withdraws his motion, I would like to withdraw mine.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I am quite willing to give my permission to the Minister and to my colleague to withdraw their motions.

I would like to make a short comment about the concern raised by the Hon. Member for Cochrane-Superior (Mr. Penner) who said there was some contradiction between my position on Motion No. 37 which we just dealt with and the position taken by my colleague, the Hon. Member for Kenora-Rainy River (Mr. Parry). I do not think there is any contradiction.

Motions Nos. 40 and 41 were withdrawn out of a concern that if a similar clause were not put in every single bit of legislation that affected aboriginal people, then the guarantee of aboriginal rights in our constitution would simply wither on the vine. If we include that guarantee in some pieces of legislation and not in others, the courts might feel that they had open season on aboriginal rights. It is on that basis that my colleague and the Minister withdrew Motions Nos. 40 and 41.

● (1630)

The question with regard to Motion No. 37 was quite different. The Hon. Member for Cochrane-Superior made the argument that aboriginal rights were outside the Charter of Rights and Freedoms and that the Charter should not be impinging upon any aboriginal rights. He saw the whole question of membership as being one of those rights, as I do, but I believe that it is a right which should pertain to all Indian people, including those who are being reinstated. They should have that right guaranteed to them. No one should have the right to take it away from them, including any band council. They need the protection of the Charter. Aboriginal peoples need the protection of the Charter of Rights and Freedoms even though their specific aboriginal rights are outside the Charter. Therefore, I think it was important to mention this in the Bill, and I do not see any contradiction between supporting Motion No. 37 as we do and withdrawing Motion No. 40 as we do.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, we in this Party give unanimous consent to the Minister withdrawing Motion No. 41. I listened carefully to the arguments of the Hon. Member for Winnipeg North (Mr. Orlikow) and the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). I think the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) said it all. If the two Members of the New Democratic Party who just spoke want to review how the British Empire was dismantled and decolonized, they can do so. However, the following questions have been asked: How can we allow these people to govern their own lives and to manage their own affairs if we do not give them our marvellous, wonderful British tradition; how will they ever manage without our institutions and guidelines?

The Indian people of Canada can manage, govern and control their own affairs without us imposing upon them all the good things we think we have developed for ourselves. Good things they are, but they are good things for us. Let us not decide so arbitrarily that these are such good things for them. Perhaps we should turn it around and ask: What good things can they impinge upon us? Would that not be a nice change of atmosphere? What would happen if they brought a law into this Chamber saying that they have developed some good things in their several thousands of years of occupying and living on this continent? Perhaps they would like to impinge some of their laws, rights and freedoms on us. I can imagine the tremendous protest there would be. They would be asked: "By what right do you do that? We are sovereign and independent; you cannot come in here and impose your laws on us". However, when it is turned around, and because we are dealing with a minority, we do it in the name of self-righteousness, and we ought to be ashamed of ourselves.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I will be very short in my response.

Mr. Crombie: You are short.

Mr. Waddell: Yes, I am short; that is true. I have listened to those Liberal Members, both of whom I respect a great deal, giving us a rough time for our position on the Bill. I just remind them that during the period of time when we discussed that particular clause in the Constitution, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) and some of the rest of us put our political necks and the neck of our Party on the line. We went out on the farthest limb in terms of our support. Our whole support for the Constitution was around that particular clause. I ask them to remember that. I do not think we have to apologize. They were on the back-benches of

the Liberal Party but they eventually accepted it, as did their Leader. We should put that behind us.

I should like to make another comment about this particular clause in the Constitution because it is peripherally related to the debate. We do not need to have some of the clauses respecting aboriginal rights in the particular Act because many people in the country, including some provincial Premiers in western Canada, will be very surprised when the Supreme Court of Canada brings down decisions recognizing the most radical clause in the Constitution. I am really pleased that the Minister and the new Government are trying to follow those traditions, prodded by our critic, the Hon. Member for Cowichan-Malahat-The Islands. Take it easy, boys, remember the past.

Mr. Benjamin: Mr. Speaker, it would have been nice to get those kinds of speeches out of those Liberals last year, the year before, and the year before.

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member for Kenora-Rainy River (Mr. Parry) to withdraw Motion No. 40?

Some Hon. Members: Agreed.

Motion No. 40 withdrawn.

Mr. Deputy Speaker: Is there also unanimous consent to allow the Hon. Minister to withdraw Motion No. 41?

Some Hon. Members: Agreed.

Motion No. 41 withdrawn.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved:

Motion No. 42

That Bill C-31, be amended in Clause 21

(*a*) by striking out line 36 at page 19 and substituting the following therefor:

"21. (1) Subject to subsection (2), this Act shall come into or be"

(*b*) by adding immediately after line 38 at page 19 the following:

"(2) Sections 17 and 18 shall come into force six months after this Act is assented to."

He said: Mr. Speaker, this motion provides for a transitional period regarding the implementation of the amendments with respect to the control, sale and use of intoxicants on reserves. This issue in substance was debated and the amendment approved under Motion No. 33A, standing in my name, earlier in the day.

Motion No. 42 basically provides that Clause 16 would be deemed to have come into effect on April 17, 1985 with the rest of Bill C-31, but that Clauses Nos. 17 and 18 would only become effective six months after Royal Assent. The change is needed to ensure that bands outside Manitoba retain their protection under Sections Nos. 94 to 100 long enough to pass appropriate by-laws under Section 85.1, and to permit bands inside Manitoba to enact by-laws immediately after Royal Assent is given to Bill C-31, that is to say, as soon as the Bill passes. In some cases there may be a few months where both band by-laws and the Indian Act are enforced. A few practical problems are actually expected to arise. Therefore, I ask the House to support Motion No. 42.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 42 standing in the name of the Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 42 agreed to.

Mr. Deputy Speaker: The House will now proceed to the taking of the deferred divisions at report stage of Bill C-31, an Act to amend the Indian Act.

Call in the Members.

The House divided on Motion No. 14, which was negatived on the following division:

(*Division No. 74*)

YEAS

Messrs.

Althouse	Epp (Thunder Bay-Nipigon)	Mitchell (Ms.)
Angus	Hovdebo	Nystrom
Benjamin	Keeper	Orlikow
Blaikie	Langdon	Parry
Cassidy	Manly	Riis
Deans	McCurdy	Robinson
de Jong		Rodriguez
		Waddell—21.

NAYS

Messrs.

Andre	Cochrane	Foster
Attewell	Collins (Mrs.)	Fraleigh
Axworthy	Comeau	Fraser
Beatty	Cook	Fretz
Belsher	Corbett	Friesen
Bernier	Cossitt (Mrs.)	Gagliano
Bertrand (Mrs.)	Côté (Lac-Saint-Jean)	Gagnon
Blackburn (Jonquière)	Côté (Langelier)	Garneau
Blais	Crofton	Gass
Blais-Grenier (Mrs.)	Crombie	Gauthier
Bouchard	Crosby (Halifax West)	Gérin
Bourgault (Mrs.)	Crouse	Gervais
Boyer	Darling	Gravel
Bradley	Daubney	Gray (Windsor West)
Brightwell	de Corneille	Greenaway
Brisco	Della Noce	Grisé
Browes (Mrs.)	Desjardins	Guilbault (Saint-Jacques)
Caccia	Desrosiers	Guilbault (Drummond)
Cadieux	Dick	Gurbin
Caldwell	Dingwall	Halliday
Cardiff	Domm	Hamilton
Carney (Miss)	Dorin	Hardey
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)	Duguay	Harvey
Champagne (Champlain)	Duplessis (Mrs.)	Hees
Charest	Ellis	Henderson
Clark (Yellowhead)	Elzinga	Hicks
Clark (Brandon-Souris)	Fennell	Hnatyshyn
Clinch	Ferland	Hockin
	Forrestall	Holtmann
		Hopkins

Messrs.

Howie
Isabelle
Jacques (Mrs.)
James
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kempling
Kindy
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacLellan
Malépart
Malone
Mantha
Marchi
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Murta
Nicholson (Miss) (Trinity)
Nicholson (Niagara Falls)
Nielsen
Nowlan
Nunziata
Oberle
Ouellet
Penner
Pennock
Pietz
Plamondon
Porter
Ravis
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif (Richmond-Wolfe)
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise—176.

Mr. Speaker: I declare the motion lost. The Hon. Member for Hamilton Mountain (Mr. Deans) on a point of order.

Mr. Deans: Mr. Speaker, with the possible exception of the "late" Minister of National Health and Welfare (Mr. Epp), perhaps the count that was taken on Motion No. 14 could also be applied to Motions Nos. 17, 32, and 37. That being the case, the count could be recorded in exactly the same way in *Votes and Proceedings*.

Mr. Epp (Provencher): Mr. Speaker, if the suggestion of the House Leader of the NDP is followed, I would like it to be recorded that I voted with the Party.

Some Hon. Members: Which Party?

Mr. Epp (Provencher): There is only one Party.

Mr. Speaker: Order. Do I take it there is consent?

Some Hon. Members: Agreed.

Mr. Speaker: The Minister of National Health and Welfare (Mr. Epp) will be recorded as having voted the same way as the Minister of Indian Affairs and Northern Development (Mr. Crombie). The next vote is on Motion No. 17. Mr. Manly moved:

Motion No. 17

That Bill C-31, be amended in Clause 4 by adding immediately after line 3 at page 8 the following:

"(11) In this section, "elector" includes every person whose name is included on the band list and is of the full age of eighteen years."

The House divided on Motion No. 17 which was negatived on the following division:

(*Division No. 76*)

YEAS

Messrs.

Althouse
Angus
Benjamin
Blaikie
Cassidy
Deans
de Jong
Epp (Thunder Bay-Nipigon)
Hovdebo
Keeper
Langdon
Manly
McCurdy
Mitchell (Ms.)
Nystrom
Orlikow
Parry
Riis
Robinson
Rodriguez
Waddell—21.

NAYS

Messrs.

Andre
Attewell
Axworthy
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Caccia
Cadieux
Caldwell
Cardiff
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clark (Yellowhead)
Clark (Brandon-Souris)
Clinch
Cochrane
Collins (Mrs.)
Comeau
Cook
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crosby (Halifax West)
Crouse
Darling
Daubney
de Corneille
Della Noce
Desjardins
Desrosiers
Dick
Dingwall
Domm
Dorin
Duguay
Duplessis (Mrs.)
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Foster
Fraleigh
Fraser
Fretz
Friesen
Gagliano
Gagnon
Garneau
Gass
Gauthier
Gérin
Gervais
Gravel
Gray (Windsor West)
Greenaway
Grisé
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gurbin
Halliday
Hamilton
Hardey
Harvey
Hees
Henderson
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Howie
Isabelle
Jacques (Mrs.)
James
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kempling
Kindy
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
MacLellan
Malépart
Malone
Mantha
Marchi
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Murta
Nicholson (Miss) (Trinity)
Nicholson (Niagara Falls)
Nielsen
Nowlan
Nunziata
Oberle
Ouellet
Penner
Pennock
Pietz
Plamondon
Porter
Ravis
Redway
Reid
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif (Richmond-Wolfe)
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise—177.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 32. Mr. Manly moved:

Motion No. 32

That Bill C-31, be amended in Clause 15 by striking out lines 10 and 11 at page 17 and substituting the following therefor:

"(p.1) the residence of persons who are not members of the Band;".

The House divided on Motion No. 32 which was negatived on the following division:

(*Division No. 77*)

YEAS

Messrs.

Althouse	Epp	Mitchell (Ms.)
Angus	(Thunder Bay-Nipigon)	Nystrom
Benjamin	Hovdebo	Orlikow
Blaikie	Keeper	Parry
Cassidy	Langdon	Riis
Deans	Manly	Robinson
de Jong	McCurdy	Rodriguez
		Waddell—21.

NAYS

Messrs.

Andre	Dingwall	Joncas
Attewell	Domm	Jourdenais
Axworthy	Dorin	Kaplan
Beatty	Duguay	Kempling
Belsher	Duplessis	Kindy
Bernier	(Mrs.)	King
Bertrand (Mrs.)	Ellis	Landry (Mrs.)
Blackburn	Elzinga	Lanthier
(Jonquière)	Epp	Lapierre
Blais	(Provencher)	La Salle
Blais-Grenier (Mrs.)	Fennell	Lawrence
Bouchard	Ferland	Layton
Bourgault (Mrs.)	Forrestall	Lesick
Boyer	Foster	Lewis
Bradley	Fraleigh	Lopez
Brightwell	Fraser	MacDonald (Miss)
Brisco	Fretz	(Kingston and
Browes (Mrs.)	Friesen	the Islands)
Caccia	Gagliano	MacDougall
Cadieux	Gagnon	(Timiskaming)
Caldwell	Garneau	MacLellan
Cardiff	Gass	Malépart
Carney (Miss)	Gauthier	Malone
Champagne (Mrs.)	Gérin	Mantha
(Saint-Hyacinthe-Bagot)	Gervais	Marchi
Champagne	Gravel	Martin (Mrs.)
(Champlain)	Gray	Masse
Charest	(Windsor West)	Mayer
Clark	Greenaway	Mazankowski
(Yellowhead)	Grisé	McCain
Clark	Guilbault	McCrossan
(Brandon-Souris)	(Saint-Jacques)	McCuish
Clinch	Guilbault	McDermid
Cochrane	(Drummond)	McKenzie
Collins (Mrs.)	Gurbin	McKinnon
Comeau	Halliday	McLean
Cook	Hamilton	McMillan
Corbett	Hardey	Merrithew
Cossitt (Mrs.)	Harvey	Minaker
Côté	Hees	Mitges
(Lac-Saint-Jean)	Henderson	Murta
Côté	Hicks	Nicholson (Miss)
(Langelier)	Hnatyshyn	(Trinity)
Crofton	Hockin	Nicholson
Crombie	Holtmann	(Niagara Falls)
Crosby	Hopkins	Nielsen
(Halifax West)	Howie	Nowlan
Crouse	Isabelle	Nunziata
Darling	Jacques	Oberle
Daubney	(Mrs.)	Ouellet
de Corneille	James	Penner
Della Noce	Jardine	Pennock
Desjardins	Johnson	Pietz
Desrosiers	(Bonavista-Trinity-	Plamondon
Dick	Conception)	Porter
Ravis	Speyer	Tupper
Redway	Stackhouse	Turner
Reid	Stevens	(Ottawa-Carleton)
St. Germain	Stewart	Vézina (Mrs.)
St-Julien	Suluk	Vincent
Schellenberg	Tardif	Warner
(Nanaimo-Alberni)	(Richmond-Wolfe)	Weiner
Schellenberger	Tardif (Mrs.)	Wenman
(Wetaskiwin)	(Charlesbourg)	White
Scowen	Taylor	Wilson
Shields	Thacker	(Swift Current-
Siddon	Toupin	Maple Creek)
Sparrow	Tremblay	Winegard
(Mrs.)	(Lotbinière)	Wise—177.

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 37. Mr. Manly moved:

Motion No. 37

That Bill C-31, be amended by deleting Clause 19 and substituting the following therefor:

"19. For greater certainty, membership rules established pursuant to Section 10 and all by-laws and regulations made under the authority of this Act, are subject to the Canadian Charter of Rights and Freedoms."

The House divided on Motion No. 37 which was negatived on the following division:

(*Division No. 78*)

YEAS

Messrs.

Althouse	Epp	Mitchell (Ms.)
Angus	(Thunder Bay-Nipigon)	Nystrom
Benjamin	Hovdebo	Orlikow
Blaikie	Keeper	Parry
Cassidy	Langdon	Riis
Deans	Manly	Robinson
de Jong	McCurdy	Rodriguez
		Waddell—21.

NAYS

Messrs.

Andre	Comeau	Fraser
Attewell	Cook	Fretz
Axworthy	Corbett	Friesen
Beatty	Cossitt (Mrs.)	Gagliano
Belsher	Côté	Gagnon
Bernier	(Lac-Saint-Jean)	Garneau
Bertrand (Mrs.)	Côté	Gass
Blackburn	(Langelier)	Gauthier
(Jonquière)	Crofton	Gérin
Blais	Crombie	Gervais
Blais-Grenier (Mrs.)	Crosby	Gravel
Bouchard	(Halifax West)	Gray
Bourgault (Mrs.)	Crouse	(Windsor West)
Boyer	Darling	Greenaway
Bradley	Daubney	Grisé
Brightwell	de Corneille	Guilbault
Brisco	Della Noce	(Saint-Jacques)
Browes (Mrs.)	Desjardins	Guilbault
Caccia	Desrosiers	(Drummond)
Cadieux	Dick	Gurbin
Caldwell	Dingwall	Halliday
Cardiff	Domm	Hamilton
Carney (Miss)	Dorin	Hardey
Champagne (Mrs.)	Duguay	Harvey
(Saint-Hyacinthe-Bagot)	Duplessis	Hees
Champagne	(Mrs.)	Henderson
(Champlain)	Ellis	Hicks
Charest	Elzinga	Hnatyshyn
Clark	Epp	Hockin
(Yellowhead)	(Provencher)	Holtmann
Clark	Fennell	Hopkins
(Brandon-Souris)	Ferland	Howie
Clinch	Forrestall	Isabelle
Cochrane	Foster	Jacques
Collins (Mrs.)	Fraleigh	(Mrs.)

Messrs.

James
Jardine
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kempling
Kindy
King
Landry (Mrs.)
Lanthier
Lapierre
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacLellan
Malépart
Malone
Mantha
Marchi
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Murta
Nicholson (Miss)
(Trinity)
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Nunziata
Oberle
Ouellet
Penner
Pennock
Pietz
Plamondon
Porter
Ravis
Redway
Reid
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif
(Richmond-Wolfe)
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—177.

Mr. Speaker: I declare the motion lost. The next question is on Motion No. 15. Mr. Shields moved:

Motion No. 15

That Bill C-31, be amended in Clause 4 by striking out lines 36 to 48 at page 6 and lines 1 to 4 at page 7.

The House divided on Motion No. 15 which was negatived on the following division:

(*Division No. 75*)

YEAS

Messrs.

Penner Shields Taylor—3.

NAYS

Messrs.

Althouse
Andre
Angus
Attewell
Axworthy
Beatty
Belsher
Benjamin
Bernier
Bertrand (Mrs.)
Blackburn
(Jonquière)
Blaikie
Blais
Blais-Grenier (Mrs.)
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Caccia
Cadieux
Caldwell
Cardiff
Carney (Miss)
Cassidy
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clinch
Cochrane
Collins (Mrs.)
Comeau
Cook
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crombie
Crosby
(Halifax West)
Crouse
Darling
Daubney
Deans
de Corneille
de Jong
Della Noce
Desjardins
Desrosiers
Dick
Dingwall
Domm
Dorin
Duguay
Duplessis
(Mrs.)
Ellis
Elzinga
Epp
(Thunder Bay-Nipigon)
Epp
(Provencher)
Fennell
Ferland
Forrestall
Foster
Fraleigh
Fraser
Fretz
Friesen
Gagliano
Gagnon
Garneau
Gass
Gauthier
Gérin
Gervais
Gravel
Gray
(Windsor West)
Grisé
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Gurbin
Halliday
Hamilton
Hardey
Harvey
Hees
Henderson
Hicks
Hnatyshyn
Hockin
Holtmann
Hopkins
Hovdebo
Howie
Isabelle
Jacques
(Mrs.)
James
Jardine
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Keeper
Kempling
Kindy
King
Landry (Mrs.)
Langdon
Lanthier
Lapierre
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacLellan
Malépart
Malone
Manly
Mantha
Marchi
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McCurdy
McDermid
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitchell (Ms.)
Mitges
Murta
Nicholson (Miss)
(Trinity)
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pennock
Pietz
Plamondon
Porter
Ravis
Redway
Reid
Riis
Robinson
Rodriguez
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif
(Richmond-Wolfe)
Tardif (Mrs.)
(Charlesbourg)
Thacker
Toupin
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vézina (Mrs.)
Vincent
Waddell
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—192.

Mr. Speaker: I declare the motion lost.

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moves that Bill C-31, an Act to amend the Indian Act, as reported (with amendments) from the Standing Committee on Indian Affairs and Northern Development be concurred in.

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

Some Hon. Members: On division.

Motion agreed to.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I rise on a point of order. I want the record to show that I was present today but did not vote for or against the amendments because I believe the Bill to be seriously defective and that it should be sent back to committee for further consultation with the peoples affected.

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

• (1740)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. Speaker: Is there unanimous consent for the House to proceed to Item No. 13?

Some Hon. Members: Agreed.

* * *

CANADA ELECTIONS ACT (NON-LISTED ELECTORS)

MEASURE TO AMEND

Mr. Ian Waddell (Vancouver-Kingsway) moved that Bill C-236, an Act to amend the Canada Elections Act (non listed electors) be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, I am very pleased to be able to speak on Bill C-236. It is my private Members' Bill which had first reading on April 25, 1985, and is to amend the Canada Elections Act. I want to thank the Government because I understand it is prepared to refer the Bill to the committee in principle allowing the points to be discussed in committee. I am most appreciative for this action. That is the way Parliament should work.

Briefly let me tell you what the Bill does, Mr. Speaker. It is fairly simple. There are three provisions in it. The first clause reads:

> This amendment allows urban voters to be "sworn in" and vote on election day where their names fail to appear on the voters list for the urban polling division. This procedure is currently open only to rural voters.

I will come back to rural voters and explain it in a moment. The second clause reads:

> This provision attempts to remedy the situation where candidates and their canvassers have been denied entry to apartment buildings, hotels and the like which have "no soliciting" policies.

I will come back to explain that. The third clause reads:

> This provision would allow travellers and students temporarily resident outside Canada to vote in general elections in a manner similar to Canadian Forces and Public Service electors posted outside Canada.

Why did I bring this Bill forward now so early in the session? Because the subject is still fresh in most all Members' minds. It was only last summer around about this time that the previous Prime Minister called upon the Governor General to dissolve the House to have a federal election which took place in September. As a result, most Members of the House are quite familiar with the Canada Elections Act. The Act was last amended in this House, I believe, on October 25, 1983, through Bill C-169.

Members of this Parliament are aware of what it is like to go through an election. They will know the strengths and weaknesses of the Act. Generally it is pretty strong. We are fortunate to have a vibrant democracy in Canada. I wish my Party had won more seats, but I am particularly happy that I was returned and my colleagues, such as the Hon. Member for Vancouver East (Ms. Mitchell) who is sitting beside me were returned.

I took the occasion to write to Members of the House to give them some notice of my Bill and I am pleased to say that I received a response from numerous Members who were prepared to support the Bill or who had some comments and took up my request. I will just mention that the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) responded, a Liberal MP. The Hon. Member for Edmonton West (Mr. Dorin) responded, a Conservative. The Hon. Member for York East (Mr. Redway) already a very active Member of this House who has been here only a short time, a Conservative, responded. The Hon. Member for Moncton (Mr. Cochrane) responded. All Members responded very favourably to referring the Bill to committee.

Some other Members responded who had some concerns with the Bill and, to be fair, I should mention them. A Member from my own Party, the Hon. Member for Spadina (Mr. Heap) had some concern about the provision with respect to urban electors voting at the polls when they were not registered. We will discuss that point in committee. The Hon. Member for Etobicoke North (Mr. Pennock) also expressed some concern about that part of the Bill.

Let me just go through some of the provisions of the Bill that are relevant to the matter this afternoon. The first provision of the Bill arose from a letter I received from one of my constituents and concerns that I received at the time of the election. Essentially last year's election was a summer election. A lot of people were out of the country who wanted to vote but could not because they were going to be out of the country. Elections usually come every four years. We should err on the side of trying to make it possible for as many people to vote. We should try to figure out procedures that would allow people to vote. I would like to read a letter from E. Carol MacPherson who lives at 2981 E. Twenty-Sixth Avenue, Vancouver, in my riding. The letter is dated July 30, 1984. She writes:

> Dear Mr. Waddell:
>
> Like many other people, I imagine. I am having difficulty arranging to vote in this upcoming election. I will be out of the country between August 11 and September 8. The Returning Officer has told me that I will not be able to vote and no possible arrangements can be made. Surely something can be done for those of us trying to be responsible citizens. I am offended by the attitude of the Returning Office that I am somehow remiss to take my hard-earned holidays when an election has been called.
>
> I am writing to your office not only because you are my MP but also because I support your candidacy. I appreciate the work you have done for your constituency and I would really like to vote in this election.

Of course, Mr. Speaker, I wanted her to vote in the election too. The letter concludes:

Thanking you in advance for your interest and assistance.

I could not make the effort then, but I am making the effort now.

I noticed an advertisement in the Vancouver paper, *The Sun* that I happened to spot. It concerns the elections in Australia. It was an ad that was buried away in one of the advertising columns of the *Vancouver Sun*. It advertised for people to vote in the Australian election who would be away when the election took place. The ad was for people living in Vancouver who were Australian citizens. It outlined the voting procedure. I thought it was quite a good idea. I would like to see us to do something like that in Canada. I will bring that idea to the committee. Let me read the advertisement. It reads:

Election day is December 1, 1984.

A general election for the Australian House of Representatives, the Senate and two Referendums Questions will be held on Saturday, December 1, 1984.

● (1750)

A second heading in the article read: "Apply now for a postal vote" and continued as follows:

If you are enrolled on the Commonwealth Electoral Roll and you are travelling or are temporarily a resident in Western Canada and will not be returning to Australia before Election Day, you may apply for a Postal Vote.

Postal voting facilities and a list of candidates are available at the Australian Consulate-General, Vancouver—

Also included in the advertisement was a telephone number. I found that to be quite interesting. It is true, as my colleague said, that in Australia one is required to vote. My Bill does not require Canadians to vote. Actually, it does not provide for a postal vote. However, it tries to provide the same facilities as those provided for foreign service officers and armed services personnel to vote in federal elections. I think the same could be done for people residing abroad or for people travelling abroad when elections are held. That is one of the first provisions of my Bill.

The second provision is one to give urban voters the same rights as rural voters. There is a provision in the British Columbia Elections Act by which people can show up at the polls, show proof of their identity, and swear affidavits indicating that they were not enumerated but that they lived in the riding and should be able to vote. I believe that can be done under the Canada Elections Act if one is a rural voter. There is some controversy about it, although we have that provision in the Province of British Columbia and it appears to work in provincial elections. The controversy is that perhaps it would enable people to abuse the system. That may be so, but I would argue that we could prevent abuses by a proper procedure.

I have been at the polls, as I am sure other Hon. Members have been, when voters turn up, only to discover that they were not enumerated and could not vote. They feel badly about it, because Canadians generally take their voting rights very seriously. As the former Prime Minister used to say, "If you don't like me, you can throw me out at election time". It is one of our real rights, perhaps the highest one, next to free speech. It is important that we make the vote as available as we can and on the widest basis possible.

I will point out in committee that if we have a different procedure for rural voters as opposed to urban ones in our present Canada Elections Act, it may be unconstitutional and against the Charter of Rights and Freedoms. I think the committee should look at it very seriously.

My third point in the Bill is a rather personal one. During the last election campaign, canvassers could not go into the Patricia Hotel in the riding of the Hon. Member for Vancouver East. People actually live in that hotel, many of whom are loggers who work in the woods and make the hotel their permanent residence. It was more like an apartment than a hotel. However, the manager of the hotel would not allow canvassers in. I telephoned him and told him that I was a lawyer and a Member of Parliament, that I would like canvassers to be able to go into the hotel so that its residents would have an opportunity to get all available literature, and that it would give us a chance to get their vote or to convert them, if they were thinking of voting for another Party. The manager said: "I don't have to let you in; show me the law". Thereafter I checked the law and discovered that there was nothing in the provincial Act or in the federal Act which would require him to let canvassers in. I telephoned him again to tell him that he was right and to appeal to him as a citizen of Canada, as someone who I expected shared my view that it was very important to have utmost freedom for the dissemination of political literature, freedom of speech and so on. I told him that he should let in canvassers and he said: "Too bad, I will not let them in". I told him that there was more than one way to skin a cat, that I would have to change the law. This is why I am particularly pleased to have the Bill before the House this evening. I will send a copy of it to that particular hotel manager.

I considered other possible issues to raise in the Bill. I did not raise one such issue because I thought there was opposition to it. Perhaps I will raise these points for discussion in committee. However, I notice that the Hon. Member for Scarborough West (Mr. Stackhouse) has Bill C-219, an Act to amend the Canada Elections Act, on the Order Paper. He is asking for changes in terms of candidates who seek a leave of absence to run. I hope that matter will eventually come before the House as another issue pertaining to the Canada Elections Act.

I think the issue of public opinion polls should be raised. Should we continue to allow public opinion polls to be published during an election campaign? I noted that in the campaign last year it was important to have these polls. However, that issue was not raised in my Bill. Other issues would be shorter election periods and the right of prisoners to vote. Perhaps they could be discussed at another point.

I have made three simple amendments. I would be very pleased if they could go to committee to be discussed.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I move, seconded by the Hon. Member for Gloucester (Mr. Clinch):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-236, an Act to amend the Canada Elections Act (non-listed electors), be not now read the second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Privileges and Elections."

The Acting Speaker (Mr. Charest): The House has heard the terms of the amendment. The Hon. Member for Halifax West (Mr. Crosby).

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to support the motion of the Parliamentary Secretary. I think that is the appropriate disposition of Bill C-236, presented to the House by the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

I just want to note for the record that the Standing Committee on Privileges and Elections has before it the report of the Chief Electoral Officer for consideration. Some of the matters raised in the Bill of the Hon. Member for Vancouver-Kingsway are under discussion before the committee. I just want to add three points to what he has already said.

In the first place, with respect to the matter of the differentiation between urban and rural voters, I, for one, believe that that distinction has to be eliminated because under the new provisions of the Canadian Charter of Rights and Freedoms all Canadians have equal voting rights. I think we should eliminate that distinction altogether. While I appreciate the effort of the Hon. Member, I think there is another resolution to the problem.

With respect to the matter of a permanent voters' list, the Hon. Member mentioned the list in his presentation, but the Bill actually referred to the special voting rules. I agree that that is something we ought to consider for Canadian voters. I think it is overdue. We have computer systems which can put in place a very easy method to establish a permanent voters' list so that we can obtain the kinds of advantages which the citizens of Australia enjoy.

• (1800)

The third point, access to candidates, I think is long overdue and is a provision that the committee ought to consider. Hopefully it will be enacted. When writing to the hotel proprietor in Vancouver, let me say to the Member through you, Mr. Speaker, you can add that the Hon. Member for Halifax West thinks you should have been allowed into the hotel as well. I say that to all the department superintendents across the country: don't try to obstruct the voting process. Maybe we should have provisions like that.

I see it is approaching six o'clock, Mr. Speaker, and you will want to call the question on the motion which I hope all Members will approve.

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

Some Hon. Members: Agreed.

Amendment (Mr. Dick) agreed to.

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

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Charest): Accordingly, the order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Privileges and Elections.

Order discharged and Bill withdrawn.

Mr. Dick: Mr. Speaker, just because the matter happened to come up a week ago—there is no problem with what has gone through—I think if you check the "blues" you will find there was a case where we all agreed, but the Speaker did not ask to see if there were any nays. An amendment was lost in a Bill two weeks ago on that same type of procedural mistake. I think it should have been checked to see if there were any nays. There were not any, as it turns out.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

ADMINISTRATION OF JUSTICE—ENFORCEMENT OF YOUNG OFFENDERS ACT

Mr. Alan Redway (York East): Mr. Speaker, you will remember that on April 26 I put a question to the Acting Solicitor General with respect to a request that his Department review the Young Offenders Act, bearing in mind concerns expressed by the Chief of Police of Metropolitan Toronto, Jack Marks, in connection with the Young Offenders Act.

Chief Marks, as you will remember, Mr. Speaker, pointed out a number of concerns relating to the Young Offenders Act. He indicated that at that stage in April there were some 400 individual cases of persons under the age of 12 who allegedly had committed criminal offences but could not be charged with those criminal offences. I understand there are somewhere in the neighbourhood of 500 individuals under the age of 12 in the Metropolitan Toronto area that fall into the same category. They had allegedly committed some very serious offences, including arson, break and enter, theft, assault, sexual assault and crimes of that nature. Since that time there have been reports of other very serious matters, including a high-speed chase involving an 11-year old boy who drove a car

at a high speed, chased by the police, which resulted in the injury of two police officers. No charge could be laid against that 11-year old boy under either the Criminal Code or the Highway Traffic Act of the Province of Ontario. He could not be charged with any criminal offence whatever because of the provisions of the Young Offenders Act.

Those were some of the incidences pointed out by the chief at that time. Since that time a number of other cases have come to light. One, of course, was the 17-year old offender who had been charged with armed robbery with a sawed-off shotgun, who then escaped custody, yet the police could not warn the public of the name or identity of that person because of Section 38 of the Young Offenders Act.

The police have also pointed out the serious position in which the law puts a person accused of committing a sexual assault, or something of that nature, against a young child under the age of 12. A judge can now accept the uncorroborated testimony of a child under the age of 12 in order to convict a person on a charge of that nature, but that child is not subject to being charged in the event it turns out that the evidence given is not true, or not correct. A child under the age of 12 can give evidence which can be accepted as sufficient to convict an adult. In that event the judge is accepting that evidence on the basis that the child understands what is right and what is wrong, and what is meant by the truth. But at the same time that child can not be charged for perjury if in fact the evidence that the child gives is false. Those are some of the instances raised by the Metropolitan Toronto Police Department in connection with this situation.

• (1805)

You may recall, Mr. Speaker, that at that time the Acting Solicitor General raised the point that the police could fall back on the Child Welfare Act, or perhaps the new Ontario law now scheduled to come into effect on October 1 of this year, the Child and Family Services Act. In both instances it would be necessary for the police not only to investigate the offence involving the young offender, but to investigate the family situation as well, with a view to determining whether the family was a good family, or was not looking after the child properly and did not have the child under proper control. The police and the Children's Aid in a number of instances have pointed out their concern with that sort of approach.

It is obvious that in most of these instances the child under the age of 12 lives in a good home, is well looked after and well cared for. Certainly there would be no way that the Child Welfare Act as it now stands would apply to that child, and no way in the opinion of the police or of Children's Aid that the Child and Family Services Act, which will come into effect in October of this year, would have any application or effect in that situation.

As a result of those inquiries I arranged a meeting with the Chief of Police of Metropolitan Toronto and the Solicitor General of Canada (Mr. MacKay) to discuss these concerns and try to sort out some answers to these problems. On that occasion, the police raised five separate areas of concern. They raised matters relating to those offenders under the age of 12; a ban on publication, a records repository, breach of probation and the definition of temporary restraint. All of these questions remain to be answered.

I trust that the Parliamentary Secretary will tell us today that the Solicitor General is seriously considering introducing some legislation to correct this situation so that the police can better serve and protect the citizens of Canada.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I am personally aware of the meeting that took place between the Hon. Member, the Chief of Police of Metropolitan Toronto and the Solicitor General (Mr. MacKay). I believe that meeting took place within the last 14 days and I am aware, from public and private statements that have been made by the Hon. Member, that he is very concerned about the Young Offenders Act. I might say that certain provisions of that Act have concerned all Members of the House or, at any rate, most Members of the House. I can tell the Hon. Member that his concerns are being monitored.

In January of 1985 the Solicitor General met with his corresponding Ministers at a provincial level. It was agreed at that time that there would be a mechanism for carrying out investigation of the Act and the necessary consideration of amendments that might be called for. I would ask the Hon. Member to be patient with respect to this matter. I know that the Solicitor General is very concerned and I know that he will get back to the Hon. Member in due course.

CHARTER OF RIGHTS—FUNDING OF LITIGATION. (B) DEPARTMENTAL STUDIES. (C) OVERRIDE PROVISION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to pursue a very important question I asked of the Minister of Justice (Mr. Crosbie) on February 1 of this year. You will recall, Mr. Speaker, that was the day after the Minister had announced his response to the challenge that was posed by Section 15 of the Charter of Rights and Freedoms, the Section which guarantees equality for all Canadians.

Many of us were very bitterly disappointed by the fact that the Government had failed to move forward with significant legislation, having been given three years to review its legislation comprised of some 1,100 statutes. In fact, the Government made very little progress in making amendments to ensure that equality would be a reality. As I have indicated, women, the disabled, minorities, and hundreds of thousands of Canadians felt a sense of anger and betrayal. They had waited three years for naught.

• (1810)

The effect of the failure on the part of the federal Government to move forward with the legislative initiatives which would ensure real equality is that those who wish to assert their rights and put an end to discrimination in Canada are being forced into the courts. Of course, a committee has been established, and I have the honour of representing my Party on that committee. That committee has heard witnesses from

across Canada expressing concerns that legislation has not been amended.

If there is one concern about which we have been told very strongly and clearly than any other, it is the concern that if equality is to be a reality, and if the possibility of the courts being the last refuge is to be a reality, the courts must not be restricted solely to those who can afford to pay. It is on that basis that I asked the Minister of Justice on February 1, 1985, to agree to establish a special fund which would assist in challenges under the provisions of Section 15 of the Charter of Rights. That was not something which had been dreamed up that week, it was a question in response to a solemn commitment which had been made by the then Leader of the Opposition, now the Prime Minister (Mr. Mulroney), on August 14, 1984, during the election campaign. The Prime Minister said:

A Progressive Conservative government will financially assist all Charter of Rights cases deemed to be of national importance. Cases involving the rights of the handicapped and disabled would certainly fall into this category.

There was only one amendment in the Government's legislative response to Section 15 which affected the rights of the disabled and the handicapped. That amendment changed the word "lunacy" to the words "mental disability" in the Canada Shipping Act. That was not the major pressing concern of more than two million disabled people in Canada.

Many other concerns were expressed by the disabled community, which resulted in the strengthening of the Charter of Rights to include physical and mental disability. Those concerns were reflected in the Obstacles Report. There was no shortage of recommendations. The Government did not make the legislation changes which were needed. Therefore, the only alternative, pending those legislative changes, is court challenges.

We have waited for the funding for those challenges. The corporate sector is already active in the courts defending its rights. It has unlimited resources. Generally speaking, victims of inequality tend to be economically unequal; they tend to be poor and powerless. It is those people who must be assisted financially.

We were told in February 1985, by the Minister of Justice that the Secretary of State (Mr. McLean) was considering the establishment of a fund to assist in court challenges. The Minister of Justice said that his colleague was a mighty volcano in Cabinet on the question. He said that the Secretary of State was ready to explode at any moment. He was considering the issue together with the Minister of Justice. Well, we are waiting for the Secretary of State to explode. We have been waiting for a little whimper from the Secretary of State. It is the Minister of Justice who has been doing the exploding recently.

This is an issue of fundamental importance. As Frank Scott said so eloquently, "The trappings of democracy hang loosely on an emaciated body politic". I hope, Mr. Speaker, that the Parliamentary Secretary to the Minister of Justice will stand in his place today and respond to the concerns of women's groups, the disabled, and other minorities, and announce that the Government will, in fact, make equality rights a reality, at least to the extent that the people can challenge unjust laws in the courts. I call upon the Parliamentary Secretary on behalf of the Government to live up to the commitment which was made by the Prime Minister during the last federal election campaign, to live up to the commitments made by the Minister of Justice and that mighty volcano, the Secretary of State, and finally announce a court challenges' fund.

• (1815)

April 17 has come and gone and still this Government's promise remains unfulfilled. I hope that we might finally see some evidence of funding which will ensure that these challenges, so important in the absence of a meaningful legislative response, can in fact go forward.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I can tell the Hon. Member, seeing that brevity has its own rewards, that the whole matter of funding is under consideration by the Cabinet—

Mr. Robinson: How much longer?

Mr. Speyer: —and it will be announcing in due course its decision.

PENSIONS—MINISTER'S POSITION. (B) CONCEPT OF FAIRNESS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to pursue a question I asked of the Minister of National Health and Welfare (Mr. Epp) last week. It concerns the discrepancy between the actions the Government has taken with respect to deindexing the old age security payment in the budget and some things the Minister of National Health and Welfare had to say prior to the introduction of that budget. I referred to a number of things, the first of which was the commitment made by the Minister of National Health and Welfare in the discussion paper released by him in January concerning social benefits, that there would be no change in the Old Age Security-Guaranteed Income Supplement system. That was a flat statement by the Minister in that document, that no change was required.

In fact, the Minister did not even seek out the opinions of the seniors with respect to the pension system, because he gave the impression in January that this was not even an issue. It was not even up for discussion. Yet when the budget finally came down we found that there was to be a radical change in the system, a deindexing of the Old Age Security payment which will affect seniors far and wide, no matter what part of the country they live in. I think, therefore, that the Minister needs to be called to task for saying one thing in January and allowing the Government, of which he is a part, to do another thing in the budget in May.

The Prime Minister (Mr. Mulroney) cannot hide behind the fact that the situation is other than what he expected it to be. It is often said by the Government, "Well, we said that when we were in opposition but we didn't know what a mess we would be left in by the Liberals". Yet I am talking about a commitment the Government made in January after it had

been in power for five months and after it had had ample time to assess the financial situation. That commitment was made in January and abrogated on May 23 when the budget came down.

The Minister of National Health and Welfare then found himself on the far side of the facts once more when he compounded his embarrassment of having been in a position where the Government was doing something he said it would not, by claiming that seniors supported what the Government was doing. That did not last very long because, I am sure, Members of Parliament on the government side began to get the message back to the Government that it was bad enough to do this to seniors but it was compounding the error to get up and claim that it actually had their support. That was adding insult to injury and making matters a lot worse. And very soon we found the Government saying that it never really did claim that seniors supported this and it was aware of the lack of support for this move. So the Minister changed his mind on that also.

The third thing said repeatedly by the Minister which was contradicted by the budget was that no money obtained from changes in the social benefits package would go towards cutting the debt. Yet reducing the debt has been the kernel, the core of every answer given by the Minister of National Health and Welfare to questions raised in this House about the old age pension. It is in direct contradiction to everything he ever said about money saved from cut-backs in social programs not being used to reduce the debt. Yet that is the very thing he has said over and over again in this House since the budget came down.

● (1820)

The fourth thing the Minister has been saying which is not true has to do with the indexing of the Guaranteed Income Supplement. He keeps trying to give the impression that people who receive the GIS are fully protected by this Government. That is not true. People who receive the GIS also receive Old Age Security, and those payments will not be as high as they normally would have been because of deindexation. This is to be distinguished from what happened under the Liberals when they brought in six and five because even they had the decency to double-index the GIS so those people would not suffer from the changes. This the Conservatives have not done and that is why it is false for them to stand up and say that people receiving the GIS have been fully protected. They have not been fully protected.

This Budget is morally disgusting in the way it demands of senior citizens a sacrifice which many of them are unable to make. At the same time it turns over billions of dollars to the oil companies, the investment community, and people who have the opportunity to make a capital gain of $500,000. Is this what you call moral rectitude, giving a capital gains exemption of $500,000 to people who have accumulated all those assets over a lifetime while at the same time asking pensioners on the GIS to make a sacrifice for the country? I think the whole darn thing stinks, pensioners think it stinks, and this Government is going to come around, you wait and see. If it does not, people will remember four years from now who it was that said one thing before the election, particularly to the elderly, and then did another after being elected.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Health and Welfare): Mr. Speaker, I welcome this opportunity to answer the questions raised by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). When we reviewed our social programs, we stressed that the principle of universality would remain unchanged. This principle is the basic element of our social—

[*English*]

Mr. Blaikie: You said there would be no change in the system; you did not say there would be no change in universality.

The Acting Speaker (Mr. Charest): Order.

[*Translation*]

Mrs. Bertrand: I listened to you, now listen to me!

This principle forms the basic element of our social safety net for the elderly. In fact, senior citizens have informed us that they were opposed to any changes in this respect. Therefore, no changes will be made in the universal Old Age Security pension.

I hope the Hon. Member will listen carefully to what I have to say next. As we announced in the Budget, the Old Age Security Pension will be indexed only for the annual increase in the consumer price index greater than 3 per cent. In addition, the Guaranteed Income Supplement, a key program on which half of elderly Canadians depend, will be fully indexed to cost-of-living increases. We also formally announced in the Budget, and this has been repeated several times, by the Minister of Finance (Mr. Wilson), the Minister of National Health and Welfare (Mr. Epp), my colleagues and myself as well, that the Government will be monitoring the situation very closely, to ensure that benefits are adequate, in light of present and future needs. We will increase these benefits as resources permit, and we shall be very happy to do so.

The Hon. Member for Winnipeg-Birds Hill does not seem to be aware of the important measures taken by the Government which have had a direct and positive impact on senior citizens and needy Canadians. For instance, the Government has shown its support for the disabled. The definition of disability for income tax purposes will cover all types of serious disabilities affecting Canadians, and many elderly will be able to benefit from this measure. Furthermore, provisions to improve standards for private pension plans under federal jurisdiction will have a much broader impact. Since a consensus has been reached between the federal and provincial governements, we hope that standards for pension plans will be uniform at both

levels of government. The uniformity of the standards will mark an important step towards improving pension plans across Canada. Discussions with our provincial counterparts on the subject are expected to start very shortly.

In concluding, Mr. Speaker, I would also like to stress the fact that in the present economic situation, the Budget proposals will help us to maintain economic growth and control the deficit. It is the only way to make it easier for the government to respond to the needs of all Canadians. I would also ask Hon. Members and Canadians in general to consider the general context in which these proposals were made. In addition to controlling the deficit, we will be creating a climate that will foster confidence and economic growth. Mr. Speaker, we are doing all that is humanly possible to protect the interests of present and future generations.

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

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Wednesday, June 12, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

EFFECT OF BUDGET

Mr. Maurice Foster (Algoma): Mr. Speaker, the Mulroney-Wilson Budget is clear proof that the Government has abandoned Canada's farmers. The Canadian Federation of Agriculture and the National Farmers Union, which collectively represent thousands and thousands of Canadian farmers, have clearly expressed their frustration and anger with the Budget.

Across the country there is a growing sense of despair that the Government doesn't really care about farmers, pensioners, the unemployed, our youth, and middle-income families who are struggling to raise their children. As further evidence of the concern, last Thursday 150 of the executive officers of the Ontario Federation of Agriculture held an emergency meeting in Toronto to review the Budget and its negative impacts. They passed a resolution condemning the Budget for betraying the farmers of Canada, and are now preparing an action plan to demonstrate their frustration and anger.

The Mulroney-Wilson Budget does nothing to deal with the farm financial crisis. The 39,000 farmers who, the FCC says, are under severe financial stress, can only look forward now to foreclosure. What happened to the agri-bond program promised by the Conservatives in last year's election campaign? What happened to the promise to lower farm loan interest rates? What about Section 31 of the Income Tax Act?

When you look for winners and losers in the Budget, Mr. Speaker, it seems everyone loses except the multinational oil companies and the rich.

* * *

PENSIONS

OBJECTIONS TO PARTIAL DEINDEXATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday representatives of 11 organizations with a membership of one million pensioners met in Toronto to oppose strongly partial deindexation of old age pensions. They are mad and militant, and demand that the Government reindex pensions.

They protest that there was no formal consultation with senior citizen organizations concerning fundamental changes in old age security; that the Prime Minister (Mr. Mulroney) broke his promise to index old age pensions to the actual cost of living; that seniors, many of whom live in poverty, are being forced to sacrifice to reduce the deficit; that deindexation will mean a loss of over $1,600 per person over the next five years; that the ranks of the poor will swell due to the measures in the proposed Budget; and that the wealthiest Canadians will have added windfalls from the elimination of the capital gains tax, while Canada's elderly are asked to contribute $400 million.

Pensioners feel this is a cruel move against Canada's elderly who have contributed so much to Canada. Pensioners demand reindexation.

* * *

SHIPBUILDING

INDUSTRY AFFECTED BY ORDERS PLACED ABROAD

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, while the domestic shipbuilding industry is reeling through its worst crisis in 50 years, foreign built ships for the domestic market continue to enter Canada in record numbers. In the last two years alone, this has amounted to over 434,000 gross tonnes. Every time a vessel is built abroad for the domestic market, shipbuilding and allied industrial jobs in Canada are lost to foreign competition.

It is ludicrous to see as well, Mr. Speaker, that export orders placed in Canada by offshore buyers are eligible for subsidized financing through the Canada Export Development Corporation, yet domestic ship owners, Canadian ship owners, do not qualify for these reduced rates. No other shipbuilding nation in the world subsidizes export orders and not domestic orders. Common sense would indicate that if Canadian owners were to be eligible for concessionary financing at EDC rates, increased orders would accrue to Canada, creating much needed employment for domestic shipbuilding and allied industries.

There are some 40 constituencies across Canada which have shipbuilding and ship repairing facilities, and allied industries, in their areas. These ridings, and the industry, have had their hopes and expectations dashed and devastated. We had hoped that at long last something would be done to ease the dire situation in the shipbuilding industry by the introduction of positive initiatives. This has not materialized, leaving our shipbuilding industry crippled, and deeper and deeper in the mire of uncertainty.

S.O. 21

I believe I speak for all Hon. Members of this House, especially those Hon. Members—

Mr. Speaker: I regret to inform the Hon. Member that his 90 seconds have expired.

* * *

[*Translation*]

THE ECONOMY

FOREIGN INVESTMENT—GOVERNMENT POSITION

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, I would draw the attention of the House to the very positive impact of the climate of confidence this Government is creating with respect to foreign investment.

Recently, Mr. Speaker, I attended the sod-turning ceremony at the Nardeux construction site, a French company which has decided to invest in Matane in the Gaspé area. This high technology electronic equipment manufacturing plant will create 200 jobs when it becomes operational in about a year.

I take this opportunity to set the record straight. It would seem, Mr. Speaker, that it was somebody else rather than I who first made the suggestion to build that plant. My response to this claim is that a good many bright ideas turned out to be white elephants or ghost industries under the previous administration. This is where a distinction must be made between the original concept and its implementation by the successor. That being so, it is imperative to emphasize that the installation of the French company's facilities in the Gaspé area is due, first to the favourable climate brought about by this Government's Bill C-15 and, second, to the dynamic human resources in my riding.

Mr. Speaker, it is concrete and patent evidence that the present Government can take full credit for restoring confidence among countries that are anxious to invest in the Canadian economy.

* * *

[*English*]

THE ADMINISTRATION

JUSTICE DEPARTMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on June 3 I made a statement in the House because of a potential conflict of interest concerning the appointment by the Minister of Justice (Mr. Crosbie) of his sons as legal agents. The possibility existed that a person could be asked to prosecute another member of the same family. Given the track record of the Government on nepotism, and its reckless disregard for the conflict of interest rules, that possibility could have become a reality.

Notwithstanding the fact that the Income Tax Act states that directors of a company are jointly and severally liable for the withholdings of taxes, as confirmed by the Minister of Justice reported at page 5589 of *Hansard,* when he stated "there is a claim against Andrew Crosbie", the Minister further stated that his brother owes nothing to the Government.

Whether there is one son or two who act on behalf of Revenue Canada, whether there is a "claim against" or "debt owing" is not the issue. If there is a difference between "claim against" or "debt owing" I withdraw, but I am informed that there is not a difference. It is highly improper, Mr. Speaker, for a Minister of Justice to state that his brother is innocent before the merits of the case have been heard.

When asked whether he was using his position as Minister of Justice to defend a member of his family, the Minister of Justice stated to the press outside the House: "You may be prepared to let down your family, but I've got a right to defend my family".

The Minister has attempted unsuccessfully to deflect his own inadequacies on someone else, but it hasn't worked. He has gotten himself into deeper trouble every time he has raised this issue in the House of Commons.

* * *

PENSIONS

RESOLUTION CALLING FOR RESTORATION OF FULL INDEXATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the well manicured hand of the Government has been caught in the cookie jar of the elderly. It has even offended its allies, including the Canadian Chamber of Commerce, the Business Council on National Issues, and the Canadian Federation of Small Business.

I have a telegram from the Ontario Federation of Students which reports that an emergency resolution was passed last night, which reads as follows:

> Whereas the recent decision of the Government of Canada to deindex old age security programs will have a harmful effect on many senior citizens in Canada, and whereas deindexation of the old age pension is unfair to Canada's seniors who have inadequate sources of income, and whereas Finance Minister Michael Wilson has stated that deindexation of pensions is of benefit to the grandchildren of senior citizens, and whereas we, the grandchildren, oppose forcing seniors below the poverty line to subsidize our futures, be it resolved that the Ontario Federation of Students demands immediate reinstatement of full indexation of old age pensions for the seniors of Canada.

I think that makes it unanimous for everyone, Mr. Speaker, except the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney).

[*Translation*]

EMPLOYMENT

CHALLENGE '85—TÉMISCAMINGUE, QUEBEC

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, on February 12 of this year, following the announcement of a new student summer employment program, Challenge '85, I said in the House that Témiscamingue would accept the challenge.

Mr. Speaker, I have the honour and the privilege of announcing today that Témiscamingue has indeed accepted the challenge. In fact, the response of the private sector and our municipalities to my appeal was so positive that 530 jobs will be created this summer in my riding, which is 180 more than in the summer of 1984. I particularly want to stress that this tremendous success was made possible by the efforts and involvement of 78 businesses in the riding which decided to do their share by hiring students this summer.

That is the kind of leadership given by our Government in creating jobs. The Minister of Employment and Immigration (Miss MacDonald) and the Minister of State (Youth) (Mrs. Champagne) deserve our appreciation for designing a program that has proved to be so popular.

Finally, Mr. Speaker, I shall, if I may, offer my sincere thanks to the business people and municipalities that agreed to encourage and to invest in the energies and talents of our young students.

* * *

• (1410)

[*English*]

PARLIAMENT HILL

DIESEL FUMES EMITTED BY CHARTERED BUSES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I present you with a proposal which would make Parliament Hill a more pleasant workplace. The Hill has the dubious distinction of possessing its very own source of air pollution. Through you, Mr. Speaker, I would ask the powers that be to disallow chartered buses from idling their engines while parked between the Centre Block and the West Block. Diesel fumes hang everywhere in that area and fairly choke the people who work on the Hill, as well as many tourists who have come to meet their representatives in Ottawa.

Having checked with the RCMP I have learned the buses in this area are parked illegally. Efforts to keep the area clear of buses are not always successful, but surely we could try to have the drivers turn them off if they do stay.

As Chairman of the Special Committee on Acid Rain, and a concerned citizen, I would remind Members that the nitrogen oxides spewing from these beasts is a major contributor to acid precipitation. Heavy duty vehicles contribute 12 per cent of the NOx emissions in Canada. I have heard of Members of Parliament with offices in the West Block say they want the bus engines turned off. We are tired of having a pall of pollution hanging over our heads, and I encourage others to join us in the fight for clean air.

* * *

DISARMAMENT

WOMEN'S INTERNATIONAL PEACE CONFERENCE AFFIRMATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have just returned from the Women's International Peace Conference in Halifax, and I would like to read into the record excerpts from their final affirmation:

> We 350 women of the world community, from 33 countries, affirm the overwhelming need and desperate urgency for peace, which we believe is both the process we live and the goal for which we work.
>
> At this conference, women from diverse racial, cultural, ethnic and political backgrounds representing different sides of conflict areas, came together as a living example of women negotiating peace. Some of us compromised our own safety to make this commitment. Although women's voices have not been heard and women have not participated equally in peace negotiations or in the formulation of the institutions and the cultural fabric in which we live, we are more than half the world's population; we do have power, and we are shaping it for peaceful living. We condemn militarism. It is an addiction that distorts human development, causing world-wide poverty, starvation, pollution, repression, torture and death. Feeding this habit robs all the world's children and future generations of their inheritance.
>
> We all live in the shadow of the threat of nuclear war. We demand an end to research, testing, development, and deployment of all weapons of mass destruction, to the militarization of space and to all forms of violence. As a first step, we call for a comprehensive test ban treaty. We are committed to acting globally, nationally, locally and individually for peace. We will not compromise our commitment to the survival and healing of this planet. We affirm the right of every human being to live with dignity, equality, justice and joy.

* * *

[*Translation*]

AWARDS AND DECORATIONS

GOVERNOR GENERAL'S LITERARY AWARD WON BY AUTHOR JACQUES BRAULT

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, as the Member for Brome-Missisquoi, I would like to say how proud I am of the honour bestowed on one of my constituents. In Toronto on June 6, Her Excellency Madame Jeanne Sauvé awarded the Governor General's Award for Literature to Jacques Brault.

Some Hon. Members: Hear, hear!

Mrs. Bertrand: The author was very definitely inspired by the natural beauties of the riding, its lakes, hills and valleys.

I sincerely hope that his work will continue to find an enthusiastic readership and that Hon. Members will be unanimous in offering him their congratulations.

● (1415)

ORAL QUESTION PERIOD

[*English*]

PENSIONS

REQUEST THAT BUDGET MEASURE BE RESCINDED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. In the last 24 hours the Maritime Premiers have said that deindexation is unnecessary, senior citizens have said that they feel betrayed, and numerous social agencies have called for restoration of indexation. Most significantly, the business community, at which the Budget was aimed, has said that deindexation should be stopped and full pensions restored. As the President of the BCNI said, we shouldn't reduce the deficit on the backs of the disadvantaged.

The Prime Minister came into office wanting to build a consensus. He has achieved the consensus, but people are against his order. Will the Prime Minister admit that the Government has made a serious mistake, and immediately withdraw the Budget order cancelling indexation for senior citizens?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in light of his attitude today I think my hon. friend would want to reflect upon a statement he made in the House of Commons on June 29, 1982. At that time he said: "They say we are deindexing down to 5 or 6 per cent for certain tax brackets. Yes, we are doing that".

You deindexed and cut away the value by 6 per cent to elderly citizens, and you have the temerity today to stand up and say exactly the opposite. That is why you are in such bad odour with the Canadian people. They do not trust you and do not believe you precisely because of statements like that.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The business leaders are Canadian citizens and taxpayers. They are entitled to their point of view. We listen to these views, as we do others, and will continue to monitor the situation very carefully.

Some Hon. Members: Hear, hear!

POSITION OF MINISTER OF FINANCE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister talks about trust. I do not think a group of organizations representing over one million senior citizens ever said that they felt betrayed by a Liberal Government. That never happened to us, but it is happening to this Government.

Some Hon. Members: Hear, hear!

Mr. Axworthy: We know that the Government will change its mind. The Prime Minister has already said that the change will have to be made. The only reason they are not making the change now is that they feel they have to defend the Minister of Finance.

If the senior citizens can keep their full old age pensions, we will let the Prime Minister keep the Minister of Finance, and not ask for his resignation. God knows why he would want to keep him. However, would the Prime Minister agree to that proposition—return full pensions to the senior citizens, and he can keep his Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): The candidate for finance from the Liberal Party is just entering now. I have said many times that no one on this side of the House, or anywhere, takes any joy or pleasure in having to cut back on expenditures to anyone. The fact is that we inherited a situation such that, without action, the social security programs for the elderly and others would be placed in serious jeopardy. We have been acting in what I think is a thoughtful way and, I hope, is a fair way, to try to ensure that the strength of the economy is such that these programs can be sustained and enhanced in the future.

There would be very little disagreement on the statement that the Hon. Minister of Finance is viewed by all Canadians as a thoughtful, competent, and compassionate man.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

● (1420)

EFFECT ON CROSS-SECTION OF CITIZENS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I suggest that the Prime Minister should change his clipping service because he is obviously not getting the right information.

We obviously see that an entire cross-section of Canadians are demanding a change. Perhaps the business community put it best when it said: "If you want to reduce the deficit, do it another way rather than trying to take away the security and future of senior citizens."

Why can the Prime Minister and the Government not understand a basic consensus of all Canadians, and make that change? You have admitted plenty of mistakes in the past. Now is the time to admit a mistake that really affects Canadians.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that my hon. friend has never been associated with the expression of acknowledgement of a mistake.

I know that this will surprise my hon. friend, but we have never contended that we are without flaws. We have been trying to deal in a straightforward manner, not a perfect manner, with a gravely imperfect situation that we inherited.

May I tell my hon. friend that we are trying to sustain these important social programs through economic growth and development, and the creation of 271,000 new jobs since the

Government was sworn in is ample proof of our capacity and commitment to do precisely that. It is because we want to preserve the integrity of the social programs for the elderly that we are building these new jobs across Canada that will benefit the entire nation.

REQUEST THAT PRIME MINISTER MEET SENIOR CITIZEN ORGANIZATIONS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the only thing that surprises Members on this side is the flippant manner in which the Prime Minister answers questions.

Joyce King of the United Senior Citizens of Ontario said yesterday that, contrary to Government propaganda, there was no formal consultation with recognized senior citizens organizations prior to those OAS changes being brought in in the Budget. That is the same story that we heard last week in Atlantic Canada—no consultation.

In the interest of allowing senior citizens to be heard, will the Prime Minister agree to set aside adequate time next week to meet with the recognized senior citizens' organizations in a public forum in Ottawa? Will he do that for senior citizens?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I try as best I can to meet with all groups who seek to see us. I cannot see them all, but I know that the Minister of National Health and Welfare has been meeting with representatives of seniors groups, as have other Ministers of the Crown. I know that we would look forward to further meetings, some of which are already scheduled between the Minister and representatives of other groups. We are careful to listen to them, and we listen to them carefully. That has always been our position.

In fact, so that there is no surprise, it is set out in the budget document that the Government will review the adequacy of payments in light of future circumstances, and will increase them as resources permit. That has always been the intention of the Government. It seems to me perfectly honourable and straightforward.

Mr. Tobin: The only senior citizens the Minister of Health apparently met are those who, he tells us, support this budget measure. I can tell him that there are some who do not.

Prime Minister, senior citizens want to meet with you. They want a meeting with you, and they deserve one. They believe that you have been deafened by the applause of 210 Members of Parliament, who applaud your brutal measures toward senior citizens. Will you, Prime Minister—

Some Hon. Members: Order.

Mr. Tobin: Will you, Prime Minister—

Mr. Speaker: I think Hon. Members are trying to remind the Hon. Member that questions are to go through the Chair.

Mr. Tobin: Through you, Mr. Speaker, I ask the Prime Minister if he, not another bevy of Ministers, but the Prime Minister, who personally carried the flag last summer and made specific commitments to senior citizens last year, will be available? Can you make a few hours available next week to meet in a public forum with senior citizen organizations which are coming to Ottawa to hold yourself accountable, or are you telling them that, even if they spend precious dollars, you will not hold yourself accountable to them?

Some Hon. Members: Order.

Mr. Tobin: They want to know.

Some Hon. Members: Oh, oh!

Mr. Speaker: I could not hear the end of the question.

Mr. Tobin: May I repeat the question? Point of order, Mr. Speaker—

Mr. Speaker: The Hon. Member for Beaches.

• (1425)

REQUEST FOR COMMITMENT BY PRIME MINISTER

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Prime Minister. I have just returned from talking and listening to seniors in Manitoba and Saskatchewan over the last couple of days. Those seniors are telling me to advise the Prime Minister that the Prime Minister did not have a mandate to do what he is doing to senior citizens through the Budget.

There is now a broad cross-section of Canadian society that is saying he does not have a consensus. Would the Prime Minister now do the honourable thing that he promised to do during the election campaign, and since, and say to the seniors: "I gave you a clear commitment and I am going to live up to it"? Will the Prime Minister not make that statement now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is our hope that, with the measures presently in place, we will not only honour our commitments to the senior citizens but do very much better during the life of the mandate of this Government in the obligations we have toward senior citizens. I think senior citizens, and all Canadians, recognize that a healthy economy is required—

Mr. Nunziata: You have no credibility, Mulroney.

Mr. Mulroney: —to be able to pay out these benefits. We want to make sure we are able to do so. We are hoping that the kinds of economic moves we are making will result in a stronger economy so that we can do more, infinitely more—not less—for the elderly.

ELECTION CAMPAIGN STATEMENT

Mr. Neil Young (Beaches): Mr. Speaker, I have a question for the Prime Minister. The seniors across the country are

saying to me, and I am sure they are saying to other Members of Parliament: "We do not need more rhetoric. What we need is action from the Government". I ask the Prime Minister again, will he do the honourable thing by the seniors, and now do what he promised he would do during the election campaign, and not do a flip-flop and do the opposite? Will the Prime Minister give that commitment to the House and to the seniors, now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it should be obviously pointed out, although I thought it was clear, that, as we speak in the House of Commons, no senior citizens' revenues have been negatively impacted upon in any way.

Mr. Deans: You said you would do it.

An Hon. Member: It is proposed.

Mr. Mulroney: The Hon. Member says it is proposed. Yes, it is proposed for January 1 of next year. Meanwhile no senior citizens are in any way negatively affected by this. We also indicated in the same document that was put forward that, as a concomitant obligation, we would continue to monitor the matter very closely to ensure that, at the earliest possible moment, we would be able to sustain the senior citizens further. That is what we are doing. It seems to me it is straightforward and in good faith, and I hope my hon. friend accepts that.

Some Hon. Members: Hear, hear!

Mr. Young: Mr. Speaker, Canadian seniors took the Prime Minister at good faith a year ago, and look what has happened to them since.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER MEET SENIOR CITIZENS IN HALIFAX

Mr. Neil Young (Beaches): I have a supplementary question for the Minister of Finance, Mr. Speaker. If the Government truly believes in consultation, I intend to be in Halifax on Monday speaking to seniors.

Mr. Hnatyshyn: Order.

Mr. Young: The Minister of Finance will be there at the same time, speaking to business people. I want to ask the Minister of Finance whether he will take five or 10 minutes out of his busy schedule to come and talk, meet, and listen to the seniors I will be meeting with in Halifax on Monday. Would the Minister of Finance agree to do that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member says that the Canadian seniors voted for this Party, and then asks "what happened?". What has happened is that 271,000 of their children and grandchildren have new jobs. That is what has happened since this Government came in.

• (1430)

Some Hon. Members: Hear, hear!

Mr. Deans: How many seniors have new jobs?

Mr. Mulroney: If you are going to be fair—and I know my hon. friend wants to be fair—

Some Hon. Members: Oh, oh!

Mr. Deans: Why don't you sit down? You are a disgrace; you are a sham.

Mr. Speaker: Order, please.

Mr. Rodriguez: You broke your promise.

Mr. Nunziata: What about integrity, honesty, and credibility?

Mr. Speaker: All this yelling back and forth does none of us any credit.

Some Hon. Members: Hear, hear!

REQUEST FOR RECONSIDERATION OF BUDGET MEASURE

Mr. George Henderson (Egmont): Mr. Speaker, my question is also directed to the Right Hon. Prime Minister. Last week when we visited Atlantic Canada we talked with senior citizens who told us of the serious situation in which they find themselves. In fact many of them who are receiving OAS and GIS are living at a loss of over $300 to $400 per year. The Council of Maritime Premiers met yesterday and it, too, agreed that seniors had been ill-treated by the Budget.

Will the Prime Minister rethink this ill-conceived move in the Budget, and restore full indexation on the OAS to senior citizens? Will he meet with seniors to discuss this in a public forum, and look at it seriously? It is a very serious problem, and I think the Prime Minister should address it seriously.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have been seeking to do precisely that. I recognize that it is a serious problem. I told my hon. friend, I think on another occasion, that I suspected that no one in the House of Commons, irrespective to his political persuasion, took any pleasure at all in having to reduce programs for any of our citizens. I think in an ideal world we would like to increase those programs for everyone. The fact of the matter is that it was our judgment that the value of these programs was being seriously jeopardized by a mountain of debt, the interest payments on which were compromising the capacity of the Government of Canada to meet and enhance these programs.

Having said that, I acknowledge full well the possible impact of it, which is why it was specifically inserted in the Budget. There has been no impact upon any of our senior citizens as we speak, nor could there be until 1986. Meanwhile

we are continuing to monitor it very carefully to evaluate precisely the kinds of concerns which my hon. friend mentions, and others, and to do everything we can for the elderly.

REQUEST THAT PRIME MINISTER MEET SENIOR CITIZENS

Mr. George Henderson (Egmont): Mr. Speaker, my supplementary question is directed to the Prime Minister. The Prime Minister and I have a somewhat similar background inasmuch as we both drove a truck at one time. The Prime Minister should take his responsibility as Prime Minister very seriously. He has done very well, to go from a truck driver to a Prime Minister.

Mr. Axworthy: Don't disparage truck drivers.

Some Hon. Members: Order.

Mr. Henderson: Mr. Speaker, I cannot hear. The Prime Minister has to stop playing the role of a truck driver.

Some Hon. Members: Oh, oh!

Mr. Henderson: You gotta stop playing truck driver, you gotta stop blowing your own horn, you gotta stop giving the gears to senior citizens, and you gotta—

Some Hon. Members: Question.

Mr. Speaker: Order, please. I am sorry, but I cannot hear the question. Could the Hon. Member, please, direct his question through the Chair?

Mr. Henderson: Will the Prime Minister do the honourable thing and meet next week with senior citizens in a public forum in Ottawa? I want a clear answer. Yes or no.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I meet with senior citizens all the time, and I will be meeting with senior citizens again next week.

* * *

[*Translation*]

PENSIONS

DEINDEXATION—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The Progressive Conservative Party has called a special end-of-session caucus meeting to be held this Saturday, and they are obviously going to discuss pensions and the de-indexation announced by the Government in the Budget.

Mr. Speaker, this gives the Prime Minister only 24 hours, since the group of Conservative Members that just travelled across the country knows that Canadians in general are opposed to de-indexation. Instead of waiting for his special caucus meeting, will the Prime Minister take advantage of the remaining 48 hours to reverse this policy and re-instate indexation for the elderly?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I am not mistaken, the caucus meeting mentioned by the Hon. Member was called well before the Budget was brought down in the House.

There is no connection between the subject of the Hon. Member's question and next Saturday's caucus meeting. It is the usual meeting held at the end of a session by any properly run caucus.

That being said, I repeat the comments I made earlier. The Budget proposals on limiting indexation are not in effect at this time and will not come into effect until January 1 of next year, and if we do proceed with this measure, the initial effects thereof could not be felt until April, 1986. We have a whole year to monitor the situation, as we mentioned in the Budget. It seems to me that is entirely reasonable.

* * *

THE ADMINISTRATION

PROMISES CONCERNING CONSENSUS AND CONSULTATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary.

During the election campaign, the Leader of the Progressive Conservative Party promised he would follow a policy of consensus and consultation. Is consensus dead? Is consultation now being ignored? If that is not the case, why is the Prime Minister ignoring the consensus reached by all social groups, including business, that are opposed to indexation. And why is his Government ignoring his promise to consult with the elderly?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the problems I admit we do encounter on a regular basis is the fact that as far as large groups in our society are concerned, we cannot meet the demands or needs of all groups at the same time. In fact, I think even our political adversaries would acknowledge, and rightly so, that we are trying to find a consensus, to build a consensus, on important national issues.

I can say without the slightest hesitation that, as far as this particular measure is concerned, we were somewhat hesitant, the proof being the statement in the Budget that we are going to monitor the situation on a regular basis. No one enjoys budget cutbacks, any more than my hon. friend does, and that is why we wanted to monitor the situation very closely in order to be fair to the elderly citizens of this country.

Oral Questions

OLD AGE SECURITY

PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister.

The Prime Minister will agree with me that the situation of elderly Canadians is serious enough as it is, that their prospects for the coming months are not very encouraging. Mr. Speaker, we could resort to abuse, but that would not improve the plight of senior citizens. You could be civil and polite. Yesterday you saw Mr. Lévesque who said: It is an inhumane decision. You also know that the business community said that it is an unacceptable decision—

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

Mr. Malépart: Mr. Speaker, would the Prime Minister accept two suggestions: First, would he agree to meet here in Ottawa with various groups of Quebec elderly citizens who I know want to see him and, second, will he admit that it has been a mistake and will he amend the Bill at the earliest opportunity?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the idea of limiting the indexation of benefits did not come from the Conservative Government. My colleague will admit that, when he was sitting on this side of the House, the Liberal Government did implement a much more drastic measure concerning limited indexation in Canada. I think it is an undeniable fact. That being said, I am neither ashamed nor hesitant about repeating to my colleague that we wanted to be so fair with senior citizens that we thought we had to include in the Budget a specific provision concerning our intention to follow up on this case, hopefully to make appropriate changes in due time. Since not one elderly person has yet been adversely affected by the Government's intention and that the first impact would not be felt before April 1986, we have ample time to see how the situation evolves and take immediate action to help elderly Canadians.

● (1440)

GROUPS TRAVELLING TO OTTAWA—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Right Hon. Prime Minister will have to admit that the Liberal Government at least protected the elderly through double indexation, for 20 years. I think that if the Prime Minister is at all honest, he will acknowledge that fact, unlike the Minister of National Health and Welfare.

Mr. Speaker, my supplementary contains two points: first of all, the Prime Minister failed to answer the question: will he agree next week to meet with the groups that are coming here to Ottawa and second, could the Prime Minister explain to the elderly why they should trust him this time around on what it says in the Minister of Finance's Budget Speech, because on two occasions he broke promises that had been given in writing, one in July in Sherbrooke in the Province of Quebec and one in January?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member started out saying he wanted to be nice and polite, and unfortunately, he wound up his statement with some very harsh, and I would think petty, judgments of others in this House.

However, the question was: Will I be meeting Quebec groups next week in Ottawa? The answer is no. Next week I will be meeting Quebecers in Quebec City and elsewhere in the Province of Quebec.

[*English*]

REQUEST THAT MINISTER MEET SENIOR CITIZENS IN HALIFAX

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Finance. A few months before the Budget was brought down the Minister of State for Finance as well as the Minister, I think, and certainly some of his officials, met with representatives of the oil industry in western Canada, discussed their taxation plight, made promises to them, and in the Budget and the Western Accord delivered great windfalls to the industry.

I want to ask the Minister of Finance why is he hunkering down here in Ottawa. Why is he afraid to meet with the seniors? Why is he isolating himself, and will he not accept the perfectly reasonable suggestion of the Hon. Member for Beaches that he meet in Halifax with a seniors' group next week?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, obviously the fact that I will be in Halifax does not mean that I am hunkering down here, afraid to meet with people. I would be happy to meet with the group that the Hon. Member suggests.

* * *

THE BUDGET

TAX MEASURES AFFECTING OIL INDUSTRY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to ask the Minister to tell us, and to tell the seniors in my riding who have been asking me, why is it that the oil industry got such favourable treatment from the Government and the seniors have been treated so shamefully. I want to ask him further, apropos of that, why do some of the seniors' groups in the poorest part of the country have to pay for job creation when the oil industry gets so many windfalls compared to the seniors. Why do the seniors have to pay for that job creation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that the Hon. Member is still the energy critic for the New Democratic Party. He will know that the tax position of the oil industry today, after the changes that have been brought about by this Budget, is less attractive to the industry than it was prior to the energy agreement in October 1980. We have put the oil and gas industry back into a position where it is being treated equally with other industries in the country, with no discrimination, and that did involve taking some favourable tax measures away from the oil and gas industry that were in place prior to October, 1980.

* * *

FOOD AND DRUGS

BAN ON USING CHLORAMPHENICOL WITH LIVESTOCK

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, through you I would like to address this question to the Minister of National Health and Welfare. In view of the fact that five American states, South Dakota, Iowa, Nebraska, Wisconsin, and Minnesota, have effectively banned the importation of Canadian livestock and meat due to the use of the drug chloramphenicol in Canada, could the Minister tell this House what action, if any, is the Government prepared to take so that Canadian farmers can sell again, the United States?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think all of us have been concerned about the ban in the five states, and that chloramphenicol was used as the example to have that ban put into effect. I believe that it is a non-tariff barrier. I think government Members feel that it is a non-tariff barrier, but prior even to that date we had put in a 60-day review period. As of last Thursday, Cabinet signed an order, but we waited until yesterday's decision on the countervail by the U.S. Commerce Department. This morning, as a result of the hardship to Canadian producers that emerged, we decided that immediate action should be taken on the ban. I, therefore, effectively immediately, am imposing a temporary ban on the use and sale of chloramphenicol for food-producing animals.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEW BRUNSWICK MINISTER OF MUNICIPAL AFFAIRS

Mr. Speaker: May I interrupt to advise Members of the presence in our gallery of Mr. Yvon Poitras, Minister of Municipal Affairs for the Province of New Brunswick.

Some Hon. Members: Hear, hear!

PENSIONS

REQUEST THAT BUDGET MEASURE BE RESCINDED

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Right Hon. Prime Minister. Since the Prime Minister promised last July, and I quote, "complete indexing of old age pensions to the actual cost of living", and since in November he further promised that any money saved through the review of universal social programs would be redirected to people in need, will the Prime Minister honour these two promises and instruct his Minister of Finance not to proceed with the $1.6 billion assault on the pockets of Canadian pensioners?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks a very good question. I do not think there is any doubt that the wish of all Members of the House of Commons is to do more for the senior citizens, the elderly and the disabled. We have taken many initiatives since we have been here, to extend the spousal allowance, to extend the definition of disability and so on, along those lines.

What my hon. friend, given her expertise in finance, would, I think, readily acknowledge is that there is substantial peril to the social programs in Canada involved in the financing required for deficit coverage. What we have been trying to do precisely is to begin the process of financing, but we want to do it with as much fairness as is humanly possible. This is why there was no precipitous action taken on this, and why it was triggered for next January to take effect in April of 1986, so we would have the time to listen to my hon. friend, and to monitor the economic situation so that—

Mr. Speaker: With great respect, the question was quite short.

REQUEST FOR RECONSIDERATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, taking money away from consumers will not reduce the deficit. It will slow growth, and increase unemployment. Even *The Wall Street Journal*, so admired by Members opposite, has described the Canadian Budget as a prescription for economic disaster.

● (1450)

Recognizing that the Prime Minister has often spoken of a compassionate society, and I am sure he was sincere, may I remind him that 10 groups, representing one million Canadian senior citizens, have asked for this—

Mr. Speaker: With great respect, the Hon. Member is making a long preamble to her supplementary question. Does she have a question, please?

Miss Nicholson (Trinity): Yes, Mr. Speaker. Since 10 groups, representing one million Canadian senior citizens, have said that the measure will represent an attack on the compas-

sionate society which they built, will the Prime Minister reconsider?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the reason this particular measure was not implemented on budget night was because of our apprehension in regard to the possible impact. That strikes me as being legitimate. We wanted to monitor the situation as closely as possible so as to minimize whatever effects there were on the elderly.

It is our view, and I hope it is shared, that the way to sustain sound social programs is through an economic recovery. That economic recovery appears to be in train. That is good news for Canada, and most of all it is good news for the integrity of the social security programs.

CONSULTATION INQUIRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I am sure the Minister knows that heads of 11 major organizations, representing one million pensioners, met in Toronto yesterday to protest partial deindexation of pensions. They are mad and militant. They are demanding that pensions be reindexed.

Will the Minister explain why there was no consultation with seniors' organizations, when there was consultation on every other front? Why was there no consultation with seniors before the Government changed its policy and decided to deindex pensions? The Minister knows that deindexation will affect 2.5 million pensioners and will push another 200,000 pensioners into poverty.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased the Hon. Member said that consultations took place—

Ms. Mitchell: There were no consultations.

Mr. Epp (Provencher): I listened to her, and I would appreciate the same courtesy. She said that there had been consultations with various groups. She said that there had not been consultations with senior citizens' groups. But there was consultation with various groups, and I say to her—

Ms. Mitchell: Not regarding pensions.

Mr. Epp (Provencher): I would say to her what the Prime Minister has been saying today in Question Period. That is why those words were in the Budget. Those words were there the day the Budget was brought down. The Government then looked at the situation very carefully. The Prime Minister and I have said today that, as the economy improves, the matter will be monitored. That has been the commitment, and we will stand by that commitment.

REQUEST THAT MINISTER ADVOCATE ON BEHALF OF SENIOR CITIZENS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister knows that there was no consultation with seniors at the Standing Committee on Health, Welfare and Social Affairs, but that there was consultation regarding child benefits. Why is he trying to deceive people?

Mr. Clark (Yellowhead): Withdraw.

Mr. Speaker: I must ask the Hon. Member to withdraw that suggestion and proceed to her question.

Ms. Mitchell: Mr. Speaker, in the interest of getting on with the question, I will withdraw. But I think it is abominable the way that the Minister has been treating—

Mr. Hnatyshyn: Order.

Mr. Speaker: Order, please.

Ms. Mitchell: Will the Minister read the seven-point brief which was presented yesterday by those groups, if he has not already done so? Will he consult with them personally? He can do that today. Most important, will he, at the Tory caucus meeting this weekend, become their advocate? Will he speak for a change on behalf of pensioners, and take their position to that caucus?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am the spokesman for pensioners in the caucus and in the House. I am also the spokesman for the spouse's allowance, the widow's allowance, the widower's allowance and disability—

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I could go back to the report on *The Journal* when she and I appeared together. She said that she would be willing to tax senior citizens more. Why has she changed? We have not changed.

* * *

THE BUDGET

ARTICLE IN *WALL STREET JOURNAL*

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday the influential newspaper, *The Wall Street Journal*, in a four-column article asked: "Will Canada cut its economic throat?" In commenting on the Budget, the article began: "Canada is about to commit economic suicide in the interest of economic theory".

How can the Minister of Finance expect to keep the economy growing and reduce the deficit when his avalanche of taxes will erode more and more the buying power of Canadians? Does the Minister of Finance believe that he can tax the economy back to prosperity?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the same Cassandra-like tones came from that side of the House last November. They said that 50,000 to 100,000 jobs would be lost. Since then, more than 200,000 jobs have been created.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I would suggest that the Hon. Member look at what is happening in the economy. Let us look at what has happened. In the first quarter we had growth which was approximately 50 per cent higher than the normal economic expectations. Yesterday we had the investment intentions which have increased from an expectation of 6 per cent last October to 13 per cent. That equals jobs. Those jobs will support the social programs of the country. I am sure the Hon. Member will understand that that is the positive direction to be taking.

* * *

[*Translation*]

OLD AGE SECURITY

PENSIONS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, still concerning the tax policy of the Minister of Finance, I would like to get back to the capital gains tax exemption. The *Wall Street Journal* pointed out in the same article, and I quote:

[*English*]

"Exempting capital gains will indeed be helpful to entrepreneurship but to U.S. not to Canadian entrepreneurship."

[*Translation*]

Instead of defending the indefensible, would the Minister of Finance not agree that he should immediately close this tax loophole he opened in his Budget and use the money to fully re-index Old Age Security pensions?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know to whom the Hon. Member has been talking. I know the man who wrote that article. I have met him and I have talked to him on a number of occasions. Over the course of the time which I have known him, I have read numerous articles in which he stated that the United States was on the wrong track and that it should not have been going in the direction which it was. What has happened? Last year was a year of record growth in the United States. The year before that was a year of record growth in the United States. Surely the Hon. Member knows that for every one-handed economist there is another one-handed economist, and that there are all sorts of two-handed economists saying different things. If the Hon. Member believed every economist and followed what every economist said should be done with the economy, he would be very, very mixed up, even more so than he is today.

Some Hon. Members: Hear, hear!

PENSIONS

IMPACT OF BUDGET—PRIME MINISTER'S STATEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister. Earlier in Question Period he said that the Liberal six and five program was even more draconian than this Government's program. Why would the Prime Minister want to propose a program of deindexation that he, by his own admission, calls draconian?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think there would be general agreement at any time in which there is a lessening or even a maintaining, without increase, of contributions to the elderly, that that represents an important step. It is one which must be thought about very carefully. It is because we would only do it with such reluctance that I used that term. It is because of our concern and our commitment to the elderly in the country that we have acted with such prudence in accordance with the compassion and the traditions of the country.

● (1500)

GOVERNMENT MONITORING

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Prime Minister as well. He has been indicating that the Government is carefully monitoring the situation. Precisely what is it that the Government is monitoring? Is it public opinion which the Government is monitoring? Is it the number of senior citizens who will be living below the poverty line? Could the Prime Minister be precise so that we can understand what it is the Government is monitoring as it evaluates this deindexation proposal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we said in the Budget precisely what we intended to do and how we intended to do it. Obviously, if my hon. friend will understand, we are going to be looking very carefully at all of the leading economic indicators, following them very carefully to see the impact which this might or might not have by April of 1986. And at the earliest possible moment, as I have indicated many times, we will, hopefully, be able to take steps which will be of further benefit to the elderly in Canada.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, June 11, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Scarborough Centre (Mrs. Browes) does not meet the requirements of the Standing Orders as to form.

May I add one comment? In relation to the petition presented by the Hon. Member for Ottawa-Carleton (Mr. Turner) on Tuesday, June 11, 1985, I wish to draw to the attention of the

House that it is not in accordance with the rules or traditions of the House for Hon. Members to produce exhibits while presenting petitions. Furthermore, I would like to remind Hon. Members that documents are objects other than sheets of signatures and should not be included in a petition.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF EIGHTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the eighth report of the Standing Committee on Finance, Trade and Economic Affairs in both official languages. This is the report of the Canadian Commercial Bank inquiry.

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

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LAW REFORM COMMISSION

TABLING OF REPORT NO. 25

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, in accordance with Standing Order 46(1), I am pleased to lay upon the table of the House, a copy, in both official languages, of Report No. 25 of the Law Reform Commission entitled "Obtaining Forensic Evidence". I ask that the report be referred to the Standing Committee on Justice and Legal Affairs.

* * *

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am pleased to present a petition on behalf of a number of citizens, including many senior citizens, protesting against measures in the federal Budget which severely affect the economic situation of senior citizens and asking the Government not to deindex the old age pensions.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have a petition signed by many citizens, including students, requesting that the full indexation for old age pensions be continued.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a petition signed by several dozen citizens of the City of Sault Ste. Marie calling upon the Government to reinstate the full indexation of the old age pensions and pointing out that the seniors should not have to pay for the increased benefits given to the multinational oil companies and high-income people.

PORNOGRAPHY

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I have the honour to present a petition from 610 concerned women, many of them constituents but others from across Canada, requesting the Government to redefine pornography, to fully recognize the human rights of women and children and to legislate against the importation, sale and circulation of pornographic materials in Canada.

CHANGES TO OLD AGE SECURITY ACT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition from a number of people in Coquitlam, Burnaby and Vancouver, British Columbia, protesting that the Old Age Security cuts fly in the face of a Progressive Conservative promise that " a P. C. Government would once more index the old age pension to the actual cost of living on a quarterly basis". I would like to file that petition.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have the honour to present a petition on behalf of several dozen citizens from the great Saskatchewan community of Wynyard. This petition calls upon the Parliament of Canada to reinstate the full indexation for senior citizens, saying that if that does not happen, the losers will be the poor, the unemployed and the women of Canada.

EXIT VISA FOR SOVIET CITIZEN IDA NUDEL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is my duty to present a petition which calls upon this House of Commons to direct the Secretary of State for External Affairs (Mr. Clark) to call immediately upon the Ambassador of the U.S.S.R. to demand that Ida Nudel be given an exit visa in order to receive adequate medical attention. Ida Nudel has now waited for an exit visa for 12 years. She has been diagnosed as suffering from pancreatic cancer and she requires medical treatment.

Mr. Speaker: Does the Hon. Member for Mount Royal (Mrs. Finestone) have another petition?

Mrs. Finestone: I have a second petition, Mr. Speaker, signed by another 15 women with the same concern. It is addressed to the Secretary of State for External Affairs and requests that a demand be presented to the Ambassador of the U.S.S.R. for the release of Ida Nudel so that she can come to the West and have proper medical treatment.

CHANGES TO OLD AGE SECURITY ACT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour today to present a petition of three pages with the signatures of senior citizens and other citizens of Saskatche-

wan who petition this Government to take another look at the deindexing of old age pensions and to change them back to the way they were before.

REQUEST FOR RELEASE OF 1891 CENSUS

Mr. Allan Pietz (Welland): Mr. Speaker, I have the privilege to present a petition on behalf of 58 residents of the Niagara region and elsewhere, most of them members of the Niagara branch of the Ontario Genealogical Society. They ask the House to release copies of the 1891 census for Canada and make it available to the public for research purposes.

CHANGES TO OLD AGE SECURITY ACT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have the honour to present a petition on behalf of constituents who are protesting the deindexation of Canadian pensions. They are asking that the Progressive Conservative Government live up to its campaign promise to maintain pensions at their current levels.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a number of petition from citizens in Vancouver East and in many of the surrounding areas, namely, Burnaby, Coquitlam, Port Coquitlam, Maple Ridge, Surrey, Kelowna and New Westminster. These citizens, of all ages, are asking that the Government change its policy regarding pensions and that it reindex pensions so that senior citizens will not suffer in the oncoming years.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of senior citizens in my riding who call upon the Government to live up to its promise to index fully senior citizens' pensions.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents of Salmon Arm, British Columbia, protesting that the annual cut to each and every OAS pensioner in Canada will be $680 in 1991.

I also have the pleasure to present a petition on behalf of a number of residents from the community of Kamloops, British Columbia, who point out that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security and call upon Parliament to reinstate full indexation for the Old Age Security Program of Canada.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I also have a petition in the form of 11 pages of signatures of senior citizens who protest the Government's intent to deindex Old Age Security. They demand that the Government listen not only to senior citizens but to the Chamber of Commerce and other interested groups and abandon its intent to deindex Old Age Security.

NORTHERN TRANSPORTATION COMPANY LIMITED DISPOSAL AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-53, an Act to authorize the disposal of the Northern Transportation Company Limited and the forgiveness of its debt to Her Majesty, and to amend other Acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

● (1510)

CANADA'S INTERNATIONAL RELATIONS

COMPOSITION AND ORDER OF REFERENCE OF SPECIAL JOINT COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties with respect to the terms of reference for a Special Joint Committee of Parliament on Canada's International Relations. I think that if you were to ask the House, there would be unanimous consent for me to bring this motion forward on the following terms. It is a bit lengthy but I think it is important enough that I should read it into the record. It reads as follows:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider Canada's International Relations;

That the document entitled "Competitiveness and Security: Directions for Canada's International Relations", tabled on May 14, 1985 (Sessional Paper No. 331-4/10), be referred to the Committee;

That the Committee consider and report upon the issues discussed in the above-mentioned document and make recommendations in their report concerning the objectives and conduct of Canada's international relations;

That the following 12 Members of the House of Commons to act on behalf of the House as members of the said committee be: Messrs. Axworthy, Chrétien, Crofton, Mrs. Duplessis, Messrs. Harvey, Hockin, Jardine, Miss Jewett, Messrs. Kempling, Langdon, Porter and Stackhouse;

That the Committee have the power to sit during sittings and adjournments of the House;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from time to time as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the Committee have the power to adjourn from place to place inside Canada and that, when deemed necessary, the required staff accompany the Committee;

That a quorum of the Committee be seven members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever 4 members are present, so long as both Houses are represented;

Canada's International Relations

That the Committee submit an interim report on Canada's participation in research on the Strategic Defence Initiative and on Bilateral Trade with the United States no later than August 23, 1985;

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the table;

That the Committee present its final report no later than May 31, 1986; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, members to act on the proposed Special Joint Committee.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, there are two matters I wanted to raise with the Government House Leader (Mr. Hnatyshyn) before the motion is put. Clearly we intend to give consent, but I wanted to say that I think it is the hope of all Parties that, although the time limit is short for deliberations, there will be adequate time for the extensive consultation we know is necessary. I also want to ask the Government House Leader to verify on the record that, recognizing the extensive nature of the travel involved in order to hold hearings and achieve the necessary input from the public, a reasonable substitution of Members on the Committee will be permitted from time to time as necessary in order to accommodate the hearing process.

There is one final matter. I believe the Government House Leader intends to assure this House, perhaps by reading into the record the letter from the Secretary of State for External Affairs (Mr. Clark) to the Opposition House Leaders, that the Government does not intend to move on any verification of any arrangements between Canada and the U.S. on either of the two questions the committee has been asked to deliberate upon until after it has tabled its report in the House of Commons.

Hon. Herb Gray (Windsor West): Mr. Speaker, when we heard that the Government wanted to propose that the House and Senate create a special joint committee to hold hearings lasting up to a year on its Green Paper on foreign policy, we took a firm position that this committee would be of no value either to Parliament or the Canadian people unless the Government gave an undertaking that decisions would not be taken on at least two key issues, the Special Defence Initiative, known as star wars, and the matter of bilateral trade relations with the U.S., until the Canadian people have had a reasonable opportunity to present their views on these issues to the parliamentary committee. At first, the Government, to say the least, was reluctant to—

Mr. Hnatyshyn: Come on, Herb.

Mr. Gray (Windsor West): —give such an undertaking. But I am very pleased to note, through the motion presented today, that the Government is prepared not to make such decisions until after August 23. I understand that the Government House Leader is prepared to table certain letters confirming that undertaking. In those circumstances, I am pleased to say on behalf of the Official Opposition that I give our consent to the motion just read out by the Government House Leader.

Mr. Deputy Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) wish to comment on the remarks of the Hon. Member for Hamilton Mountain (Mr. Deans)?

Mr. Hnatyshyn: Yes, Mr. Speaker, It is with mixed feelings that I rise at this time. I had rather hoped we would not get involved in the political rhetoric of the House Leader of the Official Opposition on this matter. I think this has been addressed in Question Period and I am not going to comment other than to say that the consultative process we brought forward in the Speech from the Throne is a precedent. This Government has to apologize to no one with respect to participation by Members of Parliament in the consultative process through parliamentary committees. I think it is important to understand that we have been delayed by the actions of the Opposition for one month when we could have had important meetings with the people of Canada. But I will not say those things because I do not want to get involved in political rhetoric on this issue.

In response to the Hon. Member for Hamilton Mountain, I think we will be able to work out, and I am quite prepared to do so, a sensible and reasonable arrangement with all Parties concerning membership on the committee—and the necessary substitutions. He will understand that on these joint committees, because of their nature, there are some difficulties with respect to substitution. Having said that, I can give him the assurances, as I have done privately to both him and the Official Opposition House Leader, that I am very much interested in making sure that we make the best use of Members of Parliament from all Parties. If there is a reasonable proposition to be put forward, we will of course agree because we are able to do that in so many instances.

I have documents here which I propose to table with the unanimous consent of the House at this time. The first document is a memorandum which I sent to the opposition House Leaders outlining the confirmation of the agreement. The second document is a letter which I have from the Secretary of State for External Affairs (Mr. Clark) which has been circulated to Hon. Members, and I think I can read it into the record now so that we will understand what has been agreed to by the opposition Parties and the Government. The letter is dated June 10, addressed to myself, and reads as follows:

I am pleased at the progress you are making in discussions with House Leaders of the other Parties respecting the reference of the Green Paper to a Special Joint Committee of the House of Commons and the Senate.

I understand the other Parties want a reliable assurance that the hearings and the interim report will be considered by the Government when we take decisions on trade arrangements with the United States, and the American invitation to participate in SDI research. Please assure them that I see no circumstances that would require us to take decisions on those questions before August 23; indeed, I would welcome the observations of the Committee and the interested public, before any decisions are taken on those questions.

With good wishes,

Yours sincerely,
Joe Clark

With the consent of the House, I will table those two documents.

Mr. Deputy Speaker: Is there unanimous consent for the Government House Leader to table the documents?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme).

● (1520)

Mr. Marcel Prud'homme (Saint-Denis): I listened very attentively to the Hon. Minister. I am sure that my interest in foreign affairs is well known. The Minister said that he is ready to consider proposals made by the hon. representative of the NDP. He said that he will look into them and come to an agreement. Is it possible that the Minister would now consider amending his proposal and tabling it tomorrow? In that way there would be unanimous consent of all interested parties.

I listened very attentively to the representation of the representative of the New Democratic Party. He made a very sensible proposal. The Government House Leader has answered in a very sensible way. He is an old Member of the House in terms of tenure. Would it be possible that, after quick consultation, he would return tomorrow so that we will all know exactly where we stand on this matter?

Mr. Hnatyshyn: Mr. Speaker, the matter was discussed between the House Leaders. I am in your hands, of course. However, the specific terms of reference had been agreed upon, as had the procedure to be followed today. The Hon. Member for Hamilton Mountain (Mr. Deans) raises a question which I take very seriously. We will want to resolve this matter. It has been in the interest of us all to work out a sensible arrangement because we will all be faced with some pressure owing to the fact that this committee will be sitting in the summer months.

As I have indicated to the House, we want to continue with the core. It is important to specify the people who will give leadership to this committee. We will, of course, be prepared to sit down and work out an arrangement between the Parties. I have given a commitment to sit down with the House Leader of the distinguished Member's Party. We will be able to work out a solution that is agreeable to all Parties.

Mr. Deputy Speaker: The House has heard the motion. Does the House agree to the motion of the Government House Leader?

Some Hon. Members: Agreed.

Mr. Prud'homme: Reluctantly.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 279 and 280.

[*Text*]

UNESCORTED TEMPORARY ABSENCES

Question No. 279—**Mr. Stackhouse:**

1. In 1984, how many inmates of federal penal institutions were allowed unescorted temporary absences and how many were (a) parole violators (b) convicted of (i) murder (ii) manslaughter (iii) armed robbery?

2. How many were convicted of crimes committed while on absence?

Hon. Elmer M. MacKay (Solicitor General of Canada): 1. There were 3920 inmates who received unescorted temporary absences in 1984. (a) 563. (b) (i) 111, (ii) 185, (iii) 831.

2. Data on inmates convicted of crimes committed while on any form of leave from the institution does not currently exist in the Offender Information System.

CRIMES COMMITTED WHILE ON UNESCORTED TEMPORARY ABSENCES

Question No. 280—**Mr. Stackhouse:**

Of the 3,116 inmates of federal penal institutions allowed unescorted temporary absences in 1983, how many were convicted of crimes committed while on absence?

Hon. Elmer M. MacKay (Solicitor General of Canada): Data on inmates convicted of crimes committed while on any form of leave from the institution does not currently exist in the Offender Information System.

[*Translation*]

Mr. Dick: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

[*English*]

Mr. Nickerson: Mr. Speaker, I would like to inquire once again of the Parliamentary Secretary as to when an answer to question No. 86 asked on November 15, 1984 might be forthcoming. This question deals with PCBs at abandoned DEW line sites. I know from private conversations with DND and DIAND personnel that this information is available. Is it just that this particular question has been forgotten about?

Mr. Dick: By no means, Mr. Speaker. I want to assure the Hon. Member that this extremely important question will be answered very soon.

Mr. Deputy Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Shall all notices of motions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INDIAN ACT

MEASURE TO AMEND

Hon. David Crombie (Minister of Indian Affairs and Northern Development) moved that Bill C-31, an Act to amend the Indian Act, be read the third time and passed.

He said: Mr. Speaker, now that we have finished with the details of clauses and motions to amend it is time to review briefly what we have accomplished and where we shall go from here. The passage into law of Bill C-31 will be an historic moment. It will mark the first time in a generation that significant amendments have been made to the Indian Act. It marks a small but tangible beginning to the process of federal government recognition of Indian self-government.

When I rose in the House nearly four months ago to move second reading of this Bill I said that there were three principles at the heart of the Bill. With the passage of Bill C-31 these principles will become reality. For the first time in well over a century we will have an Indian Act free of the blight of sexual discrimination. For the first time in over a century the Government of Canada will recognize that Indian communities should be able to define who their people are. Finally, after more than a decade of struggle, those women who suffered the direct effects of sexual discrimination through marriage to a non-Indian will be able to regain the Indian status and band membership that they lost so unjustly.

In the course of debate we have become well aware that Bill C-31 does not resolve all the shortcomings of the Indian Act. It was not meant to do so. Much more needs to be done. However, let us recognize with some honesty the solid achievement which this Bill represents. When I spoke last March I said that I would stick to the three basic central principles in the Bill, but that I would also accept amendments that would make the Bill better. There is no doubt that the work of this House on all sides has made this Bill better and fairer. The standing committee alone adopted 30 amendments at report stage, and the House adopted another 10 the other day. The positive results of the parliamentary process are there to be seen in the final version of this Bill.

These results were achieved by a joint effort that I want to acknowledge. I would first like to express my gratitude to, and respect for, the dozens and dozens of native and other groups which apppeared before the standing committee and made their views known. Second, I want to salute the chairman of the standing committee, the Hon. Member for Wetaskiwin (Mr. Schellenberger). The Hon. Member offered his patience and wisdom in guiding the committee's deliberations. In the same breath I would like to thank as well my Parliamentary Secretary, the Hon. Member for Erie (Mr. Fretz); the two opposition critics, the Hon. Members for Cochrane-Superior (Mr. Penner) and for Cowichan-Malahat-The Islands (Mr. Manly), and all the members of the standing committee for their long hours and obviously very careful consideration and reflection on this Bill.

I am probably more painfully aware than most in the House that many groups will not be satisfied with this Bill. Some will complain that we should have given band membership directly to the many tens of thousands of descendants of those who lost their membership through discrimination. This Bill says no to that proposition. Only those who themselves had band membership and lost it through sexual discrimination should be restored to band membership. Other groups will complain that we should leave band membership entirely to the bands and let bygones be bygones. This Bill says no to that as well. This Bill says that there is a duty on the part of the federal Government to restore what its laws have unjustly stripped away.

After all the debate, Bill C-31 is, I say with some modesty, a careful balance between two just causes, that of women's rights and that of Indian self-government. If either of those two clauses had triumphed, it could only have been at the expense of the other. Therefore, this Bill avoids both those extremes. No one gets 100 per cent of what they sought, but each group gets something that is vitally important to them. There was no other fair path to follow.

● (1530)

I think now is the time that our thoughts should shift from Bill C-31 to the future. The first step is implementation. The Government understands the heavy responsibility it has in this matter. I have repeatedly assured the House of the Government's commitment to seeing the Bill through to implementation. I want to reiterate today that bands will not become worse off as a result of this Bill.

When Bill C-31 is passed in the Senate and receives Royal Assent, which I expect will be next week, I will announce my Department's administrative arrangements for dealing expeditiously with implementation. In two years this matter will be brought back before us when I report to Parliament on the progress of implementing the Bill. I can assure the House that that report will be extensive and thorough.

I see a real opportunity in this Bill for greater local community control by Indian communities. I hope that virtually all bands will take the initiative to assume control of their own membership. They will also discover, if they do not know now, that the Bill provides other new opportunities for increasing local control over their own communities, to regulate the use of intoxicants, to regulate residency on reserves, and to enforce their by-laws by injunctive relief in court. These are new examples of powers that bands have not had until the passage of this Bill.

I also urge the bands to open their hearts to those 18,000 people, mainly women, whose right to band membership is restored through this Bill. These people are not strangers, they are their own flesh and blood. Now is the time for reconciliation, to welcome back those whom unfair laws had forced to leave.

To those regaining their rights, I offer my sincere best wishes. Their long wait is over. At the same time, I would like

to suggest to them that they also share in the responsibility of bringing about a true reconciliation. The sensitivity of these people in dealing with the concerns of many band members will accelerate the healing process within Indian communities.

However historic Bill C-31 may be, it is only the first stop on a very long journey. Our goal becomes clear with each passing day: to restore true self-government within the Indian nations of Canada.

Bill C-31 is not self-government. Band control of membership is merely a modest step forward. The main challenge remains. the Constitutional process has not proven to be a shortcut. It is becoming more and more evident that self-government can really be defined only at the band, tribal and community level. That is the next agenda. The two years between now and 1987 will not be lost.

I invite all Hon. Members to join with me in committing to the cause of Indian self-government the same enthusiasm and dedication which has brought Bill C-31 to its final approval in the House today.

Some Hon. Members: Hear, hear!

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, perhaps you may recall the song with the words, "No, I never promised you a rose garden". No one ever said that being a legislator was easy. If anyone thinks that being a Member of Parliament is like living in a rose garden, some of us, including the Minister, the Hon. Member for Athabasca (Mr. Shields), the Hon. Member for Wetaskiwin (Mr. Schellenberger) who was our chairman, my colleague, the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), the Hon. Member for Mount Royal (Mrs. Finestone) and the Parliamentary Secretary can attest at least to the thorns.

Bill C-31 has been a conundrum to those of us who have been intimately involved with this legislation for a long period of time. It has been a riddle because one must wonder why so many good intentions, honest endeavours and heartfelt efforts to correct wrongs and injustices in our laws—not Indian tradition—can create possible misery, disharmony and problems.

I hope the Minister's appeal for a reconciliation that would avoid much of that disharmony is forthcoming. I share that sentiment with him totally, but I am not sure it will happen.

Who will incur this possible misery and problems? It will be the Indian First Nations, the Indian bands and the Indian communities. The formation of Bill C-31 is somewhat analogous to the manufacture of gunpowder. Gunpowder is made by taking three non-explosive elements and combining them to produce an explosive mixture. With respect to Bill C-31, there were good and well-intentioned elements which, considered separately, are valid. Yet, when placed together they have the possibility of creating difficulty and turmoil.

First, there were the women who, because of our law, lost their status by marrying non-Indians. At the same time, their brothers who married non-Indians retained their status, and in fact their wives acquired Indian status. If one attempted to explain that legislation to anyone outside of Canada, or to many Canadians for that matter, they would not believe that we would have such provisions within a statute passed by this Parliament. It makes one wonder what takes place in the House of Commons.

It should serve as a warning to what we do in this Parliament, because I am always apprehensive about passing legislation that will be ridiculed and scorned by future generations of Members of Parliament. I hope that will not be the case.

During this debate we have heaped abuse on Section 12(1)(*b*) of the Indian Act, which is a totally indefensible provision of that federal statute. It is a provision that enshrined sexual discrimination. The women who were affected by it were rightfully incensed. No one can argue with them. They were joined by women right across the country in a *cause célèbre*. There were court cases. The issue was even brought to the attention of the United Nations, much to Canada's shame. Then along came our Charter of Rights and Freedoms within our own Constitution. This added a new powerful incentive to rid our laws of all discriminatory sections. That is the first element, Mr. Speaker.

• (1540)

The second is the attempt by the Minister to deal with this complex issue. It is an issue the Minister inherited when he was appointed to that portfolio. It is a complex issue that was imposed on him. It is not a problem he created. The Minister realized from the outset that he was dealing, as he said at the beginning of his speech, with an important women's issue, but he was also dealing with an Indian issue, the right of Indians to be self-governing and the right of Indians as self-governing entities to determine their own citizenship or membership, if you prefer. There were two aspects. I think the Minister knows that these two aspects were bound to be on a collision course. It was inevitable. Try as you will, there was bound to be a confrontation. The Minister tried to avert the clash. He said the Bill rested on three pillars, that it was constructed on three basic principles: first, to remove the discriminatory provisions of the Act; second, to restore status and band membership to those who had lost it because of the sex discrimination provisions in the Act, namely that infamous Section 12(1)(B)—isn't it going to be marvellous if we never have to hear any more about 12(1)(B) when this Bill is passed—third, to ensure that Indian nations, if they wish to do so, could have control over their own membership. Those were the three pillars or principles.

The Minister made it clear that not everyone would be satisfied. There would not be 100 per cent satisfaction on every principle. That is true. When this Bill is passed, there will still be some discriminatory aspects of the Indian Act.

When this Bill is passed, we will not have ended the practice of deciding who is and who is not an Indian and creating categories of Indians.

Just listen to some of the categories we create because of our legislation and policy, Mr. Speaker. We have registered Indians and status Indians. We have non-status Indians and band

list Indians. We have Indian children of reinstated Indians. We have treaty Indians and reserve Indians and off-reserve Indians. And so it goes.

Finally, on the matter of not everyone being 100 per cent satisfied, we know that the Bill will give only partial control to the Indian First Nations over their own memberships. It is partly recognized and partly affirmed. Of course, it is true that the Minister has said that this is only a beginning and there is a future to which we must look, and no one here can have any disagreement with that.

Let me remind the House once again of the assertion of the Indian First Nations, an assertion that was solidly supported by the all-Party unanimous report of the Special Committee on Indian Self-Government. The assertion was that it is the rightful jurisdiction of each Indian First Nation to determine its membership according to its own particular criteria. All Hon. Members in this House may not agree with that assertion. I say to them that it is, in my view—and I think those who served on the Special Committee on Indian Self-Government would agree—an aboriginal right, and when we tinker, meddle or interfere in matters related to membership within an Indian First Nation, we are clearly outside of our jurisdiction, we are into someone else's jurisdiction. That right by Indian First Nations was never surrendered to any Parliament of Canada. It was assumed by us in our Constitution of 1867 and by the passage of the Indian Act that we have some prerogatives in dealing with Indian band membership and citizenship.

What we did was to usurp that right. It was never surrendered to us. It was never given to us. We simply took it. Never was it relinquished at any time by Indian First Nations. Therefore, it follows logically that, when Indian leaders and Indian Governments say to us they reject fully and completely any federal interference in such matters. They say we are simply and clearly out of our element. It is beyond our authority. But we do it every time we decide who is and who is not an Indian, and what are the different kinds of Indians, those categories to which I referred a moment ago. To engage in this exercise is presumptuous beyond reason. It is presumptuous when we do it now, just as it was presumptuous of those parliamentarians who preceded us and did it in a fashion that left us with this awkward, embarrassing situation that we have to try to resolve. We cannot do it satisfactorily. We could not do it satisfactorily through the Bill presented by the previous Government and we cannot do it satisfactorily through this Bill, try as we will.

I think the difficulty is that we have forgotten from history what should never have been ignored but has been ignored until very recently when we amended and added to the Canadian Constitution. There was something we forgot that could have pointed the way and avoided for us so much of the difficulty in which we have enmeshed ourselves over a long period of time. I am referring to the Royal Proclamation of 1763. It is not my intention to make too much of that document. I know it is a colonialist document. It is not a Magna Carta for Indian people by any means. But it did provide for us, and it could have provided for previous generations, at least a *modus operandi*, a way to proceed, that would have avoided so much of the difficulty and so many of the problems that now entangle us hand and foot.

If only we had only followed the prescription which was clearly laid down and proceeded on the basis of nation to nation, government to government, Crown to Indian First Nations. That was the way to proceed. If we had proceeded that way, what would the result have been? Instead of usurping authority that did not belong to us and instead of assuming unto ourselves the power to legislate for these people, these first citizens of Canada, we would have proceeded by way of negotiation leading to agreement. That is the way it was done with the treaties. That is why most Indian people in this country who have treaties, even though they recognize they are far from perfect documents and that a much more powerful Government took advantage of them, regard them as sacred, not so much for every substance in a treaty itself, every item and clause in a treaty, but because of the way in which the treaties were reached through negotiation leading toward agreement.

● (1550)

When we followed that approach in modern times, we were able to avoid, to a significant extent but not entirely, many of the problems foisted upon us by the Indian Act. For example, the James Bay and Northern Quebec Agreement was negotiated and agreed upon. Members of Parliament, in the House and in committee, indicated that they did not like certain aspects of that agreement. They had to be reminded that their job was not to renegotiate that agreement but simply to ratify it and that, if they did not like certain parts of the agreement, it would have to be returned to the signatories for renegotiation. That approach is one which must always be followed and never abandoned. Although the approach to the James Bay and Northern Quebec Agreement was correct, we have to say that once again the Government of Canada failed in its implementation. Thank goodness an all-Party committee decided to take the Government to task and make it live up to its obligations. We grabbed government Members by their shirt collars and gave them a good shaking, and they responded with some protest by saying that they had lived up to the legal obligations but may have betrayed the spirit of it a little. They betrayed the spirit more than a little. In any event, it demonstrates why there is so much suspicion and hesitancy to engage with parliamentarians and with Governments in these kinds of agreements.

If there is difficulty in that respect, how much more is there when it is done unilaterally, or when we pretend that there has been some kind of consultative process when something has already been put in place and we just allow briefs to be presented and viewpoints to be expressed and call it consultation?

Another example of the approach which I am advocating is the Cree-Naskapi Act. That Act was not unilaterally devised by the Government with the help of private Members of the

House of Commons. It was worked out over a very long period of time, clause by clause, with government officials and officials of the Cree-Naskapi peoples. When the Bill came before the House, we knew that what we were doing was ratifying the agreement. That is the way we must proceed at all times in the future.

Another example would be the agreement which was reached with the Committee for Original Peoples Entitlement, the so-called COPE Agreement, and the people who live in the Mackenzie Delta and the Beaufort Sea area of northern Canada.

Through the various stages of Bill C-31—and it has been a lengthy and difficult exercise—we thought we were allowing some room for consultation. I have nothing but praise for the Chairman of the Standing Committee on Indian Affairs and Northern Development, the Hon. Member for Wetaskiwin. He did everything he could to accommodate as many witnesses as possible. I have only praise for his work and his leadership in that committee. However, the kind of consultation we have is not the same as negotiation leading to agreement. This is why in the Indian community of Canada "consultation" is a stained word, a word which we can hardly use, a word which has become suspect.

When Bill C-31 has been passed, we will have driven out, if I can use such language, an unclean spirit from the Indian Act. That unclean spirit is sex discrimination. St. Luke's Gospel tells us what these unclean spirits do when they are driven out. According to St. Luke, they tend to pass through waterless places seeking rest but they find none. Then they return to their place of origin and find that everything is swept and in order, at which point they say: "Oh, look how everything is clean and orderly", and invite in seven of their friends. That is a very unusual mid-eastern biblical way to describe a problem of today. What St. Luke is saying, very simply in modern language, is that depending on how we proceed to solve problems, the end result may prove to be a state which is worse than the original situation. I hope I did not lose you on that, Mr. Speaker.

Let me deal with it from another point of view. In my first year as a Member of Parliament, I met in the corridor upstairs a Cabinet Minister whom I greatly respected. He supposed that I had come down here to solve the problems of my constituents and of Canadians in general. I told him that that was my hope, and he gave me a word of advice. He said: "You will probably discover at the end of your career, whenever that is, that for every problem you solved or attempted to solve, in all likelihood you have created seven more". I thought of that when I read in the newspaper this morning about an Indian woman who had lost her status through marriage and was reported to have said that it was unfortunate that the discriminatory provisions and the Government's attempt to correct them have caused hostility and deep divisions within Indian communities. Then she went on to say: "We are all victims of a very bad law, and it is going to take 10 years of healing".

I believe deeply and passionately that our colonizing measures and attempts to deal with Indian people must end. The policies of termination, assimilation and mainstreaming must halt. It is time to recognize fully and unequivocally, without any hesitation, the right of Indian people to self-government, to govern with the consent of their own people and to govern being responsible to their own people. We want them to participate in Confederation; we want them to be partners in Confederation. They have been kept out from the beginning. We want them to participate, but their participation in our Confederation, as I emphasized earlier, should be by way of negotiation leading to agreement. Let us honour those agreements when we make them. Let us not hedge, fudge, legalize, squirm and wiggle our way out. Let us make honest and good agreements and stand by them. That is the way Indian First Nations and Indian people want to participate in our Confederation.

In any event, we must proceed on the basis of Government to Government. That may sound a little incongruous because we are talking about our Government, which is big and powerful, in comparison with many Governments of Indian First Nations, which are small, but surely that is not an argument against dealing Goverment to Government. After all, we do not hesitate to go to Washington, to Moscow or to any other nation much larger than our own, to deal Government to Government for the benefit of our people and their people at the same time. That is the way in which we must proceed.

● (1600)

When we recognize that Indian self-government is the only way that we can proceed in living together with the Indian people of this country, then we have to recognize at the same time that the right to control their own membership is an essential aspect of Indian self-government. It is a cornerstone of Indian self-government; it is the underpinning of self-government. If you cannot control your own membership then what does self-government mean?

The process whereby we decide who is and who is not an Indian must cease. We cannot go on categorizing Indian people into all these various divisions, arrangements and a range and varieties of groups and sub-groups. When one thinks about it, does it not offend one's sense of human rights to do this to the first citizens of Canada, to divide them up into all these groups as if they were exhibits in a zoo, to put them in these categories with a title of status or non-status, in all of these various divisions that I mentioned earlier? It is repugnant; it violates my sense of human rights, and I am sure the other Hon. Members of this House feel the same way. The constant meddling and interfering in the internal matters of Indian First Nations must stop, and it must stop now.

Let me say, for the benefit of Members who may think otherwise, that those who within the Indian community oppose this Bill are not opposing it because they want to see sex discrimination continue; on the contrary. Within the Indian community there is opposition to this Bill because they see it

as based upon faulty premises whereby we proceed to solve problems which belong to us and which have been created by us at the expense of the Indian people.

The community hearings and the debates in this House on Bill C-31 have been spirited, vigorous and often emotional. There is one question that will continue to be in my mind, which is, has any real light been shed on the issue of Indian rights? Do we understand even a little bit better now than we did before? Within my own caucus we have many meetings, and I know that there are now many members of my caucus who had never before acquainted themselves with this issue who now have the beginnings of some comprehension, and for that I am grateful. I am sure that there are other members of the commitee who had not been immersed in this problem for a long period of time who also began to understand and to appreciate the significance of Indian rights.

Have we learned enough, as the Hon. Member for Notre-Dame-de-Grâce-Lachine East suggested yesterday, so that we will not be back here again in the near future chasing ourselves down the very same dark and dead-end valley? It is time for a new day. It is time, as the Minister said, to put all this behind us and move into the future when we will recognize the right of Indian self-government and their right to determine their membership. When we recognize those rights, then we can no longer go on interfering, meddling and creating problems, and in trying to solve them, creating more problems.

May I say to you, Your Honour, let there be light.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in addressing the sex discrimination in the Indian Act, Bill C-31 has finally moved to redress a long-standing wrong against Indian women and against the Indian community. Like most of our legislation, it continues to be written in sexually exclusive language. I think we need to remember the words of the philosopher that "the limits of my language are the limits of my world". If we use sexually exclusive language, then we are limiting the world of over one half of the population of Canada. I believe it is time for the Parliament of Canada to clean up all of its Acts, including the Indian Act, to use sexually inclusive language. I am pleased to understand that there is a committee working with the Department of Justice on this issue. I think it is important to flag it right at the beginning.

I first raised this issue on March 5, 1981, when the Sandra Lovelace case was before the United Nations, and other parliamentarians had raised the issue before that. In 1981, the Minister of Indian Affairs and Northern Development, the Hon. John Munro, indicated to the United Nations that Canada would soon be introducing legislation to end the discrimination and that this legislation would give bands the ability to pass by-laws on membership. He promised that this legislation would be introduced by mid-1981. Instead, the Liberal Government waited until June of 1984 before introducing Bill C-47. With only two weeks to go before recess, the Government pushed the Bill through as a final attempt to redress the issue. Indian witnesses had only a few hours to address the Bill. Yet, with a lot of pressure from the Liberal Government, the Bill did pass through the Standing Committee on Indian Affairs and Northern Development and it passed through this House on the last day of our sitting, with all-Party support. Then it was stopped in the Senate.

Between the Sandra Lovelace case in 1981 and the Liberal Bill C-47 in 1984, we were given a steady diet of leaked government memoranda and secret documents supplemented by regular statements and press releases that promised action. When the Liberal solution, Bill C-47, finally did come, it raised many problems for all concerned. The Bill was so poorly written that the committee had to make some basic changes simply to make it consistent. The Bill ignored the consensus that had been reached earlier that year between the Native Women's Association of Canada and the Assembly of First Nations when they met in Edmonton. The Government said that it had not had time to talk to either group about that proposal. The Minister responsible at that time for the status of women, the Hon. Judy Erola, went even further and described the AFN/Native Women's Association consensus as inadequate.

The Liberal Bill, Mr. Speaker, made absolutely no provision, nor does this Bill, for band control of membership, but instead used blood line provisions to decide band membership. It made no provision for providing the necessary funds to meet the needs of reinstated members. The Liberal Government, in fact, could not even provide Members of the House with realistic figures of the costs. Estimates ranged between $50 million and $250 million. Increasing funding to Indian bands to meet the needs was to be at the Government's initiative, and as the Liberals had been in power through the years when Indian conditions deteriorated, it is hard to believe that the Liberals would have provided the necessary funding.

It is interesting, Mr. Speaker, that yesterday the Liberals and Conservatives voted together to defeat my motion that would have recognized the right of Indian band councils to make by-laws controlling the residency on reserves of non-Indians that would not have jeopardized the right of any band member to reside on the reserve. Liberals and Conservatives supported the clause giving band councils the right to control the residency not only of non-Indians but also of band members.

What hypocrisy! A year ago, the Standing Committee on Indian Affairs and Northern Development was dealing with Bill C-47, the Liberal Bill on the same subject, and Clause 8 of Bill C-47 gave residency rights to non-Indian spouses. I moved for its deletion, Mr. Speaker, because I believed then, as I believe now, that Indian bands should have the right to determine the residency of non-Indians on reserves. My motion was defeated by the same group of Liberals and Conservatives who defeated my other motion yesterday. Last year they refused to recognize the right of band councils to determine residency for non-Indians. Yesterday they wanted the band councils to have the right to control residency, even the residency of band members. I find that inconsistency very hard to understand.

• (1610)

In the voting yesterday we realized one of the reasons for which there were four years of procrastination by the Liberal Government. The Liberals could not make up their minds where they stood on the issue. The Hon. Member for Notre-Dame-de-Grâce-Lachine East abstained from voting yesterday. He said that he did not like the process which had been followed. I remember some years ago when an issue arose which no one in the New Democratic Party liked. I suggested that we might abstain from voting. Stanley Knowles looked at me and said: "Failure to vote when you have the opportunity to vote is a sin against the Holy Ghost for which there is no forgiveness." At the time I thought it was one of Stanley's little jokes. However, I think there was a serious intent behind what he said. When we stand for election, we are taking responsibility to make certain basic decisions. We do not have the option to opt out.

All of us who have been involved in the issue which deals with Section 12(1)(*b*) and the complex issues which surround it, know that it is not a great issue in which to be involved, especially if we are sensitive to charges of colonialism, meddling, racism and genocide. I think it was General Westmorland who once said about the Vietnam war that it was the wrong war, at the wrong place, at the wrong time. But that is the war in which the United States fought. The question of Section 12(1)(*b*) is the issue on which we must decide. We cannot simply opt out on it like Hamlet, who said: "The time is out of joint o cursed spite that ever I was born to set it right".

We cannot pick and choose our issues. Section 12(1)(*b*) and Section 12(1)(*a*)(iv) are on the agenda because they were left as a bitter legacy by the previous Government. Those in the House who want to complain that Bill C-31 meddles with the rights of bands to determine their membership must remember that every day of procrastination which we had under the previous Government meant that Canadian law was meddling with the right of Indian bands to determine their membership. We were meddling in Section 12(1)(*b*) which infringed on the right of Indian people to belong to their own nation. To attempt to clean that up should not be characterized as meddling. We are attempting to remove a very meddlesome law, and that removal is long overdue.

I agree with the basic compromise which is attempted by Bill C-31 between the right of bands to determine their membership and the right of people to be returned to band membership, if they had lost it unjustly through Section 12(1)(*b*) or through Section 12(1)(*a*)(iv). I agree with the compromise which recognizes the right of bands to develop their membership criteria and to seek ways in which other people can be brought into membership, or to provide for the future for people to be excluded from membership, if that is what the bands feel is required.

During the course of the Bill, the Minister made a number of changes which reflect the concerns which were expressed by witnesses who appeared before the Standing Committee on Indian Affairs and Northern Development. The changes also reflect the concerns of the members of the committee. I proposed an amendment in committee which was in line with a great deal of the testimony which we heard. The amendment would have provided for the reinstatement of all Indian people who had been enfranchised, regardless of the reason. While the amendment was defeated in committee, the Minister later introduced a similar amendment. I believe it is a measure which improves the Bill, and I commend him for it.

Unfortunately, the Government did not act upon another amendment which would have opened up the process of registration to those who were missed by Indian agents a number of years ago. Particularly in the northern sections of the provinces, there are many Indian people who were out on the trap line, hunting or food gathering when the process of registration took place. Therefore, entire families were missed in the registration process. While the Minister has the power to register them under the present Act, I think it would have been an important step if Bill C-31 had recognized that power explicitly and had given the Minister the encouragement to register the people who were unjustly missed in times past. The same amendment would have allowed all who have band membership, under Indian band membership codes, to be considered status Indians under Canadian law. The recognition of the right of Indian nations to determine who is a status Indian would have been an important addition to the Bill. I regret that the Government did not see fit to move on that matter.

The Bill provides for the Registrar to accept oral testimony, at his discretion, which would not normally be acceptable in a court of law, in regard to registration cases. That is an important step in allowing those who should rightfully be registered to get their name on the status list. I am pleased that the amendment was accepted.

We can see how complex the issue is from the effect which removing discrimination would have on different generations. If the children of reinstated women marry non-status Indians, they will not be able to transmit status to their children, even though their cousins will be able to do so. That is unacceptable. The Government should have accepted amendments which would have removed that continuing discrimination by generation.

I set out a number of amendments which attempted to establish basic criteria for accountability. I believe that most Indian bands want to include an appeal process in their membership criteria. In addition, I believe that all Indian bands want to include all members of their community in the formation of membership rules. The Nuu-chah-nulth Tribal Council spoke for a great many Indian nations across Canada when it said:

> Our position is that there are no non-status Nuu-chah-nulth. Only death can bring an end to Nuu-chah-nulth blood. This of course conflicts with Canadian law, and will continue to do so as long as we do not have our own governments, with their own resource base.

They definitely want to include all people in the process. I am confident that most bands will want to do that. While I regret that we did not protect the minority who might belong to bands which do not choose to do that, I am glad that the

Minister at least introduced an amendment which made it clear that band councils can involve the full membership of the band in setting out band membership criteria.

I think it is important to remember that we are dealing with 100 years of history. In that 100 years, many Indian systems of accountability were deliberately broken down by the agents of the Government. Because our Government has broken down Indian systems of accountability, we cannot simply walk away from the system, say that we are involved in decolonizing and that all we have to do is to sign our name to a document. It is more complex than that. I would have liked to have seen the Government include some of my amendments which provided for basic appeal processes and some basic accountability. Some bands might not wish to include it, but I believe most bands will do that of their own accord.

• (1620)

One of the most important amendments which, unfortunately, was ruled out of order because it infringes on the Government's financial prerogatives, would have provided funding and land for reinstated band members. The Minister talked about the three principles on which this Bill was constructed. I maintain there is a fourth principle which should have been included, that is, the principle of adequate funding and land for reinstated band members. The Minister talked about the need for reconciliation, and now is the time when reconciliation is badly needed. I want to emphasize that reconciliation will become impossible if government funds are not made available to deal with this situation. Witness after witness emphasized this point, yet the Government was not willing to write a basic financial provision into the legislation.

This is a great weakness in the Bill. The Minister in testimony admitted the appalling nature of Indian conditions across Canada. Those Hon. Members in the House right now are fully aware of the unemployment on Indian reserves. It is 80 per cent and 90 per cent in some cases. We are aware of the terrible housing and health statistics, the suicide rate, the incident of alcoholism and family violence. We know that these problems cannot be solved simply by throwing money at them, but we also know, or we should know and should recognize, that they will be made worse if we are not willing to provide the basic financial resources necessary to deal with them.

The Government's track record on providing necessary funding is so poor that Indian nations are quite correct in being very concerned and suspicious about any increase in on-reserve population. Budget shortfalls have been common for years, so they are not the specific problem of this Government. But the Indian nations have a special concern now because the lack of financial guarantees in Bill C-31 coincides with the secret Conservative task force studying Indian Affairs budgets. This is the same backroom approach which the Liberals used, and it is time, I think, Mr. Speaker, that we opened up a funding process instead of continuing to confine it to the back rooms.

The Indian people should be brought directly into the budget process. In April, Members of Parliament and the Indian people first learned some of the details of what was cynically called in the Government's own document, "Operation Buffalo Jump" of the 1980s. That is the Conservative's secret report on how they could make cuts in Indian Affairs and other native programs. "Operation Buffalo Jump" attempts to walk away from the trust in and responsibility to the Indian people of the federal Government. The report, constructed totally in the back rooms without any Indian involvement, casts a very serious shadow on this Government's credibility on native issues in general and on this Bill in particular.

The Minister has given his personal word that the funds will be forthcoming to deal with any increased expenditures arising out of Bill C-31 on a case by case basis. But, Mr. Speaker, the personal word is the kind of style we should have left behind with John Munro and the Liberals. Personal word is not enough. It does not work. Ministers come and go, and in the meantime the Indian people get stuck with paying the bill.

We can look at the betrayal of senior citizens in the present Budget. The Indian people are aware of that as well. That makes them wonder very seriously how much the Government's commitment to provide financing for their needs really means. They have seen the Government's betrayal of senior citizens and wonder whether they are next. They saw the Nielsen task force working away while the Prime Minister, (Mr. Mulroney), the Minister of Indian Affairs and Northern Development (Mr. Crombie) and the Minister of Justice (Mr. Crosbie) were meeting with Indian people at the First Ministers' Conference on aboriginal rights and the Constitution.

'Operation Buffalo Jump' is a reprint of the 1969 Liberal White Paper. It amounts to nothing more than a cruel blueprint to use Indians as the shock troops in the Government's fiscal policy. First, we send in the waves of senior citizens, then follow the Indians. It is going to be the same kind of massacre we saw at Galipoli. Even the name of the report 'Operation Buffalo Jump' is cynical, racist and objectionable on that basis.

With the appointment of a new Minister there was hope that Indian people would receive a better hearing from the Government. The land claims policy was going to be reviewed. Indian people now wonder where that review might take them.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but by virtue of our Standing Orders, only the Minister moving the motion and the critic of the Official Opposition has unlimited time. The Hon. Member's time is up unless the Hon. Member asks for consent to continue.

Mr. Manly: It is customary, Mr. Speaker, for the first speaker in the opposition Party to have extra time, and I would ask for that.

Mr. Deputy Speaker: Is there unanimous consent to grant the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) extra time?

Some Hon. Members: Agreed.

Mr. Manly: Thank you, Mr. Speaker, and I would like to thank Hon. Members for this courtesy.

Land claims policies are now being reviewed and we wonder where such reviews will take us. Indian people are wondering where they are going to end up with the reviewed land claims policy. Will the Government address the serious need of Indian peoples for land, or will it simply take more away from the Indian population and give it to large resource companies, particularly in the North?

The Minister called for reconciliation. We agree with that call. This should be a time for reconciliation. I want to emphasize to the Minister and to all Hon. Members of the Government that the Government itself has to play a key role in that reconciliation. The provision of adequate financial resources is absolutely crucial if there is going to be reconciliation and not more difficulty.

I believe, Mr. Speaker, that the women who are going to be reinstated to band membership, and other people as well, have a great contribution to make to their own nations. I think that most Indian people across the country are looking forward to this with a sense of celebration. Even while I say that, I know that others are strongly opposed to it. But I believe there are a great many Indian people who look forward to it with a sense that they will be reunited in band membership with their sisters and daughters, nieces and cousins, and this is an important step. They have a contribution to make and they are going to be able to make it.

The Assembly of First Nations, when it appeared before the committee, said, "We are glad to re-state our pleasure that the Government has moved dramatically toward the position that the Assembly of First Nations has put forward in the past. There has been a real attempt to recognize First Nations' self-determination of citizenship". It went on to say that there were still elements of distrust, however, in parts of this Bill, the first most basic criticism of its provision being:

> The limitations on band control of membership in the clauses on compulsory reinstatement and in the clauses on acquired rights represent a final paternalistic or colonial thrust by the Government of Canada.

● (1630)

I regret, Mr. Speaker, that this is not one of the points on which the Government was prepared to move. I can only presume that the Assembly of First Nations feels a great disappointment that the Government was not prepared to accept that suggestion. They continue:

> A third basic point is that this reform must not be at the expense of the ongoing constitutional process. The fundamental principle of the First Nations' self-determination must receive constitutional recognition, and with it the basic right of self-determination of citizenship. On this understanding we can proceed with proper reform legislation.

The constitutional process has bogged down, at least temporarily, and I urge the Government to get on with it and make resources available so it can move ahead with the constitutional processs. The Indian people see that as absolutely essential to recognition of their right to self-government. They continue:

> A final basic point is our continuing concern for adequate arrangements in relation to reserve lands, band funds, program funding.

I regret that the Government has not moved to provide adequate arrangements for program funding, band funds or adequate lands. As New Democrats, we want to see Indian self-government recognized with the proper funds in order to make decision making at the local level a reality. We have seen the First Ministers meet time and again to discuss aboriginal rights, only to restate, like Premier Bennett, that they do not understand what the term means.

Bill C-31 is a small step toward redressing some of the injustices of the past. It is a step toward recognizing the right of Indian peoples toward deciding their own membership. It is a small step, an important step, and I want to commend the Minister for taking it.

We have not washed our hands of this issue yet. The last part of Bill C-31 calls for a report. The Minister has promised that report will be very detailed and will be referred to the committee. I am sure the committee will want to examine it closely. The impact of this legislation on bands all across Canada demands the very closest scrutiny on the part of the Government and members of the Standing Committee on Indian Affairs and Northern Development, and I am pleased to see that the Government has included that amendment. This is an important element of what we are attempting to do in Bill C-31, but, in conclusion, we cannot feel that great about it. It is a small step which some Indian peoples see as a negative, others see as a positive but not going far enough. However, it is a step in the right direction and I want to commend the Minister and his Government for taking it.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise as a Member who has an interest in this Bill and as one who served as chairman of the committee. As anyone who serves as chairman of a committee knows, it is often difficult to express your views or question witnesses. The chairman's job is to attempt to keep members of the committee on course, keep order, and run the meeting in the best way possible.

It is often difficult for Members to put up with the personal tactics which a particular member may use in committee. I want to thank my colleagues on the committee for putting up with those tactics which I may have used from time to time but which I felt were helpful in our attempts to deal with this Bill. I recognize that as chairman you make few friends when you have to deal with a particular question. I also realize that being chairman of a committee is a very important responsibility, one which I take seriously and took seriously when I assumed that responsibility. As chairman of the Standing Committee on Indian Affairs and Northern Development, I know that we attempted to retain the reputation that committee has had over the years of finding solutions to the problems of Indian people in an impartial manner.

In the past the Committee has had very little legislation of a controversial nature brought before it. As a result, members of the Indian community looked highly upon the committee as a group of people who were helpful. Indeed, we were helpful over the years in certain areas, as was pointed out by the Hon.

Member for Cochrane-Superior (Mr. Penner). He is a past chairman of the Committee and he acted very responsibly and took his duties seriously. We assisted in the matter of the James Bay Agreement and other problems across the country. As everyone knows, we are popular when we take on the bureaucrats for the way they spend money given by Parliament to the Minister. However, from time to time this House gives the committee legislation which does not make us too popular with the people we have to represent.

I noted that the Hon. Member for Cochrane-Superior said that we had something analogous to gunpowder. I looked at it as kind of having a tornado by the tail because it was always twisting. As we brought witnesses before the committee, they gave emotional testimony as to how this Bill was going to affect them as communities and as individuals, and then another witness or group of witnesses came before us and said that if we did that, it would affect them in such a way and we simply could not take that advice.

Each day we went through that kind of testimony from various bands across this country and their representative organizations. The committee tried to take that testimony seriously. We tried to deal with it in a manner which we felt would best accommodate the various interests and yet not harm the communities too much. I want to commend the members of that committee for doing what I feel was an excellent job. I also want to say to the Minister that we appreciate the work he did. He was available when we needed him, he was flexible, and yet he tenaciously stuck to his principles. Knowing that the Cabinet and the Minister had certain principles they were not going to deviate from was helpful to the Committee.

As we look back over the history of the past 100 years, we know that governments were reluctant to deal with these problems because they were difficult. This Minister inherited a problem which had to be dealt with because we adopted a Constitution and society said it was time to deal with this problem. Bill C-31 was brought to the House and went through various stages, and we are now in the final stages of passing those changes in the House of Commons.

As was stated by the previous speaker, it is not that those who opposed the Bill are for discrimination. That is not the case at all. The concern is with regard to the impact of this legislation. There is concern about people who will return to their communities after not having been there for a long time. There is concern about the resources that have been available to try to build a life for the people who stayed in the community. There is concern about whether the Government will provide sufficient resources if new people decide to move to the reservations.

● (1640)

I know that many individuals here would not be happy if the Government attempted to impose changes on their community without proper negotiation and settlement beforehand. In committee and over the years we attempted to consult with the people involved. Parliament acted with good intentions. However, I agree with the Member for Cochrane-Superior that it is not the same as negotiation and agreement. We are dealing with a jurisdiction that has never been given up by the Indian people of the country. One wonders how a legislator can accept responsibility for them. Yet, laws which have been passed in Parliament have assumed that jurisdiction. They have assumed that the Parliament of Canada had responsibility for the Indian people of the country.

I know that there will be difficulties with regard to the removal of discrimination and that problems will be caused for bands as people return to the communities. I also recognize that the starting point for allowing Indian people to resume responsibility for their own government is contained in this Bill.

I enjoyed the year and one half that I spent touring the country on the special committee on Indian self-government. We went from province to province, reserve to reserve, and community to community listening to testimony. We then worked diligently to put that testimony into a report. Now that Parliament has dealt with this law, I hope that the Government can move quickly to be as helpful as possible to Indian bands across the country. I hope that the Government can move quickly to return the responsibility for self-government, which they never gave up, to the Indian people.

The message that I want to leave here today is that I hope the committee can now get on with that work. I believe that we have done the best that we can to deal with this legislation in a fair manner. Members from all sides of the House have contributed to it. Amendments have been accepted from all sides of the House in an attempt to make the Bill even better. I agree with the Minister and other Members who have spoken that now is the time to reconcile the differences and to get on with the very important job of restoration of self-government to Indian people across the country.

Mr. Taylor: Mr. Speaker, I would like to make one or two comments in connection with this matter. As a Member of Parliament I represent three tribes of Indians; the Blackfoot, the Sarcee, and the Stony. I believe that a Member should reflect the thinking of the people who send him here. My Indian constituents are strongly opposed to the Bill. They look upon it with fear and trembling.

They say that they signed Treaty No. 7 with the Queen and accept that as gospel. The Queen gave them the right to operate their own reserves without outside interference. They are the master in the reserve, the same as a father and mother are masters of their own home. They object to the assumption that we now give them something which they believe they already have. The chiefs and band councils of all three of these tribes look upon the passage of this Bill with fear and trembling.

At present there is a lack of housing on the Sarcee reserve. The chief estimates that 500 people may come on to the reserve in addition to the 750 who live there now. What will the situation be? There is a lack of land. Will we create reserves within reserves, or will we extend the reserves? Many

of these problems have not been answered, and they are worrying our people.

The bottom line is that the Indians whom I represent want to preserve their culture. It is a question of survival within the realm of their own decrees and customs. They want self-government within our nation, but they want it to be in the Indian way on each reserve without interference by other governments or organizations that do not like the customs of our native people.

Members of the Blackfoot, Sarcee, and Stony tribes are good Canadian citizens. They have excellent statesmen. When the law is passed, they will endeavour to live by it. We must all co-operate to the highest degree because there is a possibility of tremendous strife developing when we categorize the people who will live on a reserve. It will be a challenge to make this Bill work for those who presently disagree with it.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in rising to speak on third reading of Bill C-31, an Act to amend the Indian Act, I would like to reiterate some of the comments that I made at first reading stage and to relate some of the lessons that I have learned and some of the observations that I have gleaned in the committee process of examination and debate of the Bill. As far as possible I would like to avoid repeating those comments that have been made by previous speakers and to try to confine myself to my own assessment of the impact of this legislation and the challenge that it poses for this and future Parliaments. Let there be no doubt that this revision of the Indian Act, by its very nature, is in no way a final solution to the very many difficulties that this institution's habit of legislating for Indian people what they should rightly and legitimately legislate for themselves has caused.

I believe that I will be the only new Member to speak on this Bill. I am fully conscious of the responsibility that rests upon me by virtue of representing more Indian bands than any other Member of the House. As Bill C-31 stands it is, at best, a mechanism for a transition which it starts but is not going to accomplish fully. I believe the Minister himself said that it does not correct all problems, and I certainly support that assessment. However, as he observed, it does represent the first revision of the Indian Act in a generation. It is a sad comment on the process in which we are engaged that it cannot represent the last revision for a generation but does in fact, in itself, contain the seeds of the necessity for future revisions.

● (1650)

A favourable aspect of the Bill is that it requires a report back to Parliament in two years on the impact of the Bill. I am hopeful that in two years time, while some Members may not relish the prospect, some of the imperfections in the Bill will have made themselves manifest by their effects and we will in fact be in a position to correct some of the problems which this Bill will create by its passage. Problems are never stamped out. They may be stamped, but only into many smaller reflections of the major problem which existed in the first place.

I am pleased that the Minister, in the last few days before the Bill came back to the House, introduced a measure to empower bands to pass legislation on the regulation of intoxicants on reserves. I believe that one of the unwelcome consequences of the Charter of Rights was that the bands were essentially stripped of their power to regulate intoxicants. I am glad that this legislation empowers bands afresh with that ability to regulate intoxicants.

At the same time, as the Minister observed, the Bill places band control of membership in the hands of the bands. It certainly does not place in their hands the full control of membership that bands should have. Let me quote from a resolution of the Chiefs of Ontario who state that Bill C-31 should "recognize the exclusive right of First Nations Governments to determine their own citizenship". As we know, that exclusive right is at some variance with the need to put Bill C-31 into a form where it does not discriminate against those females who married outside the band. Nevertheless, we must indeed hope that this is the last time that the House of Commons will see an abrogation, because it is an abrogation, of the rights of First Nations to determine their own citizenship.

I believe that I learned something from my daughter a couple of weeks ago. When discussing matters of citizenship and ethnicity and race, my daughter insisted that she was fully Chinese because her mother is Chinese. Perhaps she has grasped a truth that had escaped the House of Commons for many years—the dominant role of the mother in the transmission of a person's identity. I believe it is justly said that morality can never be fully legislated. Today, we are trying to legislate identity which also cannot be fully controlled or predicted by legislation. Therefore, our effort is doomed to a partial failure at the very least.

The process which we went through in committee examination of Bill C-31 was, in some ways, a tragedy. That is not meant as a criticism of any Member of the House. However, we were negotiating under that deadline set by the Charter of Rights. While we missed that deadline by a couple of weeks, the legitimate objective of the Government was to avoid the court challenges to the Indian Act which would have inevitably resulted had the legislation not been passed.

I agree with my colleagues who have said that there was not enough consultation in the framing of the amendments to Bill C-31 and in the framing of the Bill itself and not enough consultation in the committee process. We were denied the opportunity to seat representatives of the aboriginal organizations as members of the committee for the process of examining Bill C-31. That is an opportunity that I would have liked to have seen taken advantage of. Heaven forbid that we should go again to a major revision of legislation that so dramatically impacts the lives of Indian people without the special seats reserved on the committee for Indian people in order for their leaders to represent the people's views and needs before the committee.

The Hon. Member for Cochrane-Superior (Mr. Penner) spoke of the way in which the Bill will create classes of

Indians. I would charge the Minister with the objective in future revisions that we should be able to eliminate the classifications of Indian people to the point where there will just be the one classification, namely those people who are Indians and members of a band and who are recognized as Indians and band members by virtue of the due process operation of the membership code of the band to which they belong.

There are major funding issues that have not been addressed in the Bill. They have been touched on. Other issues include population on reserves, equity, delivery of the same programs to all members of a particular band residing on the reserve, the inadequacy of housing, the differential way in which people are to be reinstated which leads to those different classes of Indians that have been mentioned.

We must indeed hope that this is the last time that legislation will further divide Indian people and that all future legislation will be designed to lessen those divisions rather than create new divisions and in some ways also perpetuate old divisions, which is what we have seen.

Let me quote further from the resolution of the Chiefs of Ontario regarding Bill C-31. "Each First Nation will establish membership codes. Each First Nation shall establish an appeal mechanism". I believe that the commitment of Indian people to the establishment of membership codes and appeal mechanisms is of paramount importance because it is a commitment that is made, regardless of what action is taken or not taken by Parliament.

This is a point on which I would like to expand further. The fact is that Indian nations today are formulating their own membership codes or citizenship codes. They will be doing this obviously with an eye to legislation and an eye to the decisions of Parliament. However, they will be doing it in the free exercise of their independent right. As the Hon. Member for Wetaskiwin (Mr. Schellenberger) observes, they never abrogated their free independent right to determine their own citizenship. Indian people have come a very long way since the time when Government was personified as the "Great White Mother" in the treaties. I use the term "Great White Mother" advisedly because the majority of Indian people in Canada today are in treaties that were signed in the time of Queen Victoria. Indian people today are very well cognizant of what the federal Government can do to their lives and what the federal Government is not able to do to their lives. It is in appreciation of those parameters that they are, themselves, developing those membership codes.

I received a telephone call from Chief Charlie Nash of one of the bands in my riding, instancing the reservations that the Chiefs of Ontario had placed in their resolution. I would like to have read the entire resolution into the record, but it would take too long to do so.

● (1700)

I understand there is in my riding today a petition circulating against Bill C-31 instancing, of course, the degree to which Bill C-31 abrogates the inherent life of Indian First Nations to determine their own membership. Nevertheless, I think I have to say that we must remember the dictum, I believe of Clausewitz, *Das Politik ist der Pratik von das Möglichkeit*, translated normally into English as politics is the art of the possible.

We have been presented in the continued operation of the former Indian Act, the way in which it divided Indian people and the way in which it controlled virtually every aspect of life in a fashion that otherwise would not be permissible in a democratic society, with a Gordian knot, such that Alexander solved by completely severing it. That is not an option possible to us.

We must in the best spirit and the best faith possible do our best to unravel that knot. It is in the context of unravelling that knot that I would say Bill C-31, for all its deficiencies and drawbacks, is nevertheless a first step that has been worthwhile taking.

The Acting Speaker (Mr. Charest): Are there any questions or comments? Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed from Tuesday, May 28, consideration of the motion of Miss MacDonald (for the Minister of State (Finance)) that Bill C-51, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a few remarks concerning this Bill and the Government's request to the House for borrowing authority as it relates to the Government's programs for this year. Before I get to the subject matter of the Bill, let me say that the Canadian public is rallying behind the demand by senior citizens not to have their pensions deindexed. I believe this feeling goes far beyond that one policy of the Government as announced in the Budget.

Let us examine what happened as far as the Government's spending program is concerned for this year. Certain decisions were made last November and last October in an effort to reduce the amount of money required by the Government of Canada in the normal operation of the Government. I refer specifically to actions that did not receive very much attention nationally and that did not receive very much attention in the House of Commons. For example, when the decision was made in an effort to save money so that the books of the Government of Canada would not look, as it claimed, all that bad, the

Government took certain actions that impacted on people in such a way as to be clear discrimination against people of certain ages.

It was decided in order to save *x* number of dollars to use the income of a person from his or her separation of employment. In other words, when somebody today, as of March 31 gone by, receives an amount of money from his or her employer, whether it be separation pay, accumulated sick leave benefits, no matter what it is, that person in receiving that money would impact on other federal Government programs, specifically, unemployment insurance. If you receive say, $2,000 on separation of your employment and if you were eligible to receive $200 a week unemployment insurance upon separation, then the new policy says you cannot receive it until after the first 10 weeks. When you look at that as a cumulative effect on somebody's income he or she received after being employed, you discover that in a great many cases people lost as much as $12,500 because you have to take into account what that person would have been eligible to receive and what that person now loses as it relates to payments upon separation of employment.

If that were not bad enough in trying to save money for the Government of Canada, what the Government did was to say we will also take into account all payments received in the form of pensions. How many thousands upon thousands of people take early retirement? How many people in the Armed Forces leave after 20 years, go to work after that and now, although they paid into unemployment insurance, they cannot draw it because of the measures taken by the Government of Canada in the last November statement in an effort to save money, in an effort, so the Government of Canada says, not to have to borrow as much, so as to reduce the deficit.

What we had was a cumulative effect of these measures. First, if you worked all of your life, you always had in Canada that benefit given to you that you paid in all your life. You could draw a year's unemployment insurance if you so wished. That was taken away because you now take into account your severance pay, your cumulative sick leave pay, in fact all payments made by the employer upon separation of employment. Then the Government in the same measure said that all pensions received will be taken into account as income for unemployment insurance benefits.

You can imagine someone who has worked for the Government of Canada for years receiving a small pension on leaving, receiving separation pay, losing cumulatively $12,500 and then not being allowed to draw unemployment insurance after having paid it. A millionaire who could have investment income, drawing income from the bank or investment is not affected. Why, Mr. Speaker? Because the Government of Canada said that only pension incomes will be taken into account.

The Government of Canada talked about old age pensions and said it was going to deindex those to a certain degree, but that was only one thing in a long list of things that have been done since the new Government of Canada took office. There are things that were not talked about very much, not discussed very much, not talked about in the committees and not examined very much, but the person who is ceasing his employment after many years knows the effects compared to previous years.

As well, along the same trend, Mr. Speaker, the Government of Canada took certain actions which I suppose look good on paper but which affect people to a very great degree. In some cases I do not believe the Minister in charge of that Department really knew what the effect would be down the line. I will give you as an example, Sir, the reduction in the home repair program given by the Minister as being a way of reducing the deficit, a way of reducing expenditures in his Department.

● (1710)

Many offices throughout the country were delivery agents for RRAP and existed on income from the Government of Canada for processing applications forms. In other words, delivery agents received about $500 for processing an application form under that program. In some cases it was $450, in other cases it was $500, and in northern areas it was over $1,000 for each application form. The offices with their clerks, inspectors and managers existed on that income. Whether the delivery agent was a national anti-poverty organization, a provincial housing authority or a municipality, that is how the system worked. The Government of Canada came along, said that it wanted to save money and chopped funds from RRAP. No one thought about—and certainly departmental officials did not think about it—what would happen after the amount was reduced by the Minister and it was realized that the income from the processing of applications would not be adequate to keep those offices going.

What have we seen over the past few months? We have seen these offices close and delivery agents disappear. We have heard provincial administrations saying that they cannot make up the difference to maintain those offices. Now we see vast areas of the country, which were covered before, not being covered. The people involved have been asking for a calculation of the cut, how the amount was arrived at. Nationally it is a 25 per cent cut, whereas in Newfoundland it is 44 per cent.

Let us look at the absolute inaction on the part of the Government of Canada as it relates to certain things which should be done. In the name of reducing the deficit, the Government has not even looked at them. One example would be the federal minimum wage and its effect on poor people. On January 1, 1985, at least five provinces increased their minimum wage, and a couple of provinces since then have done so. There is an unwritten rule—it is not in legislation nor in the regulations—which says that the federal minimum wage will be equal to the average across the country.

The federal minimum wage applies to federal property and to all agencies, organizations and groups regulated under the Canada Labour Code; in other words, radio stations and various other operations. There is a reason for that. We do not want a janitor, for example, to receive a higher minimum wage for working for a private business one week than he would

receive for working under contract in a federal government building or for an agency controlled by the federal Government.

What has happened since the new Progressive Conservative Government took over? Nothing has happened in terms of the federal minimum wage. It has not moved one cent. What has been the result of that? If we look across the country, we see that the federal minimum wage is lower than the minimum wage of the provinces. In British Columbia, the minimum wage is about $3.65 per hour; in Alberta, $3.85; in Manitoba, $4.30 or $4.35; in Ontario, $4.00; in Quebec, which is the highest, $4.58 or $4.60; in New Brunswick, $4.20; in Nova Scotia, $4; in Newfoundland, $4; and in Prince Edward Island, $3.85. Probably for the first time in our history the federal minimum wage at $3.50 per hour is lower than the minimum wage of every provincial administration. What does this mean? It means, for example, that a security guard from Burns Security in Toronto can work at the Toronto International Airport and earn $3.50 per hour, whereas when he watches people going in and out of a private office building downtown, he can earn $4 per hour. Some people might chuckle at this, but it is a very serious matter in that it relates to people with very low incomes.

What will happen in terms of the student employment program this summer? What will happen if a student is referred to a project of an agency of the federal Government on federal property and receives the federal minimum wage, according to the guidelines, of $3.50 per hour? Such students will say: "My goodness, I hope I don't work for a federal government agency and end up with $3.50 per hour, because if I work for a provincial agency or private enterprise I will receive $4".

Perhaps that does not sound like much, but the difference increases in the Province of Manitoba with its minimum wage of $4.30 or $4.35 per hour or in the Province of Quebec, which has always had the highest minimum wage, at $4.58 or $4.60 per hour. That is a larger difference, it is a difference of over $1 per hour. Let us think about what that difference means to janitors and security guards who need every cent they can get, to people on low incomes, to people who can just barely make it, if they can, or to students who are saving in order to attend universities and colleges across Canada. For the first time the federal minimum wage has dropped drastically below the minimum wage of every province.

I have listened to remarks in the House concerning the Government following the policies of the Government of the United States. Some of us find it difficult to relate to the policies of the U.S. Government. For example, we find it difficult to understand why that Government took such a protectionist attitude last fall toward exports from Canada. We heard recently about problems with hogs, lumber and various other items. In the riding of the Prime Minister (Mr. Mulroney), in my riding and in the ridings of other Hon. Members, the Government of the United States, through its Department of Commerce, has placed quotas on our fish which has been cured, which has been salted. Most companies are paying a 16 per cent tariff. That is a policy of the U.S. Government, and the Government of Canada has done nothing to object to it. As a result of that great discrimination, people are required to post bonds in order to export products to the United States. This is the first time in our history that people involved in the salted fish industry have had to post bonds. There is a very important meeting going on today in which officials of the United States Government will decide whether the tariff will remain on salted fish.

• (1720)

I say to the Secretary of State for External Affairs (Mr. Clark) that if that meeting does not produce the result of a cancellation of this improper tariff, if it does not result in having to cancel these bonds that are posted by exporters, he had better get on the first flight to Washington. He had better do that because this is happening with too great a frequency. This is happening in a great many areas of our economy.

The Minister of Fisheries and Oceans (Mr. Fraser) says that we are considering cutting off the commercial salmon fishery on the northeast coast of Newfoundland. He said that we have to consider it because the U.S. Government asked us last month to do it. Why? Because 1 per cent of the salmon that is caught commercially off the east and northeast coast of Newfoundland is supposed to be destined for U.S. waters. When we take into account the actions of the U.S. Government through its Department of Trade and Commerce and look at a request like that from the U.S. Government to cancel the commercial salmon fishery for Newfoundland, we know what we should do with the request from the U.S. Government.

I have not even reached the main purpose of my address here today. Again, this goes to illustrate the many things that this Government has done that adversely affect the ordinary person, the poor people, what it has done to cut services to the public and to cut down other pensions and disposable income. Sometimes, Mr. Speaker, there are so many of these things that you cannot really get to the subject of your address. I am sure, however, there will be other opportunities that will arise when I can do that.

The Acting Speaker (Mr. Charest): Questions or comments? Resuming debate. The Hon. Member for Kitchener (Mr. Reimer).

Mr. John Reimer (Kitchener): Mr. Speaker, I am pleased to have this opportunity to speak in support of Bill C-51, an Act to provide borrowing authority which has been introduced into the House by the Hon. Minister of State for Finance (Mrs. McDougall). The substance of this Bill is relatively straightforward. I shall therefore dwell only briefly on its specifics because I wish to address in greater detail the larger issues that it raises.

Last December the Government made a commitment to the opposition Parties that it would introduce a request for borrowing authority for the 1985-86 fiscal year within two weeks of its first Budget. It is a measure of the seriousness with which this Government approaches its fiscal responsibilities

that this commitment was fulfilled when Bill C-51 was introduced within 24 hours of the May 23 Budget. This Bill will give the Government the necessary authority to borrow $18.2 billion for this current 1985-86 fiscal year. The first $16 billion of this figure will be used to supplement the $12 billion already borrowed earlier this year under the related borrowing Bill, C-11, thereby meeting the total of $28 billion in the 1985-86 financial requirements as set forth in the Budget.

The remaining $2.2 billion is needed to roll over the temporary borrowing authority that was obtained under Section 39 of the Financial Administration Act last February. It will be remembered that recourse to Section 39 was necessitated by the intransigence of the other place with respect to the timely passage of Bill C-11. This episode in the other place involving the deliberate delay by Liberal Senators of Bill C-11 is worth reiterating for the public record. Their irresponsible obstruction of a crucial piece of legislation cost Canadian taxpayers some $15 million. The whole event constituted a microcosm of the kind of fiscal mismanagement with which this country has been plagued for the last 16 years.

This bitter fact leads inevitably to the larger questions which arise out of this borrowing Bill, and surely there can be nothing larger than this country's annual and cumulative deficits, now the major component in government financial requirements and consequently the major reason for the incomprehensible figures involved in borrowing Bills such as this.

Let me begin my brief remarks, Mr. Speaker, on the deficit with an analogy. The major financial transaction in the lives of most Canadians usually centres around the purchase of a home. It is a transaction that usually involves tens of thousands of dollars and leaves the purchasers with a substantial mortgage to repay over a given number of years. The vast majority of Canadians will work long and hard to repay this debt as quickly and as diligently as they are able. Why? It does not take a financial genius to know that a state of perpetual indebtedness is not a preferred option. The home owner knows that his mortgage is simply a necessary means to a desirable end and the sooner this indebtedness is erased, the better off he will be. Moneys once channelled into principal and interest owed, and all too often more interest than principal, can then be used more profitably elsewhere. If, however, a home owner's annual expenses begin to exceed his income, then meeting his monthly mortgage payments becomes an increasingly difficult problem. If this unfortunate state of affairs continues for an appreciable length of time, the home will be lost.

It may be something of a quantum leap, Mr. Speaker, from the typical Canadian home owner with an average annual income and monthly payments on a $25,000, $50,000 or $75,000 mortgage to the monolithic Government of Canada with its multibillion dollars in yearly revenues and expenditures, but the same basic economic principles apply in each case. It is an indication of the severity of the financial situation facing this country that any Canadian home owner who had managed his personal finances in a manner in keeping with the federal Government's requirements over the past decade and a half would have long since defaulted on his mortgage, declared personal bankruptcy and found both himself and his children indebted for life to his creditors.

Such is the situation which confronts this Government. This is simply because any Government, just like any individual, which has allowed annual expenditures to far exceed its annual revenues and which must borrow with interest every year to try to make up the difference, simply digs itself into a deeper and deeper hole. We are in a hole that is about 16 years deep. We have had successive budget deficits since the early 1970s and they have led to an annual budgetary projected deficit of approximately $37 billion when we took office in September and and a net public debt of approximately $190 billion in the fiscal year 1985-86. Fortunately the actions in the November economic statement and the May Budget have reduced the projected deficit from $37 billion to $31.1 billion.

Permit me to look ahead just five and a half years to 1990. If we had not taken the actions in the November statement and in the May Budget by cutting expenditures and raising revenues, then the interest payments on the debt would be more than $50 billion per year, not just the $22.1 billion that we have now. In other words, just the interest payments on the debt would be 226 per cent higher than they are today, and that is just in five and a half year's time.

If we fail to act now to correct 16 years of Liberal mismanagement, annual interest payments could approach $50 billion. The impact of the November statement and the May Budget taken together is to reduce our annual deficit by 1990 by some $20.1 billion and 80 per cent of that $20.1 billion reduction will be on the expenditures side and only 20 per cent in new revenues.

The net public debt now comprises 45 per cent of Canada's annual Gross National Product and the annual interest payments of this debt now exceed total federal spending on Old Age Security, Guaranteed Income Supplement and the federal share of health care, combined. I think that is an amazing figure and I would just like to repeat that. The annual servicing of the debt now exceeds the total federal spending on Old Age Security, Guaranteed Income Supplement and the federal share of health care, all combined.

This euphemistically termed "fiscal problem" has been detailed by the Minister of Finance (Mr. Wilson) in one of the budget documents entitled *The Fiscal Plan*. He notes that during the past three years the net federal debt has grown almost four times faster than the Gross National Product and interest charges on that debt have grown three times faster than revenues. What happens to the debt-to-GNP ratio during the remainder of the decade is inextricably related to three key economic variables: interest rates, real growth rates in the economy, and the size of the deficit. The Minister of Finance said:

● (1730)

In any given year, a budgetary deficit can provide support to economic activity. If, however, over an extended period of time real interest rates exceed

real economic growth, as has been the case in recent years and is the case today, the deficit will tend to grow rather than decline since the economy is unable to generate sufficient additional revenue to pay the ever-increasing debt service charges on its growing debt. The Government must then continue to borrow from future growth simply to pay the carrying costs of past deficits. Such borrowing itself increases future interest charges and sets in motion a vicious circle where, without policy action, the debt continues to grow faster than the economy.

If that happens, we can expect to have increased interest rates, higher inflation and a drastic decline in business and consumer confidence. In other words, the writing is on the wall. We can no longer postpone the inevitable. It is absolutely essential that we reduce both the deficit and the debt-to-GNP ratio. To do otherwise is to mortgage into oblivion the socio-economic future of our children.

The Chinese use two symbols to write the word "crisis". One symbol speaks of opportunity. The other symbol speaks of danger. In the situation in which we are in today, there is no question that the danger with respect to the financial crisis is to do nothing. The opportunity is to seriously and honestly attack the problem. I am proud to be a member of the Government and the Party which, in the November statement and in the May Budget, has begun to attack that problem.

The previous administration sacrificed economic sanity for political expediency. It engaged in an escalating pattern of deficit financing. However, on September 4, 1984, the Canadian people put an end to that suicidal nonsense. They elected this Government with a mandate to fashion a socio-economic strategy that would put the country back on its feet. To that end, the Minister of Finance introduced the economic statement on November 8 and the Budget on May 23. Both initiatives are designed with a two-fold focus: to begin the mammoth but essential task of controlling the growth of the public debt, and to engender employment through the creation of a healthier economic climate.

Every Canadian knows that to reduce a deficit—for example, to reduce the amount of money owed on a mortgage or on a car loan—one must either increase their income, decrease their expenses, or preferably do both at the same time. Therefore, it should come as no surprise that the Government's reduction of the national debt is going to entail both an increase in taxes and a reduction in program expenditures. As I previously mentioned, virtually 80 per cent will be the reduction in program expenditures, and 20 per cent will be in increased taxes.

Admittedly, that is not an ideal scenario, but, let us not fool ourselves. Let us not play pathetic little political games with the Canadian public. They can read the bottom line. They know what has to be done. All they ask is that the necessary action be bold and just. Consequently, the Government is committed to ensuring that the control of the public debt will not be attained through drastic, disruptive or short-term measures. That is why the second variable in the national debt-to-GNP ratio must also play a vital role in the economic recovery and growth of the country. We must carefully facilitate a strong economy through policies which will remove obstacles to growth and encourage the entrepreneurial spirit, thereby allowing the private sector to do what it does best—create jobs.

Of course, a welcome by-product of the latter scenario will be greater taxation revenues to reduce further the public debt and to strengthen federal government expenditures. This much needed constructive cycle of economic activity is directly antithetical to the vicious circle of debt outpacing the economy which we have now known for some 20 years.

It must be admitted, for the moment, that the Canadian economy is hanging in the balance between those two scenarios and that it is difficult to predict with certitude which of the two directions it will take in the years to come. One thing is clear. The past two decades of economic mismanagement, deficit financing and a Government continually spending beyond its means has not worked. The direction of the past is not an option.

Indeed, the recent Budget is an intentional break from the past. It is an integrated package of fiscal policies which are designed to encourage private initiative as the key to economic growth and job creation, to improve the efficiency and effectiveness of the Government, and to take control of the national debt.

Economic growth and job creation are encouraged through such measures as the personal lifetime capital gains exemption of $500,000. That is particularly important to the farming community and to small business. Another measure is the additional $900 million which will be allocated to a series of training and employment programs. Another measure is the strengthening of research and development by allowing businesses a full refund on the tax credits earned on the first $2 million of research and development expenditures each year. The extension of the small business bond program until the end of 1987 is another measure. The creative use of pension funds for investment in small business is a further important aspect of job creation. Proposals such as these redirect much-needed financial support into small and medium-sized businesses, and reflect the Government's faith in the ability of Canadians to make investment decisions which will be of lasting benefit to the country.

The commitment to improving the federal Government's efficiency and effectiveness is indicated by such initiatives as the reduction of the federal Public Service by 15,000 positions over the next six years. Another initiative is the ending of the guarantee of full indexation of Members' of Parliament and Senators' pensions as of January 1, 1986. The privatization of those Crown corporations with commercial value but no public policy purpose is another initiative. A very important measure is the ministerial task force on program review. That is a vital initiative which has never before been witnessed in the history of Canadian public administration. These concrete examples signal a change in government policy, calling for greater fiscal responsibility in the management of its affairs.

Control of the debt is directly related to both economic growth and government fiscal management. That will be further assisted by the various actions which were announced in the Budget. First, spending increases by all Departments have

been limited to just over 2 per cent. That is the lowest increase in 18 years. Only the defence and foreign aid Department's spending will be permitted to increase beyond that limit. There was also a temporary deficit-reduction surtax imposed on higher income individuals and larger corporations. A two-year tax has been imposed on the capital of large banks and trust companies. It amazed me, when the Budget was brought down, that the NDP did not applaud that measure. Also, excise taxes were imposed on alcohol, tobacco, gasoline, candy and dog food.

The modified indexation plan on Old Age Security and family allowance payments provide for indexation only when inflation exceeds 3 per cent. I must hasten to add, to ensure that I balance the whole picture, that the GIS payments will be fully indexed. Personal exemptions and tax brackets are indexed only to reflect annual increases in the Consumer Price Index which are greater than 3 per cent.

Actions such as these will achieve a reduction in this year's deficit of $4.4 billion. They will also ensure that the annual deficit and the net public debt will be $20 billion and $75 billion, respectively, lower than they would otherwise have been.

All this is very tough medicine, but it is desperately needed to cure a very sick patient. Therefore, through its first Budget, the Government has endeavoured to do what it was mandated to do—to create the climate in which all Canadians can participate to get the country back on its feet; walking, and hopefully someday running, in the right direction. There are already several indications that this is working.

• (1740)

Last fall the Opposition derided the Economic Statement of the Minister of Finance, claiming that it would cost Canadians thousands of jobs. What is the answer to that? Since September 4, the economy has generated more than 270,000 jobs. That is since this Government took office. While the unemployment rate is still far too high, it has dropped from 11.6 per cent to 10.5 per cent. At least it is beginning to move in the right direction. During this same time period, interest rates have also been on a steady decline, making it more viable for Canadians to generate the economy through the purchase of homes, the borrowing of business start-up money, and so on. Last year the inflation rate fell to 4.4 per cent, which is the lowest since 1971, and it has been running at an even lower rate during these past few months. Recent figures indicate that the Canadian economy is now growing faster than that of the United States.

In conclusion, Mr. Speaker, may I say that if this trend continues, perhaps there will be a less frequent need for Members of this House to stand up and speak in support of legislation such as the Bill we have before us today. Nevertheless, I do support Bill C-51 and ask that it receive swift passage because it is vital that this Government have the fiscal resources to function properly. However, let us remember that this legislation is a legacy of a sorry past, a past which this Government and this country simply cannot afford to repeat.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, as the Member for the riding of Argenteuil, I am of course in complete agreement with what the Hon. Member just said. You know it is a funny thing, but when we hear people talking, and it is quite normal, when we go down the street in our ridings, everybody wants to reduce the deficit but nobody wants to pay. It is like Petula Clark's song: "Everybody wants to go to heaven, but nobody wants to die."

Mr. Speaker, when I listen to the Hon. Member, it reminded me of one of my constituents who on February 5, 1982, wrote an article about something that upset him, and he was selling the article for $1. I think it is rather interesting and it fits in so well with the Hon. Member's argument that I would like to include what he wrote in 1982 as part of my comments, if I may. Today, he must be appalled to see that nothing has been done, that in 1985 the situation is even worse.

He wrote: "After the Interprovincial Conference of First Ministers who pointed out that the national debt was $95 billion, plus $70 billion for the provinces, making a grand total of $165 billion." At a rate of 11 per cent, he figured that the interest would be $18 billion per year or $1.5 billion per month. He said: "Supposing our debt of $165 billion is paid back in monthly instalments over a period of ten years or 120 months. That would mean monthly payments of $1.75 billion", so that according to him: "Each month, Canada would have to pay at least $2.75 billion." Two billion seven hundred million dollars a month. That is a lot of money. He said: "Where are you going to get that kind of money? Only on the international markets, on Wall Street in New York!"

Mr. Speaker, one of my constituents wrote that in 1982. Today I suppose he would say exactly the same thing, with even more emphasis. He would certainly be pleased, and I intended to call him after the Budget was tabled. He must be very pleased, because he said at the end of his article: "The result of manipulations by those clowns in Ottawa". I may recall that the Conservative Party was not in power in 1982.

In concluding, Mr. Speaker, I would like to say that our Government has a duty and a responsibility to put this country back on the road to prosperity, otherwise the social programs which our Liberal friends like to think they are the only ones to defend . . . I hope Hon. Members opposite do not think that I do not defend the elderly in my riding. I hope they do not think they are the only ones on the other side doing that in their ridings, because we do exactly the same thing in ours. Yes, we are giving answers. Last Friday, I met with senior citizens in my riding, with groups that were pleased with the Budget brought down by the Minister of Finance. Yes, it is funny, we do not seem to be meeting the same people. We are on the same planet, but it all depends what you mean and what you say.

Mr. Rossi: Bring them here!

Mrs. Bourgault: Yes, we will bring them here, Mr. Speaker. So they were pleased because what they think... it all depends how the matter is explained to them. When you people over there do the explaining, you obviously do the explaining in your own way. When we do the explaining, we do it our way. And our way is the intelligent way.

Mr. Speaker, in concluding I would like to say that the elderly in my riding understand the issue because I explained it to them. My congratulations to the Hon. Member and keep up the good work.

[*English*]

Mr. Reimer: Mr. Speaker, in response to the remarks made by my colleage, I can tell her that I have had comments from senior citizens, as I am sure every Hon. Member has, about the modified indexation plan. Some are supportive and some are not. However, a large number of senior citizens are being confused by some of the rhetoric of the opposition Parties which are not painting the whole picture. I think it is very important we give the senior citizens the whole picture. As I indicated in my remarks earlier, it is true that we have modified the indexation to begin after only 3 per cent on the OAS, but the GIS is fully indexed. I should also add that some of the people across Canada who are on GIS also receive subsidized housing. That is another plus they have as opposed to those who receive only OAS.

I believe it is also important to remember something else. During these past few moments as I have been speaking, there have been one or two children born in Canada. Are we aware of the fact that that young child, boy or girl, now has a $7,535 debt to pay which was given to him or her by the 16 years of Liberal mismanagement?

Some Hon. Members: Oh, oh!

Mr. Reimer: We should also recognize—Mr. Speaker, I wonder if we could have order.

Mr. Nystrom: Tell those Tories to shut up.

Mr. Reimer: An Hon. Member of the New Democratic Party says to tell the Tories to be quiet. I hear it from both the Liberals and the Tories.

If one takes the taxation statistics of 1982, Mr. Speaker, and simply looks at the total figures of all federal income taxes raised, then looks at how much we are paying on the interest on the debt alone, in round figures one could say that all people earning less than $40,000 annual income would not have to pay any federal taxes if we did not have to pay interest on the debt. That is how large our debt is. I have told that to some of my seniors, and they applaud the actions of this Government. I think we have to put the whole picture before the Canadian people. I wish the Opposition would tell the whole story and not just a few selective parts.

Mr. Nystrom: Mr. Speaker, the Hon. Member for Kitchener (Mr. Reimer) talked about all the seniors in his riding who support deindexing. I wonder if he could read into the record the names of any organizations in his riding which support it, or read into the record any letters which support the government's move to deindex pensions?

Mr. Reimer: Mr. Speaker, if I understand the rules correctly, I would have to seek permission to do that. However, just in response to what the Hon. Member is saying, I have met with some seniors. I cannot say I have met with all of them, but I have spoken on the telephone with some and visited some in their homes. The biggest single problem they are having today is the misinformation and the rhetoric they hear from the opposition Parties and from some of the media. That is where the problem really lies. When I give them the information in the Budget books and give them the full picture, the vast majority—I did not say all of them—are supportive of the attempts we are making.

• (1750)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Government wants to borrow some $18 billion, and I suppose the way things are in this country it has to. My question is: Money for whom? Who is going to pay for it? What is this money going to be used for? I look at the Budget brought down by this Government a few weeks ago and I say to myself that the low income people, the senior citizens, are the ones who are going to have to pay. I ask the Government why? Members opposite were elected on a platform which said they were going to be fair.

In the few moments left to me, I want to make a couple of arguments based on that concept of fairness. I have here a copy of an article from today's *Globe and Mail* concerning a study done by the Canadian Council on Social Development. This is a fairly reputable organization. In fact, the director was for years a gentleman named Reuben Baetz. He was and is a Conservative Cabinet Minister in Ontario and will be, I guess, for another week or so until a vote in that legislature. What that organization is saying is that the PC Budget redistributes money from the poor to the rich. The report says that by the year 1990, the wealthiest families in this country will be receiving an extra $4,500 because of the Budget, and the poorest people will see a drop in their income. They say:

> A study by the council, to be released later this week, says the Conservative Government's budget will increase the disposable incomes of families earning $50,000 or more in 1990, while families with earnings of $40,000 or less will face reductions in their disposable incomes.

What they are saying is that a family earning about $30,000 a year will receive an average of $1,089 less by the year 1990 because of this Conservative Budget. The less affluent families will also face significant cuts in disposable income ranging between $808 for a family earning $20,000, to $396 for a family earning $10,000.

In contrast, Mr. Speaker, and here I speak to my friend in the Conservative Party from Quebec who was just on her feet, the wealthiest families in this country will receive a windfall because of the Budget. The Council says that families who earn over $200,000 a year will have their disposable incomes increased by $4,500 by the year 1990. That is not fair, Mr.

Speaker. If you earn over $300,000 a year, your income goes up by $4,500, but if you earn $30,000 a year, your income goes down by over $1,000. I ask my friends, particularly my good old friend from Bow River (Mr. Taylor), who I know likes to talk about fairness and justice for ordinary Canadians, is it fair that we penalize the poor in this country to line the pockets of the rich? Is that fair?

An Hon. Member: Tell us how it is done?

Mr. Nystrom: I can tell you how it is done. Why don't we take from those who can afford to pay? Tax on the ability to pay. Tax the wealthier people in this country, the big corporations. If there was an element of fairness in this Budget where we all had to pay a little bit but those of us who make more pay more, and those who are wealthy pay even more, then you would not have this kind of protest across this land.

Mr. Boyer: Surtax on the banks.

Mr. Nystrom: That is what I find very unfair in this particular Budget. You can go on and on. They mention different things in the Budget. They refer to the proviso for capital gains. Sure, farmers and some small businesses had to have the exemption increased, but why have it opened up wide to $500,000 a year? That surprised friends of mine in the investment community. It is just a wide open exemption on capital gains. Most of the money will be made by people who earn over $100,000 a year.

RRSPs are another example. The Council said that the amount claimed for RRSPs by families who earn under $40,000 a year is very little. Most people who contribute to RRSPs earn well over $40,000, $50,000, $60,000 a year. If the ceiling goes up, who takes advantage of that but the wealthier people in our country. I ask my friends in the Conservative Party: Where is the fairness? Where is the justice? If I go over the campaign promises I see where the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) said time and time again that they were going to be fair to ordinary Canadians. The Prime Minister said in a speech back in July, 1984, that the Conservative Party intends to re-establish the full indexing of Old Age Pensions to the cost of living beginning in January, 1985. The Minister of Finance said in August, 1984, that they have no intention of raising income taxes for Canadians.

An Hon. Member: Why don't you talk about jobs?

Mr. Nystrom: That was a promise made by the Prime Minister and a promise he broke.

[*Translation*]

Another thing, Mr. Speaker, the Minister of Finance—

An Hon. Member: He is a good Minister!

Mr. Nystrom: He is not a good Minister. The Hon. Member says the Minister of Finance is a good Minister. The Minister of Finance has increased the burden on the elderly in this country. The Budget will have a very serious impact on low-income Canadian pensioners between now and 1990. Mr. Speaker, next year, single pensioners will suffer a loss of $100. For a couple the loss will be twice that next year. In 1987, a single pensioner will lose $205; next year, $312; the year after, $423, and in 1990, $537. Over five years, a single pensioner will lose about $1,577, and in 10 years, pensioners, the elderly in our society, will have lost 30 per cent, Mr. Speaker, and that from a Government that made an election promise to bring fairness to Canadian society.

The same applies to family allowance, Mr. Speaker. I have the example of a family with two children, and an income of $20,000: their family allowance will be $15 less next year and $105 less by 1990.

Something else: tax credits applied to income tax payable by Canadian residents, Mr. Speaker—

The Acting Speaker (Mr. Charest): I am sorry to have to interrupt the Hon. Member, but it being six o'clock, the House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 13, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NO-CONFIDENCE MOTION—
INDEXATION OF OLD AGE SECURITY PENSIONS

Mr. Deputy Speaker: Before putting the motion in the name of the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), since today is the final allotted day, the House will go through the usual procedure to consider and dispose of the supply Bill. In view of recent practice, do Hon. Members agree that copies of the supply Bill be distributed now?

Some Hon. Members: Agreed.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe) moved:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

He said: Mr. Speaker, I want to begin by reading this motion to the House slowly because it is not a motion of condemnation or non-confidence. It is not a motion which seeks to draw blood or generate an attack. It is a motion which seeks to right a wrong and do so immediately. The motion reads:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

At the end of the day we shall be calling upon members of every Party, regardless of political stripe, regardless of differences we may have on other matters in this House, to cast a vote to reassure the senior citizens of this country of their security in their old age; to wipe away the kind of uncertainty, worry, indeed quiet desperation which comes to somebody living below the poverty line, sheltered within four walls, with only $75 or $80 or $90 of discretionary spending a month, and who wonders how in the name of God he or she will make ends meet if the Government proceeds. That is all this motion purports to do. I hope Members will find it possible, no matter which side of the House they sit on, to not support a Liberal motion but to support a motion of confidence in the good will and wealth of this country to provide a measure of dignity and fairness to our senior citizens in their old age.

Last night, as I was sitting at home watching the CBC evening news, in particular *The Journal*, I was treated to a discourse by Mr. Douglas Fisher in that segment called *The Last Word*. As everyone in this House knows, in fact as a good many Canadians know, Mr. Fisher is a respected journalist, columnist, and a former NDP Member of Parliament. Last night, as usual, Mr. Fisher was eloquent. He told Canadians essentially that having recently turned 65 years of age he was amazed at the number of small breaks which are offered or afforded to senior citizens. He was amazed that a fair number of goods and services are offered to senior citizens at a discount. He indicated that he personally did not need the breaks and, furthermore, as a recent recipient of the Old Age Security cheque, he was not really all that terribly upset about the Government's proposed deindexing of Old Age Security pension benefits by 3 per cent a year. In fact, he said that outraged opposition Members, be they Liberal or NDP, and others who would protest the cut in the OAS, were not really speaking for him as a senior. He rhetorically asked his listeners, "Are they speaking for you?" I have learned to respect Mr. Fisher's powers of contemplation. He went on to say that he was willing to make a sacrifice for the young people of the country, to help reduce the deficit, to make things better in the future.

● (1110)

I bring Mr. Fisher's comments to the attention of the House because I think those comments symbolize and fairly accurately reflect the narrow thinking that has been done by those who suggest that senior citizens can afford this attack on their security in their old age. While Old Age Security cuts may be acceptable to Mr. Fisher, and it seems even desirable, in economic terms Mr. Fisher has about as much in common with the typical senior citizen of the country as chalk does with cheese. Mr. Fisher does not depend on OAS to pay the rent or to put bread and butter on the table. I believe he draws a very reasonable salary and unless I miss my guess as to his credit, he is probably prepared for that time when he will get tired of political commentary and will retire with an adequate pension plan.

For the majority of senior citizens in the country, the majority of whom live just below or only slightly above the poverty line, an Old Age Security cheque is not a cheque which is left in the desk, forgotten until one can find time to go to the bank and cash it and decide how to invest or spend it. For the majority of senior citizens in the country, an Old Age Security cheque is quite literally the difference between a life with a measure of dignity and humble independence, or the prospect of being a burden on friends and family as they try to make ends meet. For those senior citizens an Old Age Security

cheque is not pocket change. It is bread and butter, roof and board and home, be it their own home, an apartment or a senior citizen's cottage.

We live in a terribly sheltered ivory tower here in Ottawa. We spend our time talking about senior citizens at "Wonderful Wednesdays" in the corridors of so-called power. We wonder what effect this latest uproar will have on the next Gallup poll. We wonder if, how, and when the Prime Minister (Mr. Mulroney) will back away from this latest political blunder. It is thinking about senior citizens in terms of Gallup polls and measuring them in terms of what is politically possible or politically impossible that has brought the House and the country to the point where every recognized social, business, and government agency in the land is demanding that the Government of Canada withdraw now from this policy. It is telling seniors that they will live with the uncertainty of a decision which the Government will make six months or a year from now.

• (1115)

Senior citizens are not just numbers to be manipulated at election time and sold out when the first Budget is brought down. They are not the stereotype group of people who spend their time between cards, bingo and handicrafts, slowly slipping into a second childhood. They are a large group of 2.5 million people. The common denominator they share is that they are over 65 years of age. But in reality, that is where the stereotyping should end. They are 2.5 million individuals—as individual as any age group in society. If they are to be described as a group in any way, shape or form, let us recognize that our seniors, if anything, can be characterized by their tolerance, their wisdom—that wisdom that only comes from having lived and enjoyed almost all of life's experience—and their selfless nature. They are the least demanding of any among us.

The Liberal Party says, as our motion demands, that full indexation for Old Age Security must be restored immediately. In trying to defend this heartless measure, the Prime Minister and his Minister of Finance (Mr. Wilson) have told us about the genuine concern that senior citizens have for their children and grandchildren. They say that the senior citizens to whom they have talked support this measure and are 100 per cent behind the Government because they are concerned about their children and grandchildren. There is some truth to that statement because senior citizens are concerned about their children and grandchildren. They built this country for future generations. But to extrapolate from that the notion that they can afford to pay now and that they should be asked to pay the burden and the price of providing a $125,000 capital gains gift to those who are most wealthy among us is absolutely ridiculous.

What do the children and grandchildren say about this ? Do they accept the proposition of the Minister of Finance that either seniors take a cut in their old age pension or live with less security so that the Old Age Security is turned into old age insecurity, or else youth will not get a job creation program? Do they accept that either/or proposition: either the youth or the seniors receive some assistance, but not both? No, they do not.

The Prime Minister has told us that anybody who stands and challenges this Draconian budget measure is trying to incite class warfare. It is class warfare when the Government tells the people of Canada that it must choose between casting young people out without hope for a job or denying senior citizens the dignity of retirement in their later years.

What do young people say? Do they enjoy being made the scapegoats for a brutal government decision? Yesterday, the Ontario Federation of Students held their annual meeting at the University of Guelph. Much to their credit, they passed a motion calling upon the Conservative Government to "restore full payments to seniors". That is what I expected of them. I never had any doubt. Those young people, who have been told by the Government that it is either they or senior citizens so they had better get on side and support the Government, said that the Prime Minister does not speak for students when he says deindexing will help create jobs for youth and benefit youth. "We are the youth, but we are also the grandchildren of these pensioners". They said, "A lot of them do not have an alternative income besides their pension, which means that it will put our grandparents and our parents below the poverty line".

That is what the young people of Canada have said to the Prime Minister and the Minister of Finance.

• (1120)

The Government said it consulted everybody before the Budget was brought down. The Government said that it has talked to people and reached a consensus. Joyce King of the United Senior Citizens Federation of Ontario tells us there was no consultation with senior citizens. If anything, the opposite, a commitment that their pensions would not be touched. A sacred promise was given during last summer's election campaign.

Mr. Nunziata: It was a lie.

Mr. Tobin: There was no commitment, Mr. Speaker, no commitment. The Atlantic Liberal caucus travelled to Atlantic Canada last week. We met with senior citizens' groups in each of the four Atlantic Provinces. Not one group felt it had been consulted. Every group felt it had been deceived. Each group made up its mind that it was going to stand and fight, not fight the good fight, not fight for the sake of making a statement, not fight for the sake of expressing an opinion or of putting themselves on the record, but to fight and win.

Some Hon. Members: Hear, hear!

Mr. Rossi: And they are going to win.

Mr. Tobin: They have won, Mr. Speaker. The Canadian Chamber of Commerce, the Business Council on National Issues, the Canadian Federation of Independent Business, the Canadian Organization of Small Business, the Canadian

Council on Social Development, the National Council of Welfare, have spoken ont. Conservative back-benchers have spoken out, and I salute those back-benchers.

Some Hon. Members: Hear, hear!

Mr. Nunziata: For having the guts.

Mr. Tobin: Then there were the Quebec National Assembly, the Manitoba Conservative Party, Maritime Premiers, the New Brunswick Senior Citizens' Federation, Ontario Senior Citizen Groups, the Quebec Golden Age Association and the Ontario Federation of Students who have spoken ont. All of these people in society with diverse and different interests who came at this Budget from a different personal perspective have spoken with one voice in rejecting a move that would say to our fathers and mothers, grandfathers and grandmothers that they ought to bear the cost, that they ought to bear the brunt of balancing the books, of setting up a fiscal regime that pleases the stockbrokers' mentality but ignores the reality that a Budget is about people and not about a stockbroker's report.

I warn this Government. We have put a motion down. We have asked that immediately, not tomorrow, not next week, not next month, not maybe next year but immediately, because the Government has lost the battle, it be gracious and accept that it has lost the battle. Immediately put an end to the uncertainty, immediately put an end to the kind of worry a man or woman who sits in his or her apartment or cottage has about deindexation.

I spoke to a senior citizen in Corner Brook. He said, "My son, I am 82 years old. I have $100 worth of discretionary income a month. Do you know what that $100 is for, my son? Do you know what it is for after I pay my rent, my heat, my light? I buy some groceries, but I also need to have money to give to the church because I support the church. I also need a few dollars to buy a few cards and gifts for my friends who are sick and who are ailing, because they expect that. When I was in the hospital and sick they came to me with a basket of fruit or a card. I need to have a few dollars to get the bus to K-Mart to get a few groceries. Stamps are going up. I like to write my children. They are all over Canada. They all have good jobs, Mr. Tobin. I am so proud and I try and stay in touch with them. That is what I use my $100 for".

I do not want that old man sitting in his apartment wondering when, if and how it becomes politically convenient for the Government to do what it has already decided to do, to back away from this program. I do not want him to spend the next seven or eight months wondering if he will have the price of a stamp after 1986 to write to his son or daughter who has gone to Alberta, British Columbia or Ottawa. Nobody in this House wants that. Not any Member on any side of the House. That is why I say to Members opposite that this motion is not a motion of condemnation. It is not a motion of non-confidence. It is not a motion that asks for the head of the Minister of Finance. It is a motion of confidence in Canadians, in their sense of justice and in their sense of sharing.

Some Hon. Members: Hear, hear!

Mr. Tobin: It is a rare chance for us as Members—and seniors one day we will be, God bless us all, hopefully—to begin practising today the central thrust of the reform committee. It is a chance for us, as recommended by the Hon. Member for St. John's East (Mr. McGrath), to begin to vote in the House of Commons as Members of Parliament, questioning our consciences, listening to our constituents and doing what we know is right. I have no monopoly on my concerns. The NDP has no monopoly. In fact, none of us has any monopoly on concern or appreciation for senior citizens. I appeal to Hon. Members opposite today to join us in supporting this motion.

• (1125)

As I said earlier, I warn the Government not to come forward with a solution which begins a back-door exercise to erode universality or with a solution which double indexes the GIS, because that is a back-door attack on universality. That is not acceptable to the Liberal Party. That is not acceptable to many Members of the House. The eyes of the people of Canada are upon us today. They are watching us. They are weighing our words. They will see how we are counted this day in Parliament. I warn Hon. Members that we had better not try their patience too far.

I should like to reflect upon the comments of Mr. Fisher last night on television. He said that he really did not need the OAS and was not too concerned. I tell Mr. Fisher that I will survive this Budget. My income is sufficient that I will survive. I am OK, Jack. Mr. Fisher has already told us that he will survive this Budget. His income is OK. He is OK, Jack. However, my 85-year-old grandfather, Jack Tobin, will not. He worked 49 years as a millwright, he paid into his company's pension plan and now he receives a little cheque which will not put bread on his table, let alone butter. He needs that OAS. Even though I will survive and others may survive this Budget, my grandfather is counting on me as a Member of Parliament to speak in my place today. He is also counting on others who may be OK themselves and may survive this Budget to speak for him. Without any more fanfare, I invite Hon. Members to consult—and I know that you really do not need to—and do what their consciences tell and invite them to do and that justice demands that they do, that is, support the motion today.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Member for London West (Mr. Hockin) on a question or comment.

Mr. Hockin: Mr. Speaker, I rise to pose some questions to the Hon. Member with the utmost seriousness, because my riding has a larger than average number of retired people, larger than the national average by about 20 per cent. My constituency office is located in the middle of about 20 large facilities for retired Canadians. This issue has been a concern of my Party, and of course of mine, for many years. We have discussed it intensely for the last few months.

I should like to share with the House two insights by way of posing a question. The first criticism I heard was a question posed by the Hon. Member. They are asking questions about the security of the OAS from the Oppositon. In his speech the Hon. Member—and I would like him to correct it, if he can—gave the impression that we are abolishing the OAS. We are not abolishing the OAS. We have made this absolutely clear. In fact, inflation indexation is there after the 3 per cent on the OAS, and the GIS is fully indexed. My constituents are simply asking for facts, and they are being unreasonably frightened by the kinds of scare tactics and the rhetoric of the Hon. Member.

• (1130)

Their second concern is that they want to know what we are doing about inflation. The Hon. Member opposite speaks not at all about inflation. The greatest damage done to the senior people in this country was done between 1980 and 1984 with interest rates at 22 per cent and with inflation through the roof. Seniors could not cope with it. This Government is trying to come to terms with inflation and seniors are willing to make a contribution too. Seniors with the lowest income, of course, should not be expected to, but others, I am told, feel that they want to make their contribution. What does the Hon. Member say about inflation? How does one come to terms with inflation? If, in fact, one comes to terms with inflation, is that not the greatest contribution we can make to the incomes of seniors?

The third question I would ask has to do with the Hon. Member's comments on polls. He said this Government is dictated by polls.

Mr. Deputy Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on a point of order.

Mr. Deans: Thank you, Mr. Speaker. I hesitate to interrupt the Hon. Member but the 10-minute period for comments and questions is intended to be shared. It is not intended that Members should utilize the entire 10 minutes to make a speech. I can well appreciate that he might have questions or want to make comments, and that is quite within the rules, but there are other people, I am sure, who might also want to ask questions or to make comments on the speech of the Hon. Member who has spoken on behalf of the Liberal Party.

I ask you, Mr. Speaker, that you ask the Hon. Member if he could resume his seat and allow the Hon. Member to answer and allow other Members to take their turn, if they so desire.

Mr. Deputy Speaker: The representations made by the Hon. Member for Hamilton Mountain (Mr. Deans) are, of course, well taken. We have a 10-minute question and comment period, and the Hon. Member for London West (Mr. Hockin) was nearing approximately three minutes. I ask him to conclude his comments so that we may proceed with other Members who may wish to participate.

Mr. Hockin: Mr. Speaker, I have only put questions, I have not made a speech. The final question has to do with polls. There is no poll that has ever asked the Canadian people whether they wanted to deindex the first 3 per cent of OAS. That has never been in the minds of any polling organization, much less a political Party, and to claim that that has been a part of any Government's polling apparatus is questionable. I ask the Hon. Member to answer these three questions, primarily to answer the question about inflation.

Mr. Tobin: Be it ever so humble, Mr. Speaker, I shall be brief in making this comment. When the Hon. Member is here a little bit longer he will understand something, that on very rare occasions in the life of a Parliament there are days when the walls of partisanship disappear from this place. There are days when a special mood prevails in this place, when the importance of the issue at hand is not one that is subject to the cut and thrust of partisan debate. I say to the Hon. Member that he has missed an opportunity with the kind of comments he has just made to participate in that kind of very special mood, that kind of very special non-partisan debate.

I did not refer to polls. Inflation is less than 4 per cent. The issue is not whether or not you are fast on your feet or whether or not I can get up and be terribly partisan in my response, of which I assure you I am quite capable. The issue is whether or not we can isolate today and understand in human terms the nature and the effect of this budget measure on our senior citizens and whether we, as Members of Parliament, today are prepared to express ourselves to the Prime Minister and to the Minister of Finance and urge them to do quickly what we know they are going to do ultimately anyway, and not in the process destroy the concept of universality.

Mr. Reimer: Mr. Speaker, I want to commend the Hon. Member for his passionate plea that we really do look at what this measure is doing for senior citizens and for his desire that we set aside some of our partisan rhetoric on this issue. I commend the Hon. Member for that attempt.

I wonder if I could not ask the Hon. Member then, in view of that request that he has made of all of us, whether I could not also request him, to be fair and to be accurate and honest in what he is saying.

For example, early in his comments when he was referring to Mr. Fisher and his comments last night on *The Journal* he used the words, "The cut to OAS payments". I think we should state it correctly. It is not a cut to any OAS payments as they are today. What it is, is a proposal to limit the increase past 3 per cent. So I appeal to the Hon. Member, would he please be accurate and would he be fair?

I would also like to ask the Hon. Member, who I think was here when the six and five program was introduced, and I am sure he supported it, what was inflation at that time when the payments were reduced to six and five? Would he please indicate that? What is inflation today? Would the Hon. Member then please tell us, by how much did that measure then in the six and five program reduce the increase in the payments compared to how much this one will reduce the payments of OAS? I appeal to him to be fair so that the seniors who are watching this debate today will say, "Here is a

debate today where the Members are being fair and are being accurate and are trying to deal with the problem".

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, if I had the exact numbers in front of me, I am afraid that the answer would be very embarrassing for the Hon. Member opposite. Let me read from this six and five proposal as outlined in the MacEachen document. There is quite a difference. It reads:

> Pensioners most in need must also be fully protected from the limitation on the indexing factor. The Guaranteed Income Supplement for senior citizens with lower incomes will continue to be fully indexed. In addition, everyone receiving the GIS will get a supplement to the GIS payment offsetting fully the limitation on indexation of Old Age Security payments.
>
> Veterans' pensions will continue to be fully indexed.

Setting that aside, the important difference here is that the six and five program was a program that applied to every government Department, every government service, every government program, every government salary for two years. I do not have the exact numbers, but I will tell the Hon. Member that it cost everybody in this country very little because inflation went down to about six and five in those two years. The difference is that it did not fundamentally alter or change permanently the program as this budget measure does which says that every year for the next four or five years senior citizens will lose with certainty 3 per cent of the value of their pension a year.

That is quite different. You are not talking about a one-year program; you are talking about a change to the Old Age Security payment system in this country. It is fundamentally different. It has been expressed by many groups.

I heard the Hon. Member accuse me of providing false information. Is he accusing the senior citizens of this country of providing false information? Is he accusing the Council of Maritime Premiers, the Canadian Chamber of Commerce, the Quebec National Assembly, the Manitoba Progressive Conservative Party, or the Conservative Parties of the Atlantic region? Are all of those people wrong in their assessment of what this measure means for senior citizens? I beg to differ with the Hon. Member. I am afraid they are not.

Mr. Deputy Speaker: The period for questions and comments is now over. We will now resume debate with the Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise with pleasure to participate in the debate, but not at all with pleasure to have to say the things that have to be said about this Government that has betrayed its commitment to the people of Canada in general and to Canada's pensioners in particular.

I also want to say that I listened with interest to the speech that has just been given and I want to say without hesitation that it was a moving expression of concern for the senior citizens of Canada. There was not one word uttered in that speech that would not have the wholehearted endorsation of my Party.

• (1140)

Some two decades ago, a very distinguished Canadian said the following:

> I hope that, having accepted the principle that retirement security should be on the basis of adequacy, we will go on improving that basis, finding ways of raising the levels of our pensions so that all Canadians can look forward to a retirement in decency and dignity.

Those words were uttered by the Hon. Stanley Knowles, a man whom all Members of the House have honoured in the past, a man who assumes a special place in the Parliament of Canada and has a chair at the Table with the Officers of this Chamber, a man who, more than any other Canadian of any Party, devoted his life to improving the well-being of our senior citizens. I cite him because he was honoured by all Members of the House of all Parties as he had the support of the overwhelming majority of Canadians for that to which he had devoted his life, namely, ensuring that when Canadians retire, they do not simply have to eke out an existence but ought to be able to assume a life of dignity. There is a fundamental difference between the two.

What Mr. Knowles said some years ago is a tradition that we in our Party thought had come to be shared by Members of all Parties. We had thought that this attitude had become engrained in the traditions not only of Canadians outside the House of Commons but had become part of the traditions within the Parties of the House.

I regret to say that rather than building on the basic change in our attitude toward pensioners and rather than building to create the possibility of a greater dignity and a greater feeling of security for our pensioners, as has been the tradition of the Canadian Parliament for the past four or five decades, the present Government has done just the opposite. It has broken faith with the traditions of our House. It has broken faith with the traditions that we thought had become established within the Conservative Party itself.

Members of my Party find it heartless and cruel that we as a Parliament should be voting on legislation that will fight the deficit on the backs of the pensioners. We find it heartless and cruel and, frankly stated, a moral abomination, to have a Government in 1985 that would bring before the Parliament of Canada a measure that will add 200,000 pensioners to the poverty list in Canada. That is a moral abomination.

Half of the 2.6 million pensioners of Canada are already so poor in 1985 that they receive either partial or full supplements. That is how bad the current situation is. Among those Canadians are women, and I would like to mention, as it is significant indeed, the plight of Canadian women who become old.

[*Translation*]

Yesterday I was in Montreal where I met some senior citizens. One senior explained what the situation was like for elderly women today. I think what she said is far more eloquent than anything I could say, and I quote:

Women 50 years old or over are the poorest population group in Canada today, and one woman out of three in Canada is 50 years old or over. Figure it out for yourself.

She went on to say, and I quote:

There are now a million and a half female pensioners in Canada. Fifteen years from now, there will be at least two million. Old age is a woman's world.

The majority of us live alone, because our husbands often predeceased us, and we are poor. More than 70 per cent of widows, divorcees and single women are now living below the poverty line. The majority of us survive our husbands. This means that nearly 25 per cent of us are on our own when we reach retirement age. What happens to our financial security? When our spouse dies, we have no income. And not all women have husbands that are protected by a private pension plan. Only 39 per cent of workers today contribute to such plans. After a life spent raising children and keeping house, we have no decent level of security, and even in the best of circumstances, the wife will never get more than 60 per cent of the pension her husband was receiving—

Mr. Speaker, as you see these figures are most alarming, and they describe the circumstances in which the vast majority of the elderly in Canada are living, and in spite of these figures and facts the Progressive Conservative Government knows all too well, it is attacking one of the most vulnerable groups in our society. The de-indexation of pensions will perpetuate inequality among Canadians in the most regressive way by making our needy elderly even poorer. Mr. Speaker, it is an injustice and it is appalling but it is the truth!

[*English*]

We realized from the very beginning, from the very moment the Minister of Finance (Mr. Wilson) sat down after delivering his budget address, just how unfair is the Budget. We realized just how clear is the double standard according to this Party that is now governing Canada. The double standard is pervasive throughout the Budget.

Very quickly, what is in the Budget for the rich? Surely all members of all Parties of this House ought to be approaching a Budget from the point of view of fairness, as the Prime Minister (Mr. Mulroney) and the Minister of Finance said so often before the Budget came down. They told us to look for fairness. Well, we looked for fairness, and what did we find? We found for the rich a $500,000 life-time tax exempt capital gains provision. We found no minimum tax introduced this year. We found a surtax for the rich, yes, but payable on federal tax payable. Getting through the jargon, that means that if the rich hire the right chartered accountants and do not end up having any taxes payable, they do not even have to pay the surtax. We found all kinds of advantages that clearly exist for the wealthy of the country and for the corporations.

The Prime Minister cited the change that has been made in the taxation system for banks. A slight new tax has been added to the banks in Canada. There have been some additional increases in corporate taxes in other sectors, but when we look through the smoke and mirrors of the Budget to the net effect of tax proposals on the corporate sector, we find that by 1990, while individual Canadians will be paying more than $4 billion in additional taxes, the corporate sector will actually be paying $2 billion less in taxes rather than more. That, to us in the New Democratic Party, is not fair, Mr. Speaker. The rich individuals receive some benefits, the corporations receive additional benefits, but the ordinary Canadian, what does he or she receive? Five hundred dollars in tax increases on everything from a gallon of gasoline—which, of course, will not come in until September 1, Canadians will feel it then—to pet food.

● (1150)

The purpose, surely, Mr. Speaker, of democratic politics ought to be for us in the legislative process to use our political power not to intensify inequalities in society but to change those inequalities. That ought to be the task for all of us who are elected. We should think day in and day out about how we can overcome inequality and unfairness in order to build a Canada which is more just for all. This Budget does exactly the opposite. I will just take two single items which ought to stand out in everyone's consciousness: first, the changes in the RRSPs, which is overwhelmingly used by those who earn more than $50,000 a year, and, second, the benefit which is given in the capital gains provision. Only 4 per cent or so of Canadians will benefit from that hand-out, the richest 4 per cent. The Government is giving to the rich $1.5 billion with those two provisions alone. And what does this Government take out of the pockets of pensioners? It takes $1.6 billion. The Government takes $1.6 billion away from pensioners and gives $1.5 billion to upper-income Canadians.

Surely, Mr. Speaker, the principle is clear to the Tories that they are giving most to those who have the least need and taking the most away from those who have the greatest need. That sort of sums up the Tory vision of justice. As I said the other day, this Budget takes from the needy in order to give to the greedy.

Canadians ought to rise up in anger, as they are doing in increasing numbers all across our land. The Government, however, does not want to say openly what it is doing. It does not want to admit that there is a net transfer of wealth going on through this Budget from average and low-income Canadians to the wealthy. It does not want to admit that it is unfair, so it offers all kinds of excuses. We have heard them ever since budget night. First, we were told—believe it or not, Mr. Speaker—that pensioners actually supported it. All Hon. Members will recall that. The Minister of National Health and Welfare (Mr. Epp), the Minister of Finance and the Prime Minister, all rose and said, "The pensioners want to do this. They want to do their bit to bring down the deficit". That lasted for about 12 hours, I think, until they abandoned that line, seeing themselves how ridiculous it was. Then they shifted to another kind of argument, one well known to the Prime Minister, they said they had no option. The Prime Minister said that everyone had to pay his or her share and the pensioners were out there so they had to pay their share as well.

But we gave the Government some options. My colleagues and I have spent the last ten days in the House of Commons proposing one option after another. We said that perhaps a minimum tax should have been introduced. That is not too heretical. Most countries in the world already have a minimum

tax on the rich. Most democracies in the world; western Europe, even the United States—even Ronald Reagan's America—have a minimum tax. It is time the rich in Canada paid their share. Why did the Government not bring in a minimum tax?

There was another option. We made a proposal, which has been applied in other countries, that all those corporations which have deferred taxes and owe all these revenues to the people of Canada, should pay a certain percentage of interest on what they owe just like other individual taxpayers. That would have given the Government additional millions of dollars.

Another proposal, Mr. Speaker, was with respect to the Western Accord. We agree with the Western Accord and those aspects which give to our producing provinces additional shares of revenue. That is entirely justifiable and overdue. But, we asked, why give multinational oil companies windfall profits? Why give them additional millions of dollars on oil which has already been discovered?

Another option we presented, Mr. Speaker, is that instead of expanding the loopholes in terms of extending the capital gains tax for upper-income Canadians, we should just leave it where it is. That would save us millions of dollars. Finally, we said we should restore to upper-income Canadians the tax rate which they were paying before the Liberals made the change in their 1982 Budget. Just bring back those marginal rates and that would give us additional millions of dollars.

The point I want to make, Mr. Speaker, is that from these five options we would get anywhere from $4 billion to $5.5 billion. They were real options. They were serious options. They would have given us a fair tax system; they would have been effective in stimulating the economy; they would have been comparable to what exists in most other democratic countries; and, very important in the context of this debate, they would have left the pensions going out to the pensioners at fully indexed rates so that they could continue to live with some dignity. But, in short, Mr. Speaker, the Conservatives turned it down.

I want to say, Mr. Speaker, through you to the Prime Minister: Sir, you had not one, not two, not three options. You had five options. And in the crunch, Mr. Prime Minister, when you had to make a choice, you chose the few over the many. You chose the rich over the pensioners, and for that you deserve to be condemned by the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to conclude, Mr. Speaker, with some observations about this particular motion and about the abominable course of action which the Government of Canada proposes to take, which has now demonstrated three characteristics of this Government; first, its insincerity, second, its insensitivity, and, third, its intransigence. That is a harsh judgment, Mr. Speaker, but we are not here to be mealy-mouthed. We are here to be fair but firm and clear in our judgments. I want to hear Hon. Members of the Conservative Party reply to these charges because they are serious. I say that the Government is insincere because the Prime Minister of Canada in Sherbrooke—

[*Translation*]

—in Sherbrooke he promised our country's pensioners he would continue to index pensions. And in the same speech on July 25, he indicated that as Prime Minister he wanted to consult pensioners on future changes in the system.

[*English*]

He said that the Government would keep the indexation and he said that pensioners would be fully consulted about any future changes to their pensions. The Minister of National Health and Welfare, responsible for pensions, himself, in a document in June, indicated that the Government of Canada would not be changing the pensions. We all know what has happened. We know that these promises have been categorically broken by the Conservative Government.

I will cite just a couple of instances of the Government's insensitivity. The Minister of Finance in the past week went all the way from saying we did not have enough rich people in Canada—which was insensitive enough—to making a speech a couple of days ago in Quebec City in which he made a proposal to make the rich even richer. He said we could no longer fully index pensions but he was thinking of bringing in indexation for investors. How insensitive can one be? The Prime Minister, responding to a question about pensions the other day, had the nerve to talk about car sales. I suppose he expects that half the pensioners living in poverty, and the 200,000 additional pensioners who will have to begin to live in poverty, are going to be able to go out and buy a car. That is great sensitivity.

The Government has shown intransigence almost without limits. Almost everyone in this country has indicated his or her opposition to what the Government is doing. If the Government wants to listen, now is the time. The three Atlantic Premiers who spoke out were opposed. The legislatures of Quebec and Manitoba unanimously disagreed with the Government. Tories all across Canada are opposed. Pensioners are opposed. Members of my caucus have submitted to the House of Commons more than 10,000 names on petitions of Canadians from coast to coast who say they are opposed to what the Government is doing.

• (1200)

Now is the time for the Government to listen to what the people are saying. Even businessmen have joined in. They have said the Government is wrong. I say the Government does not need consultations for another week, month or year; it simply has to listen to what the people of Canada are saying today. If it listens to that message, it will, at the end of this debate, get up and say it made a mistake and it is going to restore to the pensioners what they deserve, namely, fully indexed pensions.

Mr. Gagnon: Mr. Speaker, I listened with interest to the impassioned plea to stop partial deindexation. It seems that the basic premise of both the Liberals and the NDP is really twofold. First, because you turn 65 you should receive taxpay-

ers' dollars. The second premise is that wealth is created by the tooth fairy. The Leader of the NDP (Mr. Broadbent) talked about inequality. Perhaps he can answer this question in order to enlighten the needy elderly of this country. We have a former Prime Minister who is receiving some $90,000 a year in pension as a former Member of this place. How do we justify giving him $276 a month while we have others who are more needy?

Mr. Broadbent: I want to say very frankly to the new Member that I found the suppositions which lay behind his question very disturbing indeed. The first part of his question was whether I really think that someone, because he suddenly turned 65, ought to get money from the taxpayers, or something to that effect. I say to the Hon. Member that that is precisely what universal pensions are all about. But it is not money that is being given as a charity. Universal pensions mean we recognize as a society that men and women in our country work all of their lives, make a contribution to our society, and deserve a pension. They paid for it through their labour and their taxes throughout their lives. That is what we believe.

It is very clear that the Hon. Member wants what his Party threatened to do before Christmas, which was to put an end to universality. I say to the Hon. Member that in the 19th century people like him believed we did not need universal education because the rich could afford their own schools. Then they went on and said we did not need medicare for everyone because the rich could afford their own doctors. Very clearly he wants to dismantle our pension system and say that only the poor should get pensions. We reject that because we have a higher view of what we can create by way of decency in this country of ours.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly), for questions or comments.

Mrs. Mailly: Mr. Speaker, after they finish congratulating each other, they might want to listen!

I have a question for the Hon. Leader of the Opposition, but first of all, I have a comment . . . Are you going to keep quiet and listen? Mr. Speaker, don't you think whoever is speaking has a right to be listened to? We didn't say a word when it was your turn!

The Leader of the New Democratic Party said that the greedy would benefit from this Budget. I would like to inform the Hon. Member that the greedy he is referring to include at least 100 CIP workes who were informed yesterday that contrary to what was going to happen before the Budget, they will not lose their jobs, new machines will be purchased, existing jobs will be maintained and the number of jobs in the bush increased, because of the new climate being created to stimulate the economy. And those people are not greedy. They are the ones that applauded—

An Hon. Member: That is not the subject of the motion before the House today!

Mrs. Mailly: Will you keep quiet!

Mr. Speaker—

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault), on a point of order.

Mr. Guilbault (Saint-Jacques): First of all, Mr. Speaker, I think the Hon. Member has a right to be heard, and my colleague should give her a chance to say what she has to say. However, I wish that what she has to say would be relevant to the motion before the House. and I do not think the subject she was broaching had any connection with old age security pensions.

Mr. Deputy Speaker: I think that the Hon. Member for Gatineau was giving the House a preamble to her comments, and I am sure that she will make those comments relevant to the speech by the Hon. Member for Oshawa (Mr. Broadbent).

Mrs. Mailly: Mr. Speaker, I thank the Hon. Member for Saint-Jacques (Mr. Guilbault) for giving me a chance to be heard.

An Hon. Member: Speak to the motion before the House!

Mrs. Mailly: Is that going to go on all day . . . Mr. Speaker?

An Hon. Member: Of course!

Mrs. Mailly: The Hon. Leader of the Opposition . . . excuse me, we—

An Hon. Member: Bring on the jobs!

Mr. Deputy Speaker: Order, please. I want to take this opportunity to hand down a ruling.

[*English*]

Last week the Hon. Member for Gatineau (Mrs. Mailly) raised a question of privilege in connection with the conduct of one particular Member, the Hon. Member for Bourassa (Mr. Rossi). The exchange is to be found in *Hansard* at pages 5335 and 5336. I stated that I would take the question of privilege under advisement and make a ruling later. Since there has been no problem between the Hon. Members for the last week I had not made the ruling, but I will make it today.

The matter as raised by the Hon. Member for Gatineau is not a question of privilege. It might more properly be classed as a point of order. The Standing Orders require the Speaker to maintain order in the Chamber, and it is the duty of the Chair to intervene or protect the Member where offensive or disorderly words are used, whether by the Member addressing the House or by any other Member present. It is also the duty

of the Chair, when its attention is drawn to certain words used, to determine whether or not they are offensive or disorderly. There is a lot of precedent and practice that language should not be ironical or offensive, nor should it contain ridicule, epithets or innuendo.

It seems to the Chair that the interjections across the Chamber by Members have become more frequent of late and neither side of the House is entirely blameless. Interruptions of another Member while he is speaking are most disruptive. They can confuse the Member who has the floor and can make for a most unpleasant atmosphere in the Chamber. The Chair is requesting Members' co-operation in this area and urges Members to cease shouting out and making interjections in debate when they do not have the floor. If that co-operation is not forthcoming, then the Chair will have to undertake its duties with more vigour, for Standing Order 15 is clear:

The Speaker shall preserve order and decorum—

I conclude by again urging all Hon. Members to show courtesy to their colleagues. That is in keeping with the best traditions of this honourable Chamber.

[*Translation*]

The Hon. Member for Gatineau.

Mrs. Mailly: Thank you, Mr. Speaker. So back to our dialogue with the Leader of the NDP Opposition Party.

Mr. Prud'homme: Well now, listen—

An Hon. Member: You are making a speech, not a comment!

Mrs. Mailly: I can hardly hear myself, let alone the answer of the Hon. Member. Well, Sir, I said earlier you were talking about greedy people who want to take every advantage of the Budget. I pointed out that such greedy people would have to include Gatineau's CIP workers who learned yesterday that their plant will be upgraded as a result of the new climate created by the Budget. It is altogether relevant to refer to the Budget job creation climate underlying all our measures, Mr. Speaker. The Budget has to be considered as a whole.

An Hon. Member: That is not what today's motion is all about!

Mrs. Mailly: For their own political considerations all the people you mentioned chose to instil fear in the elderly—

An Hon. Member: Make your speech on your own time.

Mr. Parry: This is ridiculous!

Mrs. Mailly: Just a minute, let me finish, you do the same thing.

Mr. Prud'homme: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, the Hon. Member has every right to our undivided attention, but if she wants us to listen to her she ought to abide by the Standing Orders of the House. She is making a speech. Her comments would be welcome, but if she wants to make a speech we have about—

Mr. Rossi: She should not even have the floor.

Mr. Prud'homme: Just a minute, please. We do have a few hours left for debate. Let her put her name down and we will be here to listen to her and make comments. But if she wants to make a speech, this is not the proper time.

Mr. Rossi: Right on!

• (1210)

Mr. Deputy Speaker: With deference for the Hon. Member for Saint-Denis (Mr. Prud'homme), I would suggest that the Hon. Member for Gatineau (Mrs. Mailly) tried to make a comment a moment ago but was interrupted—including by the Chair who made a ruling. I think she repeated what she had said, properly so, and like all Hon. Members she is entitled to at least three minutes of the question period. I would invite the Hon. Member for Gatineau to go on with her comments.

Mrs. Mailly: Talking about greedy people, those mentioned by the Leader of the Opposition would have to include plant workers who stand to gain a lot from the new economic recovery climate brought about by the Budget. We had proof of that in my riding yesterday and there will be more such encouraging news. It was quite obvious even before the Budget that the economic statement of the Minister of Finance (Mr. Wilson) had created a climate conducive to job creation. So instead of focusing too closely on the partial deindexation of pensions one ought to keep in mind the ultimate aim of the Budget, and that is job creation and economic recovery.

An Hon. Member: The motion has to do with pensions, not unemployment and job creation.

Mrs. Mailly: Please, Mr. Speaker, I can hardly hear myself!

An Hon. Member: Speak to the issue of today's motion—pensions.

Mrs. Mailly: Well, Mr. Speaker—

[*English*]

Mr. Orlikow: Mr. Speaker, I rise on a point of order.

Mr. Waddell: This is not the Rotary Club, you know.

Mr. Orlikow: Mr. Speaker, surely the intent of the 10-minute period for Members to ask questions and make comments is that the questions and comments should be brief so

that the Member who made the speech will have an opportunity to reply.

Mrs. Mailly: I was being brief, but everyone keeps interrupting me.

Mr. Orlikow: I have not finished my point of order. The Member keeps saying that others interrupt her. I wish she would at least have the courtesy to listen to my point of order.

I suggest to you, Mr. Speaker, and to the Member, that she is going to use up the entire 10-minute period so that the Member for Oshawa (Mr. Broadbent) will not be permitted to answer the supposed question she is asking. I say that that is wrong and you ought to rule accordingly, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I can assure the Hon. Member for Winnipeg North (Mr. Orlikow) that should there be a question at the end of the comment of the Member for Gatineau (Mrs. Mailly), the Hon. Member for Oshawa (Mr. Broadbent) will certainly have an opportunity to reply.

Mr. Orlikow: What is your question?

Mrs. Mailly: Mr. Speaker, I will finish my comment. I have every right to make a comment as well.

Mr. Deans: A brief comment.

Mrs. Mailly: The Leader of the NDP has made several comments and cast aspersions on this Budget. He has said that it is for the greedy. I am pointing out that among the "greedy" he has to think of the workers whose jobs have been maintained and the workers whose jobs will be created.

I want to make the further comment that he mentioned that pensioners did not support the measure. In my own riding pensioners have supported it.

[*Translation*]

Mr. Tassé of Morin Street in Gatineau—

[*English*]

—has sent back his pension cheque for the month—

Mr. Rodriguez: He must be a Tory.

Mrs. Mailly: He is not a Tory. He has sent me back his cheque for the month of May saying, "Keep on with the good work because I know very well that the NDP and the Liberals are going to try to scare you into going back on your very good Budget". He has also encouraged Mr. Trudeau to do the same.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I will give the Hon. Member for Oshawa (Mr. Broadbent) an opportunity to reply, should he wish to.

Mrs. Mailly: I have not posed the question.

Mr. Orlikow: You are finished. Sit down. Make your speech in your own time.

[*Translation*]

Mr. Broadbent: Mr. Speaker, first in English—

[*English*]

—the Member mentioned the pensioner who lives in her riding. I can only conclude it must be either George Hees or Doug Fisher.

An Hon. Member: Or Charlie Lynch.

Mr. Broadbent: It may be someone else. To understate it, no more than 90 per cent of pensioners would be in opposition. I guess that would be the case. I do not want to be glib. The evidence is overwhelming. I hope that the Member understands that the vast majority of pensioners and all Canadians are opposed to what the Government is doing.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Broadbent: She talked about the motion but, unfortunately, this debate has to do with pensions, not workers in general. I would like to talk about unemployment in Canada, as she would, but I must point out that pensions are the issue right now.

Not unlike her Prime Minister, Mr. Speaker, she would rather talk about something else because she knows full well that the policy concerning retired Canadians is unfair. That is a fact.

Mrs. Mailly: A point of order, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: The period for questions and comments—

[*Translation*]

Mrs. Mailly: Mr. Speaker, a point of order to suggest—

Some Hon. Members: Sit down!

Mr. Deputy Speaker: I would ask—

[*English*]

Some Hon. Members: Sit down.

Mr. Deputy Speaker: I ask all Members to show courtesy to other Members. We had a very vigorous and lively debate on Bill C-31 in the last two days in the House. All Members were always courteous. I would ask the same thing of Members today on this motion.

We will resume debate on the motion with the Hon. Member for York-Scarborough (Mr. McCrossan).

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I am pleased to speak in today's debate because I regard this motion as a hypocritical motion by a hypocritical Party

whose tactics since the Budget have been almost exclusively designed to scare senior citizens in the country. The reliance on scare tactics by this Party is not new. Last fall when the Minister of Finance (Mr. Wilson) introduced his economic statement, that Party tried to scare the unemployed by suggesting that the measures in the economic statement would reduce employment in the country by 50,000 to 100,000 persons. Everyone in the Chamber knows that those statements and innuendoes did not work. Today we are seeing the most rapid increase in job creation recorded in the history of the country.

Some Hon. Members: Hear, hear!

Mr. McCrossan: The Party is hypocritical in its criticism because it raised the possibility that within the next five years, if nothing else changes, we may see an increase of 200,000 in the number of people living in poverty. That is hypocritical because under that Party's Government in the last five years we saw an actual increase by 400,000 in the number of Canadians living below the poverty line. They did not say a single word. They allowed that situation to develop. They cut OAS by more and did not tackle the basic problem of poverty among seniors in the country as it relates to pension reform.

Those problems are well known and are not new. The problems with our public and private pension systems were identified by the Conservative Government when the present Minister of Indian Affairs and Northern Development (Mr. Crombie) announced a national pension conference in 1979. The Liberal Minister of National Health and Welfare confirmed over five years ago that we had serious problems with our pension system, and particularly with benefits for single women over the age of 65. That Party knew for five years that we had serious problems with poverty among the elderly in the country, but it did nothing whatsoever other than delay.

• (1220)

When the Hon. Member for Oshawa (Mr. Broadbent) raises his heartfelt pleas for the poor in this country who are receiving GIS, he knows full well that the NDP Government in Manitoba systematically increases the charge-backs to the poorest in Manitoba for the rent supplements. Every time the GIS is increased, the NDP Government of Manitoba reduces the net income of seniors in Manitoba. That is what his Party is doing to protect the elderly in this country.

The Liberal Party is hypocritical because it tries to extrapolate one section of the Budget for five years and literally scare our elderly. Where were the Liberals when these problems developed? Where were they when women over 65 years of age gradually fell further below the poverty line? Where were they when widows below 65 faced increasing difficulties? Where were those Members when the OAS was cut as a result of the six and five program? They were silent and did nothing about the basic problems.

This is not the only example of the hypocrisy shown by the Liberal Party Members in this Parliament. When the unemployment statistics were released, they stood up month after month to complain that unemployment of 10.5 per cent was unacceptable in this country. They might have had some credibility if any one of them ever stood up to suggest that there was a problem in this country when unemployment was running at 12 per cent. However, they stayed silent. That is why I say that their actions now and then prove just how hypocritical they are.

Where were they in 1980 when the National Energy Program literally destroyed the energy sector in our country? They were silent again. Where were they during the last four years when poverty among our seniors rose by 400,000? It rose steadily, year after year, under their Government. They were silent.

A more recent example of their hypocrisy concerns interest rates. Last February when interest rates rose for two weeks, after a steady decline for four or five months, the Liberals were standing in the House trying to scare homeowners. They were saying that homeowners would lose again because interest rates were rising. Long-term interest rates are at a seven-year low, but the Liberals have been silent since that time. They did not protest the high level of interest rates when mortgages hit 22 per cent in 1982.

As a result of their bankrupt policies, the Liberals had no other policy than to leave the country close to economic ruin. The only tactic available to them now is to try to scare Canadians, whether it is our unemployed, our homeowners or our senior citizens.

The Progressive Conservative Party was elected to repair the damage caused by the Party which has proposed the motion today. Liberals should remember that it was one of their Prime Ministers, Sir Wilfrid Laurier, who predicted that the 20th century belonged to Canada. There are 15 years left in the 20th century and I believe that we can develop the policies necessary to make the 20th century belong to Canada, rather than allow Canada to become a second rate nation as we did under the economic policies of the Liberal Party. We will do this by restoring prosperity, step by step, as we have been doing.

Our fall economic statement attempted to take stock of our country's situation and provide long-term projections of our goals. While we projected what would happen with such things as employment, the only tactic used by the Liberals was to scare people.

Second, we attempted to analyse objectively why the recovery in the United States had been so much more dynamic than the recovery in Canada. There are many similarities between the Canadian and the American economies. In both countries, for example, the automobile sector led the recovery. In both countries, the smokestack industries such as steel and textiles have not recovered.

However, there was a big difference between the economic recoveries in both countries. The energy sector in Canada was devastated while this did not take place in the United States. While the small business sector in both countries was almost the sole creator of jobs, that sector in the United States was

much more vibrant. Research and development in the United States played a much greater role in the economic recovery because it was true research and development rather than the quick flip schemes introduced by the Liberals two years ago, Those projects produced almost no economic benefit and wasted $2 billion of public money.

With respect to reviving the energy industry—

Mr. Marchi: Talk about the motion.

Mr. McCrossan: I am talking about the motion because it concerns the economic situation in this country and what we are doing about it.

One of our priorities was to bring about energy accords. Again, the Liberals used scare tactics about the rising price of energy as a result of these accords. Prices in my riding have touched down to 37.7 cents a litre since the Western Energy Accord. That is the lowest price in the last year and a half. The Liberals are simply trying to scare the consumer unjustifiably. The same tactic was attempted in the United States when President Reagan decontrolled oil prices there. The opposition there suggested that oil prices would increase continually.

Mr. Nunziata: Mr. Speaker, it is with some regret that I rise to interrupt the Hon. Member in the middle of his speech. However, it seems to me that the Hon. Member should address himself to the motion before the House. There must be some rule about relevancy.

He has been carrying on for some time about subject matters that do not pertain directly to the motion. It seems to me that the Hon. Member is somewhat apprehensive in terms of addressing the motion directly. We on this side of the House would ask him, rather than speaking about extraneous, irrelevant matters, to address himself specifically to the motion which reads:

That this House urges the Government to commit itself now to maintain the present system of full indexation—

I am sure that Hon. Members and Canadians would like to know where the Government stands on this particular motion.

Mr. Deputy Speaker: I believe the Hon. Member for York South-Weston (Mr. Nunziata) has made his point. If I understand the Hon. Member for York-Scarborough (Mr. McCrossan), he is trying to relate the general economic condition of the country to the matter of old age pensions. However, I would ask him to be as specific as possible in relation to the motion.

Mr. McCrossan: Mr. Speaker, that is exactly what I was trying to do. If the Hon. Member had let me go on for one more sentence, he would have seen that I was coming to the fourth point.

In analysing the Budget, we came to the same realization as did the previous Government that the full cost of living indexation for all government expenditures and all tax deductions led to a systematic increase in the real deficit of this country. There have been a number of private economic organizations that have developed estimates of just how much this problem has built up in the last four years. Those estimates indicate that up to $10 billion of our $35 billion deficit is due to overindexing, which is the combined indexing of all benefit expenditures and all government tax exemptions.

We have begun to address that problem by fixing the pension system as the previous Government neglected to do. In his Budget, the Minister of Finance has taken decisive steps. The first step is to correct the private pension system so that future problems will not develop to the same magnitude as they have today. For example, in 1980 a number of reports from the House, the Senate, Quebec and Ontario recommended that last survivor pensions in the private sector be made mandatory. The previous Government did nothing about those recommendations. For five years it did nothing. We had five more years of people retiring without protection, without spouses having the protection that almost everyone recognized they should have from our pension system.

• (1230)

By 1980 we knew that our vesting requirements were completely inadequate, that women particularly were losing out on their pensions and were going into retirement without adequate income because their pension provisions were not being protected. That consensus was there by 1980. But that Party did nothing about it. It did nothing about ensuring that women in the workplace have eligibility for pension plans whether they were full-time or part-time workers. We changed that in this Budget. The previous Government did nothing to protect divorced women, with the increasing rate of divorce, to ensure that they could keep pension credits in retirement. We changed that in the Budget by bringing in credit splitting on divorce.

Ms. Mitchell: For how many women?

Mr. McCrossan: We brought in unisex provisions in this Budget to ensure that women, particularly the ones with problems concerning pensions, have full protection.

Ms. Mitchell: All women?

Mr. McCrossan: That contrasts with the previous Government's record of no action whatever in the area of pension reform in the private sector since 1976.

In this motion the Liberals condemn our Government for partial indexing of pensions since—

Ms. Mitchell: Mr. Speaker, I rise on a point of order. In order not to mislead the general public watching the Hon. Member, would he clarify that it is only women in the federal jurisdiction who will be affected—

Some Hon. Members: Sit down.

Mr. Deputy Speaker: Unfortunately, I do not consider that to be a point of order.

Mr. McCrossan: Mr. Speaker, we are doing everything we can to affect pensions under our control. We are trying to set a lead. That hypocritical Party that was the Government did not try to give any sort of leadership whatever. The Liberal Government let the problem fester over the last five years.

Ms. Mitchell: What about the Canada Pension Plan and the OAS?

Mr. McCrossan: The Liberals were suggesting that we should be condemned for not fully indexing—

Mr. Nunziata: Read the motion.

Mr. McCrossan: —the Old Age Security pension. That is an important part of our pension system. It is not the only part. Since 1976 the previous Government had refused to increase by even one dollar the limit on money that people could set aside to put into pensions. There was no partial indexing for a cost of living above 3 per cent. The Liberals sat and watched the private pension system get weaker and weaker so there would be more reliance on OAS and GIS as a result. The Liberal Party is hypocritical because the Liberals did not take the sort of action they are espousing in this motion.

I mentioned that in the analysis of the Budget we decided that we had to take action to eliminate the structural deficit, the deficit that arose because of the full indexing of all government expenditures and the full indexing of all tax deductions. We did not take the steps which the previous Government took with the 6 and 5 program of a drastic reduction and of providing no protection regardless of where inflation went. We decided we would take the step of protecting our pensioners against the re-emergence of inflation. That is why we took the steps in the Budget, not only to limit the OAS for expenses and deductions but all government expenditures and all tax exemptions. We took an action which was long overdue with respect to Members in this House of saying that Members could not have special protection and special benefits which everyone else in the country cannot have. We eliminated the full indexing on MPs' pensions as well, a step which the previous Government did not take.

This Liberal motion is hypocritical because it focuses on one aspect of the Budget while assuming that nothing else changes in the meantime. The Liberals are hypocritical because if their Members who served on the Health and Welfare Committee had shown up for this debate, they would know that the all-Party committee passed a unanimous recommendation to study the structure of the OAS, the GIS, the age exemption and the pension exemption and asked for a referral back to the committee this fall. I fully expect we will have that recommendation implemented.

Ms. Mitchell: You said you would not touch the OAS. What about the blue book?

Mr. McCrossan: No. In the blue book the Government was not looking at making a change at this time. The all-Party committee unanimously recommended that we take a look at the entire structure of OAS, GIS, the tax exemption for age and the pension income exemption. Members know that that matter will be coming back to the House later this year, certainly before the April 1 deadline when the OAS limiting applies. Moreover, every Member of this House knows that the CPP is up for renegotiation with the provinces, that basic changes will be made in the next year in the design and benefits coming from the CPP which affect a level of protection provided our pensioners. This Party has a strong commitment to improving disability and spouse's pensions in the CPP. We can expect a full pension overhaul.

This motion, in assuming that nothing else happens anywhere in pension reform when it is obvious that this Government is treating it as a priority, is hypocritical by extrapolating one small item in the Budget and saying that is the only change and by trying to scare people as if nothing else were happening. The Opposition knows full well that all kinds of measures are under development that will affect the level of incomes for our elderly. That is why I say that this motion is hypocritical. In nine months we have brought forth Bill after Bill after Bill. I believe this Parliament will be recognized as one of the most active in history. In nine months we cannot undo 15 years of mismanagement. We are proceeding with programs step by step. Members know we have a strong commitment to pension reform.

Mr. Nunziata: It is time to wake up. You fell asleep on September 4.

Mr. McCrossan: It is time for you to wake up. I have been following and working on these issues. I have a fair idea of our commitment to pension reform. I can tell the Hon. Member that we have succeeded in increasing job creation. We have succeeded in getting interest rates down. We have succeeded in getting business expenditures up, more than double. We have succeeded in getting more benefits to single mothers through the child tax credit. We have succeeded in bringing in widows and widowers' pensions for those between the ages of 60 and 65. Just wait until the Opposition sees the results of the actions of this Government. The Liberals are trying to scare people once again. Their scare tactics are unjustifiable. Just as they tried with the November statement and as they tried in February with the Budget and with Challenge '85, the Opposition is trying to scare, but one by one their scare tactics are proving to be unjustifiable. They were wrong then; they are wrong now. They have no policies themselves. They are bankrupt of ideas. They have no policy other than to scare the weak in our society, particularly to concentrate on scaring the elderly, even though the Liberals have the knowledge that other steps are in progress which will change the situation and improve it.

Some Hon. Members: Hear, hear!

Mr. McCrossan: I am not a betting man, Mr. Speaker, but I would be prepared to wager $5 or so with any member of the Opposition who wants to wager about the change in the number of people under the poverty line during the next three or four years compared to the last three or four years.

Mr. Orlikow: I will take that bet.

Mr. Nunziata: One hundred dollars. Bet your salary.

Mr. Deputy Speaker: Order, please. Could we forget about the bets please?

Some Hon. Members: Oh, oh!

Mr. McCrossan: The record of this Government as it comes to pass will indicate clearly that each of our economic measures has produced results. I fully expect and have every confidence that the number of Canadians below the poverty line will decline just as dramatically in the next four years as it increased so dramatically over the last four years under the last Government.

Mr. Orlikow: Mr. Speaker, I will be brief. I want to say to the Member that my Leader asked me to apologize for his absence. He had an emergency call, otherwise he would have been here.

I want to put two questions to the Minister. The Hon. Member talked about the jobs created by this Government. Has the Hon. Member seen the most recent report of the OECD? I could send him a copy of an article which appeared in the May 31 edition of *The New York Times* and summarized the report. It was reported that in 1984, only one country among the OECD countries had a higher rate of unemployment than Canada, and that was Great Britain, with its 11.7 per cent unemployment rate compared with an 11.3 per cent unemployment rate in Canada. The OECD estimates are based upon information from experts in Canada in the Department of Finance and in the Department of Employment and Immigration. For the year 1985, it was estimated that the unemployment rate for the United States would be 7.25 per cent; for West Germany, 8.25 per cent; for France, 10.5 per cent; for Britain, 10.75 per cent; for Italy, 10.75 per cent; for Japan, 2.5 per cent; and for Canada, our country with this Conservative Government, 11 per cent, the highest percentage of unemployment of any OECD country.

• (1240)

Also the Hon. Member expressed some criticism of the policies of the New Democratic Party Government of Manitoba. I will not say that everything that Government does is perfect, but surely the Hon. Member realizes that the Province of Manitoba has a very high deficit. The reason for that is that it has done more to protect the standards of the old, the sick and the needy than any other Government. That Government may make decisions which he and I do not like, but does he not realize that the reason for the high deficit and for making decisions which none of us like is that it has done so much to protect the people who need protection the most?

Mr. McCrossan: Mr. Speaker, I thank the Hon. Member for his questions. I could not have planted better questions myself. With respect to the 1984 unemployment figures in Canada, I was trying to emphasize in my speech that exact point, that we inherited a mess.

Mr. Orlikow: Talk about 1985.

Mr. McCrossan: The Hon. Member indicated that those particular figures were published in May, 1985. Obviously they are obsolete because we have a 10.5 per cent unemployment rate now, not an 11 per cent one. Obviously they were prepared without any knowledge of what was in the Budget. If they were published at the same time as the Budget, they certainly could not have incorporated the effects of the Budget on the economy. It is obvious that someone in Brussels or Paris would not be able to keep up to date on what is happening in Canada.

I was dumbfounded when I heard the Hon. Member say that it was NDP policy, at times of high budget deficits, to cut back on the benefits to the elderly in Manitoba, the most needy in society, those collecting the GIS.

Mr. Orlikow: I did not say that at all.

Mr. McCrossan: I wonder whether he talks with his Leader, who just apologized for leaving. Everything members of that Party have been saying in the House indicates that cutting back of that nature is unacceptable. The Hon. Member's own critic, the Hon. Member for Vancouver East (Ms. Mitchell), made a point in the Standing Committee on Health, Welfare and Social Affairs concerning our unanimous recommendations—

Ms. Mitchell: They were not unanimous. We did not support them.

Mr. McCrossan: There were many unanimous parts of the recommendation. I believe the Hon. Member will agree that the part to which I am about to refer was unanimous, that we should approach all provincial Governments to ensure—

Ms. Mitchell: And the federal Government, with which you did not agree.

Mr. McCrossan: As I was saying, it was agreed that we should approach all provincial Governments and the federal Government to ensure that increases which we were giving to the most needy were not simply used as a vehicle for revenue reduction by the provinces.

Ms. Mitchell: What about the federal savings?

Mr. McCrossan: Her Party in that province is doing exactly what she recommended to stop.

Mr. Marchi: Mr. Speaker, quite simply and quite honestly, I found the Hon. Member's speech to be disgusting. He skirted, he danced, he went back to 1970-72, but he refused to discuss the motion at hand. He talked about hypocrisy. Talk about hypocrisy; it was his Leader, the current Prime Minister (Mr. Mulroney), and members of his Party during the last federal election campaign who went across the country and told senior citizens that full indexation was here to stay forever, that full indexation was a sacred trust and that they cared about the people who built this country. Then the Budget was brought

down, and the Government said: "Hold on, senior citizens, we will rethink what we told you last September and we will perhaps partially deindex pensions".

The Hon. Member talked about a motion which condemns, which is political, and which suggests a scare tactic. He ought to know that no one has a monopoly, as was indicated by our first speaker, on the concern for senior citizens—not this Party, not the NDP, not the Liberal Party. We are trying to be a vehicle, in this motion, for thousands upon thousands of Canadians who have been writing, telephoning, telegramming and trying to give the message to the Government and to its Leader that the proposal is regressive and will hurt. Through this motion we are trying to sensitize Hon. Members opposite to the problems faced by senior Canadians from one coast to the other. The Hon. Member ought to have the courage and the conviction to address himself to the motion. It does not condemn. It is not a vote of non-confidence. It reads as follows:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

Does the Hon. Member agree or disagree that pensioners should have fully indexed OAS payments?

Mr. McCrossan: Mr. Speaker, the previous speaker ignored that there are five parts to the pension system. There is the Old Age Security, the Guaranteed Income Supplement, the Canada Pension Plan, the provincial supplements and the private pension plans. All these have to be taken into account. It is the total result from the package which counts, not the individual breakdown.

Mr. Caccia: No, no.

Mr. Rossi: No.

Mr. McCrossan: Absolutely. It is the total package, the total dollars to senior citizens which count, not just one package or another.

Mr. Nunziata: It is not a package. Everyone does not get everything.

Mr. Deputy Speaker: Order, please.

Mr. McCrossan: The point I was making in my speech was that that Party has ignored all other sectors of pension reform, knowing full well that work is ongoing in those other areas, that we have already made major strides in the area of base protection in the private system, and that the changes in the OAS will not occur until April 1, 1986. There are various parts of the package which ensure the living standard of our elderly. This Party has a commitment to reduce the number of people living in poverty, particularly the elderly who are under the poverty line.

Ms. Mitchell: Mr. Speaker, there are so many questions I should like to ask, I do not know where to start. The Hon. Member talked about hypocrisy. The Government has shown great hypocrisy. In committee the Hon. Member said at one point that indexation had no basis in reality and that it was just a gimmick of Statistics Canada. In my opinion, he personally led the fight to propose deindexation of the family allowance. We know that it will go down by 3 per cent, affecting all children.

I am sure he will have the figures which show that deindexing is certainly a reality to pensioners, starting with $100 less this year and moving up to $680 less in 1991, for a total of $2,284 less over six years. Since he referred to the matter debated in committee about the savings from reduced family benefits and trying to get them back from the provinces, would he agree that he would not support motions to put those funds directly back into increased benefits for children and that he wanted them to go to social programs?

• (1250)

Also, he said that this Budget gives more benefits to mothers through the increased child tax credit. Would he agree that those mothers in the $10,000 to $20,000 bracket will pay extra taxes, that they will pay increased sales taxes of up to $500 a family, that they will have their family allowance deindexed by 3 per cent and they will only get an extra $70 on the child tax credit and even that is reduced to a lower eligibility for lower income groups? So where does he see that the mothers are going to get increased benefits for their children? They are going to have at least $1,000 less money in their pockets.

Mr. McCrossan: Mr. Speaker, first with respect to the issue of indexing and the report, I firmly believe that the Hon. Member is wrong, that I have been fully committed to indexing, that I subscribe to it—

Ms. Mitchell: Deindexing.

Mr. McCrossan: No, no, protection against the cost of living, and I have a record both within this House and within the Ontario Legislature of proposing this.

Second, the Hon. Member stated that benefits would go down by $100 this year. This is the sort of inaccurate statement that Hon. Members on that side have been making. Benefits will not go down one nickel this year. The Hon. Members have been consistently stating things which are not based on fact.

Mr. Riis: In real terms they will.

Mr. McCrossan: Not in this year they will not, Sir, they will not. In terms of the savings in the social programs the Hon. Member is quite correct that I argued in favour of retaining savings from rearrangements of programs inside the social envelope rather than on any one specific plan. If the Hon. Member checks out the Budget this year she will see that the increase in social envelope spending more than makes up for any decrease resulting from the Budget in the next fiscal year. That commitment has been continued, and I am sure that as our economic situation improves we will continue to adhere to the commitment which the Prime Minister (Mr. Mulroney) gave in the House.

Mr. Reimer: Mr. Speaker, considering the last 15 minutes of the exchange on both sides of the House, I would respectfully request of you, Mr. Speaker, that you rule a little more harshly regarding interruptions on all sides of the House so that we can maintain proper order and decorum and so that the person speaking can say clearly what he or she wants to say. Mr. Speaker, I would appeal to you to do that on all sides of the House.

Mr. Deputy Speaker: The point made by the Hon. Member for Kitchener (Mr. Reimer) is well taken. The Hon. Member from Trinity (Miss Nicholson) on debate.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the motion before us is a very simple one and one that I would hope some Hon. Members on the other side may feel able to support. The motion reads:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

I want to approach this discussion, Mr. Speaker, in a non-partisan way because I think the issue is too important to all of us to be accompanied by the kind of acrimony we have heard recently, and I want to propose ways in which I think the Government might quite responsibly reverse its position.

I have some sympathy for budget makers in these difficult times. Canada is recovering from a world-wide recession, but the recovery is fragile and the budget decisions need to be made very wisely; indeed budget makers almost need to be prescient. The cost of servicing the national debt is worrisome and needs to be addressed but, Mr. Speaker, this is not the way.

The Prime Minister (Mr. Mulroney) yesterday indicated that the plan to remove indexing was tentative and that it may not go ahead. I would ask, if the budget proposal to deindex pensions is to be regarded only as a tentative proposal, why was it presented at all? The usual reason for giving advance warning is, of course, so that people can take measures to protect themselves, but if the indexing is to be reduced as planned, if, over the next five years a couple now aged 70 stands to lose about $1,500, what can they do with advance warning? Between the ages of 70 and 75, are they likely to be able to go out and find part-time jobs to make up for the income they will lose? They cannot do a thing. That is one of the reasons why this particular measure of deficit cutting offends all of us, that it is attacking a group who are helpless to find other solutions. Advance notice is of no help to them. It only causes anxiety and stress.

If, as the Prime Minister indicated yesterday, cut-backs on old age pensions are not graven in stone, if the cut-backs are not going ahead, then say so now and let the senior citizens relax and enjoy their summer.

Some Hon. Members: Hear, hear!

Miss Nicholson (Trinity): If this was meant as a trial balloon, the Government has had its answer. Senior citizens, young people, business, labour have all united to oppose deindexation of senior citizens' pensions. Clearly the Government received bad advice immediately before the Budget and there is no shame in saying no and in going back to the positions that it took during the last election. In July of last year, the Prime Minister said that he thought full indexation to the full cost of living should be maintained for senior citizens. That was an honourable position, Mr. Speaker, and surely one to which the Government could go back without any loss of face particularly if, as we are told, this proposal was tentative.

In January there were further statements from the Prime Minister which I think he and his supporters might very well want to reconsider. In January the Minister of Finance (Mr. Wilson), I believe, although I am not quite sure whether this was said by the Minister of Finance or by the Prime Minister, but in any case, in January the Conservative position was that "the Government regards the present system as a good one, which is working well", and that it "is a sound one which should not be disturbed", that "changes in these programs which may result from this review should improve benefits for those in need", and that "savings should not be transferred to deficit reduction".

Again thus was a very good statement of policy made in January by the Government which may very well, on reflection, prove to them a more acceptable policy than the trial balloon we have before us.

May I call it one o'clock and continue after the recess?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

EMPLOYMENT

CALL FOR INTRODUCTION OF PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Government continues to boast of its success with job creation as a result of the marginal improvement in employment during the last two months. We are all pleased with that slight improvement, but it is still too early to tell whether it is the beginning of a real trend or simply an aberration.

Furthermore, the unemployment rate is still at 10.5 per cent. Who can be content with that? Before the recession in 1981, the average unemployment rate was 7.5 per cent, and that was not satisfactory. More important, no one in Govern-

ment can honestly tie the recent improvements to any government program. As a matter of fact the only government program fully implemented to date is Canada Works 1985, a Liberal program. In the Budget and the Regina statements, there were lots of promises but no details and no implementation.

The Globe and Mail of June 8 reports that many economic analysts are reluctant to attribute job improvement to any federal policies. Thomas McCormick of Data Resources has said: "I wouldn't attribute a whole lot to what they've done". He traced the new jobs to the continued strength of Canadian exports, and to buoyant consumer demand. This means that there will not be any significant and steady improvement in the employment picture unless the Government brings in specific job-creation programs, with specific goals. We need a six and five program for employment.

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

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[*Translation*]

EMPLOYMENT

ECONOMIC SITUATION IN BEAUCE REGION OF QUEBEC

Mr. Gilles Bernier (Beauce): Mr. Speaker, I would like to reveal to Hon. Members some realistic figures on the Beauce region which reflect the energy and confidence of our business sector.

Under the Challenge 85 program, we have been able to get jobs for over 515 students in Beauce, a considerable improvement over last year, and more than 70 per cent of the jobs created were provided by the private sector.

Also, for the sector covered by the Conseil économique de Beauce-Sud, yesterday's statistics show an increase of 17 per cent in permanent jobs, an increase of 34 per cent in the value of goods shipped and an increase of 65 per cent in investments in small and medium-sized businesses. In fact, this means 840 additional jobs.

In concrete terms, Mr. Speaker, this amounts to a real increase of $100 million in sales in just one sector in the greater Beauce region.

Mr. Speaker, the regions must help each other and have confidence in themselves. The important thing is to restore a climate of confidence and to maintain it. It takes team work. Small- and medium-sized businesses, workers, pensioners and Government authorities, supported by a positive press, must work together to create jobs. They have a moral obligation. And that is what is happening in our region. Before improving social programs, we must control the deficit and have a healthy economy. That is what we believe in my region because the people of Beauce are known for their common sense, and they know we cannot live with a deficit that is gnawing—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

* * *

[*English*]

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE CAUCUS MEETING

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, with the election last September 4 of hundreds of Conservative back-benchers, many Canadian senior citizens have lost a strong voice to defend them in Parliament against the attack on pensions by the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney). However, there is still time to encourage Conservative MPs to speak out for the people they were elected to represent.

I am told that there is to be a special Conservative caucus meeting this coming Saturday. I encourage all those people who live in Conservative-held ridings and are concerned about the Government's attack on pensions, to call their Conservative MPs immediately to demand that they speak out in caucus on behalf of the senior citizens of Canada. This is especially important to those who live in ridings where strong NDP voices were lost to silent Conservative back-benchers.

People who live in the riding of Nanaimo-Alberni should call their Member at 613-996-4971; people who live in the riding of Kootenay West should call their Member at 613-992-2855; people who live in the riding of Kootenay East-Revelstoke should call 992-2876, and people who live in the riding of Winnipeg-St. James should call 992-2474. They should tell their Members to get off their butts and fight for pensioners at that special meeting of the Conservative caucus on Saturday.

* * *

[*Translation*]

THE BUDGET

BUDGET'S IMPACT

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I had a chance to accompany the delegation of French-speaking parliamentarians in connection with the activities of the International Association of French-speaking Parliamentarians. The purpose of the meeting was to look at water technology and science. Mr. Speaker, I can assure you that most parliamentarians and representatives from thirteen countries who attended the meeting were very much impressed with the abundance of natural and human resources in this great country of ours. They were constantly saying how lucky we were to have such a wealth of resources.

S.O. 21

Mr. Speaker, I then asked myself once again why we have so much unemployment in this great country, with all its natural resources, and men and women who are anxious to use their knowledge and skills for our country's progress. I then realized that the previous Government had introduced regulations that inhibited hopes for success and restricted personal initiative. Today, our Government is giving Canadians new hope and urging people from all over the world to come and work in this land of opportunity.

The Budget of the Hon. Minister of Finance (Mr. Wilson) is telling Canadians to work and succeed. Mr. Speaker, this Budget will reward only those who work and succeed, instead of those we think might succeed—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member. The Hon. Member for Westmorland-Kent (Mr. Robichaud).

* * *

OLD AGE SECURITY

DEINDEXATION OF PENSIONS—REACTIONS OF SENIOR CITIZENS' ORGANIZATIONS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, ever since the Conservative Government announced in the Budget that it would limit indexation of Old Age Security pensions, more and more senior citizens' groups have been expressing their dissatisfaction with this proposal.

In New Brunswick, the Senior Citizens' Federation, with a membership of 30,000, said outright that the Government proposal to deindex pensions is unacceptable.

More than 73 per cent of the elderly in my province are already living below the poverty line. According to the president of the Federation, Mrs. Edna Bourque, "the changes announced by the Minister of Finance have greatly increased anxiety among the elderly and seriously affected their quality of life."

"Fully aware of this intolerable situation", Mrs. Bourque went on, "today our Federation is launching a campaign that will have repercussions from the Atlantic to the Pacific, in order to reverse this immoral federal decision."

It is clear that deindexing Old Age Security pensions is discriminatory and unfair in the extreme.

Mr. Speaker, the Government is now being attacked by its own citizens, and it has no choice but to revert to a more equitable position.

* * *

[*English*]

EXTERNAL AFFAIRS

INDIA—MARTIAL LAW IN THE PUNJAB

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, last week marked the first anniversary of the storming of the Golden Temple in Amritsar, India. The Golden Temple holds the same significance for the Sikhs of the world as does the Vatican for the Catholics of the world. The destruction of this holy centre has contributed to deep division in India, and has led to several tragic events.

For a year the Punjab State has been under martial law, and communication has been difficult. Many are concerned that serious transgressions of human rights have occurred and continue to take place in the Punjab. Such organizations as the International Red Cross and Amnesty International have been denied entrance to this State.

The citizens of my riding are concerned. I would like to quote from a letter addressed to the Prime Minister (Mr. Mulroney) dated May 30, and written by the Mayor of Williams Lake, British Columbia. The letter reads:

> I believe that both yourself and Canada are well respected as being truly concerned with world peace. A good percentage of our well respected new Canadians are from India and are truly concerned with the problems in their homeland. We have a large Sikh community in Williams Lake who have proven their responsibility to Williams Lake, British Columbia and Canada by not holding any public demonstrations concerning the reported atrocities in India. The East Indian population are good sound residents of Williams Lake and are truly concerned with the safety and lack of communication from their family and friends in India.
>
> I would truly appreciate you and your government taking the lead in doing anything within your jurisdiction to assist with the peaceful solution to the problems in India.

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

* * *

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE CAUCUS MEETING

Mr. Simon de Jong (Regina East): Mr. Speaker, the election of September 4 has resulted in 211 seats being held by Conservative Members. What Canadians, and especially seniors, are now realizing is that these Tories are a silent majority when it comes to protecting the pensions of our senior citizens.

This coming Saturday, Conservative MPs will be holding a special caucus meeting in Ottawa. I would encourage all those who are represented by Conservative Members to call the constituency offices or the Ottawa offices of their Members before Saturday, to demand that they speak up for Canada's senior citizens at that meeting. The Prime Minister (Mr. Mulroney) should be given a clear message to withdraw the deindexation of old age pensions.

I would especially urge those who live in ridings where strong NDP voices were lost to call their silent Tory Members. Those who live in the riding of Saskatoon East should call 343-6060 in Saskatoon. Those who live in the riding of The Battlefords-Meadow Lake should call 446-2144. In Dauphin, Manitoba, they should call 638-9633, and in Selkirk-Interlake they should call 785-2918. The voice of the people can, and must, prevail.

● (1410)

THE BUDGET

SUPPORT FROM PENSIONER

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, since May 23 when the Minister of Finance (Mr. Wilson) introduced his Budget, he and other members of the Government have been stressing the need for Canada to reduce its deficit and live within its means. I can assure you, Mr. Speaker, that there are countless Canadians who share these views, and I would like to share with you excerpts from a letter I received from a lady in Prince George, British Columbia, whom I have never met but who, I am sure, all Hon. Members will agree is an outstanding Canadian. The letter reads as follows:

Dear Sir,

I hereby return my old age pension cheque, and pledge its return for six months. It is plain to see that Canada is in deep trouble. Our beautiful Canada is becoming a decadent nation! I grieve for her.

That is not enough, and while it is ludicrous to think that my cheque can make a difference, I feel that is the only honest thing I can do—could this tiny drop become a trickle, then a torrent that would wipe out this debilitating debt? I believe it could. I believe there are enough people in this country, who, like myself have had the privilege of working and rearing families in this beautiful land, who would now be willing—no glad!—to pay back the debt we owe to this great land.

Thousands of men and women gave their lives for this country, and many more thousands gave several years of their lives during recent wars. Surely the rest of us, who live above subsistence level, can give—

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

* * *

CITIZENSHIP

FEE INCREASE

Hon. Bob Kaplan (York Centre): Mr. Speaker, one of the most rewarding parts of being a Member of Parliament is being able occasionally to attend citizenship ceremonies. I have been to many, as I am sure other Hon. Members have as well. One of the most interesting parts of the ceremony is to see the very large families which show up to become Canadian citizens on these occasions.

That may change as a result of the increase in citizenship fees imposed by the new Government, and which become effective at the beginning of April. The fee used to be $25 for an adult. It is now $40. For a child it used to be $8. It is now $15. So for a large family it can cost well over $100.

Last week I telephoned the citizenship office in Toronto to ask if there had been a drop in the number of people applying for citizenship. I was called back a few days later and told that this April there was a 40 per cent drop compared to what there had been in April a year ago. Canadian citizenship is priceless, but this 40 per cent drop is the result of the actions of the Tory Government.

S.O. 21

THE ADMINISTRATION

STATEMENTS ATTRIBUTED TO MINISTER OF THE ENVIRONMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to comment on the letter which was sent by the Minister of the Environment (Mrs. Blais-Grenier) to the President of the Canadian Nature Federation, Greg Sheehy. In this rather snarky letter the Minister indicates to the President of the Canadian Nature Federation that she would like to be judged only by her actions and not by her words. I want to say to the Minister that I think anyone who has been around here for a while will know that Ministers must also to be judged by their words. What Cabinet Ministers say creates a political context, sends out a message, sends out a signal. If the Minister of the Environment muses about logging and mining in national parks, she sends out a signal. In fact I am informed that some logging companies have already expressed an interest.

If the Minister says that people have worked for 30 years with PCBs and no harm has come to them—as a rather pathetic defence of government inaction on that issues—she sends out a signal to polluters that the Government is kind of relaxed about that issue.

If the Minister of the Environment muses about privatization in public parks, that says something to people who might be interested in the private exploitation of those parks. It may be that the public nature of our parks is not as sacred as it used to be.

So I say to the Minister of the Environment that she is to be judged not only by her actions but by what she says, by the kind of signal she sends out, and the sooner she realizes that, the better.

* * *

HUMAN RIGHTS

CANADIAN ROLE AT OTTAWA CONFERENCE

Mr. Sergio Marchi (York West): Mr. Speaker, yesterday's thirteenth ecumenical memorial service in Ottawa commemorating the suffering of the Baltic and Ukrainian nations, and the continued violation of human rights by the Soviet Union, was an emotional reminder of the existence of human oppression. This year's ceremony was all the more special since the conference of experts on human rights is being hosted by Canada in the nation's capital.

Yet while the Secretary of State for External Affairs (Mr. Clark) pledged that both he and the Canadian delegation would find ways to press and raise individual cases with the Soviet Union, and with any others violating human rights, this has not occurred. I believe the Government's silence at the conference has been politically questionable, highly regrettable, and morally wrong.

The Canadian delegation must raise these concerns with the Soviets. They must speak up in defence of fundamental human rights, and press the offenders to live up to the Helsinki

Accords which they all signed. Quiet diplomacy, unfortunately, is all too often met with quiet denials. Therefore, in the last remaining days of the conference I urge the Government to take to the high road, to publicize the harsh realities, and name the names, for it is in the court of public opinion that the guilty will be judged, and in which we will bring to an end the immoral and unacceptable oppression of humanity. It is a battle we cannot afford to lose.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF UNITED KINGDOM MINISTER FOR OVERSEAS DEVELOPMENT

Mr. Deputy Speaker: I should like to indicate to the House the presence in our gallery of the Right Hon. Timothy Raison, Minister for Overseas Development, of the United Kingdom.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

OFFICIAL LANGUAGES

SUPREME COURT RULING ON MANITOBA MINORITY RIGHTS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in the absence of the Prime Minister I would like to direct my questions to the Deputy Prime Minister. I believe everyone in this House recognizes that this is a very historic day in the establishment of a more civil, tolerant, and equitable society in Canada. The opinion rendered by the Supreme Court on the establishment of minority rights is a very clear verdict and a very clear signal which, considering the past judgments of this House, I am sure we all endorse.

However, I think it also raises some very crucial and immediate questions about the kinds of initiatives which will have to be taken by the Government of Canada and by the Government of Manitoba. Because of the very immediate timetable which was set out by the Supreme Court in terms of a response to the establishment of minimum standards, I would like first to ask the Deputy Prime Minister what the Government of Canada intends to do to respond to those invitations and directions from the Supreme Court. In particular, can the Deputy Prime Minister give us assurances that the Attorney General of this country will clearly submit, within the 120-day period, a timetable? Or will the Government follow the option of negotiating and consulting with the Government of Manitoba to see if there is another political solution, to avoid the major expenditure of time and resources which would be required under the decision by the Supreme Court?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I understand that that decision was rendered at 10.30 this morning. It is a very lengthy judgment, well in excess of 200 pages. The Hon. Member would, as would all Hon. Members, I am sure, expect the Government to examine very carefully the detail of that judgment before arriving at any conclusions. That will be done, and it will be done as quickly as is reasonably possible.

Of one thing the Hon. Member can be assured. As has been demonstrated while we have been sitting on this side and the other side of the House, this Party is and remains unequivocally committed to the official languages course in this country.

REQUEST FOR FEDERAL ASSISTANCE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we fully recognize the importance of taking a proper and careful look at the decision. I would want to remind the Deputy Minister that part of that decision states that any law which is passed by the Legislature of Manitoba from this day hence forward, which is not in conformity with the decision, is invalid. That, therefore, puts an incredible responsibility and onus on the province for the provision of language services so that the Legislature can continue to function as the proper body for that jurisdiction.

Can we receive assurance from the Deputy Prime Minister that the Government of Canada will immediately offer every assistance, by way of resources and personnel, to ensure that proper language services can be obtained by the Legislature of Manitoba, so that it can continue to function in its proper capacity?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member can be absolutely certain that the federal Government will offer whatever resources are necessary to ensure that it fulfils its obligations under the official languages policy, and to comply with the often expressed views of the Prime Minister and this Party with respect to the obligations of government to two official languages in this country.

• (1420)

It may well be that the Hon. Member's interpretation of the laws passed from this date on in the Province of Manitoba requires that sort of immediate attention which might well become the focus of some initial action by the federal Government. My information is that laws passed have effect for the time being, but whether it is—the Hon. Member shakes his head. That is our problem. The judgment is extremely lengthy, as I say, and will have to be examined very carefully. But whatever is required of the federal Government in that regard will be done.

[*Translation*]

SUPREME COURT DECISION—CONSULTATIONS WITH FRANCO-MANITOBANS AND GOVERNMENT OF MANITOBA—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): I have a supplementary, Mr. Speaker.

Considering the tremendous importance of this decision and of participation by all Canadians in the political process, could the Deputy Prime Minister give the House the assurance that the Government of Canada will be having consultations with the Franco-Manitoban community and the Government of Manitoba, with a view to proceeding together, with firm resolve, to put into effect the decision handed down by the Supreme Court?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Absolutely, Mr. Speaker.

* * *

THE CONSTITUTION

SUPREME COURT JUDGMENT—SITUATION OF FRANCOPHONES IN MANITOBA

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, as a preamble to my question, directed to the Deputy Prime Minister, and following what was said by my hon. friend from Winnipeg, I want to say, as a Francophone, and I imagine all Francophones in the House must be delighted with the judgment handed down by the Supreme Court today that this is an historical gesture which I think guarantees not only the rights of Francophones in Manitoba but also those of Francophones everywhere in Canada where those rights are not yet fully respected. I think we can look forward to an even brighter future.

My question is directed to the Deputy Prime Minister. Does the Government consider that the resolutions adopted unanimously by the House of Commons in 1983 and 1984 can and in fact do constitute a minimum basis for seeking both a legal and a political solution for Franco-Manitobans?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Well, to begin with, Mr. Speaker, I am sure the Government would want to look at the judgment today in the context of those resolutions, which would require some memory refreshment. But I can assure the Hon. Members that we in this Party and this Government look upon languages in our country as an instrument of unity. That is our approach, and given that kind of approach by all Members of this House, indeed by our citizenry at large, we will achieve a far greater degree of unity than has ever been achieved in the past.

[*Translation*]

LEGISLATION PASSED BY MANITOBA LEGISLATURE

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I am quite pleased with what the Deputy Prime Minister had to say, but I think it should be understood that Francophones will never again tolerate second-class treatment, in Manitoba or anywhere else in Canada.

I would like to get back to a point made by my hon. colleague regarding the urgency of the situation. On page 65 of the Supreme Court judgment, which covers 88 pages, the following is said, and I quote:

> As for the future, the Constitution requires that from the date of this judgement, all new statutes of the Legislature of Manitoba be adopted, printed and published both in French and English. Any statute of the Legislature that does not meet this requirement will be invalid and inoperative.

Therefore, regarding the point made by the Hon. Member for Winnipeg-Fort Garry, does the Government of Canada intend to give its immediate and urgent attention to this matter so that the Manitoba Legislature's operations will not be paralysed by a lack of resources for operating in French and English in its legislation?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I want to respond very positively to the hon. gentleman, as I thought I was doing with the Hon. Member for Winnipeg-Fort Garry. Not having studied the judgment which, as he will appreciate, is very lengthy, it is my understanding that the laws passed by the Manitoba Legislature would in the interim have validity until such time as the 120 days—

Mr. Axworthy: Past laws, not future.

Mr. Epp (Provencher): Past laws.

Mr. Nielsen: That may be incorrect. I have not yet studied the judgment in detail. There may be a catch-up period in there. However, whatever is required to be done by the federal Government to assist in achieving the, I am sure, mutually desired objective of implementing the spirit of that judgment, will be done in order to achieve equality of language rights not just in Manitoba but throughout the entire country.

* * *

[*Translation*]

THE BUDGET

CAPITAL GAINS TAX EXEMPTION

Hon. Edward Broadbent (Oshawa): Since the Prime Minister is absent, Mr. Speaker, I will direct my question to the Minister of National Health and Welfare.

Today's *Globe and Mail* reports that the Minister of Finance knew before bringing down the Budget that one of the

most unfair measures was the capital gains tax exemption. Can the Government at least change the capital gains provision so it would not apply to real estate and use those millions of dollars to restore full indexation of pensions?

Hon. Robert de Cotret (President of the Treasury Board): With respect to the capital gains tax exemption, Mr. Speaker, the Leader of the New Democratic Party is referring to an article pointing out to what extent the exemption would be helpful in the real estate sector. I would simply draw his attention to the fact that, in most cases, the exemption as it relates to real estate applies to our agricultural sector. Farmers have been working very hard to turn our lands into an asset to the benefit of the Canadian people. They deserve assistance through the Budget and I am pleased that our Government was able to give them the help they have long since earned.

[*English*]

REAL ESTATE SPECULATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the reference in *The Globe and Mail* was to the past provisions of the capital gains tax, not the proposal by the Government. As far as I am aware, all Parties in this House are in favour of exempting capital gains for the family farm and individual homes. That is not the point.

Some Hon. Members: What about small business?

Mr. Broadbent: The question concerned real estate speculation, and my question to the Minister of Health, in the absence of the Prime Minister, is this. Given that in 1983 most of the millions of dollars that were given away through the capital gains provision—we do not have the figures, but the Government does—went to real estate speculators, will the Government at least change the law it now proposes in order to make those provisions inapplicable to that kind of speculation, and use the millions saved to reindex pensions?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Government will continue to pursue measures which have as their prime objective the creation of jobs. That is what this Budget is all about, and that is what this measure is all about; it is jobs throughout the economy, throughout industry, and throughout every region of Canada. We have already had a demonstration of that.

Mr. Broadbent: Mr. Speaker, even a Minister in a Conservative Cabinet should know that real estate speculation just makes bucks, it does not create jobs. That is the point.

● (1430)

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): In the past the Minister of National Health and Welfare defended Canadian pensioners. Was he aware that, as reported in *The Globe and Mail* today, the previous capital gains provisions overwhelmingly benefited real estate speculators? If so, did he stand up for pensioners saying that that is not the kind of provision he wants, but rather that as Minister he wants full indexation for pensioners? Did he do that in Cabinet, or did he accept this nonsense?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the provisions referred to by the Member fall largely within the Department of Finance and should be explained by that Department. However, I would point out that if we can get additional activity in the housing and real estate markets, there will be many spin-off effects. He must realize that the creation of more activity in those areas will create more jobs.

Mr. Tobin: Mr. Speaker, the Minister of National Health and Welfare knows that speculation only drives up prices and rents.

EFFECT OF BUDGET

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and is an attempt to clarify an ever-increasingly confusing situation. Yesterday in the House the Prime Minister referred to the Budget measure to deindex OAS as a budget proposal. In response to a question from the Hon. Member for Beaches he said, "Yes, it is proposed for January 1 of next year".

My understanding is that budget measures are budget measures; they are not proposals and are not a White Paper.

Some Hon. Members: Question.

Mr. Tobin: Is the measure with respect to OAS indeed a budget measure which will come into place on January 1, 1986, or is it a budget proposal? If it is a proposal, why is it not in a White Paper? What is it doing in the Budget?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will try to clarify for the Member in order that he will understand the budgetary process and legislation in the House.

Mr. Guilbault (Saint-Jacques): Don't lecture.

Mr. Epp (Provencher): He asked for an explanation, and I will try to give it to him. If he looks at any Budget he will find that there are aspects which take effect immediately. On the other hand, any change in existing legislation would have to have legislative change and be voted on in the House in order to come into effect. Until that has taken place the matter is a proposal in that sense.

CONTENT OF BUDGET

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Given that explanation, Mr. Speaker, are we now to assume that all tax measures that do not take effect immediately, such as the capital gains exemptions, the changes to the child tax benefits,

the deindexing of personal income tax, and the deindexing of OAS, are all proposals and open for discussion? That is the argument the Minister has just made. He is confusing the situation much more and is causing increasing anxiety for senior citizens.

Will he now make up his mind whether it is a Budget or a White Paper on tax changes that is before the House? He had better clear the air because senior citizens do not deserve the anxiety, heartache, and uncertainty that he and his colleagues are inflicting upon them.

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the answer that I gave to the first question applies to this one. In the preamble to this question he tried to—

Mr. Tobin: The whole Budget is open for discussion. That's what you're saying.

Mr. Hnatyshyn: Your question was too long. Keep quiet for a while.

Mr. Epp (Provencher): He tried to tie taxation in with changes on the OAS as legislative initiatives. The first answer which I gave him was correct and applies to the second question as well.

* * *

THE BUDGET

GLOBE AND MAIL ARTICLE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Deputy Prime Minister. On budget night the Minister of Finance stood up and went on and on about how fair and just this Budget was for Canadians. We have learned from *The Globe and Mail* that the Government's own documents indicated that that was not the case and that in fact the Budget was biased in favour of the wealthy, and was particularly going to hit the poor and middle income earners of Canada. The Minister of Finance lied to the people of Canada in that particular statement.

Some Hon. Members: Oh, oh!

Some Hon. Members: Withdraw.

Mr. Riis: I am asking the Deputy Prime Minister to table those reports now.

Some Hon. Members: Withdraw.

Mr. Deputy Speaker: If I understood correctly, I believe the Hon. Member for Kamloops-Shuswap accused the Prime Minister of having lied.

Mr. Broadbent: No, the Minister of Finance.

Mr. Deputy Speaker: If that is not what the Member said, I shall take his word for it and read the "blues", but that was my understanding of what he said.

Mr. Riis: Mr. Speaker, I certainly did not accuse the Prime Minister of lying. If I accused the Minister of Finance of lying I will retract that statement, but I will say that I am probably the only person in Canada who believes him.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Riis: *The Globe and Mail* has indicated that the Government's own studies indicated that this was a very biased Budget. Since at least there appeared to be a conflict here, will the Deputy Prime Minister now say that these documents will be tabled so that the people of Canada will see what the Minister of Finance knew when he made his statement on budget night?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the article that the Hon. Member refers to quotes a number of statistics applying to 1990. I personally do not know the origin of these statistics, but having worked in economics for a long time I know that projections for 1990 must be based on a lot of assumptions.

Mr. Broadbent: What about 1983?

Mr. de Cotret: To answer that in terms of 1986 I will give you the numbers contained in the Budget Papers. In 1986 someone with an income level of $20,000 would see a tax increase of $104. Someone with an income level of $200,000 would see an increase of close to $5,000. Therefore, for a ten-fold increase in income there would be a fifty-fold increase in taxes. I do not believe that is taxing the poor more than the rich.

MONITORING OF ECONOMY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is also directed to the Deputy Prime Minister. In that last response I think the Government was saying that it has confidence in the Budget and that the economy will in fact improve.

Some Hon. Members: Hear, hear!

Mr. Riis: I take it from the applause, Mr. Speaker, that the Government benches are in agreement with that. The Prime Minister has indicated that he is going to monitor the situation carefully. If the Prime Minister and the Government have confidence in the Budget and in what they are doing, they must have confidence that things are going to improve, and there is therefore no need to monitor the situation any longer. Let us stop the deindexation for pensioners right now. Let them relax for the summer.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Say you don't have confidence now.

Mr. Blaikie: Think positive.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, having listened to the convolutions and distortions of the Hon. Member in whatever participation he has taken in Question Period since the opening of this session of Parliament, I can truthfully say that I am probably the only one in the House, or elsewhere in the country, who gives any veracity whatsoever to his bald misstatements during the period for questions.

* * *

ATOMIC ENERGY OF CANADA LIMITED

REPORTED PAYMENT OF BRIBES IN ARGENTINA

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, my question is directed to the Acting Solicitor General, to whom I have given notice. Press reports from Buenos Aires indicate that the Argentinian Government yesterday released a report that $4 million Canadian of Canadian taxpayers' funds was paid in bribes by AECL of Canada, and its Italian contractor on the Argentinian Candu reactor construction project, to the late Mr. Jose Gelbard, then the Argentinian Minister of the Economy, in the period 1974 to 1978. The same Mr. Gelbard, who was then a Washington resident, refused to appear before the Public Accounts Committee of this House.

• (1440)

My question relates to the fact that the Government of the day and the RCMP at that time indicated that they were powerless to trace those funds beyond anonymous bank accounts in Switzerland and Lichtenstein. Why were the Argentinian authorities able to trace the money beyond those numbered accounts in Switzerland and Lichenstein when I was told, as Chairman of a House of Commons committee, that the Canadian Government was powerless to do it? Has any report ever been received by the Government of Canada relating to whether or not any of that money came back to Canadian citizens? Will there now be a—

Mr. Deputy Speaker: Order.

Mr. Lawrence: —an investigation into that matter?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I thank the Hon. Member for giving notice of that question. However, he will appreciate that as Acting Solicitor General I am not in possession of all of the facts with respect to the matter which he raises, and which he has raised over the course of the years.

All I can tell the Hon. Member is that it is the practice of the Solicitor General neither to confirm nor deny that there is any criminal investigation taking place at any particular time. However, I will take notice of the question and make sure that the Solicitor General receives the information which the Hon. Member has been good enough to convey today.

* * *

THE BUDGET

PROVISION AFFECTING FAMILY ALLOWANCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Minister of Finance. In view of the fact that the Government is apparently now willing to reconsider the proposal to reduce indexation of senior citizens' pensions next year, will the Minister also undertake to review the Budget's family allowance proposals which, if enacted, would hurt many thousands of low-income parents?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the changes to the family benefits will in fact help low-income families. For example, families with incomes of approximately $28,000 will see their child benefits increased in the 1985-89 period. Some 325,000 families with incomes below $10,000—many of whom are single parents—will be better off by some $300 by 1990-91. If the Hon. Member looks at those projections, the premise on which her question is based is in fact not the case.

Miss Nicholson (Trinity): Without arguing the Minister's figures, he did not answer my question asking whether this is a firm measure or a proposal.

CAPITAL GAINS TAX EXEMPTION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the Acting Minister of Finance. If everything in the Budget which is not in effect today is to be treated as a proposal only, as implied earlier, why not reconsider the capital gains benefits which would be paid for by low and middle-income Canadians and will benefit a very small number of affluent Canadians without necessarily creating one single job in the process?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the impact of the capital gains measure is very clearly identifiable. It is a measure that will help people in the agricultural community, small-businessmen, small investors, and fishermen all across the country. It is a measure of fairness to create jobs.

The most severe unfairness that we had to face following years of Liberal Government was the high rate of unemployment that was bestowed upon the youth and middle-aged people in our country. This Budget is concerned with creating jobs, and this measure will go a fair way in doing that.

PENSIONS

EFFECT OF BUDGET—CONSULTATION INQUIRY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Does the Minister recall his Government's statement in the Throne Speech last November:

—a priority goal of my Ministers will be to breathe a new spirit into federalism and restore the faith and trust of all Canadians in the effectiveness of our system of government.

A constant process of consultation and co-operation must be restored.

If the Minister recalls that statement, how does he square the lack of any kind of consultation not one scintilla, with senior folk, with respect to the changes he has made by deindexing old age pensions, with the Statement in the Speech from the Throne?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am glad that the Hon. Member has read the throne speech because it was valid then, and it is valid today. I want to tell the Hon. Member as well that he should not say there was not one scintilla of consultation, or that there is no continuing consultation with senior citizens. He should not make that statement without looking at what an individual Member, or this Minister, for that matter, is doing. That kind of statement by the Hon. Member is simply not the case.

Mr. Rodriguez: There was no formal consultative process. There was no system to get an opinion from senior folk or their organizations.

REQUEST THAT PROVISION AFFECTING PENSIONS BE WITHDRAWN

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of what is taking place across the country among senior folk and their organizations, does the Minister think it is fair and sensitive to have senior citizen pensioners dangling in the wind all summer, fall, and next winter? Will he now say that he will not have senior folk go through that kind of insensitive process, and withdraw the deindexation proposal now?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I remind the Hon. Member of the statements made by the Prime Minister in the House of Commons yesterday. Those statements are on the record, and that is the position of the Government. I refer the Hon. Member to those statements made by the Prime Minister.

* * *

[*Translation*]

THE CONSTITUTION

SUPREME COURT JUDGMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is for the Deputy Prime Minister and it has to do with the historical judgment rendered today by the Supreme Court. I find altogether surprising and unacceptable the fact that the Deputy Prime Minister, with all the human resources at his command, could not find enough time today to acquaint himself with a judgment which I consider historical. It is unacceptable!

An Hon. Member: A 200-page document!

Mr. Gauthier: Not 200 pages, 88 pages. Mr. Speaker, it is symptomatic of his lack of interest in this matter.

Can the Deputy Prime Minister tell us whether his Government has already contacted the Manitoba Government before today's judgment, precisely to avoid chaos and take the necessary corrective measures in anticipation of the Supreme Court judgment?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I rather regret that I do not have the 15-second wisdom that is possessed by the Hon. Member. I think he will agree that the kind of historic decision to which he refers is very lengthy indeed and deserves very careful and thorough study.

In the meantime, I am assured that the judge refers to a process that has to be triggered to ensure that the federal Government is involved in a judicial process with respect to the time which is to be set during which the transition is to take place. I see no need for instant action. However, whatever action in whatever timeframe is required, after that careful consideration has been given to the matter, will be taken by the federal Government.

Let me repeat once again that I am sure no Hon. Member of the House would want to take advantage of the timing of this situation to use any question with respect to the official languages of this country as a political opportunity to create any divisions. That is certainly not the purpose of anyone in government.

[*Translation*]

CONSULTATIONS WITH MANITOBA GOVERNMENT AND SOCIETY OF FRANCO-MANITOBANS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I quote from page 68 of the English version:

[*English*]

The period of temporary validity will not apply to any unilingual Acts of the Legislature enacted after the date of judgment.

After today. Therefore, Manitoba needs attention now. It needs consideration now, and it needs help from the federal Government to translate the documents. Will the Deputy Prime Minister—

[*Translation*]

—can the Deputy Prime Minister give us the assurance that this very day he will get in touch with the Manitoba Govern-

ment and the Franco-Manitoban Society to find a fair and equitable solution to this problem?

Mr. La Salle: We know what to do, but you did not do anything during twenty years.

Mr. Deputy Speaker: Order, please. We ought to let the Deputy Prime Minister answer the question.

● (1450)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, even if there is merit in the Hon. Member's interpretation of the judgment, I question whether his mien and the manner in which he delivered his question in a very combative way does anything to contribute to the unity on this particular issue in our country.

I can assure the Hon. Member, and all Hon. Members of this House, that whatever is necessary on the part of the federal Government to give effect to the judgment, whatever the requirements might be after studying the judgment, will be done. I can assure the Hon. Member of that. There will be no hesitation in coming forward to fulfil the federal Government's obligation in that regard.

* * *

THE BUDGET

EFFECT ON FAMILY BENEFITS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare who changed him mind once, and I hope he will change it back again. The Minister said in January that no changes were required in the OAS or GIS payments. Then the Government, of course, deindexed old age pensions.

The Minister has also preached that his Government would help those in greatest need. He said this many times. How can he say he is helping those in greatest need when many families earning between $10,000 and $20,000, with two kids, will have to pay up to $500 in sales tax, will have family allowances deindexed by 3 per cent, some will have to pay income tax, and many will lose their family benefits? How can he possibly say that he is helping those in greatest need?

Hon. Jake Epp (Minister of National Health and Welfare): First, Mr. Speaker, the term which the Hon. Member uses of deindexation is not correct. The full indexation on the Guaranteed Income Supplement is maintained and contained in the Budget. Partial indexation does apply on the Old Age Security. I hear Hon. Members say they want seniors to have clarification. Hon. Members opposite should not use words or examples which are not contained in the Budget.

Having said that, if the Hon. Member takes a look at the family benefits, part of the argument has always been from social groups—I have heard her say it herself and I have argued the same point—that the most regressive part in terms of family benefits was that, as the tax exemption was applied, the higher the income of a family, the higher the taxable income, the greater was the benefit. That trend has been reversed. One can argue more can be done and should be done as the economy improves. I suggest to the Hon. Member that can be a consideration once we get the economy generating not only more jobs but more wealth.

CHILD TAX CREDIT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I suggest to the Minister that any pensioner who is on GIS is having his OAS deindexed, and further, 200,000 more will be on GIS.

An Hon. Member: That is not true.

Ms. Mitchell: Of course; they get the OAS too.

I would also like to say to the Minister that the increase he is proposing in the child tax credit is an insult to the poor. Seventy dollars the first year does not even nearly begin to cover taxes.

Does the Minister care about Canada's children? There are parents really struggling to have their children brought up and provide decent meals. If he cares, will he reindex family allowances? Also, will he have another look at family benefits and make sure any changes really go to benefit families and not the federal Government, which is what the Minister is doing now?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member persists in using a word or phrase that she knows is not correct. Deindexing, if it had been put in place, even for the OAS, would have meant absolutely no protection for any increase in the cost of living. The Hon. Member knows that is not the case. She feels if she repeats these words often enough in this House, or in other venues, that some of the people will start to believe it. That is simply not the case, and the Hon. Member knows it.

Ms. Mitchell: You are too busy preaching.

Mr. Epp (Provencher): The point I want to make to the Hon. Member again is that she now deprecates the very thing she supported in the committee. The very thing she said was to put more money in the child tax credit, because it is the fastest way to get money into the hands of families that need it. Today she changes her mind. Also, if we had taken away the $70, the Hon. Member would have made the argument that that is a burden those families cannot bear. Suddenly, when they get the money, she says it is not enough. The Hon. Member cannot have it both ways.

[*Translation*]

NATIONAL DEFENCE

SAINT-DENIS MILITARY BASE AT SAINT-ADOLPHE-D'HOWARD

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is directed to the Minister of National Defence and relates to the closing of the Saint-Denis military base at Saint-Adolphe-d'Howard in my riding. Tomorrow, Mr. Speaker, I will be meeting with a group of citizens who are rightfully very concerned about the economic impact of the closing of this base.

Can the Minister today, first reassure my constituents by saying that the base will not be closed without a committee looking into what can be done and, second, can he assure my constituents that his Department will take appropriate measures to help them find alternate use for the existing base facilities?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would like to compliment the Hon. Member on taking the initiative in setting up that local committee in the first instance, which is the desirable course of action for any Hon. Member who has one of those Cadin-Pinetree lines in his or her riding, so that such local committees can act in close concert with officials in the Department of National Defence and in the Department of Employment and Immigration, and others, all of whom have been instructed to minimize any impact that might occur socially and economically within those ridings. I am pleased to assure the Hon. Member that the unemployment impact will be minimal in her riding.

* * *

NATIONAL REVENUE

CROSBIE OFFSHORE SERVICES LIMITED

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of National Revenue. It is about Crosbie Offshore Services Limited, a company which owes the federal Government at least $332,000 alone for payroll deductions withheld and not transmitted.

Is the Minister aware that in November, 1984, when that company was petitioned into bankruptcy, his Department officials seized a bank account of that company with over $1 million in it and that they could have paid the debt owed to the taxpayers? Instead of doing that, three days later they released those funds which were used by the company for general operations without any repayment to the taxpayers of Canada. Is the Minister aware of that?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, what surprises me about this is that in the Hon. Member's desire to attempt to gain some profit from this sort of an incident—

Mr. Nunziata: Answer the question.

Mr. Beatty: —the Hon. Member would attempt to disclose income tax information related to taxpayers. As the Hon. Member, who is a former Solicitor General, would know, it would be against the law for me as Minister of National Revenue, in fact it would be a contravention of Section 241 of the Income Tax Act, to disclose in any way the confidential information relating to a taxpayer's file.

Mr. Kaplan: Mr. Speaker, the information I have used comes from public records in a bankruptcy proceeding in St. John's, Newfoundland.

REPRESENTATIONS INQUIRY

Hon. Bob Kaplan (York Centre): Let me ask the Minister a supplementary question. Why was this done? Were any representations made that it be done, by or on behalf of his colleague, the Minister of Justice?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, the Hon. Member will know that it is against the law under the provisions of Section 241—

Mr. Nunziata: What are you hiding?

Mr. Beatty: I see the Hon. Member has moved from the back row to the front row so he can shout from a seat in the front row, but his interjections do not make any more sense from the front row than they do from the back.

Some Hon. Members: Hear, hear!

Mr. Beatty: As the Liberals should know, this provision is in the Income Tax Act for a very good reason, and that is to protect the rights of Canadian taxpayers.

Mr. Nunziata: Quit stonewalling.

Mr. Beatty: For the Hon. Member to come into the House of Commons and to ask for me to release information which he knows I cannot release under the law, is obviously an abuse of his role as a Member of Parliament and is an abrogation of the rights of taxpayers.

Some Hon. Members: Hear, hear!

* * *

● (1500)

PENSIONS

REQUEST THAT FULL INDEXATION BE RESTORED

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Hon. Minister of National Health and Welfare. The high percentage of retired people on Vancouver Island, combined with very high unemployment figures, means that the deindexing proposals of the Budget will hit our area of the country even harder than they

will hit other parts of Canada. Because of this negative impact, even the Conservative Hon. Member for Victoria is trying to dissociate himself from the Conservative Budget of May 23.

In the interest of fairness, both to senior citizens and to depressed areas of Canada, will the Minister now urge his cabinet colleagues, particularly the Prime Minister and the Minister of Finance, to reconsider this very unfair policy, and reinstitute full indexing of the Old Age Security for senior citizens?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is correct when he identifies the unemployment factor, not only on Vancouver Island but in other areas of Canada. This is why the Government and, I think, Canadians generally, were pleased with the trend which is beginning, that more jobs are being created, that more people are going back to work, and that there is more confidence, both in the investment community and in the Canadian public generally, in the manner in which the economy is starting to perform. We have a long way to go yet, but at least we can take some benefit out of the trend lines.

On the second part of his question, which was similar to other questions asked of the Prime Minister yesterday and of me today, the assurances of the Prime Minister as he gave them yesterday are the assurances of the Government of Canada. The Hon. Member should re-examine those assurances in light of today as well, because they stand.

* * *

[*Translation*]

CLERK OF PETITIONS' REPORTS

Mr. Deputy Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, June 12, 1985, meet the requirements of the Standing Orders as to form.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Gray (Windsor West): Mr. Speaker, I would be delighted to respond to your invitation to ask the Government House Leader what business he proposes for tomorrow and subsequent days of next week.

Mr. Hnatyshyn: Mr. Speaker, we have not quite concluded our discussions with respect to the business for tomorrow and indeed carrying on into the next two weeks. I have presented a proposal to the Hon. Member on which we certainly have the agreement of the New Democratic Party. If the Hon. House Leader of the Official Opposition is in agreement, I could bring forward the order which was the subject of discussion. If not, perhaps we could continue with our discussions, as it impacts upon the order of business for tomorrow. As the Hon. Member knows, we talked about bringing on some Bills tomorrow. I just want to ensure that we are on the same wavelength in respect of the sequence of business for tomorrow, which impacts on the business for the next two weeks.

Mr. Gray (Windsor West): Mr. Speaker, I appreciate the spirit in which the Hon. Member has made his remarks. I have to complete certain consultations. Hopefully, with Your Honour's indulgence and if it is necessary, later in the afternoon we could revert to this question so that the information will be placed on the record of the House.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

ORDER OF REFERENCE OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have one item which is now agreed upon. It is an order of reference to the Standing Committee on Transport with respect to northern transportation issues, which I withheld because of the request of the transportation critic of the New Democratic Party. Since the assurances he sought have now been obtained, I am in a position, with the consent of the House, to put forward the following order of reference:

That the Standing Committee on Transport be empowered to study and report on federal transportation policies and programs affecting northern, remote and isolated areas, and in particular,

(1) the criteria which should be used to define the adequacy of transportation services to a community;

(2) the manner in which the cost of services should be assessed in terms of costs to the Government versus the need to provide a necessary transportation infrastructure; and

(3) the degree to which the Government should participate in the provision of a transportation infrastructure in the North as opposed to the Government revising its role in the ownership or regulation of transportation services themselves;

That the Committee be empowered to adjourn from place to place within Canada;

And that the Committee have the power to retain expert, professional, technical and clerical staff.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, all I would like to say on behalf of the Official Opposition is that we agree to the proposal put forward by the Hon. Government House Leader.

Mr. Deputy Speaker: Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

REGIONAL ECONOMIC DEVELOPMENT

TABLING OF INTER-GOVERNMENTAL POSITION PAPER

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I wish to table in both official languages copies of an inter-governmental position paper on the principles and framework for regional economic development. In a spirit of new co-operative relationship, the document has been signed by representatives of the federal, provincial and territorial Governments.

* * *

DISASTERS

ASSISTANCE TO TORNADO-DAMAGED CENTRAL ONTARIO AREA

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, two weeks ago, several tornadoes struck central Ontario, devastating many homes, businesses and farms. While most of the damage was concentrated in my riding and that of the Hon. Member for Simcoe South (Mr. Stewart), other areas were also seriously affected.

The full extent of the losses and cost of restoration are not yet known, and federal officials are co-operating with other levels of Government on detailing the extent of damage and the status of clean-up and repairs.

This natural disaster has left hundreds homeless and put several hundred temporarily, and perhaps permanently, out of work. My purpose today is to describe the steps which our Government is taking to help alleviate the human and material loss, while recognizing that there is nothing that we can do to ease the sorrow of those persons who have lost family or seen their homes or lifetime work destroyed.

The Deputy Prime Minister (Mr. Nielsen), in his capacity as the Minister responsible for emergency planning, will provide federal financial assistance to help Ontario meet the costs of recuperating from the effects of the May 31 tornado. This federal aid will be provided under the terms of the Disaster Financial Assistance arrangements, administered by Emergency Planning Canada.

The DFA arrangements provide a mechanism for responding to provincial requests for disaster aid. A formula relating the disaster expenditures to the population of the affected province is used to calculate the appropriate federal contribution. Federal cost sharing begins when provincial expenditures on disaster relief exceed one dollar per capita, and becomes progressively more substantial as expenditures increase. The DFA arrangements include guidelines which describe disaster relief needs eligible for federal financial assistance.

Based on the Ontario Government's most recent estimate of the need for financial assistance, the province may be contributing about $18 million and the federal Government about $9 million, for a total of $27 million. If the need is greater, then for each additional dollar conbributed by the province up to $22.5 million, Ottawa will contribute $3; and for each provincial dollar over $22.5 million, the federal Government will contribute $9.

The agricultural community was especially hit by the tornado. Houses, farms, buildings and some crops were damaged or destroyed, and many farmers now face cash flow problems. Agriculture Canada is prepared to provide financial and counselling services to assist in rebuilding about 200 farms affected.

• (1510)

My colleague, the Minister of Agriculture (Mr. Wise), who is here today will be setting up a special fund for farm assistance to finance a portion of farm capital reconstructions and re-establishment which are not covered by commercial insurance or by the DFA. Up to $5 million has been set aside for this purpose.

Under the Central Ontario Disaster Relief Committee, Agriculture Canada, in co-operation with the province and with farm organizations, will set up a working group to co-ordinate delivery of information, counselling and aid to the farm community. Agriculture Canada will also assist in damage assessment.

If required, a temporary Farm Credit Corporation office may be established in Orangeville to assist producers in assessing damage to their farms and in developing financial plans for future viability. As well, the FCC will assess requests from any of its borrowers in need of assistance as a result of the tornado. The corporation will consider reamortization of loans, temporary deferral of payments, or other special arrangements to suit the needs of individual borrowers.

My colleague, the Minister of Employment and Immigration (Miss MacDonald), will take action to alleviate the hardship of residents in the stricken communities by making job creation funding available under Section 38 of the Unemployment Insurance Act to assist in community repair and restoration. This will help fund special restoration projects in such areas as Barrie and Grand Valley.

As well, Mr. Speaker, the commission recognizes that some urgently needed skills may be in short supply during the next few weeks. Under its mobility program, the commission will assist in defraying the costs of bringing skilled workers into the area to hasten the rebuilding, if necessary.

Fifteen additional employment and immigration staff members have been assigned to an emergency centre in Barrie to supplement the local staff in dealing with the loss of employment.

To help those who have lost their jobs as a result of the tornado, the Barrie office has set up a central unit to speed the processing of unemployment insurance claims, as well as an emergency cheque distribution centre.

The Ontario regional office of the Department of Regional Industrial Expansion has established a task force to address the damage to manufacturers and service industries in the area.

After a preliminary assessment, DRIE plans to assist in several ways: First, free business counselling will be provided through the sector and financial expertise of the Ontario regional office or the CASE service of the Federal Business Development Bank.

Second, DRIE has posted officers to work out of the Barrie branch of FBDB with responsibility for the immediate assessment of damage to business. They will assist business with reconstruction efforts, through the whole range of the Department's activities and, if shortages of essential building materials develop, DRIE's network will be used to locate supplies throughout Canada.

In addition, Mr. Speaker, the Minister of Regional Industrial Expansion (Mr. Stevens) will establish a $3 million central Ontario tornado damage business development program to encourage modernization and expansion in the affected area. The fund is designed to go beyond insurance and other aid as an inducement for businesses to seize the opportunity to expand and to upgrade their operations beyond simple replacement of storm damage. The fund will help generate additional long-term jobs and will contribute positively to the strengthening and future prosperity of the affected communities. Assistance will be available up to a maximum 35 per cent of eligible capital costs for firms which can demonstrate viability and significant economic benefits. The Department will discuss future prospects with affected firms, which should make their business plans known by September 30, 1985. In addition, the Minister has asked the FBDB to consider temporary payment deferral or reamortization for affected customers' loans in the same manner as does the Farm Credit Corporation.

Several dozen units of temporary housing have been made available through Canadian Forces Base, Borden. Additionally, 700 soldiers from the base have done a superb job in assisting, and over $25,000 in goods and services have been provided.

My Ministry, the Department of National Revenue, will treat donations to recognized disaster relief agencies or to municipalities as tax deductible. We believe that this measure will give added incentive for Canadians to contribute to rebuilding the damaged area. As well, recognizing that many financial records have been lost, I have instructed my officials to assist any person or business unable to provide supporting documents for tax purposes.

Both Canada Mortgage and Housing Corporation and the Department of Public Works have arranged to have inspectors in the area. CMHC will assist with identifying restorable buildings and help local officials with the issuing of building permits. The Department of Public Works will assess damage to public infrastructure.

Through these measures, Mr. Speaker, we hope to restore essential services and assist individuals, farmers and small businesses to begin reconstruction.

If I may be permitted a personal comment, I would like to state on behalf of my colleagues from the affected area that we deeply appreciate the compassion and generosity of the thousands of people who have offered assistance to the people who are most in need who have suffered from this disaster. Their kindness has enormously assisted as these families begin the long job of rebuilding their lives.

Finally, I know that every Member of this House would want me to express our sorrow for the victims of the disaster. No one can adequately describe the sense of loss of many of those families. But their courage and their determination to rebuild inspires us all.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would like to join with the Minister in expressing very deep sympathy particularly to those people who have lost relatives or friends. Our hearts go out to them. There are no words to express the distress that they must feel.

For those who are left and who have to rebuild their homes, their businesses and so on, this aid on the part of the federal Government is, of course, a very correct step which we in this Party approve and support.

Canadian disaster relief has generally been efficient and well co-ordinated, and we commend the Minister for ensuring that it be so in this case again. We have all been very impressed by the courage and resourcefulness shown by those people who have lost everything and who are having to start to build again, and it is obviously very right and proper that everything possible be done to help them take up their lives again, as they will. The voluntary groups are already there. Indeed, I was pleased to hear the Minister say that favourable tax treatment will be given to those assisting in this way. There are also volunteer groups there that are assisting with their physical labour and with their presence and comfort. We certainly expect that the situation will be monitored so as to ensure that the existing help is adequate and will be added to as time goes on.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I also rise to express some appreciation to the Minister for the statement he has made today to say, on behalf of my colleagues as the Minister did, that we have a deep sense of sympathy for those who lost fiends or relatives in this unfortunate disaster that occurred.

Ms. Jewett: Some disasters are fortunate?

Mr. Deans: My colleague says some disasters are fortunate. I did not mean to give that impression. I hope that she understood that.

For those who watched the events unfold, it was an incredible situation, almost beyond belief. I want to say that we are pleased that the Government has moved to make a statement today to clarify the involvement of the Government of Canada—and I hope that it does in fact—where there are new initiatives involved, establish a clear pattern in the event that other similar occurrences, undesirable as they may be, should ever face us in the future.

What was said by the Minister I take as a preliminary statement in that it sets out the basis upon which assistance will be given but that there is ample evidence to show that the losses may well be far in excess of the original determinations that were made at the time, and with each passing day there are clear indications of even greater losses than might have been anticipated.

• (1520)

I would say to the Minister that it is interesting and commendable to see the comprehensive nature of the Government's involvement in this matter. It is good to see the thoughtfulness that has gone into seeking out from the many and various Ministries the kind of support that will assist people who have lost belongings or, in many instances, businesses and the way in which the Government has been able to co-ordinate things through the office of the Deputy Prime Minister (Mr. Nielsen). There has been an over-all effort on the part of the Government in all of its manifestations.

I suppose the key to the matter is that an ongoing assessment must be made and that this assessment may take a long time to reach a conclusion. It may be a year from now or even longer, based on previous experiences with similar circumstances before we are able to assess accurately the extent of the damage and loss.

I hope that the Minister will come to the House from time to time to update us on the level of contribution from private individuals, the continued involvement of the provincial Government of Ontario, to what level that involvement is incurred and also to what level the federal Government becomes committed in terms of the allocation of financial resources in particular.

As I said, it is not often that people in the House of Commons join together with one common goal. However, I think it can be said that in this instance, everyone here shares the concern expressed by the Minister. I would say on behalf of this Party that we are prepared to support the initiatives brought forward by the Government.

Mr. Waddell: Mr. Speaker, I am not from Ontario. Actually, I am originally from Ontario but I now represent British Columbia.

I would like to say to the Minister that I found it very impressive when watching the television to see neighbours helping each other after the disaster. We are very proud of those Canadians who live in that area for rallying so quickly. I do not think that I will ever forget seeing on television the woman who spoke of losing a 13-year old boy who babysat for her family. I will continue to remember that, as I am sure will many watchers of that program. One can replace lost property but one can never replace lost family.

My question to the Minister is a broad one. Sometimes we learn things from a disaster. At least the smart people learn things from a disaster. This area was hit by a tornado. Perhaps there could have been better warnings or perhaps people could have responded to the warnings more quickly. Perhaps people could have understood more about what tornadoes do. What have we learned from this disaster? What will the Government do to try to make sure that if there is another tornado disaster like that one, there will not be loss of life?

Mr. Beatty: Mr. Speaker, I thank the Hon. Member for his question. There are a number of things which I think all of us have learned from this disaster. Emergency Planning Canada in conjunction with its provincial and municipal counterparts will be doing an assessment to see how the emergency services responded. I think that for the most part the emergency services responded astoundingly well. I was on the scene within a matter of an hour or two after the disaster took place and was astonished to see how quickly the OPP, the Red Cross, the Canadian Forces people from Base Borden and others were on the scene to help out. Obviously we will gain from this experience and what we learn will be applicable in the future.

One of the things that is clear is that it would be extremely helpful for us in the future to encourage all levels of Government to develop disaster contingency programs. This should be done as well at the municipal level and at the hospital level to ensure that the provision of emergency services is there as quickly as possible when they are needed.

I do not want to sound trite in making these observations, but two things left a very deep impression on me. The first thing was that sometimes we as human beings are arrogant enough to think that we have tamed nature. We have not. By having a chance to visit the area on the ground shortly after the disaster took place and by touring the area from the air, I was able to see the absolute capriciousness of the disaster. It was simply a matter of fate whether a person lived or died. We now realize something about the frailty of human beings and how subject we are to the whims of fortune.

The final thing that stands out most pointedly in my mind is the essential generosity and strength of the individuals who were involved. Being in the area both immediately after the disaster took place and in the days following, I was astonished to find people coming to the area who had no connection with the area at all to say that they had shovels and strong backs and to ask if there was anything they could do to help out. Just to give one example of this, a crew of over 200 Mennonites came to the area and moved systematically from the western to the eastern end of the disaster area to clean up farmers' fields and assist in hauling physical damage out of the way. This generosity and neighbourliness on their part was something that I think has left a permanent impression on everyone who was affected.

At the headquarters in the area where relief was being provided, immediate offers of accommodation were being made. People offered to take whole families in to live with them if they needed help. In visiting the area, I saw that there were stockpiles of blankets, food, clothing and other necessary goods. It was just overwhelming that people were offering everything they could. The number of generous individuals who volunteered financial contributions was remarkable as well.

I do not want to protract this discussion, but let me cite one other example. When the work crews came to the area, one of the organizers said that they needed 75 pies to help feed the crews in West Luther Township and the surrounding area. The church members from Mount Forest sent some 200 pies and soup for 500 people. That sort of generosity is something which will remain with people for the rest of their lives.

One cannot help but be struck by the tremendous courage and dedication of the people who were affected. There was no sense of self-pity evident; there was simply a sense of courage and determination to rebuild. I think that is an inspiration to all of us.

Mr. Foster: Mr. Speaker, I would like to put one question to the Minister. I must say that I have been very impressed with the way the Minister has handled the disaster, and I know that not only he but the Minister of Agriculture (Mr. Wise) visited the area in person.

I would like to ask the Minister whether or not the area designated by the Province of Ontario has been expanded to include the some $40-million worth of damage which occurred the evening before in Leamington where a large number of greenhouses were destroyed. I wonder if the Province of Ontario has designated only Barrie and surrounding areas as disaster areas or whether it has asked for assistance out of the fund to include that area of southwestern Ontario that was affected the evening before. I understand that there was considerable damage in the Niagara Peninsula as well. Perhaps the Minister could clarify whether or not the province has designated those additional areas.

As well, I would like to comment on the generosity of the response to the disaster. I do not recall a disaster occurring in Ontario in recent years for which a whole network of radio stations including at least two in my constituency took part in a telethon last Monday which raised many hundreds of thousands of dollars. I think that the spirit of generosity and charity is alive and well in Ontario, as has been demonstrated by this disaster.

Mr. Beatty: Mr. Speaker, the federal Government is currently having discussions with the Government of Ontario as to the parameters of the disaster areas. Initially the area that was looked at by the province of Ontario was the area from Arthur or Alma in the east.

• (1530)

It touched some areas on the far side of Barrie and the east side of Barrie, into central eastern Ontario. That area is certainly covered under that. In addition, other damage which was done as part of the same weather system will be included under the program. The difficulty is in terms of determining whether damage that was done, for example, the day before, was done as part of the same weather system or whether it constitutes a second disaster.

No one minimizes the amount of damage done there. The problem is that under current federal-provincial cost-sharing arrangements, there is some difficulty in terms of lumping two disasters together. Each one would have to be considered separately unless they were part of a common weather disturbance.

The other point I might make is that my colleague, the Minister of Agriculture (Mr. Wise), has already visited the Leamington area. I can indicate, I believe, on his behalf, that some of the measures which I announced today relating to agriculture would apply in the Leamington area. Most of the damage which was done there was done to the rural area, to the farmers, and we hope that the relief which has been offered by my colleague, the Minister of Agriculture, will provide some assistance there.

* * *

PETITIONS

CHANGES TO THE OLD AGE SECURITY ACT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition containing the names of hundreds of people from Winnipeg who protest the government's proposals to partially deindex the old age pension. Through this petition they join with thousands of other Canadians,—and thousands more to come over the next few weeks—who want to indicate their opposition to this unjust measure by the Government and they call upon the Government to change its mind, go back to the commitment it made in January, and even before that to what the Prime Minister (Mr. Mulroney) said before the election, and fully ensure the indexation of Old Age Security payments.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a petition signed by several dozen citizens and constituents in the Algoma and Sault Ste. Marie area who call upon the Government to reinstate full indexation of the old age pensions. They note, for instance, that the average pensioner will lose $100 next year; more than $200 the following year; and over $600 by 1990. They simply call upon the Prime Minister (Mr. Mulroney) and the Government to keep their campaign promise and restore full indexation of the old age pension. When the Prime Minister receives a petition like this, I know—

Mr. Deputy Speaker: Order, please.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I too have the honour to present a petition signed by over 800 residents of the lower mainland of British Columbia, New Westminster, Coquitlam, Burnaby, Surrey, Vancouver East, Langley and Delta, British Columbia, who once again protest the partial deindexation of the Old Age Security. They ask the Government to fulfil its promise to fully index the old age pension.

Mr. David Orlikow (Winnipeg North): Mr. speaker, I have the honour to present a petition signed by more than 600 residents of Manitoba, who call upon the Government to restore the indexing of pensions. They point out that the losers

by this proposal of the Government will be the poor, the unemployed and women.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and honour to present a petition signed by many hundreds of residents of Toronto who protest the proposal of the Government to reduce the purchasing power of the old age pension cheque by 3 per cent. They call upon this House and this Government to restore full indexation of the old age pension.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, thanks to the tireless efforts of my constituency officer, Mr. Nick Wihnan, and many volunteers, I have the honour to present petitions with 834 signatures from my riding, including Fort Frances, Devlin, Emo, Shevlin and Stratton. These Canadians request a remedy to the government's plans to deindex pensions which will impose hardships on pensioners, and call for the full reinstatement of indexing of the Old Age Security program.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a number of petitions here from hundreds of Manitobans who consider the deindexation of pensions, whether partial or otherwise, to be unfair. They call upon the Government to implement its promise to fully index pensions and to restore the cuts which will cost each and every pensioner $100 during 1986 and $680 by the year 1991.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I aslo have a petition with respect to pensions. It is signed by a number of Canadians, some of whom live in Surrey, which is represented by a Conservative who does not speak up on this issue for the pensioners. The petition states that the May 23 Budget imposes undue and unfair hardship on pensioners—

Mr. Deputy Speaker: Could the Hon. Member summarize.

Mr. Waddell: —by deindexing the Old Age Security program. I would like to file this petition.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, added to over 2,000 names which have come in already from Vancouver East, I am honoured to again present petitions today from a number of people from the lower mainland of British Columbia, including petitioners from Vancouver East, Coquitlam, New Westminster, Burnaby and from many surrounding communities. These petitioners ask that the Conservative Government reconsider and reindex old age pensions so that people will not suffer. They ask that the Conservative Government carry out the promise it made to the people of Canada.

Order Paper Questions

NATIONAL ANTHEM ACT

MEASURE TO AMEND

Mr. Howard Crosby (Halifax West) moved for leave to introduce Bill C-243, an Act to amend the National Anthem Act.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Crosby: Mr. Speaker, this Bill simply amends the National Anthem Act in a minor but significant way. At present our national anthem "O Canada" contains a reference to "all our sons" in relation to patriotism. This masculine designation denies the equality of the sexes and is not consistent with the Canadian Charter of Rights and Freedoms. This amendment changes the reference from "all our sons" to "all of us", and does away with this improper designation.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 295 will be answered today.

[*Text*]

CANADA POST BOOK *INFORMATION*

Question No. 295—**Mrs. Sparrow:**

How many copies of the book *Information* did Canada Post Corporation print and (a) to whom was this book distributed (b) what was the total cost?

Hon. Perrin Beatty (Minister of National Revenue): The Canada Post Corporation informs me as follows:

Canada Post printed 700 copies of the book *Information.*

(a) The book was distributed to Members of Parliament and Senators at their House of Commons offices. It was also distributed to the Members of Parliament constituency offices.

(b) The total cost of printing the book was $4,106.14.

[*Translation*]

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

[*English*]

Mr. Deputy Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NO-CONFIDENCE MOTION—
INDEXATION OF OLD AGE SECURITY PENSIONS

The House resumed consideration of the Motion of Mr. Tobin:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

Mr. Deputy Speaker: When the House rose, the Hon. Member for Trinity (Miss Nicholson) had the floor.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when the House rose, I was quoting some very good statements from the Government's consultation paper on child and elderly benefits of January, 1985. I was suggesting, Mr. Speaker, that on reflection, Hon. Members on the government side might find those statements more to their liking and a better basis for public policy than some of the statements which appeared in the Budget paper. In particular, there were the principles announced in the paper which were to be considered as firm commitments, and I quote, "The concept of universality is the keystone of our social safety net. Its integrity must not and will not be called into question", and, "Any savings which mirrors out in program changes will not be applied to reduction of the deficit".

For whatever reasons, the Government changed its position between June and Budget day, but we were somewhat reassured to hear the Prime Minister (Mr. Mulroney) say yesterday that some of the measures in the Budget are in fact to be treated as proposals and are not graven in stone. It is in this spirit I am putting forward some thoughts which I hope will assist Hon. Members of the Government to vote for our resolution and to encourage their Ministers to reconsider.

● (1540)

The question of retirement security in our country has for a number of years included some layers; first, whatever kind of private pension people have if they are in the workforce, and these really have not proved very useful for most Canadians. This is either because the period required to vest the pension is too long, because many smaller firms do not have pension plans at all, and because Canadians are mobile and they lose their pension rights in the course of several moves in a career. Therefore, the private pension plans up until now have not proved to be of great use to the majority of Canadians; second, the Canada Pension Plan, since its inception, gives a certain floor to Canadians in the labour force, but of course it is of no help to housewives, for example, who are out of the labour force for a very long time; third, then there are private savings or investments for people in a position to make that kind of provision for their older years. Then for everyone, regardless of income or whether one has been in the labour force or not, there is the Old Age Security. For the poor, those who have nothing except for the OAS, there is the Guaranteed Income Supplement.

When one looks at the people now on pensions, an overwhelming majority receive the OAS and the GIS. Those who had savings very often found them eroded by inflation and they are in the situation of requesting a partial GIS. Regardless of private pension plans, private savings or the CPP, for most Canadians the OAS is the only reliable source of income in their later years. As I said, two thirds have nothing else and, therefore, they receive the means-tested GIS. Our old age pensioners, by and large, are not in a position to defend themselves against a sudden and unexpected loss of income.

The people currently receiving OAS are of a generation which has gone through a lot. Many of them grew up during the Depression and lived through a world war. They are pretty tough people for whom life has not been easy. Nevertheless, it was they who supported all through the years the various measures which put in place our present social security net. Indeed, one of the leaders of a senior citizens' group has been quoted recently as saying that they are the generation which put in place this compassionate society we have. They built it and they feel that they have some rights in the matter and that drastic changes in our social security system should not have been made without consultation with them.

Let us contrast the statements made by the Prime Minister last July, last November, and those in the government consultation paper, all of which were very good, with the present situation. When the Budget came down, we saw just four lines devoted to this proposed measure, four lines to say that old age pensions are being deindexed, and that indexation will remain for the GIS. That still hurts those receiving the GIS because their income is still being reduced. Let us look at what some of these figures might mean.

The two and a half million old age pensioners stand to lose close to $1,500 each over the next five years because these measures are cumulative. By 1990 a further 200,000 of those receiving OAS today will fall below the poverty line. The measure will save the Government $15 million in 1986, rising to $1.6 billion in 1990. Another measure in the same Budget conferred a $1.25 billion give-away in capital gains to the wealthy in our society, a small group, and this gift has no strings on it. There is no requirement that it create Canadian jobs or relate to Canadian assets.

There is a certain apparent insensitivity to the plight of the poor here which is in rather stark contrast with a very sensitive statement made by the Prime Minister in July where he said that recent statistics indicate that more than 60 per cent of women and 40 per cent of men over the age of 65 who live alone have incomes below the poverty line. At that time the Prime Minister promised, if elected, he would reinstate complete indexing of old age pensions to the actual cost of living as of January 1, 1985. The reality, of course, we have seen in this Budget. As I said, it described the measure in four lines. It gave no examples of the impact on senior citizens, but we learned that very detailed tables were prepared by the Depart-

ment of Finance, presented to the Minister of Finance (Mr. Wilson), who elected not to make them public.

In this Budget, apart from the proposal to reduce the indexing of senior citizens' pensions, we have a number of measures which are clearly going to add to the cost of living. We have tax increases for gasoline, health care products and so on which could amount to hundreds of dollars a year in lost income. Our senior citizens will be faced with an increase in the cost of living and a decrease in their income.

We have heard a lot of accusations about how the opposition are exaggerating, but let me read what senior citizens themselves say. First, this Budget was delayed for months because the Government was consulting. We have 10 groups representing one million of Canada's 2.6 million elderly who issued a joint statement on June 11 in which they say that, contrary to government pronouncements, there was no formal consultation with senior citizens' organizations. That was stated by Joyce King of the United Senior Citizens of Ontario. Ray Applebaum, of the Older Adults' Centres Association of Ontario said that with deindexing, hundreds of thousands of seniors will drop below the poverty line. The Canadian Council on Social Development estimates that deindexing will add as many as 200,000 elderly people to the poverty ranks by 1990.

● (1550)

The statement by this coalition of 10 senior citizens groups also pointed out that Canada's elderly are being asked to contribute $4.536 billion over five years to help bring down the deficit. The core of that statement was the following:

> As senior citizens, we have helped to build a society of social justice and compassion. That society is now under threat by the Government's proposal to the Old Age Security system. We must not, and will not, let that happen.

Another factor in the Budget which was not outlined in the published Department of Finance projections, but was leaked, shows transfers to the provinces being reduced by billions of dollars over the next five or six years. That will, of course, impact on various services which are used by senior citizens. Yhetta Gold, President of the 18 member National Advisory Council on Aging, said that any further erosion of pensions or social benefits will have a direct negative effect on health care.

If this proposal goes forward, it will not be good for the country. I keep hoping that the Government will return to the position it had taken prior to January of this year, which is a much saner position. I hope the Government will consider the question of acquired rights. Making changes in pensions that will affect people in 20 years will give people a chance to plan and readjust, especially if the changes are made in the entire pension planning. However, making changes in this way affects people who have no redress because they are in a situation they cannot change. With all my heart, I recommend that the Government reconsider the matter.

Mr. Jardine: Mr. Speaker, I believe that everyone in the House appreciates and accepts the sincerity with which the Hon. Member for Trinity (Miss Nicholson) speaks. She has a certain civility which we may all wish to emulate. In fact, it is a pleasure to sit in the House while she is speaking. The decorum is much different then than it was earlier today.

I would like to make reference to comments made by the Hon. Monique Bégin when she was Minister of National Health and Welfare and spoke on Bill C-131. She said:

> —the Government is asking as many groups as possible—taxpayers, public servants, mothers receiving family allowances and pensioners—to help set the course toward achieving this goal. We ask these Canadians to accept a cap on the indexation of their income taxes and benefits over the next two years.

She goes on to say:

> The purpose of Bill C-131 is twofold. First, it proposes to limit indexation of the basic Old Age Security pension, known as OAS, to a maximum of 6 per cent in 1983 and 5 per cent the year after.

Finally, she said:

> We are asking 1.1 million old age pensioners to help lead the way in the fight against inflation.
>
> I have to stress that it is not without reluctance that we make this request. We do so with the knowledge that these pensioners who are relatively better off, will be able to adjust accordingly.

In light of the Member's earlier remarks, and the fact that she was a member of the Government at the time that the Minister made these statements, how can she now reconcile these remarks with the ones she made today?

Miss Nicholson (Trinity): Mr. Speaker, I am pleased to answer that question because I know the Member asked it in good faith and it is a question that should be asked. The situation at the time of the six and five program was very different than the present one in that inflation was at 12 per cent. This program was put into place reluctantly, as Monique Bégin said. Capping was put in place for two years only and with the aim of bringing inflation down. It did indeed bring inflation down in that very year.

If my figures are correct, in those two years the average senior citizens lost about $2 a month. That program was also time limited. The program which has now been put in place is cumulative and will cause single pensioners to lose $1,500 over five years. There is no foreseeable end to the program. It is true that the Government has said that it will monitor the situation and may make changes, but we have not been given a definite termination date. Therefore, the two programs are quite different.

Mr. Crosby: Mr. Speaker, I have a question and a comment for the Member for Trinity (Miss Nicholson). I listened with interest to her presentation. I understand why she is concerned about the senior citizens of Canada. We are all concerned with the welfare of our senior citizens, but at the same time we recognize that compassion will not provide senior citizens with comfort. It will not pay their food bills or help them with their rent. In order to assist senior citizens and all citizens of Canada, we must have sound financial policy. It is that sound financial policy that we want to present to the House of Commons and implement across Canada in order to help our senior citizens and all citizens as time goes on.

My question is in relation to a particular program of the Liberal Government of which she was a member. She sat in

this very Chamber on the Government side of the House and listened while her Minister of Finance, Mr. Marc Lalonde, introduced the research tax credit program. An editorial in *The Toronto Star* today says that the measure with respect to the modification of indexing of old age assistance will save the Government $1.6 billion by 1990. However, an article in *The Gazette* of Montreal refers to the research tax credit program which will cost the taxpayers of Canada $1.9 billion to $2.3 billion. Two billion dollars have gone down the financial drain in scams and fraud. One Ed Fitch, who is 29 years old, gained $20 million. Frank Hertel gained $13 million through the tax scam introduced by the Liberal Government.

It is that kind of financial mismanagement which has put the Progressive Conservative Government in a position where it must consider difficult measures in order to restore financial responsibility to the country. Would the Member for Trinity tell the House where she was when her Government introduced the research tax credit program which cost this country $2.3 billion?

Miss Nicholson (Trinity): Mr. Speaker, I hope you are going to allow me time to reply to this very long question. I supported the research tax credit at the time but, in retrospect, I can see that it has been terribly abused. It was abused because it was a tax measure which was demand driven. It took on a momentum of its own and there were not sufficient safeguards in it. For precisely the same reasons I oppose the proposed capital gains tax change.

• (1600)

I support easing capital gains tax requirements for family farms, small business and Canadian business where there is a clear requirement and expectation that Canadians will benefit. However, the Government has introduced a plan that is wide open and just as likely to be abused as the program of which the Hon. Member spoke.

The Hon. Member spoke of responsible financial policies. I believe there will be a difference between his position and mine. Whatever recovery we have had in the country in the last year has been largely consumer led. The Government is proposing to take purchasing power away from low and middle income Canadians, the people least likely to start an inflationary spiral, who spend their money on necessities. In fact, some of the measures in the Budget may drive the deficit higher than what we have seen.

Ms. Mitchell: Mr. Speaker, does the Hon. Member favour a top-up of the GIS rather than reindexation because this appears to have been the philosophy of the Liberal Party in the past? I would be concerned about that because it erodes universality, just as the six and five program did. It means pensions will go up. For example, those who are 50 years old will lose about a third of their purchasing power when they are of pensionable age.

Miss Nicholson (Trinity): In the present situation I do not believe that topping up the GIS is an acceptable solution because that does not touch the basic question of the security of the Old Age Security pension.

The Acting Speaker (Mr. Charest): Resuming debate.

[*Translation*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I welcome this opportunity with enthusiasm, though tempered by a somber sense of duty, to rise in the House today to speak in support of the motion by the Official Opposition. Every Member of this House will recall that before the Budget was brought down, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) used the following terms to qualify the Budget: Tough, but fair. Well, I think Canadians would do better to remember what the Minister of Justice (Mr. Crosbie) said before the election, and I will quote him in English since I find his French difficult to master:

[*English*]

"If I told you what we were going to do, you wouldn't elect us", and "We are going to do things that are tough, mean and nasty".

[*Translation*]

So to describe the Budget we are discussing in the House today, the words used by the Minister of Justice are obviously more appropriate than those of the Prime Minister and the Minister of Finance.

The Progressive Conservative Budget brought down on May 23 is not fair to our families, our children and especially not to our parents. The injustice of this Budget is best illustrated by the de-indexation of the Old Age Security program. As a result of this proposal, in 1986, the elderly in Canada will each lose $100, while by 1991, the amount lost will have risen to $680 annually, adding up to a cumulative total of $6.6 billion withdrawn from the Old Age Security program in five years.

The impact will be most severe on elderly women, the most vulnerable group in our society, since 60 per cent are either single, widowed, separated or divorced and already living below the poverty line. Furthermore, de-indexing Old Age Security pensions constitutes a direct attack on Canadian women, on our mothers and grandmothers. De-indexation will perpetuate the inequality of Canadian women in the most regressive way possible by making those already in need even poorer. About 800,000 Canadians over 65 are so poor they are receiving at least part of the income supplement. More than 60 per cent of Canada's elderly women living alone are below the poverty line. In 1991, the Government will have taken a total of $4.2 billion from our mothers and grandmothers.

As a result of de-indexation, a term innocent enough in itself but cruel in its impact, the consequences of the Budget will be worse than expected. It is a term that the Prime Minister (Mr. Mulroney) never used in speaking to Canadian men and women during the election campaign. In fact, during the campaign, the Prime Minister gave the solemn undertaking that "the Progressive Conservative Government would rein-

state indexation of Old Age Security pensions to the real cost of living on a quarterly basis". He did not keep his promise. As a result, Old Age Security benefits will be de-indexed in such a way that they will no longer be fully protected against inflation. Benefits will not be adjusted to absorb the impact of the first 3 per cent of inflation. That is what the Prime Minister calls a Budget that is "tough but fair". It is tough, but it certainly is not fair. Tough for whom? Fair to whom? We may well ask.

No Government measure has as much impact on the lives of Canadian men and women as a Budget. Nothing better illustrates a Government's sense of equity and the extent of wealth distribution within our society. A Budget is the best example of the kind of society a Government is trying to achieve; it shows the program the Government has in mind and where the tax revenues will come from. A Budget also reveals the soul of a Government. This Budget tells us that the Conservatives have no soul. It is a hard and unfair Budget, and ordinary Canadians alone will bear the brunt of it.

When dealing with ordinary Canadians, the Government can only take something away from them. However, when it deals with major companies, it takes a little with one hand and gives a lot more with the other hand. By 1990-91, the Government will have levied the equivalent of $4.1 billion in additional taxes on personal incomes and $2.6 billion in consumer taxes, while over the same time the corporate tax load will have decreased by $2.2 billion. The Government therefore takes drastic measures against ordinary people and makes ever more generous concessions to the corporate sector. The saddest part of the story is that the Budget penalizes the most vulnerable people in our society—the unemployed, the poor families, native people, women, youths, farmers and the elderly. At the same time, rich and well-to-do Canadians as well as big companies get more than before. This is how the Conservative Party sees fairness: less for the needy and more for the rich. And if I may quote from the Holy Bible in English, since that is how I learned it:

[*English*]

"Taking from those that have not, to give to those that have. From those that have not will be taken that which they have."

[*Translation*]

The Conservative Government was given a mandate to create jobs and implement a fair tax system. Yet it gave Canada's men and women a Budget which says nothing about jobs and makes unfairness even worse. Nothing better illustrates such inequity than the despicable way the Conservatives are treating retired Canadians. Every elderly person will be affected by the Budget. As a result of deindexation, old age security pensions will go down 3 per cent every year.

• (1610)

Deindexation will have a devastating impact on the standard of living of all elderly Canadians, men and women alike, and that includes our parents and grandparents. The annual decrease in the amount of every old age security cheque—and these figures bear repeating—the reduction in the amount of the cheque of every retired Canadian will be $100 next year, $205 in 1987, $315 in 1988, $431 in 1989, $553 in 1990, and $680 in 1991. That year the Progressive Conservative Government will be able to save $2 billion at the expense of senior citizens.

The Government is taking money out of an already hard pressed pension system, a system which prevents elderly men and women from living their last years in dignity. The Government is reaching into the pockets of old Canadians, yet roughly 1.8 million of them live below the poverty line as it is. Thus the Government is forcing the poorest of our senior citizens to make do with even less.

Another consequence of pension deindexation is that the income of elderly Canadian men and women will be eaten away by inflation. Deindexation means that senior citizens can no longer look forward to a decent retirement income. It is a contemptible attack against the youths of the depression years, against those people who grew up through the economic crisis, who became adults during the war and who did so much for our economic welfare. Better still, it is to them that we owe the type of affluent society in which we live today. How can anyone deny them the right to retire in dignity?

Elderly people have done more than their share. The Right Hon. the Prime Minister maintains that the Budget rewards those who get up half an hour earlier. It is a bad joke. It is a mean joke for those who worked very hard throughout life.

The Right Hon. the Prime Minister has a rather peculiar notion of equity. As he had promised during the election campaign, he does give more to the big oil companies, but he forgot all about his commitments to the elderly. Last summer the Right Hon. the Prime Minister promised that full pension indexation would be restored as of January 1, 1985. It is a glaring injustice on the part of the Right Hon. the Prime Minister towards the elderly.

For the Conservatives, there is one kind of justice for the privileged classes, for the rich, for the big corporations and another kind of justice for the elderly. The Minister of Finance (Mr. Wilson) was worried about the lack of rich people in Canada. When he makes that kind of statement, I wish the Minister would reflect on what he is doing to the elderly in this country and I wish he would realize what their situation is.

While the Government is hacking away at Old Age Security pensions, it gives away $2.4 billion to the oil multinationals. It gives $600 million to the rich in a form of a capital gains tax exemption. It gives $235 million to those who are well off by increasing and fully indexing the ceiling on RRSP contributions. It gives $2.2 billion more to corporations by reducing corporate taxes. After eight months in power, the Government has found dozens of new ways to tax the average taxpayer, but it has failed to introduce a minimum income tax for the rich.

Average taxpayers could be paying less income tax and the rich could be paying their fair share, if just two changes were made in the tax system: first, by introducing a minimum income tax of 20 per cent for the rich who are paying little or no income tax, and second, by setting marginal income tax rates for the rich at the pre-1982 level. These two changes in the tax system would bring in $2.1 billion, and thus make more than ten income tax and tax increases for low-income Canadians unnecessary.

Their incomes would not have been diminished as a result of de-indexing of Old Age Security pensions, family allowance payments and the personal tax exemption; the elimination of RHOSPs and de-indexing of tax tables; and increased taxes on consumer goods.

Canadian men and women wanted a fair Budget, a Budget that would create jobs. In spite of a widely publicized consultation process, the Government has failed to consider the concerns and priorities of ordinary people. It has listened only to the voices of wealth and power.

We in the New Democratic Party intend to ensure the Government hears the voice of ordinary people. Our Party has constantly defended the right of Canadian men and women to be able to retire with dignity. We are committed to this cause. The Prime Minister and Progressive Conservative Members have broken their word, and over the next few weeks, the New Democratic Party intends to pursue its efforts to restore indexation of Old Age Security pensions.

[*English*]

Ms. Mitchell: Mr. Speaker, I am sorry that my French is not as fluent as that of the Hon. Member for Kenora-Rainy River (Mr. Parry). Does the Hon. Member feel that in addition to the deindexing of old age pensions, the reduction of indexing of family allowance is almost as bad and that this really reflects the Conservative Government policy of eroding universality as a general policy?

[*Translation*]

Mr. Parry: Mr. Speaker, I want to thank the Hon. Member for her question. During the pre-Budget conferences held as part of the so-called consultation process, we of the New Democratic Party suggested to the Government a number of options in connection with family allowance and tax exemptions for families, which we feel would have made for a fairer tax system for Canadian families. Now it seems the Progressive Conservatives have decided to ignore that option in favour of one that benefits only the rich, and now, as a result of changes in the family allowance program, Canadians with a gross income over $18,000—I think that is the correct figure—will be paying more taxes.

[*English*]

Ms. Mitchell: I would be delighted to ask another question, Mr. Speaker.

Mr. Epp (Provencher): You are practised from Question Period.

Some Hon. Members: Oh, oh!

Ms. Mitchell: I am surprised the Minister is not asking questions.

A mutual colleague of ours, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) in Vancouver recently raised the whole question of the impact of the reduction of indexation on pensions as it would impact on people who are age 50 now. I know the Hon. Member was speaking as an accountant so perhaps he could confirm some of the figures. Apparently the impact on a 50 year old person today in the year 2000 will mean a lifetime loss in purchasing power equal to $36,000 in 1985 dollars if that person lived to be age 85.

Another figure we have heard is that one-third of the earning power of a 50 year old when he or she gets to pensionable age would be lost. It appears the big losers are those who have not yet retired because of the cumulative effect of this measure.

[*Translation*]

Mr. Parry: Mr. Speaker, I would like to comment that de-indexation of pensions will result in a permanent net loss for Canadians who retire in the year 2000 or after. This means that if de-indexation is maintained ad infinitum, the longer a person lives, the more that person stands to lose as a result of these measures.

What we are asking the Government is for a policy that would end de-indexation at some point, because it is clear that if we go on indefinitely with pensions indexed at 3 per cent below the general level of inflation, we will reach a point where pensions will be worth half what they are today. I would like to quote some figures that go back in history; instead of being projections for the future. In 1967, the Old Age Security pension was set at 20 per cent of the average salary, while today, in 1985, as a result of the austerity measures of the previous Government, which prevented pension increases from keeping pace with general salary increases, this percentage has already slipped back to 15 per cent of the average salary. According to our calculations, by 1991, the Old Age Security pension will be down to about 13 per cent of the average wage, the tragic result of de-indexation.

• (1620)

[*English*]

Mr. de Jong: Mr. Speaker, I should like to ask my colleague a question relating to reducing the deficit and job creation. We have heard, certainly in the last week, government Members justifying the deindexing of the Old Age Security and the saving of some $1.5 billion by 1990, while having given the oil companies some $2 billion by that time in extra tax relief.

Miss Carney: Wrong, wrong.

Mr. de Jong: Very often it is justified by saying that the oil companies will create more jobs. Would the Hon. Member comment on whether $2 billion given to the oil companies or $2 billion given to old age pensioners would create more jobs?

Miss Carney: Mr. Speaker, I rise on a point of order. The Hon. Member is deliberately misleading the House or giving the impression of—

Some Hon. Members: Withdraw.

Miss Carney: The Hon. Member is presenting erroneous information. Mr. Speaker, would you care to ask him to address the matter under debate?

The Acting Speaker (Mr. Charest): Order, please. The Hon. Minister knows that that happens to be a question of debate, not a point of order.

Miss Carney: He is not on the subject.

Mr. Marchi: Mr. Speaker, the Minister has certainly made an unparliamentary statement. I would ask you for a retraction by the Hon. Minister.

The Acting Speaker (Mr. Charest): It is my understanding that the Hon. Minister said that the Hon. Member was deliberately misleading the House, and that language is unparliamentary. If that is the case, I am forced to request that the Minister retract the word.

Miss Carney: Mr. Speaker, I would be delighted to withdraw that word at your direction, and I would like to restate the case, that the Hon. Member is so ignorant and so belligerent and so malicious that he would attempt to criticize something which has brought unity to this country.

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

Mr. de Jong: Mr. Speaker, obviously the Minister of Energy, Mines and Resources (Miss Carney) has been eating nails or raw hamburger. She is certainly not in a very fine mood. Not to distract from the question which I am essentially—

Miss Carney: Mr. Speaker, I rise on a point of order. I direct Your Honour's attention to the fact that the Hon. Member is making value judgments about my feelings and what I eat, which is not appropriate to the conduct of this House.

The Acting Speaker (Mr. Charest): Again that is not a point of order; it is a question of debate.

Mr. de Jong: Far be it from me to speculate or comment on the feelings or moods of the Hon. Minister.

Miss Carney: Sexist, sexist.

Mr. de Jong: Mr. Speaker, I must say that the Minister flabbergasts me. The point I wanted to make or the question I wanted to ask of my colleague, if government Members will allow me to do so, concerns job creation. Would $2 billion of extra revenues to the oil companies create more jobs than $2 billion being given to old age pensioners who would be out there spending every nickel of it at the corner grocery store, perhaps on chesterfields or whatever? Very often, in the case of oil companies, very much of that $2 billion would be invested in other places.

Mr. Parry: Mr. Speaker, I thank my hon. colleague for leaving me so much latitude with my answer. This leads me to the subject of consumer behaviour, which is one of my favourites. Frankly, the case is exactly as he stated it. If I could restate it, without being ignorant, belligerent or malicious, everyone who has studied economics knows that putting money into the hands of pensioners ensures that it will very rapidly go into the consumer economy and indeed into that sector of the consumer economy which has the highest potential for job creation and job maintenance, namely, the purchase of the daily necessities of life. On the other hand, the oil companies—and here we talk about some organizations which can be belligerent and malicious—will be using the money to spruce up their balance sheets, as the Minister should very well know.

The Acting Speaker (Mr. Charest): The period for questions and comments is now over.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the motion before the House for debate today, in the name of the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), reads as follows:

> That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

Let me begin by saying that I think all Members of the House, and Canadians generally, accept that position as a desirable goal. However, we have to take a look at the situation. As we examine this question, it is important to keep a number of facts in mind. While this is a desirable goal, when opposition Members are forced to put these matters before the House in the form of motions, they use correct words, but when they ask questions in Question Period, as did the Hon. Member for Vancouver East (Ms. Mitchell) again today, they use phrases which, while hoping to get some short-term political gain, do nothing for the debate. Twice today she used the term "deindexing". She knows and I know that that is not correct.

Ms. Mitchell: Partial.

Mr. Epp (Provencher): She just now said "partial" indexing or deindexing, depending upon one's point of view. That is correct. I am pleased she admits that and has come around to that position.

We hear members of the New Democratic Party, day after day, saying that the position of the Government relative to the Budget is wrong. From their socialist position, I guess they are right. I happen to disagree with their position. I happen to disagree with them when they say that if we keep raising the deficit, we will have more employment.

Mr. Riis: Get to Saskatchewan.

Mr. Epp (Provencher): I will get to Saskatchewan.

Mr. de Jong: Collect the money somewhere else.

Mr. Epp (Provencher): Mr. Speaker, it is very interesting that when they speak, they want to be listened to. They are very capable of handing it out, but they do not like taking it. If deficit financing is such a successful policy, and if it creates the numbers of jobs as they keep insisting in the House, why is it that in 1968 our accumulated deficit was some $18 billion and our unemployment rate was substantially below what it is now, and today our annual deficit runs in the order of $35 billion and we have 1.4 million people unemployed? In fact, our annual deficit is double the deficit which we accumulated in our first 100 years of history, and our accumulated deficit is now some $190 billion.

• (1630)

Those are issues that they do not address or want to address. They like to live in that world of theirs in which they feel that somehow you should spend more money, even if you do not have it. They have even given advice to go to New York to get more money and give more interest to those who buy the Treasury bills. I say to them they like to have it both ways, but they do not like to look at the responsibility of their suggestions.

I will be even more specific than that, because they say that they are the most conscious of the needs of Canadians. Let me give them a very specific example. The best example I can give is the Manitoba NDP Government. Let us take a look at its record. What did it do? Now I have their attention. What happened when the $25 increase was added to the Guaranteed Income Supplement for those retired Canadians who have the lowest income? What was the Manitoba NDP Government's response?

Mr. Riis: Probably the same as B.C.

Mr. Epp (Provencher): Mr. Speaker, that is an interesting comment that the Hon. Member for Kamloops-Shuswap (Mr. Riis) just made. He said probably the same as the B.C. Government. How many times have we heard them in this House condemn the British Columbia Government as the most hard-hearted Government on the face on the earth? Now he identifies with it and says that the Manitoba NDP Government would do the same thing.

Ms. Mitchell: Mr. Speaker, I rise on a point of order. I wonder, Mr. Speaker, if you would remind the Minister that he now is a Minister of Government and we would like to hear, and pensioners would like to hear, the justification for the program that is so hard on seniors. He is not really in Opposition. If he wants to take his time as an opposition Member—

An Hon. Member: He is a statesman.

Ms. Mitchell: Fine, but I thought he was a Minister. Let us hear something that is going to define government policy.

Mr. Epp (Provencher): Mr. Speaker, they do not want to be reminded of their actions. They just want to make their point for political reasons—

Mr. Riis: Do not make a political speech, make your point.

Mr. Epp (Provencher): I am going to make the point. No matter how much harassment, I am going to make the point.

Mr. Marchi: Mr. Speaker, I hate to interrupt the Hon. Minister on his debate, but I would simply like to appeal to the House and to the Chair that perhaps he can address himself to the motion rather than NDP—

The Acting Speaker (Mr. Charest): Order, please. The Hon. Minister of National Health and Welfare (Mr. Epp).

Mr. Epp (Provencher): Mr. Speaker, I do not want to disappoint the Liberal Member. I will get to him, too. I say to the Hon. Member for Kamloops-Shuswap what happened in Manitoba was that of the $25 increase, the Manitoba Government, looking at its situation and its financial reality, reduced the amount of money to those very Manitobans who were getting a shelter allowance by $8. When asked the reason why, the argument was not that they wanted to do it or that they preferred to do it but that they had to because of the deficit situation that they were in. The point I make to him is whether it is an NPD Government, a Liberal Government or a Conservative Government—

Mr. Riis: You said we do not care about the deficit. Now you are saying we do. You cannot have it both ways.

Mr. Epp (Provencher): I am saying to you very clearly that you in the federal NDP Party put those points forward, but when you have to take Government, as in Manitoba, then suddenly the shoe starts pinching a bit because the proposals that are made in this House by the NDP are not in the same manner or the same reality that that Government has to deal with.

Let me give another example. Take a look at the percentage of increase that has been given to Manitoba hospitals and to Manitoba post-secondary educational institutions under the present situation.

Ms. Mitchell: Are we in the Manitoba legislature or are we in the federal House?

Mr. Epp (Provencher): The only point I am making, and I hope he understands it, is this: regardless of what he wants to say in this House or regardless of the motions he puts forward, Governments, whether at the provincial level or the federal level, all recognize that one cannot continue deficit financing without it starting to have an effect on the very programs we want to maintain. That is the point I am making to him and, being a responsible Member and the finance critic of the NDP, I think he recognizes that. He might not want to say it for

political reasons, and I can appreciate that, but I say to him that when Governments look at the financial situation that they find themselves in, either provincially or federally, those are the conditions that have to be applied.

The Liberals like to put forward the notion that they have nothing to do with the legacy, it is not theirs, they are not responsible. Today, for example, they say, do not change the pension conditions. If you take a look at just the revelations of today, you will not hear them say anything about the fact that they lost on behalf of the Canadian taxpayers more money through scams on the research tax credit than the total amount that is identified for five years on the pension plan.

Some Hon. Members: Shame, shame.

Mr. Epp (Provencher): If that is the case, Mr. Speaker, I point out to them that it is those kinds of losses, that kind of profligate spending that has not put this Government into the situation it finds itself, but has put Canadians into that situation. That is the point of departure, I would suggest, that all of us have to take a look at.

I am saying to the Hon. Members in the House today that what the Prime Minister (Mr. Mulroney) said yesterday—the reasons and the assurances that he gave that we would be monitoring the impact carefully and we would take remedial action as circumstances warrant it and as resources permit it—that commitment which the Prime Minister gave yesterday stands.

It is clear that the proposal that is the subject of the debate today was not introduced because of some ideological zeal to cut spending for its own sake but a trend in the public finances of Canada which would, if not arrested, have led us in a relatively short period of time to a point where today's hard choices would have been replaced by even harder necessities.

Just 10 years ago, only 11 cents of every dollar that the federal Government spent went to pay interest charges on the debt, and 50 cents of every dollar spent by the federal Government went to programs in the social policy envelope. In the fiscal year just ended, 22 cents of every dollar of spending went to pay interest, double the amount of just 10 years ago, and just 43 cents of every dollar was available for programs in the social envelope. Those were budgetary realities, spending realities of the former Government. I am sure when they looked at those statistics, they also took no comfort in the fact that the amount of money available for social programs had declined over the last 10 years and the reason it had declined was not because the government expenditures had declined but rather because there was less money left from government expenditures because of the ever growing cost of maintaining the debt.

• (1640)

In fact, we spent more last year to pay the interest on the Canadian debt than we spent on old age pensions, the Guaranteed Income Supplement, family allowances and cash transfers to the provinces for health and post-secondary education combined. I cannot put that any other way. That is the situation. As well, I cannot put it any better than did the former Minister of National Health and Welfare, whom I knew well and who said in a speech made to this House that the ever-increasing debt is wasted money from a social policy point of view. That is the issue. That money does not come back and is not available for pensions or health care after it goes to pay the debt. It is the only factor in the expenditures of the Government of Canada on behalf of its taxpayers that is self-driven and over which we have no choice and no determining power. One could argue that agreements between the provinces under Established Programs Financing, once passed in legislative form, have the same conditions attached to them, but at least that is a portion of our expenditure which we can negotiate.

I trust that I do not need to emphasize for Hon. Members of the House where the trend was leading us. As a larger and larger share of tax dollars would be consumed to pay interest on the debt, there would be less and less money available to spend on pensions, health and our other important social programs. That is the same dilemma that would face a family that was paying out a larger and larger share of its income on charge-card interest charges. Soon such a family would have to cut back on basic items to regain control of its finances. Borrowing more to maintain its current spending on such items would simply hasten the day when absolute essentials would have to be sacrificed to keep afloat financially.

In taking measures now to prevent us from reaching a point where even more difficult measures would become imperative, we have not spared other groups of society. High-income earners will pay a surtax this year and next. A tax on bank capital and a corporate surtax have been introduced. Those who have used various exemptions and deductions in the past to avoid paying taxes on relatively high incomes will be required to pay a minimum tax in 1986. All taxpayers will be affected by the move from full to partial indexation in the income tax system. There are expenditure reductions in many other government programs and the size of the Public Service will also be affected. However, when all these steps have been taken, they will still not add up to enough of a deficit reduction in the years ahead to ensure that we regain control of our public finances. We also had to look for savings in the programs which are the subject of today's debate.

I would think that regardless of one's partisan stripe, one could only get the finances of Canada into a position where the deficit does not become an ever-increasing burden through cost reduction, efficiencies, and the creation of new wealth. That is the three pronged approach being taken by the Government. Therefore, we said in the Budget regarding this specific item about which Members have asked that we will monitor the situation. That was in the Budget papers, as was known from the moment the Budget was announced. We hope and have reason to believe that the economy is beginning to perform better. As this happens, we will look at the economy and the matter will be monitored. Again, I would refer to what the Prime Minister said in the House yesterday.

Let me say that while there can be legitimate controversy here and elsewhere over whether or not we should have pursued other deficit reduction measures in the form of tax increases or stronger reductions in other programs, I think any person who honestly looks at the situation will have to admit that other options would not achieve the turnaround for which all of us are looking.

What gives us the greatest encouragement is that investor confidence is up in Canada. We have seen somewhat of a reduction in interest rates. We have seen a dramatic increase in the number of Canadians who are employed. We have not heard opposition Members say anything positive about that. If they have, I am willing to retract those words, but I do not recall hearing anything of the sort. In fact, if opposition Members were to look at the figures, they might argue that the jobs created are short-term ones. They might even concede that there are more people working, but only in the short term. I was looking for that concession, but we did not even receive that.

If opposition Members were to look at the figures more closely, they would find that not only are more Canadians working, but that those who were unemployed for the long term, many of whom were women, have found work. However, that has not been lauded. I am not asking opposition Members to laud the Government. I am saying to them that if they want to use their criticism, let them do so, but they said the very same thing after the November 8 economic statement. Opposition Members have a different philosophy. Their philosophy is that wealth is created by taking it from those who earn it and allowing Government to filter it through its fingers. They feel that somehow that creates more wealth. They were wrong then and they are wrong now.

In 1982, opposition Members said that there was a legitimate national goal and the legitimate national goal was to reduce inflation. They said that inflation was eating away at the incomes and purshasing power of Canadians. No greater emphasis was placed on any group than on Canada's senior citizens. That was a correct evaluation of the system and opposition Members then took action. However, if that was a legitimate national goal at that time, surely reducing the cost of the debt and its effect on programs and people is worthy of being the national goal of the Government and the people of Canada today. Opposition Members might not like that, but that is the reality and that is the truth.

Opposition Members have asked me to give examples of groups and individuals that approve of the Budget. I have received such letters from senior citizens but—

Mr. Marchi: Name them.

Mr. Epp (Provencher): I am not going to name them and I will tell you why.

Mr. Marchi: Why?

Mr. Epp (Provencher): I am not going to put those letters on the public record—

Mr. Marchi: Why not?

Mr. Epp (Provencher): Let me answer. Give me that respect and I will do the same for you.

Mr. Marchi: I am always giving you respect.

Mr. Epp (Provencher): I will not put a letter on the Table indicating that these senior citizens support me. No, I am responsible, I am the Minister and I am going to take both the acceptance and criticism of the program. That is my responsibility and I am going to do it just that way.

We can argue about how best to deal with the situation, but let us first recognize that if the situation is not addressed today, people who are now 60 years of age and will retire five years from now will have to look at pensions that have been eroded. People who are now 55 years of age who will retire in 10 years will face an even further erosion of their pensions. That is the reality and those—

Mr. Marchi: How about those who are 65 today?

Mr. Epp (Provencher): If the Hon. Member were to go back to the very statements made by myself, the Prime Minister and the Minister of Finance (Mr. Wilson) in the Budget, he will find that it is for those who are 65 now that we will monitor the situation and adjust it as needed.

● (1650)

Mr. Marchi: I heard with some interest, Mr. Speaker, the Hon. Minister and it seemed to me that he certainly could have passed for a Minister of Finance. I think we should remind the Minister that he is the Minister of National Health and Welfare and that as part of his responsibility he must be an advocate, speaker and vehicle for those seniors. However, I heard him simply talking in numbers and facts about those things which had to do with the economy of this country. Notwithstanding the fact that that is very important, surely to goodness he could have rose in his place and talked a little more passionately about his constituents and his clientele.

He made a number of comments. If we accept those comments at face value—which I certainly do not, but let us assume they are true—all those factors and figures he espoused for the last 15 or 20 minutes were certainly well known to him, to his leader and to his Party last summer. Given the fact that those figures and facts were known—if we accept them at face value—then why were they prepared at that time to go from one coast to another and tell the senior citizens they would not touch the indexation of their pensions?

They said, "Elect us, and that will be a sacred trust". If that was said, how can the Minister stand in his place today and justify the Minister of Finance (Mr. Wilson) or the Minister of Energy, Mines and Resources (Miss Carney) giving multimillions of dollars away to the multinationals? Why is he doing their dirty work? Why can he not stand up and talk to the senior citizens and maintain the promise he made to them last summer?

As well, Mr. Speaker, the Minister talks about the Opposition being completely negative and solely criticizing without seeing some of the positive aspects. You can turn that coin as well, Mr. Speaker, and ask why the Minister continues to try to defend the indefensible. Why can those Hon. Members of the Government not stand up and admit to this country and to the senior citizens that what they did was wrong? They should stand up and say that, cut their losses and get on with the security which should be provided to the senior citizens.

I would like to draw to the attention of the Minister the promise which was made during the summer. All the financial statistics given by the Minister today, when he said there was no other way of manoeuvring, were there when he went across the country and gave the seniors his promise. Why is he prepared to renege on that promise? Why can he not stand up and be courageous, have some conviction for his own clientele, not for the Minister of Energy, Mines and Resources or the Minister of Finance? He is the advocate for the senior citizens.

Mr. Epp (Provencher): Mr. Speaker, I will try to explain to the Hon. Member again what the effects are on senior citizens. The Hon. Member conceded that what I have been dealing with is facts. That is what I have been dealing with, facts. I have also said that I will, and am, speaking for seniors. I hope he understands the point that we did not know, and he did not know—he was not in the House and he cannot be held responsible for it—about for instance, the kinds of scams which were costing us $2 billion plus as Canadians.

Mr. Marchi: Come on.

Mr. Epp (Provencher): Just a moment. The Hon. Member did not know. If he takes a look at the last Budget of the previous Government, he will see that the trend line was down on the deficit. Not only for the one year was the deficit $5 billion more than projected, but the trend line was quite opposite to what had been announced. What had been announced was that the trend line on the deficit was going down, but in fact what had happened was—and it was not only for the one year in which we came to power—the deficit was approximately $5 billion higher than had been announced in the House.

The first point I make is that during the election it was not known. It was withheld by the previous Government. Second, if the trend line would have continued, not in the far distant future, a year or two, that deficit would be $40 billion on an annual basis. I appreciate that projections can be imprecise on either side of the issue. I accept that point made by the Hon. Member. However, if he would look at the projections for the five-year period for which most budgets are now projected, he will find that the projection by the end of that five-year period would be approaching $50 billion annualized deficit. I think the Hon. Member would admit generally that that trend line had to be reversed because it is the seniors who are getting the pensions, who are part of the social structure, and the expenditure in the social programs could not be maintained or sustained if that kind of debt were incurred or continued.

The Hon. Member also stated that money was given to the multinationals. That is another quick throwaway line which is used so easily. What happened with the National Energy Program? That is part of the recession and part of the problem of the deficit. We saw in western Canada young people who, as Canadians from various parts of Canada, had come to the West to work. We saw them on the Trans-Canada Highway going through my riding. They were going back unemployed. Instead of being able to create wealth and develop the future of the country, these young people had to rely on unemployment benefits through no fault of their own.

If the Hon. Member does not like that example of the wealth those Canadians could have created so that we could maintain social programs, I will give him another example. I have heard from time to time Hon. Members of the Opposition saying, "It's a deal for western Canada". I'm not sure the Hon. Member realizes, but for every dollar invested in the oil and exploration industry in western Canada—and I am speaking as a Manitoban and, in my part of the province we do not have oil exploration—over 40 cents is spent in industrial Canada.

The point I make to the Hon. Member is simply that I want better pensions for old age pensioners. That is why we came in with the widow's pension and why we are coming in with the widower's pension. That is why we came in with a disability pension. That is why I would like to see full indexing restored when the economy improves. That is why I would like to see the spousal allowance extended as the economy expands. That is my goal. That is why I work for seniors. That is why I work for others in the social programs. That is my intention and that is what I am going to work for. That is what my colleagues are working for.

Mr. Nunziata: He is making a speech.

Mr. Epp (Provencher): I believe I have the right, Mr. Speaker, to respond, unless the Hon. Member thinks I do not. I believe the Hon. Member asked the question with all sincerity, but what I am saying to him is let us protect not only the present, let us protect the future, and the best way we can do it is just this way.

I could give the Hon. Member the example of the Scandinavian countries. Many people would put them forward as a model we should emulate. I point out to the Hon. Member that one must take a look at the tax rate and speak to people in the social programs, as I have done both in Sweden and in Denmark. I was told that they now have to re-examine and the reason they have to do so is because the deficit has now become such a load that they cannot maintain programs. They have to create new wealth. That is a reality. I cannot put it any other way.

I am saying to the Hon. Member that the best protection for seniors, or for any other Canadian, is to create wealth not only in order that the programs can be maintained, but that we can also create jobs and the wealth which comes from those jobs. That is for young people, for middle-aged people and for

everyone in the country. The people who should benefit first, as we have said, are the Canadian senior citizens.

The Acting Speaker (Mr. Charest): The Hon. Member for Regina West (Mr. de Jong). He has less than a minute left in the question and comment period.

Mr. de Jong: It is unfortunate that the Minister used the question and comment period for most of his speech. The point I would like to make is, first, the Minister went against the Liberals because they introduced the five and six program. At that time he also voted against six and five. He cannot have it both ways. Canada, on a per capita basis, is the second lowest spender on social programs among OECD countries. To say the reason we have this huge deficit is because we are giving too much money to our old folks in social programs, I think, is unbelievable. The Minister talks about the deficit. Indeed, that is a very important point. He makes reference to the R and D tax credit being a scam. I stood in my place in this House and asked the Minister of Finance (Mr. Wilson) and the Minister of National Revenue (Mr. Beatty) about that scam.

● (1700)

The Acting Speaker (Mr. Charest): Order, please. The period for questions and comments is now over.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we have put forward today a motion which is couched in very reasonable terms. We have done so in order to elicit a sense of co-operation and understanding across the floor, and also to give courage to the Minister of National Health and Welfare (Mr. Epp) in his deliberations. Instead we have heard in a speech by the Minister a Minister of Finance speaking to us. I wonder whether there is something wrong with a Minister of Finance who needs the help of the Minister of National Health and Welfare, or whether there is something wrong with a Minister of National Health and Welfare who has to project his speech in defence of a mandate which was not given to him in the first place. Something is wrong when a Government begins to operate in that fashion. This is particularly so at a time when senior citizens across the country are sending in petitions to Ottawa from ridings everywhere. Outrage is spreading across the country, and it is legitimate that we should ask ourselves, regardless of the Party we belong to, why this is happening. Evidently one group of citizens has been asked to make a sacrifice while another has not. I will explain.

The Government is asking pensioners to accept an erosion in their purchasing power of 3 per cent per year beginning in 1986. This quickly turns out to be approximately $120 in the first year, and that amount will grow in subsequent years. It did not take a long time for people to see through what this portion of the Budget meant to them as pensioners. People affected by this are therefore up in arms. They have discovered that they were deceived by the Progressive Conservative Party. They were deceived in the last election because of the promises made and they were deceived when, last December, as a result of an uproar on this side of the House, the concept of universality was retained or salvaged which, in itself, meant retaining also the purchasing power and indexing of people's pensions. When people discover they have been deceived, they get angry. That is normal and natural and it happens to each one of us. This is why the petitions are coming in and will continue to come in between now and the end of the month. They will continue to pour in over the summer if we sit over the summer. The phone calls are coming in by the dozens because evidently people are angry.

What is the Government doing in this situation? Well, the Government is on the run, the Prime Minister (Mr. Mulroney) is retreating. He is now talking of a proposal. It is no longer a Budget measure or decision. All of a sudden we hear the unthinkable, that it is now a proposal. The Government is saying that it is changing its mind and the Tory back-benchers, and I do not blame them at all, are on their knees. They are pushing for change because they do not want to go back to their ridings and face the music. They know they are going to face the music and they would like to go home with an ease in their mind and their political consciences. This is why the motion we put on the Order Paper today is an attempt to somehow be helpful to them. It is an opportunity to say look let us get together and resolve this nonsense.

Canadians have seen through the rhetoric of this Government. They have seen that the promises made in social policies as well are rapidly evaporating with the passage of time. We have seen the outstanding public relations that the Prime Minister was able to develop over the last few months vanish because he is now talking a language different from that of the Minister of Finance (Mr. Wilson). That Minister is still promoting his Budget. He is still pushing ahead with his measures, but he does not seem to have the support of his Prime Minister. There is some wavering taking place over there.

It would be interesting to know what went on in Cabinet this morning as we see where this Government is heading in light of these developments. The Minister of Finance said on Budget night that there shall be deindexation of the OAS; the Prime Minister is now saying there may be deindexation. In a few weeks the Prime Minister is likely to say that there shall be no deindexation at all. We will then ask him why he subjected the pensioners of Canada to the anxiety they have been living with these days. Why was it necessary to provoke such an uproar?

Why ask the grandparents, with a rhetoric which only the Prime Minister is capable of, to pay for alleged jobs created for their grandchildren by way of deindexation? Have you ever seen such distorted rhetoric in your life? It is as if this generation of pensioners has to finance the jobs of their grandchildren in the market-place now that they have reached retirement age. I sometimes wonder what is the logic process in the minds of this Government. Therefore, it is inevitable that one would conclude that the whole basis of this Budget is ill-conceived.

No one in his right mind would remove a tax on the oil companies and shift the burden, in a way, to the pensioners in order to make up for the lost revenue. Nobody in his right mind would go for the $500,000 capital gains concession, a

bonanza for speculators but a loss of tax revenues which the Prime Minister is asking Canadian pensioners to carry on their backs. I am asking you, Mr. Speaker: Does this make sense to you? It does not make sense to me. It does not make sense to a lot of people. If it did, we would not be getting all these inquiries and petitions that are pouring in every day.

• (1710)

The Minister of National Health and Welfare says that we are wrong, but that is political debate. In politics we start from the premise that our Party knows better than the other Party. This sin has been committed since politics was invented. However, is the Minister of National Health and Welfare saying that the Premiers of Prince Edward Island, Nova Scotia, and New Brunswick are wrong in condemning this measure? Is he saying that the Premier of Manitoba and the Quebec National Assembly are wrong on this matter? Is he saying that Ontario, with its lame duck Premier, is wrong to have disagreed with this measure? Is he saying that the Ontario Student Federation and the Business Council on National Issues are wrong? Can all of these people be wrong while he is right on this matter? Evidently, Mr. Speaker, a conceptual flaw allowed the Government to arrive at this decision.

The Tories thought that they could tell pensioners to accept a 3 per cent loss in purchasing power and that they would use the money saved to create jobs for Canadians. They thought that this kind of logic would stick because we have been told that in Question Period dozens of times. They also thought that the cancellation of some $920 million in tax revenues from oil companies would not be considered by pensioners. Pensioners are mature, well informed, intelligent people. They have perhaps more time to read than some of the Ministers in this Cabinet. They put two and two together fairly quickly and that is why they are reacting so energetically.

In the 1970s, Senator Croll said that the day would come when senior citizens would have to organize and exert pressure with the Government. At that time everyone smiled. Those words have turned out to be prophetic. He was right. That great man has done a lot for pensioners in this country.

It is important to build the pension system in our country rather than to weaken or appear to be dismantling it by saying that this is just a proposal. It is irresponsible to do that. If anything is done, it should be to make a proposal which strengthens the pension system and gives hope for the future rather than raise a spectre of erosion and losses to the most vulnerable sector of our population which does not have the opportunity of being employed.

The proposed measure would add 200,000 pensioners to those who live under the poverty line. Does that seem progressive to you? Is it fair to tell a pensioner, who is already living on Old Age Security, to turn to the GIS if he cannot make it with the deindexation? The vast majority of Canadians would not want the Government to take that direction.

Corporation taxes were decreased by $2 billion through the Budget. Individual taxes were increased by $4 billion. The Budget also introduced a personal capital gains exemption of $500,000. The general thrust of the Budget inevitably draws one to the conclusion that it is in the interest of the well-to-do in our society. Therefore, it is wrong, Mr. Speaker. That is why we are all up in arms and why this motion is before us today.

I submit that our motion offers an opportunity. It says:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

This motion urges the back-benchers of the Government Party to put our social security pension system back on the right track to protect pensioners from the vagaries of inflation by protecting their purchasing power. They must be ensured they will not lose ground to economic development over which they have no control.

In 25 minutes it will be necessary for us all to recognize that a mistake was made. This motion offers an opportunity for the redress of potential damage before the summer recess in order to allow our senior citizens to enjoy the summer in the full knowledge that their future is not threatened by this kind of "proposal". If this is only a proposal, the Government has heard enough from this side of the House, and from outside of the House, to reconsider its stand.

I call upon the Prime Minister, the Minister of National Health and Welfare, and the Minister of Finance to make this announcement before Parliament adjourns for the summer. They must read the mood of the country and understand the anxiety that is developing in the country. They must take the step that will be applauded by everyone in the country.

Mr. Gagnon: Mr. Speaker, I would like to make a comment on the remarks of the Member for Davenport (Mr. Caccia) and on those of some of the other Members of the two Opposition Parties. They continually refer to the so-called windfall profit to the so-called multinational oil companies. The two areas where they believe our Government is giving them money are; first, through oil deregulation and second, the termination of the Petroleum Gas Revenue Tax. As far as deregulation is concerned, the price of oil has been falling internationally and it seems that there is much less money, if any, in windfall profits.

• (1720)

When they talk about the termination of the Petroleum Gas Revenue Tax, they should also remember the $1.7 billion that the oil companies received last year from the Liberal's Petroleum Incentive Program. That program will be terminated, commencing March 28, 1986, while the Petroleum Gas Revenue Tax does not terminate until 1989.

Let me also remind Members opposite that as part of the Western Accord, the consumers of natural gas are saving $900 million a year which would have been tacked onto the price of natural gas. This is money coming from the pockets of the oil companies and going to consumers. I would ask them to remember all the facts.

Mr. Caccia: Mr. Speaker, all that I can say in reply to the Hon. Member is that judging from the length of his intervention in which he devoted himself only to one subject, he seems to be more interested in the petroleum industry than senior citizens.

The Acting Speaker (Mr. Charest): Questions or comments?

[*Translation*]

Mrs. Bertrand: Mr. Speaker, I have no intention whatsoever of trying to score political points in this debate. I sincerely believe that there is nothing meaner in a difficult situation than to try to make political hay out of the plight of the weakest and poorest in our society.

But I just cannot understand, and I even think it is indecent on the part of the Opposition to attempt to lecture us under these circumstances. I am thinking about some of them, not necessarily the lesser luminaries of that Party. Among others, I have in mind the former Minister of National Health and Welfare, Miss Bégin, who said this in December 1982: "The Government intends to amend these laws after carefully considering the situation and because it realizes that all Canadians must be prepared to make sacrifices to fight inflation and ensure our economic recovery". Nobody was even talking about creating jobs then. Miss Bégin went on to say: "Reduce the indexation of benefits to senior citizens who do not need the guaranteed income supplement. They were asked to make the same sacrifice as other Canadians." It was Miss Bégin who then expected that from the elderly.

She added: "Most Canadian men and women are now faced with a new economic reality. The only way to solve our problems is to take drastic measures to reduce inflation. Canadians in every walk of life have to adjust to that situation, however difficult it may be, so that they will not be up against harsher consequences in the future".

Here are the comments at this time of Mr. Johnston, today's finance critic: "The problem raised by the Budget deficit is serious and must not be overlooked. It could lead to a loss of confidence and jeopardize other necessary measures. That is why we must never miss an opportunity to reduce it". And then, further on: "We hope that when they debate these crucial problems in this time of serious crisis the Members of the House will demonstrate that they understand the significance and the general characteristic of this problem. This is not the time to make speeches to gain short-term political benefits even if some prospects—

The Acting Speaker (Mr. Charest): Order, please. I apologize for interrupting the Parliamentary Secretary, but I would simply remind her that we are still in the questions and comments period. I may have misled her when I gave her the floor, but we are still in the questions and comments period.

Mrs. Bertrand: Those were comments, Mr. Speaker.

The Acting Speaker (Mr. Charest): Perhaps I might remind Hon. Members that questions and comments are allowed during the questions and comments period but, as much as possible, comments ought to be reasonably short so that the person to whom they are directed might reply.

This remark is for the benefit of all Members of the House.

I will allow the Parliamentary Secretary to complete her comments.

Mrs. Bertrand: Well, I will conclude, Mr. Speaker. The then Opposition finance critic said: The national interest requires a national approach to this problem.

Mr. Caccia: Mr. Speaker, very briefly, I want to thank the Parliamentary Secretary and inform her that we are talking about the policy for 1985, not 1982. There really is a tremendous ideological and philosophical difference between her party's approach to controlling the deficit and mine. The Progressive Conservative Party seems to think, indeed it has high hopes of reducing the deficit through cutbacks and controlling the deficit at the expense of senior citizens. We believe that to reduce the deficit, we must develop and strengthen the economy, and as the Government's revenue increases we can gradually start reducing the deficit. That is the difference between the Progressive Conservatives and the Liberals, Mr. Speaker.

[*English*]

Mr. Hockin: Mr. Speaker, I have a short but strongly-felt question for the Hon. Member. Does the Hon. Member for Davenport (Mr. Caccia) believe that the effort of the Government to extend pensions to low-income widows and widowers between the age of 60 and 64; that tripling of the number of persons eligible to claim deductions for disability; that the pension reforms that were brought in through earlier vesting and portability and that more fair RRSP contributions will have significant impact immediately and in the future for the security of our senior Canadians?

Mr. Caccia: The Hon. Member for London West (Mr. Hockin) will remember that while we supported the concept, we wanted it expanded to include the single widows and widowers in that age group and we felt that the measure was not comprehensive enough. However, we on this side of the House have a rather long standing tradition and history of building up the social security system of this country.

We really have nothing to learn from the Progressive Conservative Party. If anything, we would urge the Progressive Conservative Party to stop fighting the deficit on the backs of the pensioners, as this measure does in its present form, but to build the system further, strengthen it and reduce the retirement age gradually from 65 to 60 to provide an even better future for our pensioners so that we can be proud of our social security because it is a measure and a mirror of the quality of our society.

Mr. Nunziata: Mr. Speaker, permit me to commend the Hon. Member for Davenport (Mr. Caccia) for caring about the senior citizens in his constituency and for expressing a sense of justice and fairness. I commend him because he is standing up for his constituents. That cannot be said for Hon. Members opposite who are refusing to stand up and speak for the many constituents in their ridings who are telling them that what the Government is doing is unfair.

It seems that what is at issue is the integrity, honesty and credibility of the Government and the Prime Minister (Mr. Mulroney) in particular. The Prime Minister and the Government promised senior citizens that they would ensure full indexation of their pensions. The senior citizens of the country were promised that any money saved as a result of a social benefit program being touched would not be used to reduce the deficit, but that is precisely what is being done by the Government.

The Acting Speaker (Mr. Charest): Order. The period for questions and comments has expired. Resuming debate.

• (1730)

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very pleased to be able to stand in support of this motion today. I certainly hope all Members in conscience will look at it individually from the point of view of their constituents. Regardless of what Party they support, I hope they will support a reversal of policy that would be helpful to seniors rather than harmful. We know that the Budget calls for the deindexing of the universal OAS—

Mr. Turner (Ottawa-Carleton): No.

Ms. Mitchell: —by CPI minus 3 per cent. How about that?

Some Hon. Members: Right.

Ms. Mitchell: This same deindexation of 3 per cent will be applied to the income tax spouse's allowance for widows and widowers aged 60 to 65. Senior citizens, and the poorest of seniors are elderly women, have been singled out in the Conservative Budget for particularly unfair measures. The Conservatives' fervour to control the deficit and their aversion to taxing the wealthy has lead the Conservatives to target senior citizens for cut-backs in a Budget that they were trying to sell originally as tough but fair.

As we have asked many times in this House, is it fair to take $1.6 billion from seniors while giving $1.5 billion to those who no longer will have a tax on capital gains and roughly $2 billion to the oil companies? Is this fair? I think most Canadians by now know very well it is not because the message has got out over the past week that this is not a fair move and something must be done to change it. We are appealing to the Government today to change.

Partial deindexation of the OAS actually, in our opinion, is underhanded and sneaky. Even worse, it is dishonest. During the campaign, the Prime Minister (Mr. Mulroney) promised that a Progressive Conservative Government once more would index the old age pension. I agree with the Conservatives that the Liberals did impose a form of deindexation in the six and five program. The Prime Minister said the Conservatives would restore the OAS once more to the actual cost of living on a quarterly basis. We know they have not done this. The Prime Minister should be very concerned. People have lost faith in the kind of promises he has made and then not kept.

More recently, the Minister of National Health and Welfare (Mr. Epp) and the Government in its Blue Paper to discuss elderly and child benefits stated that in the Government's view no change was required in the OAS-GIS payment system. The Government went on to make a change in that system, no matter how the Minister seems to try to distort this. I cannot understand why he does not see for the GIS group, the poorest of the elderly people in Canada, the majority of whom are women, that he is taking away from their old age pension as well. The Government certainly did not keep its word. We know the effects of this Budget will be both immediate when the Government brings in the 3 per cent deindexation and in the long term.

I heard a Member of the Government back-bench say in a rather sarcastic term "Oh, $100. Isn't that too bad?" I want to tell you, Mr. Speaker, and Members of the House that I have talked to a number of senior citizens in my riding and in other meetings that I have attended that even a loss of $100 is a great hardship to many seniors. In Vancouver, bus fares have gone up recently. Many elderly people will not be able to get around the city as they used to. Phone bills have gone up and many seniors have had to have their phones removed. Hydro and rents are up. Many seniors who happen to own their own homes are in desperate straits because they cannot get RRP funds to improve them and they will have to move out.

Federal sales tax hits seniors particularly hard. In British Columbia no longer can seniors get non prescription drugs on their Pharmacare cards. Every time they go to the drug store, seniors will be hit with extra taxes. Many seniors have pets. Many pensioners who do not have families have pets. They will now be taxed on pet food and they will have to get rid of their pets. Why should senior citizens not be able to have a glass of wine? That is completely out of the question now. Senior citizens in Vancouver have told me that their pension just covers food, rent and second-hand clothing. They have had to give up newspapers, telephones and they will never be able to afford new clothes. They cannot even afford now to get on the bus and visit friends and relatives.

The one positive thing about this whole Budget is that it has aroused such anger in senior citizens as well as other Canadians. They are organizing and there is no way they will take this, no way at all, Mr. Speaker. I know Government Members must be receiving just as many protests as we are, saying that seniors will not take this and will be demanding the reindexation of pensions.

I would like to refer particularly to the Council of Senior Citizen Organizations of British Columbia. I talked with a number of their officers. They refer to the organization as COSCO. They sent a telegram to the Prime Minister three or

four weeks ago on behalf of over 100,000 pensioners and many affiliated groups, including the Old Age Pensioners of B.C. which has 47 branches and the Senior Citizens Organization of B.C. which has 43 branches. They say it is quite unfair what the Budget has done, that COSCO and affiliates with over 100,000 members protest the loss of indexing on the universal old age pension, something that should be protected at all costs. They go on to ask the Government and the Prime Minister to reconsider their move.

The 3 per cent deindexation of old age pensions we know has a cumulative effect which is particularly significant when you really look at it. The loss of $100 will be hard on people when that reduction is instituted next year. Over the course of five or six years, as many Members have said, seniors will lose $2,284 and added to that is the extra loss in spending power because of taxes. It is really a pretty tragic situation. It is very symbolic. People are saying right across the country, not just those who support our Party but those who supported the Conservative Party in all faith in the election, that "We cannot trust this Government anymore. We have lost faith. The Prime Minister and Ministers make promises and then change their promises." The Budget itself is dishonest. There is no question about it, Mr. Speaker.

The 3 per cent deindexation in the Budget has become a symbol of hypocrisy and unfairness and also of the Conservative Party and its Government.

As NDP Members know, we launched a petition campaign. We have already submitted well over 10,000 signatures. I know there have been at least 2,000 from my riding. I want to tell the Minister who is laughing that this is only the start of it. He will see many many more. I wish the Minister would take this matter much more seriously since his Members have said he is supposedly an advocate for seniors—

Mr. Epp (Provencher): Yes, I am.

Ms. Mitchell: —rather than making them victims of his policies.

Pensioners groups are very concerned. They are holding meetings. The Government will continue to hear from them. I hope also that the pensioners, and I am sure they will as they get on with this campaign, will not forget their grandchildren. They will be suffering the same deindexation, a 3 per cent reduction in family allowances. Of course it is not as much money, but it is the same kind of nasty social policy which is typical of this Government.

● (1740)

I should like to mention particularly a meeting which was held in Toronto the other day. I flew there to attend it. It was called by 11 major organizations in Ontario, as well as national organizations, representing over one million pensioners across the country. I would like to read into the record the names of the groups represented at that time: United Senior Citizens of Ontario, representing 300,000 seniors; National Pensioners & Senior Citizens Federation, representing 400,000 seniors; Canadian Pensioners Concerned, representing 50,000 seniors; Metro Seniors Council, representing 700 senior clubs and many more members; Canadian Council of Retirees, representing 45,000 seniors; Older Adult Centres Association of Ontario, representing 80,000 seniors; Ontario Association of Residents Councils, representing 20,000 seniors; Third Age Learning Age, representing 900 seniors; Network for Home Support Services of Metro Toronto, representing 40 senior home support agencies; Association of Jewish Seniors, representing 6,000 seniors; and the Toronto Mayors Committee on Aging.

If the Minister has not read this joint statement, I wish he would at least read the statement in which I summarized some of their points. As I said, they represent one million senior citizens. There was complete consensus on the part of those people and they were of all political stripes. There was no question that they were absolutely fed up with the Government. Some of them were even advocating that seniors who voted Tory and joined the Party should cut up their membership cards and send them in.

I hope the Minister will listen to their points. One of the first points they raised, the one on which they commented with the greatest degree of feeling, was that after the Government talked so much about consultation, there was no formal consultation with organizations representing senior citizens. They were assured in the blue report that there would not be changes and therefore there was no need for them to appear as witnesses before the Standing committee on Health, Welfare and Social Affairs. The Government went ahead and really betrayed them. At the meeting they were asked by a reporter: "Do you feel betrayed?" As one voice, everyone at the meeting said: "Absolutely".

They also referred to the fact that the Prime Minister, in his pursuit of office, when he was out to get votes, pledged on behalf of his Party that a Progressive Conservative Government would index Old Age Security pensions to the actual cost of living.

An Hon. Member: A betrayal.

Ms. Mitchell: Certainly that was a betrayal; there is no question about that. They have done just the opposite, and I think the Liberals did the same thing when they imposed the six and five program. I am glad to hear that they have changed their position.

Mr. Nunziata: We are in this together.

Ms. Mitchell: There should be no reduction of indexing for senior citizens or for families. The Conservatives also demanded that seniors make a significant sacrifice to help reduce the deficit.

Mr. Nunziata: Let's fight together.

Ms. Mitchell: I am quoting senior constituents from Ontario, including senior citizens in the riding of the Hon. Member, as well as those represented by national groups, if the Hon. Member is interested.

Mr. Nunziata: I am interested.

The Acting Speaker (Mr. Charest): Order.

Ms. Mitchell: They deplore the fact that the Government is trying to make seniors sacrifice to reduce the deficit and that far too many of them already live on meagre incomes. By any definition, it can only be considered a state of poverty. Also, they indicate that to subject seniors to the removal of inflation indexing is immoral, and that deindexing, coupled with increased taxation on consumer groups, will deliver a further blow to those Canadians who are struggling to live with some semblance of dignity.

An Hon. Member rose in the House and said that our senior citizens were very proud. That generation suffered during the Depression and world wars. They do not want to admit that they are poor. Many of them are very poor, but they would prefer to suffer rather than to ask for help. These are the people that the Government is victimizing once again.

They went on to say in their statement that the proposed policy of deindexing would mean a loss to each old age pensioner from $100 up to $553 in 1990, representing a total loss of $1,604 per person over the next five years.

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member. The Hon. Member for Windsor West (Mr. Gray).

* * *

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order to ask the Government House Leader to present the information which he now has about the business of the House.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I hope my report will be relatively brief, but it will be in two parts.

Pursuant to the Standing Orders, on the tenth last sitting day of the House in this trimester, provision has been made with respect to a motion which deals with extended hours. There have been discussions between the Parties. Rather than proceeding with this matter tomorrow, and with the unanimous consent of the House, I should like to present this draft order which I think Your Honour will find is acceptable to the House. The order reads as follows:

That, notwithstanding the provision of Standing Order 9 commencing Monday, June 17, 1985 until Friday, June 28, 1985 the House shall meet at 11:00 o'clock a.m. and continue to sit without interruption until 9:00 o'clock p.m. on Mondays, Tuesdays and Thursdays and that the House shall meet at 2:00 o'clock p.m. and continue to sit without interruption until 9:00 o'clock p.m. on Wednesdays and that the House shall meet at 11:00 o'clock a.m. on Fridays and shall continue to sit without interruption until 5:00 o'clock p.m. on Fridays provided that during this period:

(*a*) the Private Members' Hour shall be suspended, and

(*b*) for the purposes of Standing Order 45(1), adjournment debate shall commence at 9:00 o'clock p.m. on Mondays, Tuesdays and Thursday and conclude not later than 9:30 o'clock p.m. on the said days and that it be conducted pursuant to Standing Order 45;

provided that from 4:00 o'clock to 5:00 o'clock p.m. on Friday, June 14, 1985 the House shall consider Government Orders; and

provided that adoption of this Order shall preclude the moving of any motion proposed pursuant to Standing Order 9; and

provided that when the House adjourns on Friday, June 21, 1985 it shall stand adjourned until 11:00 o'clock a.m. on Tuesday, June 25, 1985.

If Your Honour seeks the unanimous consent of the House to have that order adopted, you will find that consent to be forthcoming.

The Acting Speaker (Mr. Charest): Does the Hon. President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to move this motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): The Hon. Member for Hamilton Mountain (Mr. Deans) on a point of order.

Mr. Deans: As you know, Mr. Speaker, this is a debatable motion, but I have no intention of debating it.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I just want to announce the business of the House, so that we will have an idea of the sequence of Bills. Tomorrow, the House will consider Bill C-41, Bill C-2 and Bill S-3. I hope we will deal with those Bills in their final stages. Continuing on Friday and carrying on into next week, the sequence will be: Bill C-51, the Borrowing Authority Bill; Bill C-44, respecting the Western Grain Transportation Act; Bill C-26, respecting the Old Age Security Act; Bill C-27, respecting amendments to legislation by virtue of the Charter; Bill C-36, amendments to the Aeronautics Act; Bill C-24, respecting COSP and CHIP amendments; Bill C-39, respecting supplementary equalization; Bill C-32, respecting fisheries; and Bill C-53, respecting the Northern Transportation Company Disposal Act.

• (1750)

It is my intention to call them on the basis of this listing for the convenience of Members so they will have some idea of the procedure and plan accordingly. I hope to keep it in that sequence, but as House Leaders will understand, there are Bills in committee and a few other items of legislation which

we have discussed in the House Leaders' meeting that will be brought forward. Obviously, the reporting of Bills in committees will have an effect on the order of procedence here. We will monitor the legislation from time to time.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Mr. Speaker, I originated the word "monitor". It was such a popular word, it was included in the Budget. We will monitor the progress being made on this legislation and when other matters are reported from committee and, indeed, when other items which have been discussed with the opposition House Leaders are introduced in the House, there may be a change in the sequence.

We look forward to making progress on the hours that have been indicated so that we will be able to adjourn on June 28 according to Standing Orders.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Charest): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-4, an Act to extend the term of Canadian Patent No. 855,255 to which the concurrence of this House is desired.

* * *

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NO-CONFIDENCE MOTION—INDEXATION OF OLD AGE SECURITY PENSIONS

The House resumed consideration of the motion of Mr. Tobin:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

The Acting Speaker (Mr. Charest): It being 5.50 o'clock p.m., it is my duty to interrup these proceedings and put every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 62(10).

[*Translation*]

Mr. Tobin, seconded by Mr. Nunziata, moved:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

[*English*]

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The House divided on the motion (Mr. Tobin), which was negatived on the following division:

(*Division No. 79*)

YEAS

Messrs.

Allmand	Garneau	Mitchell (Ms.)
Althouse	Gauthier	Nicholson (Miss) (Trinity)
Axworthy	Gray (Windsor West)	Nunziata
Berger	Guilbault (Saint-Jacques)	Ouellet
Blackburn (Brant)	Henderson	Parry
Boudria	Isabelle	Penner
Broadbent	Jewett (Ms.)	Prud'homme
Caccia	Keeper	Riis
Cassidy	Langdon	Robichaud
Deans	MacLellan	Rodriguez
de Jong	Manly	Rossi
Dingwall	Marchi	Skelly
Foster		Waddell—39.
Gagliano		

NAYS

Messrs.

Andre	Crosby (Halifax West)	Horner
Beatty	Crouse	James
Belsher	Dantzer	Jardine
Bernier	Darling	Jepson
Bertrand (Mrs.)	Daubney	Joncas
Blackburn (Jonquière)	de Cotret	Kempling
Blais	Della Noce	King
Blenkarn	Desjardins	Lawrence
Bouchard	Dick	Layton
Bourgault (Mrs.)	Dorin	Leblanc
Boyer	Ellis	Lesick
Bradley	Elzinga	Lewis
Brightwell	Epp (Provencher)	Mailly (Mrs.)
Caldwell	Fennell	Mantha
Cardiff	Ferland	Marin
Champagne (Champlain)	Forrestall	Martin (Mrs.)
Charest	Fraleigh	Mazankowski
Chartrand	Fretz	McCain
Clark (Brandon-Souris)	Gagnon	McCrossan
Clifford	Gass	McCuish
Coates	Gervais	McDermid
Cochrane	Girard	McInnes
Comeau	Gottselig	McKenzie
Cook	Greenaway	Merrithew
Cooper	Grisé	Minaker
Corbett	Guilbault (Drummond)	Mitges
Cossitt (Mrs.)	Gustafson	Moore
Côté (Lac-Saint-Jean)	Hardey	Nicholson (Niagara Falls)
Côté (Langelier)	Harvey	Nielsen
	Hnatyshyn	Nowlan
	Hockin	Oberle
		Pennock
		Peterson

Messrs.

Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—123.

Mr. Deputy Speaker: I declare the motion lost.

* * *

SUPPLY

MOTION FOR CONCURRENCE IN VOTE 20, DEPARTMENT OF AGRICULTURE

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 1

That Vote 20, in the amount of $179,960,000 under Agriculture—Agri-Food Regulation and Inspection—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

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

(*Division No. 80*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn
(Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

Mr. Deputy Speaker: I declare the motion carried.

Mr. Gray (Windsor West): Mr. Speaker, I understand that, after consultations, there would be some disposition by the House to abbreviate our sitting day by agreeing that the results of the division on Motion No. 1, that is on Agriculture Vote 20, be applied to all of the remaining motions on the opposed items in the Main Estimates, on the remaining Main Estimates, on the Supplementary Estimates and on second and third reading of the Appropriation Bill, and that the results of the division be printed in the Votes and Proceedings and Debates as if they had been held separately.

Mr. Hnatyshyn: Mr. Speaker, I have to think about that.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I have thought about it and it seems like a good idea to all of us over here.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 2

That Vote 1, in the amount of Corporate and Special Services Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 81*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE 50, DEPARTMENT OF ENERGY, MINES AND RESOURCES

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 3

That Vote 50, in the amount of $21,817,000 under Energy, Mines and Resources—Atomic Energy Control Board—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 82*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE 55, DEPARTMENT OF ENERGY, MINES AND RESOURCES

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 4

That Vote 55, in the amount of $299,528,000 under Energy, Mines and Resources—Atomic Energy of Canada Limited—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(Division No. 83)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields

Messrs.

Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE 60, DEPARTMENT OF ENERGY, MINES AND RESOURCES

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 5

That Vote 60, in the amount of $32,089,000 under Energy, Mines and Resources—Atomic Energy of Canada Limited—Capital expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(Division No. 84)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie

Messrs.

Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF THE ENVIRONMENT

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 6

That Vote 1, in the amount of $35,982,000 under Environment—Administration Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 85*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF FINANCE

Hon. Robert de Cotret (President of the Treasury Board) moved:

No 7

That Vote 1, in the amount of $42,026,000 under Finance—Financial and Economic Policies Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 86*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins

Messrs.

Dick
Dorin
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF JUSTICE

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 8

That Vote 1, in the amount of $75,364,000 under Justice—Administration of Justice Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(Division No. 87)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn
(Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 9

That Vote 1, in the amount of $39,979,000 under National Health and Welfare—Departmental Administration Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

Supply

(Division No. 88)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 1, DEPARTMENT OF THE PRIVY COUNCIL

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 10

That Vote 1, in the amount of $38,613,000 under Privy Council—Privy Council Program—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(Division No. 89)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 1, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 11

That Vote 1, in the amount of $233,756,000 under Regional Industrial Expansion—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 90*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

Supply

MOTION FOR CONCURRENCE IN VOTE NO. 5, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 12

That Vote 5, in the amount of $1,305,000 under Regional Industrial Expansion—Textile and Clothing Board—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 91*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi

Messrs.

Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 10, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 13

That Vote 10, in the amount of $966,186,000 under Regional Industrial Expansion—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 92*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 45, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 14

That Vote 45, in the amount of $25,507,000 under Regional Industrial Expansion—Federal Business Development Bank—Payments to the Bank, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 93*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)

Messrs.

Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 1, DEPARTMENT OF SCIENCE AND TECHNOLOGY

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 15

That Vote 1, in the amount of $8,432,000 under Science and Technology—Ministry of State—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 94*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 35, DEPARTMENT OF THE SECRETARY OF STATE

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 16

That Vote 35, in the amount of $113,091,000 under Secretary of State—Public Service Commission—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 95*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie

Messrs.

Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 1, DEPARTMENT OF THE SOLICITOR GENERAL

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 17

That Vote 1, in the amount of $21,801,000 under Solicitor General—Solicitor General—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 96*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

MOTION FOR CONCURRENCE IN VOTE NO. 25, DEPARTMENT OF THE TREASURY BOARD

Hon. Robert de Cotret (President of the Treasury Board) moved:

No. 18

That Vote 25, in the amount of $10,605,000 under Treasury Board—Comptroller General—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1986 (less the amount voted in Interim Supply), be concurred in.

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

(*Division No. 97*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney

Messrs.

de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

CONCURRENCE IN MAIN ESTIMATES, 1985-86

Hon. Robert de Cotret (President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March, 31, 1986, except those items disposed of earlier this day, and less the amounts voted in Interim Supply, be concurred in.

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

(*Division No. 98*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn
(Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That the Supplementary Estimates (A) for the fiscal year ending March 31, 1986, laid upon the Table, Tuesday, May 28, 1985, be concurred in.

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

(*Division No. 99*)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn
(Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)

Messrs.

Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

Mr. de Cotret moved that Bill C-54, an Act for granting to Her Majesty certain sums of money for the financial year ending the 31st March, 1986, be read the first time.

Motion agreed to, Bill read the first time.

Mr. de Cotret thereupon moved that Bill C-54, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986, be read the second time and referred to the Committee of the Whole.

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

(Division No. 100)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn
(Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne
(Champlain)
Charest
Chartrand
Clark
(Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Shields
Siddon
Sparrow
(Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn
(Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Isabelle
Jewett (Ms.)
Keeper
Langdon
MacLellan
Manly
Marchi
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell—39.

Mr. Speaker: I declare the motion carried.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Danis in the Chair.

Mr. Gray (Windsor West): Mr. Chairman, I would ask that copies of the Bill be distributed. As well, I want to ask the President of the Treasury Board for his formal assurance that the Bill is in the usual form.

The Chairman: On the first point, I am informed that the Bill was distributed this morning. On the second point, the President of the Treasury Board.

Mr. de Cotret: Yes, the form of the Bill is the same as that passed in previous years.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Schedule B carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

The Chairman: Shall the Bill carry?

Some Hon. Members: On division.

Bill agreed to.

The Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Some Hon. Members: On division.

Motion agreed to.

Mr. de Cotret moved that the Bill be read the third time and do pass.

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

(Division No. 101)

YEAS

Messrs.

Andre
Beatty
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Bouchard
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Clark (Brandon-Souris)
Clifford
Coates
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Dorin
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gervais
Girard
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Hardey
Harvey
Hnatyshyn
Hockin
Horner
James
Jardine
Jepson
Joncas
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKenzie
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nielsen
Nowlan
Oberle
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Winegard
Wise—125.

NAYS

Messrs.

Allmand
Althouse
Axworthy
Berger
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Deans
de Jong
Dingwall
Foster
Gagliano
Garneau
Gauthier

Messrs.

Gray (Windsor West)	Langdon	Parry
Guilbault (Saint-Jacques)	MacLellan	Penner
Henderson	Manly	Prud'homme
Isabelle	Marchi	Riis
Jewett (Ms.)	Mitchell (Ms.)	Robichaud
Keeper	Nicholson (Miss) (Trinity)	Rodriguez
	Nunziata	Rossi
	Ouellet	Skelly
		Waddell—39.

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to, Bill read the third time and passed.

Mr. Deputy Speaker: It being 6.30 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, June 14, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government is totally without shame. It has misled the senior citizens of the country. Like the rest of Canadians who were promised all sorts of goodies during the election campaign, the senior citizens saw the Tory Government do an about face following its election. One of its members even had the nerve to say that the Government is not committed in any way to respecting the promises that were made.

It is unacceptable, Mr. Speaker, for two Tory losers like Roy McMurtry and Lawrence Hanigan to be appointed to fat cat government jobs and have their salaries increased by almost $60,000 per year, while senior citizens of my riding will each be losing $100 this year. The salary increase for those two Tory appointees is enough to restore the full indexation of OAS to every one of the 6,000 senior citizens in my riding.

I urge the Government to cancel the salary increases of these two Tories, and to restore immediately those benefits to the senior citizens of my riding. I am sure there is enough money wasted by the Government in every other riding of the country to restore full benefits to everyone.

* * *

THE LEADER OF THE OPPOSITION

Mr. Les Benjamin (Regina West): Mr. Speaker, sports fans across the country, and I, have a great deal of concern. I rise today because many have called upon us to express our concern about the rumoured trade talks about the true blue Liberal Leader. The Liberal Leader has made it clear that he rejected Conservative Party advances in 1975, indicating that he did not want to trade sweaters in the middle of the game. However, what about after the game, or in between seasons?

All sports fans find that the rumours do persist. Is it possible that a blockbuster trade is in the offing for the coming summer recess? Is it possible that Team Grit will send their leader over to the Blues for future consideration? Why not Filmon from Manitoba, or Miller from Ontario?

Finally, questions have to be asked of the Blue Shirts. What about the rumour that the Minister of Veterans Affairs (Mr. Hees) was one of the 40 who begged and pleaded with the captain of the Grits to jump ship? I suppose we will have to reflect on the words of Yogi Berra, Mr. Speaker. "It ain't over 'til it's over".

* * *

ENERGY

PETROLEUM RECOVERY PROJECT, SARNIA, ONT.

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, a giant step has been taken by officials of Devron Petroleum Limited, Shell Canada, and officials of the Departments of Finance, and Energy, Mines and Resources. Devron Petroleum Limited is now ready to commence a major research and development project in Sarnia Township to recover petroleum that was left in place after usual recovery methods were exhausted in the early 1900s. This innovative recovery scheme to develop an abandoned oil field further is possible due to the diligence and quick action of the Minister of Finance (Mr. Wilson) in amending Part I of the Income Tax Act to accommodate new technology in the oil and gas sectors.

Devron is a small Canadian business, and the success of this project has already meant the employment of 75 people and could result in the implementation of the recovery method in heavy oil fields and sand deposits in other parts of Canada. The Departments of Energy, Mines and Resources and Finance certainly did much to get this uniquely Canadian project moving. It once again reaffirms the Government's commitment to support the small entrepreneur oil producer with tax incentives rather than government grants, which represents a fundamental break with the old way of doing things.

This is a positive example of what the May 23 Budget can, and will, accomplish. A medium-sized Canadian business is investing in Canada, helping to create jobs, and generating growth with new activities.

S.O. 21

[*Translation*]

THE ECONOMY

ECONOMIC RECOVERY—RIDING OF DRUMMOND, QUE.

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, our Government has restored a climate of confidence among Canadian investors by making decisions conducive to economic growth. Last January, for instance, the Minister of Energy, Mines and Resources (Miss Carney) announced a $38 million investment to fund the construction of the gas pipeline to supply the cities of Drummondville, Acton Vale and Saint-Hyacinthe.

This financial injection will create 675 jobs over three years and, between now and 1987, generate $125 million in over-all capital expenditures in those three municipalities.

Dominion Textile and the Notre-Dame-du-Bon-Conseil Agropur cheese industry—it ranks first worldwide and is owned by 1,350 farmers—have decided to switch to natural gas, which means that each company will invest $500,000.

Last June 3, Celanese plant management announced their intention to convert to natural gas, again an investment of more than half a million dollars, proof positive that they have confidence in the future and will create permanent jobs in my riding.

Mr. Speaker, those projects spell economic recovery. They show that the Budget of the Minister of Finance (Mr. Wilson) and the economic policy of this Government have restored confidence.

* * *

[*English*]

TRADE

UNITED STATES TARIFF ON DRIED AND SALTED CODFISH

Mr. George Baker (Gander-Twillingate): Mr. Speaker, yesterday the American Government imposed an outrageous tariff on dried and salted codfish moving into the United States from Canada. Fifty per cent of our exports of dried and salted fish go to the United States. Ten thousand fishermen and fish plant workers are affected in Canada, most of them in Newfoundland.

There is one riding which is affected just as much as mine, and that is the riding of Manicouagan which is represented by the Prime Minister (Mr. Mulroney). There are 700 workers in that riding, and 700 workers in my riding. Perhaps that is the only thing we have in common.

Is this the definition of free trade? It is free for the United States, but costs residents of the ridings of Gander-Twillingate and Manicouagan 20 cents on the dollar. We ask the Secretary of State for External Affairs (Mr. Clark) to get the lead out of his shoes and do something. We will give him until next week to produce some results.

THE PRIME MINISTER

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, yesterday in the House of Commons the NDP tried to bring pressure to bear on the silent Tories, the silent majority of back-benchers, on the pension issue, by giving out their phone numbers and asking people to call them. We now find that the Prime Minister (Mr. Mulroney) met with his caucus leaders at breakfast where they cooked up plans to stiffen the resolve of the wavering Tory back-benchers. Apparently the Prime Minister was told that deindexation was only an issue with the NDP in the House of Commons.

On the contrary, we think it is an issue with all old age pensioners in Canada today, and all ordinary Canadians who are approaching pension age. If people are not going to call the Tory back-benchers, or cannot get through, they should call the Prime Minister collect at (613) 992-4211. That number again is (613) 992-4211.

I would like to point out that the ordinary Canadian who is 50 years old today and will retire in the year 2000 will lose $36,000 in purchasing power. Therefore, the salt and pepper group, the 50-year olds, should also phone the Prime Minister and demand an end to this terrible scheme.

* * *

● (1110)

CANADA POST CORPORATION

OBJECTION TO PROPOSED POSTAL RATE INCREASES

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I rise today to speak on an issue which I believe to be of great importance not just to small businessmen in Canada but to every Canadian. The Canada Post Corporation has asked the Government to approve a 2 cent hike in the price of first class postage. This would place Canadian rates at 47.8 per cent higher than their U.S. counterparts.

Canada Post justifies this request on the basis of its need to reduce its deficit. Yet how can I, or any Member of the House, justify such an increase to our constituents when daily we receive letters of complaint, and hear numerous horror stories about the operations and poor service of Canada Post?

Independent businessmen are incensed by the proposed increases, and rightly so. They must depend on the mail for their cash flow, yet they know the system has proved unreliable time and again. Now we are once more asked to subsidize this edifice of inefficiency. Canadians know that if they ran their households or businesses in this fashion, they would soon be out of business. But that is not the case for Canada Post.

Mention the Post Office to any person on the street and you can be guaranteed to hear a story of frustration and anger over continued poor service.

On behalf of the constituents of Parkdale-High Park, I ask the Government to deny Canada Post this increase, and I urge

that a full review and investigation be made into the operations of this Crown corporation.

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

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CANADA POST CORPORATION

DISSATISFACTION WITH SERVICE

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I also rise today to complain about the proposed postal increase. A recent constituency case comes to mind. However, it deals with early, as opposed to late, mail delivery service.

My constituent, Mr. Day, asked that his mail be held for five weeks while he was away on holidays from May 3 to June 6. He asked for delivery to resume on June 7.

Being the efficient service that it is, Canada Post delivered his mail on June 6, one day early, and not to his mail box but to his milk box. This resulted in his mail being stolen, with a loss of cheques in excess of $2,000.

Every week I receive numerous calls and letters from my constituents who are clearly not satisfied with the service provided by Canada Post. Time and time again their major complaint concerns the consistency in mail delivery.

Millions of ordinary Canadians, business people and charitable organizations rely almost exclusively on a dependable postal system. Inconsistencies in service have serious consequences for these individuals.

I recognize the present financial position of Canada Post, but this in itself is not enough justification for another postal rate increase. Canada Post needs to examine seriously the efficiency of its operations and the level of service being provided to Canadians. Once efficiency and service have been improved to an acceptable level, I would wholeheartedly support a postal rate increase to tackle its financial difficulties.

* * *

ENVIRONMENTAL AFFAIRS

MEETING OF ACID RAIN ENVOYS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, today we learn from newspapers that the first meeting of substance between the two acid rain envoys took place in Ottawa yesterday, three months after their appointment. That is a rather slow start which reflects poorly on the degree of commitment and urgency of the two envoys. In other words, it is three months lost.

The meeting was over in just a few hours—a real quickie—which allowed only a few people an opportunity to speak to the envoys. We do not get the impression that the envoys are spending a lot of time on their assignment—on the contrary. But you get what you pay for from dollar a year men.

It is worth noting that the United States envoy, Mr. Lewis, is quoted as saying: "President Reagan is interested in more than continuing studies". If that is so, why did he not say so in Quebec City at the Shamrock meeting? If that is so, why is President Reagan not taking the initiative of launching a control program? If that is so, why has the United States not yet announced that it is going to Helsinki to sign the international acid rain agreement?

We hope that Mr. Lewis is not raising false hopes with the statement he made yesterday. Canadians are watching the public pronouncement of the acid rain envoys very closely, and do not want to be led down the garden path.

* * *

THE BUDGET

REACTION OF PENSIONERS

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, because the Opposition has been telling us that senior citizens were concerned about the recent Budget, I sought out various seniors within my riding last weekend. They expressed satisfaction with their present care and most did not mind contributing to the reduction in the deficit. Some were very concerned, but they spoke only the Opposition buzzwords. When they learned the facts, most were satisfied.

• (1115)

One 80 year old lady was difficult to convince Mr. Speaker. She had all of the Opposition's buzzwords, but was a little annoyed when "I had all of the answers". She felt that neither she nor her family should pay for the deficit. She called me on her family's urging. I should tell you, Mr. Speaker, that her son-in-law was a Liberal candidate in a previous election. She has a son who has a Ph.D. Beyond that she has a son who is a member of the Opposition. Any "anxiety, heartache, uncertainty", and I quote the Hon. Member, are products of an organized attack on seniors by the Opposition for purely political motives. I call on the Opposition to stop this cowardly attack on the seniors of Canada.

* * * *

Mr. Speaker: Before we begin Question Period, may I advise Members that, for some reason, there appears to be a delay in the distribution of *Hansard* and we will have that corrected as quickly as we can.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

CONTENTS OF BUDGET

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would like to welcome the Prime Minister back from his press conference. I did not see it, but I understand he talked about a considerable amount of flexibility in terms of the Budget, that it is not necessarily here for all time, and that it may change.

In light of that suggestion, and the statement by the Minister of National Health and Welfare yesterday that these are proposals that are not yet in effect in this document we have here, can he tell us here in the House, right now, whether these are really proposals and not decisions? If so, why on earth have we been taking the time of the House debating and voting on them, as we have done in the past? Would the Prime Minister do one other thing for us? Would he tell us who is the official government spokesman on this Budget? Is it the Minister of Finance? Is it the President of the Treasury Board? Is it the Minister of National Health and Welfare? Is it the Minister of State for Finance, or is it somebody else, because there is a tremendous amount of confusion and contradiction? Would the Prime Minister help us by having one person who can make definitive statements on what the Budget really is?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as is always the case in a British parliamentary democracy, all Ministers of the Crown and all members of the Government speak, and are quite capable of speaking, on behalf of the Budget at any time.

Mr. Deans: I would not bet on that.

Mr. Mulroney: The matter to which my hon. friend refers, the Budget, clearly represents major changes. We have tried to come to grips with overwhelming economic problems. We have a lot of catch-up to do because of the very difficult financial situation we were left by the Liberal Government, to the point where the credibility of some important social programs was placed in jeopardy, and we have tried to undertake that in a fair and in an honourable way.

I acknowledged at the press conference, without hesitation, that one of the issues affecting the elderly poor clearly is a source of concern for all of us, which was why a provision was inserted in the Budget that we would monitor that very carefully. One of my concerns was that, although this measure does not take effect until 1986, the portrayal of it by some members of the Opposition, and transposed across the country, is that pensioners today have lost some benefits. Nothing could be further from the truth. That was a distortion of the truth and reality. That is why we wanted to monitor it very carefully, Mr. Speaker.

Some Hon. Members: Hear, hear!

REQUEST THAT PENSION PROVISION BE WITHDRAWN

Hon. Donald J. Johnston (Saint-Henri-Westmount): I would definitely take issue with that, Mr. Speaker. I do not think we have made any misrepresentations about the impact of the Budget.

Some Hon. Members: Oh, oh!

Mr. Johnston: I want to say to the Prime Minister that we do have a certain amount of sympathy for him as he picks his way through the damage that has been strewn across the country as a result of the Budget.

[*Translation*]

However, we sympathize more with the victims, and especially the elderly. In this case, it would in fact seem more appropriate, and since the Prime Minister has caused anxiety to take hold of the elderly in this country, could he give the House the assurance today that he will withdraw this proposal here and now, in order to provide a measure of security for individuals who are being adversely affected in this way and who are unable to protect themselves against inflation? Could the Prime Minister do that for us here in the House today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the elderly in Canada would be more inclined to believe in the Hon. Member's sincerity if, as a member of a Liberal Government, he had not been involved in severely cutting back benefits for the elderly in 1982. And since the Hon. Member, who was a Minister at the time, took that kind of action, it is clear his credibility has suffered as a result. The provision has had no negative impact on the elderly. According to the Budget, this measure would and will become effective on January 1 of next year, but also according to the Budget, we are monitoring the situation on a regular basis to ensure, as far as possible, that no problems will result for the neediest in our society.

● (1120)

[*English*]

REQUEST FOR EARLY WITHDRAWAL

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have one final, short supplementary question. The Prime Minister has called an emergency caucus meeting this weekend to consider—

Some Hon. Members: Oh, oh!

Mr. Johnston: There is the evidence; there is the evidence. At least subtract that from my time, Mr. Speaker.

Obviously the issue is one of damage control and how to cut losses. Will the Prime Minister assure us that he will not listen to the counsel of those who wish to hoist this issue and postpone the decision until autumn in order to save political face? Will he do the right thing and resolve the problem of deindexation before Parliament rises? That is the right thing to do and we all know it. Monitoring is nonsense. Let us get it

out of the way right now, so that we can move on to discuss other aspects of the Budget, and at least people will know that they will be protected.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, at least there is one person in the Liberal Party who knows that no damaging effects will take place to the elderly and that they will only take place, if it comes to that, next year, and that is the Leader of the Liberal Party, who has not been here this week four days out of five. Clearly, he is not very concerned about the kinds of points which are being raised.

Some Hon. Members: Oh, oh!

Mr. Waddell: On a point of order, Mr. Speaker, that is unparliamentary—

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. The Prime Minister should not comment upon the presence or absence of Members in the House of Commons.

Mr. Speaker: Order, please. Points of order cannot be raised during Question Period. It is true that Hon. Members are not supposed to refer to the presence or absence of other Members in the House. However, that applies equally to all Parties.

Mr. Mulroney: Mr. Speaker, I apologize, and I will not say a word about the Leader of the Opposition not being here.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame.

Mr. Gauthier: Where were you yesterday? You were in hiding.

Mr. Mulroney: Both here and in press conferences, we have responded to what were clearly questions about the Budget. The Budget is widely perceived as an excellent job-creating Budget and has met with wide favour across the country. I will acknowledge that there is one element which has caused concern. We are not unmoved by that concern, and that is why we will continue to monitor it very carefully. A concern about the elderly poor must always be a concern of ours. We will monitor it intimately to deal with it as soon as we can.

APPLICATION OF PROVISIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Is it a new thesis that everything announced on the night of the Budget is just a proposition if it is not applied that night? Are they telling Canadians that the tax on gasoline might not come into effect in September? Are they telling Canadians that the sale tax, which is to come into force on January 1, might not be there? Are they telling Canadians that the deindexation of the income tax exemption might not be there? The type of Budget with which we are faced today—is it an economic statement or a joke? Will the Prime Minister give some certainty to Canadians about the Budget, a Budget which took nine years to prepare and which was, after nine years, an absolute flop?

Some Hon. Members: Nine years?

Mr. Chrétien: Nine months. I am sorry.

Mr. Hnatyshyn: It would take nine years for the Liberals to do it.

• (1125)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member was only off by eight or nine years, and what's that? On the question of disintegration of the Budget, that was all resolved with the Liberals and Mr. MacEachen in 1981.

All that I have said is that in a massive Budget like ours there was one area of particular concern, and we made reference to it in the budgetary papers. It was that special kind of concern for the elderly poor. I have no hesitation in telling my hon. friend that I never intended to imply that any document, or any group of positions, could be perfect at all times. We put it in the Budget because we had that concern. That is why we placed in the Budget our intention to monitor it very carefully. I know that my hon. friend will not hold a sense of compassion and concern for the elderly against me.

* * *

[*Translation*]

SOCIAL SECURITY

PENSIONS—INDEXATION—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, could the Right Hon. Prime Minister inform the House whether he intends, and I hope he does intend to very soon, to announce to the elderly in Canada that the Government will not eliminate indexation, and since the amount the elderly will be losing as a result of only partial indexation over a period of five years is practically the same amount the Conservative Government is giving the oil companies for the next five years, does the Government, if the elderly get this money back, intend to withdraw the $12 billion present to give the oil companies?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member astonishes me. As a former Minister of Finance who was widely respected, he knows perfectly well that his statement is sophistical in the extreme. On this point the Budget papers indicated that we would be monitoring the situation very closely because we share the country's concern for the neediest in our society. It seems to me there is nothing here to disturb the serenity of anyone in Canada. We are showing a normal concern, as human beings, for the elderly, and that is why this was put in the Budget papers, and as soon as we can possibly do so we shall take steps to help the elderly again.

Oral Questions

[*English*]

PENSIONS

PRIME MINISTER'S PRESS CONFERENCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister too that flows from his press conference, where he indicated that for the first time he understands that the overwhelming majority of pensioners understand that they are going to be severely hurt by the Government's Budget. He also indicated that he might be prepared to take action before the end of the present calendar year to correct this injustice to pensioners, but refused to answer a specific question about that.

Is there a possibility that the Government will take corrective action concerning Canada's pensioners before the end of the present year and, if so, what kind of action does the Government have in mind?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member says that I acknowledged for the first time that there was concern about this. On the contrary, the acknowledgement did not come today. The acknowledgement is right in the budgetary papers.

Some Hon. Members: Hear, hear!

Mr. Mulroney: While the Hon. Member was busy peddling the line that harm had come to the pensioners, which was misleading, he should have been reading the budgetary papers which indicate that any program would only take effect next January in any case. It was because of our sensitivity that we put it right in the budgetary papers that we ourselves were concerned about this kind of action, that even as we were contemplating it ourselves with a view to restoring health to the economy, we were concerned about it to the point where we indicated that we would want to monitor it and improve it at the earliest possible moment.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the only people in Canada who have tried to be misleading about the Budget are on the government side of this House. Pensioners, opposition Members, business people, farmers, and workers all understand one thing: the Government is out to wage its battle of the deficit on the backs of the pensioners.

● (1130)

Once again, as was the case during his press conference, the Prime Minister did not answer the question. Since he indicated that the Government may take corrective action before the end of the present year, and since pensioners are living in a state of anxiety right now, will the Prime Minister tell us if he does plan to take action before the end of the year, and what that action might be?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we indicated in the budgetary papers that, at the earliest possible moment, pursuant to an intensive monitoring of the situation, we will take appropriate action to be helpful to the people affected.

I hope my hon. friend does not take great pride in going to meetings with elderly citizens to give them only a part of the story. There is not a single elderly person in this country today who has been impacted unfavourably by this Budget. The only cheques seniors will receive will be cheques for larger amounts of money, and that is a fact of life. I think my hon. friend does himself and his Party a grave disservice by indicating the contrary.

REQUEST FOR ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to assure the Prime Minister that we will tell pensioners exactly what the Government is doing. We tell them that the Prime Minister is giving a $500,000 capital gains gift to the wealthy and $2 billion to the oil companies, while taking away $2 billion from the pensioners. That is what we tell them, and that is the truth.

Will the Prime Minister show respect to his obligations to the House, to Members on all sides, to the people of Canada, and particularly to the pensioners, and deal with pensioners' anxieties by answering the question that I will now put to him for the third time? Will he tell us now that the Government does plan to take corrective action before the end of this year, to remove the anxiety with which pensioners are living? Will he either restore indexation, something which we want, or announce fully equivalent measures for Canada's pensioners?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I find quite appalling the fact that this should come from the Hon. Member who has been trading on and exacerbating the anxiety of senior citizens, with no good reason. That is what they have been going around the country doing. I exclude from that comment my hon. friend from Toronto whose appearances at elderly citizens' rallies have been marked with what I thought was great dignity. We have indicated in the budgetary—

Mr. Broadbent: Ha!

Mr. Mulroney: Now the Leader of the NDP finds that funny.

Mr. Broadbent: I always find you funny.

Mr. Mulroney: You do.

Mr. Broadbent: A joke, actually.

Mr. Mulroney: He has never been the same, Mr. Speaker, since we put him in a limousine with a driver.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Gauthier: That is what I call a cheap shot.

Mr. Broadbent: The master of the cheap shot.

Mr. Speaker: Order, please.

Mr. Gauthier: That is his new civility.

Mr. Broadbent: When you have no argument, reduce yourself to abuse.

Mr. Speaker: Order, please.

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OFFICIAL LANGUAGES

SUPREME COURT RULING ON MANITOBA MINORITY RIGHTS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, you can tell by the level of exchange that the Prime Minister has returned to the House. I welcome him back because—

Mr. Hnatyshyn: How would you know?

Mr. Axworthy: Because we are here all the time.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Just compare records, Mr. Speaker.

Yesterday we were looking for some clear direction from the Government concerning the very important, historic decision made by the Supreme Court regarding Manitoba. We are pleased to have the Prime Minister back in the House so that we may get a more forthright answer than the one we received yesterday.

Mr. Pawley, the Premier of Manitoba, has indicated that his Government intends to follow the invitation of the Supreme Court to make a specific submission on what kind of timetable will be followed in implementing the recommendations of the Supreme Court. Does the federal Government also intend to make a submission to the Supreme Court setting out what it would consider to be a minimum time to meet the requirements?

Is the Government also considering the proposition of working with the Government of Manitoba to develop a constitutional amendment that would be based upon the principles of those resolutions that were passed unanimously by this House in 1983 and 1984, so that we can give better effect to the basic spirit of that decision and provide for a full range of opportunities for the language minorities in Manitoba?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member raises two items. First is the decision of the Supreme Court. I was somewhat taken aback by his observations because I thought the Deputy Prime Minister responded fully and very well yesterday in the House of Commons. Perhaps the Hon. Member is gearing up to politicize a sensitive national issue, but I must say that I was taken aback by his comments on this important matter.

There has been a decision by the Supreme Court which, of course, the Government of Canada will respect fully. We will work closely with the parties to ensure its full implementation. With regard to any other matters, I spoke with Premier Pawley to assure him of the support of the Government of Canada regarding any technical assistance that might be required on this matter or any other matters. I think my hon. friend knows full well my position in regard to the provision of minority rights in our country. That is the position of the Government, and it will always be the position of the Government and, I hope, of the Parliament of Canada.

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I believe the Prime Minister would fully recognize that all Members of the House treat this matter with deep seriousness, and that we are all trying to find the best solution. That is why I would like the Prime Minister to answer my question. Is the Government considering making a submission, or is it considering the other option which would be to provide for a jointly arrived at constitutional amendment? Will the Prime Minister meet with the Premier and the Leader of the Opposition in Manitoba to determine whether or not they are open to such an option?

Will the Government also indicate whether or not it is prepared to provide financial assistance, not only for technical services and translation but for the enhancement of the provision of French-language services in the Province of Manitoba as the Prime Minister appeared to offer in his press conference this morning?

Right Hon. Brian Mulroney (Prime Minister): Absolutely, Mr. Speaker. It has been the position of the Government to protect and enhance—

An Hon. Member: We didn't hear that yesterday.

Mr. Mulroney: I beg your pardon? You didn't hear it yesterday? That is the specific question that my hon. friend—

Mr. Axworthy: Will you be specific? What about services?

Mr. Mulroney: Absolutely. The Government of Canada is supportive not only of the decision but of any initiative or meetings that might come forward in which the Government of Manitoba or others would bring forward ideas that would be helpful to minority rights. We would be in favour of that.

* * *

PENSIONS

IMPACT OF BUDGET

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. Pensioners across the country fully understand that the budgetary proposal will not come into effect until January 1 of next year, and that is precisely

why they are now organizing. Senior citizens have sharpened their pencils and they know very well, because of the way they have to live, what the impact of this proposal will be.

If the Prime Minister is seriously concerned about how pensioners feel, I suggest to him that there is no need to monitor the situation between now and the end of this year, because the effects of the proposal will not be felt until 1986. I would ask the Prime Minister if he will not say to the pensioners that he promised them during the election campaign, and following that, that he would not touch Old Age Security benefits, and that he will rise in his place today to fulfil that commitment.

● (1140)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I can say, on behalf of all Members, that no Member of the House has made more compelling presentations in this regard than my hon. friend from Beaches, and I salute him for it.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We indicated that one of the responsibilities of a Government was to listen to people, to reasonable debate in the House of Commons, and to criticism. I do not take it as a sign of weakness to acknowledge that we are, indeed, listening to people such as my hon. friend. One of the reasons for which the budgetary document was so framed was in anticipation of the kind of difficulty which has been raised by many people in the House, and particularly by my hon. friend. We will act as quickly as we can. We will continue to pay very close attention to what he and others say.

PENSIONERS' ANXIETY

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the Prime Minister. There is absolutely no question that there is a level of anxiety amongst seniors which I have never seen before. Will the Prime Minister respond to that anxiety by saying to the pensioners: "We will let you know as quickly as possible, perhaps over the weekend, that we will not proceed with this budgetary measure in response to your concerns"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to the first part of the observation of my hon. friend, there is nothing inconsistent in what he has said with what is in the budgetary document. I am happy to reconfirm that, at the earliest possible moment, if and when we have the kind of news that would be helpful, we will make it known.

STATEMENT BY PREMIER OF NOVA SCOTIA

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I would say to the Prime Minister that senior citizens do not want concern from him; they want positive actions. One of the most damaging comments which has been made in the debate with regard to the deindexation of Old Age Security came from a source which I will quote. The source stated:

—it was a wrong move, I am very disappointed, I am totally against it. It was the wrong thing to do to our senior citizens. That part of the Budget was not compassionate.

That statement was made by the Premier of Nova Scotia. Does the Prime Minister agree with him? If he does, will he have the dignity and the respect of our senior citizens at heart and make the changes today which will mean the full indexation of Old Age Security?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I heard the comment which was made by the Premier of Nova Scotia in regard to that budgetary provision. I heard it from leaders of the business community, the BCNI, leaders of trade unions, and my hon. friend from Beaches. I indicated at a press conference this morning that only a very foolish individual would be insensitive to that kind of comment and analysis. With regard to the question, I think we have been prudent. I hope, at the earliest possible moment, that we can make a statement which would be consistent with the intentions set forward by the caveat which was placed in the Budget.

REQUEST THAT BUDGET PROVISIONS BE WITHDRAWN

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I suggest, respectfully, that the Prime Minister is wavering on the issue. He talks of monitoring, when he knows by the outcry in the country that Canadians are against the budget measure, and when he knows of the uncertainty and anxiety with which senior citizens are faced. Will he not take the opportunity to stand in his place and end the measure, unequivocally, today on the floor of the House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the reason that I made the distinction between the Hon. Member for Beaches and my hon. friend was because the Party, of which he is a member, brought in measures which did more harm to the senior citizens than any other Government in the history of Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: There is a fundamental distinction to be made between a thoughtful member of the NDP—who opposed both the measures which were taken by the Liberals and this Government on this particular issue—and the Hon. Member whose Party chose to go through with it. That Party did not even have the decency to say that it would listen. We are acknowledging that we are listening to the Canadian people, which is infinitely more than the Liberals ever cared to do.

Some Hon. Members: Hear, hear!

BUDGET STATEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. There is some question as to whether the plan to deindex pensions is a proposal, an idea, or a possibility. On May 23 the Minister of Finance said: "Beginning January 1, 1986, these payments will be indexed only for the annual increase in the consumer price index greater than 3 per cent." He said "will be indexed". Is the Prime Minister saying to us today that "will be" really means "may", and that the Government is considering changing that terminology in the Budget?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have responded to that question in half a dozen different ways, and the Hon. Member knows it.

TEXT OF BUDGET

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I think the question is very important at this point. The Prime Minister has indicated that what the Minister of Finance said was a commitment of the Government, that it will do this, and that this will be done. He is now saying that this may be done—

Mr. Speaker: Does the Hon. Member have a supplementary question?

Mr. Riis: Is the Prime Minister suggesting that the Budget is now being changed and that the word "will" will be changed to "may" or "possibly"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, is the Hon. Member suggesting that the sentence to which he referred in the Budget ought to be read in total isolation from the rest of the contents, including the phrase which goes on to say that the matter will be watched very carefully and at the earliest possible moment the Government will act to be helpful? That has been said many times by the Minister of Finance and by the Prime Minister. That is the sentiment which motivates this Government.

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NATIONAL REVENUE

SCIENTIFIC RESEARCH TAX CREDIT—INVESTIGATION OF ABUSES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Prime Minister. News reports in the last two days on the front pages of major newspapers have confirmed examples of the scandalous abuse of the scientific research tax credit, which the previous Liberal Government initiated. When our Government took office the Minister of Finance immediately stopped the "quick flip" within the SRTC program.

We have reports of individuals literally taking millions of dollars from Canada. Will the Prime Minister initiate the necessary action to undertake a full investigation into how this was allowed to develop without the proper safeguards, and why this was not stopped when Mr. Lalonde knew that it would cost Canadian taxpayers in excess of $2 billion? I feel that the people of Canada deserve an explanation.

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, as Minister of National Revenue perhaps I could respond and indicate to the Hon. Member that one of the very first steps which was taken by the Minister of Finance upon assuming office was to put a stop to this sort of haemorrhage of taxpayers' funds. The Hon. Member is absolutely correct. Certainly there are signs of abuse. Some of the money which was spent in that way went to useful projects. However, it is akin to flying a transport plane across Canada and dumping bushelsful of money, so that some dollar bills would land in deserving yards. We put a stop to that. My Department will be auditing to ensure that, where abuses have taken place, the law will be fully pressed against the individuals in question.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM CHINA

Mr. Speaker: May I bring to the attention of the House the presence in our gallery of a delegation from China, led by Mr. Rong Yiren, Chairman of the Cina International Trust and Investment Corporation and Vice-Chairman of the National People's Congress. He is accompanied by Mr. Ma Yi, Vice-Minister of the State Economy Commission, and Mr. Yu Zhan, the Chinese Ambassador to Canada.

Some Hon. Members: Hear, hear!

* * *

NATIONAL REVENUE

CROSBIE OFFSHORE SERVICES LIMITED

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to direct a question to the Minister of National Revenue which is about another, admittedly smaller, haemorrhage of public funds. Yesterday the Minister of National Revenue refused to answer the question about the very strange decision of National Revenue in its treatment of the bank account of Crosbie Offshore Services Limited. He indicated that Section 241 of the Income Tax Act prevented him from answering the question. That Section is there to protect the confidentiality of the taxpayer. I would remind the Minister, in this case, that the taxpayer waived that confidentiality by making information public. The Minister of Justice has also made the information public about that tax account, so I feel justified in asking him again why this very strange behaviour. Why, when Revenue Canada could have paid itself that debt, did it release the funds, and it now stands at least $332,000 short, possibly more?

● (1150)

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I would remind the Hon. Member, who is a former Solicitor General and should know better, that Section 241 of the Income Tax Act forbids me or any of my officials from:

(a) knowingly communicate or knowingly allow to be communicated to any person any information obtained by or on behalf of the Minister for the purposes of this Act—

Therefore I cannot, as much as I would like to do so, particularly in cases where unjust innuendoes are being spread by people who should know better.

An Hon. Member: And in the absence of the Minister.

MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, when the Minister of National Revenue refers to unjust innuendo he is characterizing the secret information that he has. That is very unfair.

Mr. Clark (Yellowhead): Look who is talking about fairness.

Mr. Kaplan: Here we have a taxpayer who has gone public, and I think it is clear--

Mr. Speaker: Order. Supplementary question, please.

Mr. Kaplan: I want to ask the Minister to consider the taxpayer who has gone public and the importance of the integrity of the system of tax collection being preserved by an honest answer to the question I have asked, and I ask it again.

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I gave a fully honest answer to the Hon. Member. I want to say to him that, notwithstanding the fact that a former Solicitor General of Canada would ask the Minister of National Revenue to break the law, I have no intention of breaking the law; I intend to enforce the law.

Some Hon. Members: Hear, hear!

* * *

MEDICAL CARE

HOSPITAL SYSTEM—GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. Late last year we had the Minister of Finance suggesting that we might have to consider at least a change to universality if not an end to it. Then the Government is moving to partially deindex old age pensions and social benefits. Yesterday the Minister of Finance indicated that it may be necessary for hospitals to look for private funding in order to provide the services that Canadians need. Is it the intention of the Government, now or in the future, to move toward the privatization of the hospital system in Canada?

Right Hon. Brian Mulroney (Prime Minister): No.

NATIONAL REVENUE

SCIENTIFIC RESEARCH TAX CREDIT—INVESTIGATION OF FRAUDULENT USE

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Hon. Minister of Science and Technology and concerns the scientific research tax credit program which became a bonanza for fraudulent use. This program was initiated by the Liberals in 1984, and terminated by the present Minister of Finance. Because the good name of Canadian science has been darkened, is the Minister going to have an investigation so that those at fault will be punished?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, because the responsibility for this program would be that of the Department of National Revenue, not of my colleague, the Minister of State for Science and Technology, perhaps I can answer in his stead. Yes, we will fully audit claims made under the SRTC program. We intend to ensure that, where abuses have taken place, the law is fully enforced. My colleague, the Minister of Finance, has changed that program, one which will end up costing Canadian taxpayers approximately ten times as much as was predicted by the Liberal Minister of Finance when he introduced the program.

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. Last March his Minister of Regional Industrial Expansion said that while discussions continued for a new agreement with Japan on the export of Japanese cars to Canada, the situation would be monitored to ensure that the provisions of the previous agreement would be respected. Yet in April exports of Japanese cars to Canada jumped 20 per cent, and 27 per cent in May. Yesterday his Minister told the press that he was dropping the requirement of the previous agreement that the total number of Japanese cars exported to Canada not exceed 170,000.

I ask the Prime Minister why his Minister of Regional Industrial Expansion has not carried out his commitment to see that the previous agreement was respected, and why has he dropped the key provision of that agreement without getting anything in return by way of either a new agreement at previous levels, or new commitments on Canadian content, jobs, and production for Canada.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend has put a lot of figures into his preamble and I would want to examine them very carefully to make sure they are in conformity with the facts. In the absence of my hon. friend, the Minister of Regional Industrial Expansion, who is conducting negotiations both with vigour and, I think, effectiveness, I would say that I think that when my hon. friend was the Minister responsible in a previous Government the documentation was concluded towards the end of June. So

we are still working towards a deadline and an agreement which will be beneficial to Canada and Canadians.

CONDUCT OF NEGOTIATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister says that his Minister is pursuing the negotiations with vigour and effectiveness. Can he explain why the Minister first set a target date for a new agreement of June 12, a date which has gone by, and is now talking about August, while at the same time he is unwilling to send a firm signal to the Japanese by way of necessary direct action to make sure they realize that Canada means business that either there is a new agreement for quotas in place at previous levels or there is a new agreement giving commitments for production, jobs, and activity in Canada by Japanese companies equivalent to what they are already doing in the U.S.? Will he ensure that his Minister acts decisively in the way he claims the Minister is doing, but which he has not shown any signs of doing as yet?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it would be widely recognized that the present Minister of Regional Industrial Expansion is probably the most effective Minister to hold that portfolio in many, many years here in Ottawa.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In fact his accomplishments are such that, while he is working extremely well to protect the automobile industry, he is down in Cape Breton right now announcing new job creation projects for the Island.

* * *

PENSIONS

BUDGET IMPACT—MONITORING INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. I have been listening with a lot of care and interest to what he has had to say on the pension situation. Is he saying to the people of Canada, more specifically to the pensioners, that following his monitoring, whatever he is monitoring, if the situation gets worse the Government will go ahead with its proposals to partially deindex pensions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there are two hypothetical questions in there. I have answered many times, sometimes in the absence of my hon. friend, I will acknowledge—

An Hon. Member: Isn't he always here?

Mr. Mulroney: Well, you know, when that car hits the highway the chauffeur just does not know when to stop. The Hon. Member likes to keep close to the working man; that is why he sits up front.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That is why you are in the back.

Mr. Axworthy: He does not have a flag on his car, Brian.

Mr. Mulroney: I think my friend is, of course, an excellent Member and excellent Leader of his Party, and I have given him full responses to assure him that the commitment of this Government to the elderly and the integrity of social programs is unrivalled and unsurpassed by any other Party in the House, and certainly is no less than anyone else's.

REQUEST FOR ABOLITION OF GOVERNMENT PLAN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, maybe the Prime Minister will answer this time. He has raised the possibility of a change which no one else in the country seems to want. I want to understand. If the situation worsens, persumably we should not go ahead with this regressive change because it will also negatively affect pensioners. But if the situation improves he has already implied that they are going to cancel the change because, in his judgment, the Government will be able to—

Mr. Speaker: Does the Hon. Member have a supplementary question?

Mr. Broadbent: My question is this. Does that not inevitably lead to the point that, whatever happens, whether it gets better or worse, the Government should abolish this ridiculous plan to deindex pensioners' cheques?

Right Hon. Brian Mulroney (Prime Minister): We have indicated where we want to go with job creation programs designed to strengthen the social safety net and the programs for our elderly. That is where we want to get to, and why, as well. We have acknowledge that this presents a problem, but we have avoided making the categorical kinds of statements which, for example, limit your scope of action or make you look awfully foolish, for example, like the Leader of the NDP who, in the Ontario election campaign, was asked if he would ever join up with the Liberals, and he said: "I'd rather marry Dracula first".

* * *

• (1200)

[*Translation*]

THE BUDGET

INDEXATION OF PENSIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I also have a question for the Right Hon. Prime Minister.

First of all, I would like to say that as far as I am concerned, he is certainly to be commended for indicating in the Budget that the situation with respect to Old Age Security pensions will be reviewed.

He deserves to be congratulated on having said that he is going to monitor the situation between now and the end of the year, and that he is disposed to make changes if necessary.

However, what I fail to understand, and that is the point of my question, is why this potential cut in the level of indexation was put in the Budget? Why was it included? The monitoring could have been done until the end of this year without causing any anxiety among the elderly, or as they say in Quebec: "sans jouer avec leurs nerfs". And the decision could have been made at the end of this year just the same. Why did the Government decide to have this sword of Damocles hanging over the elderly? Why did they not—

Mr. Speaker: Order, please.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I appreciate the Hon. Member's comments. I think he puts the problem in a practical perspective that shows he likes to take a more realistic view.

All the budgetary measures were designed with a view towards setting up stronger social programs at the national level that can be guaranteed to benefit the neediest in our society. That was the whole point of putting our public finances on a sounder basis, after they had been seriously undermined in the past.

When 30, 40 or 50 per cent of the Government of Canada's national assets is spent on paying the interest on the public debt, it is a serious threat to the social programs we want to protect, and that is why we have proceeded in this way.

However, I admit the Hon. Member has a point, and that is why we said in the Budget that we were going to monitor the situation very closely in order to try and help the elderly as soon as possible.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, June 13, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for York East (Mr. Redway) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

MISCELLANEOUS ESTIMATES

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Miscellaneous Estimates, in both official languages.

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

* * *

PETITIONS

CHANGES IN OLD AGE SECURITY ACT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have the honour to present petitions from citizens of Toronto who are petitioning the Government to maintain full indexation of the old age pension.

I have another petition from citizens in Metropolitan Toronto who are asking the Government to maintain full indexation of the old age pension.

Mr. Speaker, I have another petition from citizens and residents of the Metropolitan Toronto area who ask the Government to maintain full indexation of the old age pension.

Finally, Mr. Speaker, I have a petition from residents of my riding of Davenport who petition the Government to maintain full indexation of the old age pension.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour and the privilege of tabling a petition as part of the campaign for justice for the elderly, in which the Prime Minister of Canada is asked to meet the commitment he made during the election campaign in the summer of 1984, to maintain full indexation of Old Age Security pensions. The petition is signed by several constituents from the riding of Ottawa-Vanier.

I have another petition—

[*English*]

I have another petition, Mr. Speaker, signed by several members of the constituency of Ottawa-Vanier which I represent. They request the House and the Prime Minister (Mr. Mulroney) to respect the commitment of the 1984 election campaign to maintain full indexation of the old age pension.

I have other petitions signed by an impressive number of constituents of mine asking the Government to keep its word and respect its commitment of the 1984 election campaign, that is, to maintain full indexation of old age pensions.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition from my electoral district of Vancouver-Kingsway signed by a number of seniors and other people. It is with respect to the issue of deindexing seniors' pensions. This is the largest petition I have ever received from my riding. There are over 500 signatures on it. The petitioners pray that the Government not break its promise to the seniors of Canada and not deindex their old age pensions because they will lose $100 worth of purchasing power next year, $205 the year after, and so on up to $680 in the year 1991. They say that the losers will be the poor, the unemployed, and women.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I also have a number of petitions and they also concern pensions. One petition is signed by 23 individuals from Lefaivre, Ontario. I also received 33 signatures from Vars; 33 from Hammond, 31 from Hawkesbury; 21 from Clarence Creek; 30 from Bourget; 22 from the Club Les bonnes Samaritaines in Hawkesbury; 40 from the Casselman Senior Citizen's Club and three from Clarence Creek, Ontario.

[*English*]

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, it is both my duty and honour to present to the House a petition signed by 1,750 concerned British Columbians calling for the return of capital punishment for convicted murderers. This would ensure the security of all Canadians in the future by deterring those in society who would deny us our most basic right, the right to live in a free and peaceful society. This petition is sponsored by Victims of Violence, British Columbia branch.

REQUEST FOR RELEASE OF POLITICAL PRISONERS IN POLAND

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I have the privilege to rise and present a petition from a number of very concerned people in Edmonton who strongly wish to urge Parliament to make representations to the Polish Government for the release of all political prisoners who are being held in Poland unjustly and being denied their human rights.

RETENTION OF ONE DOLLAR BANKNOTE

Mr. David Daubney (Ottawa West): Mr. Speaker, it is my duty and honour to present a petition on behalf of 32,500 residents of the National Capital Region which was gathered over a period of only a few days in the City of Ottawa. The petition calls upon this House, and in particular the Minister of Finance (Mr. Wilson), to intervene to ensure that the $1 banknote, which is produced by two banknote companies in the City of Ottawa, remain in circulation in Canada and that it not be replaced by a $1 coin.

CHANGES IN OLD AGE SECURITY ACT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of senior citizens and others who are protesting the Government's decision to deindex OAS and are asking the Government, and particularly the Prime Minister (Mr. Mulroney), to recall his commitment to the people of Kamloops-Shuswap when he said that indexation would not be touched.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition, which has been co-ordinated by the Ottawa Senior Citizens' Council, which calls upon the House of Commons to reinstate full indexation of Old Age Security forthwith, stating that requiring large numbers of pensioners to suffer additional reductions in real income is heartless, especially as so many already exist on incomes below the poverty line.

RETENTION OF ONE DOLLAR BANKNOTE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour, in conjunction with my friend, the Hon. Member for Ottawa West (Mr. Daubney), to present a large number of petitions which have been gathered over the course of the last two weeks by people concerned about maintaining the dollar bill in Canada, whether or not the dollar coin is introduced as proposed by the standing committee which reported today. This petition is signed by 12,119 citizens of Ottawa, Hull, Vanier, Nepean, Kanata, Richmond, and Smiths Falls.

In addition, I have the honour to table a further 1,000 signatures from citizens of the Ottawa area who call upon Parliament, and particularly the Minister of Finance (Mr. Wilson), to intervene to ensure that the $1 banknote remains in circulation in Canada and that it is not replaced by a $1 coin.

• (1210)

Finally, I have a further 4,272 signatures from people in the Toronto area who, in the course of one day, indicated their desire to maintain the one dollar banknote, that it remain in circulation in Canada, and that it not be replaced by the one dollar coin.

I call your attention to the fact that these petitions jointly represent approximately 47,000 signatures that were gathered in the course of just two weekends.

DEINDEXATION OF PENSIONS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I wish to present a petition with respect to seniors' pensions. There are a large number of women who are concerned about partial deindexation of pensions as it affects many elderly women who live in poverty in this country.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and privilege to present a petition from approximately 400 Canadians, whose names were gathered in one afternoon in the Kensington Market in the riding of Spadina. They are concerned that the senior citizens' pensions will be cut by $100 in 1986, as the Prime Minister has acknowledged, and by larger amounts in the following years. They ask that Parliament prevail upon the Government to ensure that these cuts will not in fact be carried out.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I too have a petition signed by 450 constituents from Essex-Windsor, the first instalment on thousands, who are expressing their hopes of being able to persuade the Prime Minister that indeed there is a strong consensus across the country against

the unfair measures which have centered on senior citizens for a double attack in the Budget.

* * *

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

ORDER OF REFERENCE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there has been consultation among the Parties. I think you will find that the following order of reference will be received now by unanimous consent and approved. It is as follows:

That the Standing Committee on External Affairs and National Defence be empowered to hear evidence and consider Canadian policy with respect to future defence cooperation with the United States in the North American region with particular reference to air defence and related arrangements embodied in and flowing from the North American Aerospace Defence Agreement;

That the Committee have the power to retain expert, professional, technical and clerical staff;

That the Committee be empowered to adjourn from place to place within Canada and the United States; and

That the Committee report and make recommendations to the House of Commons no later than Friday, February 28, 1986.

Mr. Speaker: Is there unanimous consent to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 172 will be answered today.

[*Text*]

CORRECTIONAL SERVICE OF CANADA

Question No. 172—**Mr. Stackhouse:**

1. In (a) 1980 (b) 1981 (c) 1982 (d) 1983, how many inmates of federal prisons escaped and how many have been returned to custody?

2. In (a) 1980 (b) 1981 (c) 1982 (d) 1983, how many inmates on day parole or on temporary absence failed to return and how many have been returned to custody?

3. In 1983, how many inmates in federal penitentiaries were found to be in the possession of illegal drugs?

Hon. Elmer M. MacKay (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned:

1. (a), (b), (c), (d) See table below.

2. (a), (b), (c), (d) See table below.

Information provided for unescorted temporary absence only. The Offender Information System does not store, at the present time, actual data on day parole.

3. There were 743 inmates found to be in possession of illegal drugs.

1. (a), (b), (c), (d)

Calendar Year	Escapes from Federal Insts. during Year by Security Level				Escapees Returned to Custody as of March 31, 1985
	Max. (S6-S7)	Med. (S4-S5)	Min. (S1-S2-S3)	Total	
1980	13	56	125	194	191
1981	4	35	173	212	210
1982	6	40	164	210	208
1983	5	20	201	226	222

2. (a), (b), (c), (d)

Calendar Year	Failures to Return from Unescorted Temporary Absence during Year	Returned to Custody as of March 31, 1985
1980	119	119
1981	116	116
1982	120	119
1983	102	101

[*Translation*]

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

Mr. Deputy Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PRAIRIE FARM ASSISTANCE ACT

MEASURE TO REPEAL

Hon. John Wise (Minister of Agriculture) moved that Bill C-41, an Act to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof, be read

the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, the Bill before us today is simply a housekeeping matter. I think we sometimes use that terminology loosely, but in this particular case I believe it certainly fits the definition very accurately.

It will formally end the life of the Prairie Farm Assistance Act and the Prairie Farm Emergency Fund, established under this legislation. In fact, operations under the Act ceased in 1972 and the Bill to repeal the Act will simply confirm that reality.

The original legislation, enacted in 1939, had a long and very useful life. Under the Act, money was collected from western farmers through a one per cent levy on grain sales. This money was kept in a fund that was used to provide for financial relief to farmers hit by crop damage or by crop failures.

When the federal-provincial crop insurance program came into force, the PFAA operations became redundant. Western farmers had a better way of protecting themselves against emergency situations. As a result, the PFAA operations were wound down, with one notable footnote. There was exactly $9,066,972 left in the fund. It is money that had been collected from western farmers. It belonged to the farmers but there was no administrative way of returning it to them. The problem was finally resolved a decade later when the federal Cabinet authorized handing the money over to the Western Grains Research Foundation, an organization set up to sponsor additional agricultural research in western Canada.

The foundation was established under the supervision of the Canadian Federation of Agriculture, the umbrella national organization for many farm groups in Canada. Besides the federation, the foundation membership includes the three prairie wheat pools and other prominent western farm organizations. Agriculture Canada has a senior research branch official on the foundation's board of directors to ensure a close working relationship with the federal Government. The over-all aim was to use the money to fund western research in grains and oilseeds on behalf of the farm community which contributed the money in the first place.

I am happy to say that the goal is being achieved. As the money has been prudently invested, returns on investment are flowing out to financial research projects at more than a million dollars a year. By the end of this calendar year of 1985, some 33 separate research projects will have been arranged. All this has been achieved in a very short period of time. The foundation received the Prairie Farm Emergency Fund residue in May of 1982 and began funding research projects the following year. Research funding comes entirely from returns on investment. The original donation is intact and will indeed remain so.

Over-all, the decision to return the Prairie Farm Emergency Fund residue to the western farm community seems to be paying dividends. One spinoff was the creation of an entirely new source of research funds for prairie universities. So far, the Universities of Alberta, Saskatchewan and Manitoba have been the principal beneficiaries of the foundation's grants. Some research projects are being carried out with the help of Agriculture Canada's research stations in western Canada.

I believe the fate of the money from the old emergency fund is worth noting, as we move toward the official end of the Prairie Farm Assistance Act. I believe the money is being wisely used for the benefit of western agriculture and consequently will benefit the country as a whole.

As our House Leader has indicated, I believe that there has been some consultation with the House Leaders of the opposition Parties and it is my understanding that there is an agreement that the Bill move through all stages in the House.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I wish to participate briefly in discussing this Bill. As the Minister indicated, this is merely a housekeeping measure whose preparation had been started by the previous Liberal Government. Essentially, it only involves an accounting adjustment, the repeal of the present Act and the transfer of approximately $9 million to the Consolidated Revenue Fund.

Now that the Consolidated Revenue Fund will have an extra $9 million, presumably the $15 million that was cut from the agricultural budget by his colleague, the Minister of Finance (Mr. Wilson), will be changed and now enhanced by this $9 million. I am sure the Minister, once he discusses this with his colleague, will seize the opportunity and tell him that he might as well write off the complete reduction of funds and ensure that the Minister of Agriculture (Mr. Wise) has the full budgetary allocation that he had last year with no cuts at all. I am sure Members on all sides of the House would lend him good support in order to achieve that. I see the Hon. Member for London East (Mr. Jepson) is temporarily seated behind the Minister. Perhaps his seat over here has grown a little too hot and he had to get over to the other side, but I am sure the Hon. Member for London East would gladly support the Minister of Agriculture in ensuring more funding in the agricultural budget and that this $9 million going to the Consolidated Revenue Fund will be put back for agricultural uses.

● (1220)

There is a Member at the back saying we voted against something or other. Yes, we voted against the Budget that had been cut by $50 million. The Hon. Member who is heckling seems to be in favour of cutting $50 million from the agricultural budget. I am not. Members of our Party do not want the agricultural industry to suffer unduly at the hands of the Tories. That is why we are standing up for the farmers. We know that deep down inside the Minister of Agriculture would want to do that too if his colleague, the Minister of Finance, would let him.

We hope that in time as the arm twisting proceeds he will succeed in getting the $9 million referred to in this Bill along with the other $41 million that was cut off put back in agriculture. Along with that, I am sure the Minister of

Agriculture will confer with his colleague, the Minister of Finance, and ask him to deliver on the other promises that were broken by the Minister of Finance that the Minister of Agriculture so desperately wanted for the farmers. I am thinking more particularly of the report from the Standing Committee on Finance, Trade and Economic Affairs in which there were three main recommendations for the agricultural industry, two of which the Minister of Finance refused to give to his colleague, the Minister of Agriculture. The Minister of Agriculture, of course being on our side of the issue, wanted the assistance for the farmers.

I want to tell the Minister of Agriculture that we are supporting this minor housekeeping Bill. We are anxiously awaiting the Conservative Bills to enhance agriculture that were promised in the last election campaign. Since the election, not very many agricultural Bills have been introduced. Most of the ones that have been introduced were Bills left over from the previous administration. I find on my list of Conservative promises, from the book entitled *Three Hundred and Thirty-Eight Tory Promises*, that there were no less than 20 specific promises for agriculture. Most have not yet been delivered, probably because the Minister of Finance refuses to give the necessary funds to his good and able colleague, the Minister of Agriculture. If and when he does, we will all be here to support the Minister of Agriculture. Like him, we want what is best for the farmers.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the Bill before us is a housekeeping Bill. It seeks to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof. The older farmers who might be listening in or watching the proceedings of the House will recall that in 1939 a Bill was passed which was an attempt to take care of the crop variability and the problems farmers were having staying in business at the same time. It was a form of stabilization in crop insurance. In order for the program to work, every producer in western Canada was charged 1 per cent on the grain deliveries. The section we are deleting today is the section that gave that power to the administration of the Prairie Farm Assistance Act. It permitted the 1 per cent to be collected at the elevator when the initial price was paid to the farmer, and it permitted the Wheat Board to deduct the 1 per cent and to pay it to the Prairie Farm Assistance Act administration when final payments were made at the end of the calculations for the crop year.

How the program worked was fairly simple, but it was not always equitable. A lot of farmers on the Prairies saw it, probably rightly, as an income transfer from most farmers who lived in the well watered north to those who lived in the less watered south. Basically, that was the way most of the transfers went during the course of the program. Eventually, we got to something more regionally appropriate that more correctly reflected the circumstances of individual producers. We went to a crop insurance program where the individual was covered on the basis of the land he was farming, the soil type and the projected and expected yield from that area of the province given the particular soil type the farmer was farming.

I raise this point only because we are now locked in mortal combat, actually very friendly combat, in the Agriculture Committee on a Bill that is proposing to do some of the same things that we were attempting to do with the old Prairie Farm Assistance Act. We have a red meat stabilization Bill before us, amendments to the Stabilization Act, which would permit tripartite stabilization programs for red meat which, because it is a new and an initial attempt, is trying to ignore the reality of variation in regions and different parts of the country. The initial program being proposed seems to block out the differences that exist in cost from region to region.

The Prairie Farm Assistance Act tried to do that too, Mr. Speaker. After 20 some years, it was finally realized that it had failed. We went into a more acceptable crop insurance program, and the vestiges of that old Act we still have on the books are being done away with today.

The Minister pointed out that the funds left over have already been dealt with in a previous Act in the last Parliament when this Parliament created the Western Grain Research Foundation and moved the $9,066,972, I believe, over to the foundation which is now being administered by a board of directors representing CFA, the prairie pools and other regional organizations in western Canada. The approximately three-quarters of a million dollars produced annually from that foundation is being used mostly at the prairie universities to conduct research into prairie-related activities.

I think it is laudable of the Minister to clean up the books. I do not think we should spend a great deal of time on this Bill. It really does nothing. The organization no longer exists. The money has been transferred out of it. It is simply a means of reducing the length of some of the Acts, notably, the Crop Insurance Act, and so we have no objection to shortening the Crop Insurance Act when it has irrelevant and unnecessary clauses. We are prepared to let these clauses be removed. That is the nub of the question before us. I am quite prepared that we continue the various steps to take this Act off the books of Canada.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows. Mr. Wise, seconded by Mr. Hnatyshyn, moves that Bill C-41, an Act to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof, be now read the second time and, by unanimous consent, referred to committee of the whole.

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

Some Hon. Members: Agreed.

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

• (1230)

Clauses 2 and 3 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Wise moved that Bill C-41, an Act to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof, be read the third time and passed.

He said: I want to thank the Opposition's spokesmen for their co-operation in the expeditious passage of this piece of legislation. I want to compliment my colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) for his intervention in the debate. I think his comments were very appropriate, as they always are, and directed to the subject before the House. I want to acknowledge his interest and his co-operation.

I am pleased that my colleague, the spokesman for the Official Opposition in the Liberal Party, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), has returned to the House because he had some rather interesting interventions with respect to Bill C-41. The fact of the matter is that very few of his comments were directed to the contents of the Bill. He took the liberty of taking the time of the House to place some very inaccurate information on the public record, and therefore I think it is necessary for me to spend at least one quarter of my time allotment in setting the record straight. He indicated 200 or 300 or so commitments. I do not know just what document he was quoting from but I can tell you one thing, Mr. Speaker, it does not in any way reflect the campaign commitments that we made to the Canadian electorate during the campaign of last August and September. I can make an official copy available to him, and in fact I would be happy to have it delivered to his office this afternoon, and if he would take the time to examine it, he would find that there about 16 commitments were made. I believe that, upon a review of those commitments, he will find that we have fulfilled or made significant progress on most of them.

Second, he will note that there has been a piece of correspondence transferred between by Leader, now the Prime Minister (Mr. Mulroney), then Leader of the Opposition, on or about July 23, 1984, in which he set out some 11 points to the President of the Ontario Federation of Agriculture which were in addition to the campaign commitments. Of course, upon examination of what we have been able to achieve since assuming office on September 17, again he will be disappointed, but the fact of the matter is that he will find that there again some very significant achievements have been made in his own area. We made a commitment, not a campaign commitment but rather in the correspondence that transpired between the Prime Minister and the President of the Ontario Federation of Agriculture, an indication that we would make funds available under the eastern Ontario subsidiary agreement for drainage. My colleague knows that funds have been transferred for those purposes, and he also knows that there are two or three drains which have been held up, I think quite legitimately, and are temporarily on hold pending release from the Ontario Ministry of the Environment or perhaps from a conservation authority or some provincial ministry. Therefore, to this point in time we have fulfilled that commitment.

He will find that we made a commitment to provide a rebate on farm fuels. The House gathered on Monday, the economic statement came down on November 8 on Thursday, and we delivered the commitment to provide assistance through the rebate on farm fuels, which will save Canadian farmers somewhere around $100 million.

The Minister of Finance (Mr. Wilson) indicated that same night that the three tax matters which had been bothering the Canadian agricultural industry for years and years were to be referred to a standing committee. The Hon. Member will not realize that because he was not here, but I am sure that farm organizations were making representations to him in the provincial Legislature at Queen's Park. If not, they were down here asking, as they have been asking for the last 10 years, but receiving no action whatever on the three major tax issues.

The first one, of course, and the most important one, was capital gains. The second was Section 31, and the third was the agri-bond. The Minister of Finance referred these three matters, quite appropriately, to a standing committee, where the matter was studied.

The Hon. Member will know that some very significant action was taken on capital gains. People have been coming here, and I have been meeting them across the country for months and months and years and years, and really the bottom line was, if you do anything, please do something significant on capital gains. It did not really matter whether you were talking to farmers on the East Coast, in central Canada or in western Canada, that was their prime desire. Do something, they said, we know that you are in a tight situation but please try to do something on capital gains. Indeed, the Minister of Finance did recognize the importance of doing something and he did do something very significant in his Budget of May 23, something which was long overdue but on which nothing had been done.

Let us look at Section 31. The Hon. Member knows that there is no consensus on Section 31. Some farm groups indicated that indeed it should be changed; others said, no, do not touch it. We know that there would be a problem there if it were simply increased. We know that there is a potential problem perhaps if we take if off completely. So there was no real consensus there.

I invite him, because I think that we have to be accurate, to go back and read the document carefully, when he receives it this afternoon, to see exactly what we said with respect to Section 31. We did not say in our campaign commitment that we were going to repeal Section 31. I cannot really recall the actual verbiage, but we indicated that we would ensure that more fairness and more equity would exist in the assessment,

the verification, and the application of Section 31. The Hon. Member will have to admit that, to a large extent, we have achieved that. We have done so as a result of the recognition by my colleague, the Minister of National Revenue (Mr. Beatty), who comes from a rural area, that for a long time a big problem existed in Section 31. It is the application of Section 31 more than anything else that is the problem. To a large extent we have addressed and we have fulfilled our campaign commitment on Section 31. We are not turning our back on it. I just want to make that comment in order to set the record straight.

Concerning agri-bonds, the Hon. Member will know that there is even less consensus on agri-bonds than on Section 31. The Minister of Finance also indicated that when one is assuming or inheriting a very difficult financial situation, with a $35 billion deficit and an accumulated debt of $220 billion, it just might not be possible to do everything to fulfil all of one's commitments. Those commitments, of course, result in lost revenue. The Minister was very clear, honest and open with the Canadian taxpayers on November 8. We will have to address ourselves to Section 31 of the Act. We will have to continue to adress ourselves to the agri-bond concept.

• (1240)

If the Hon. Member were to read on, he would find that we made a commitment to provide an amendment to the Western Grain Stabilization Act so that we would be in a position to make an interim payment to western farmers. The Hon. Member will realize that we have passed that amendment and we have been able to make that interim payment to western farmers. We indicated that we would enact the meat import law, and on December 21, we delivered on that campaign commitment by enacting the meat import law.

The Hon. Member will also know that we indicated that we would do something sensible and appropriate with respect to the metrication program in Canada. We all know that the program was not working too well, particularly in the agricultural sector where not only was it a nuisance factor but it was also a safety factor. We all know that significant crop damages occurred through miscalculations in the conversion of imperial to metric and vice versa. We indicated that we would change that by putting the metrication program on a voluntary basis. Back some months ago, we were able to deliver on that campaign commitment as well.

Another problem that was not a general problem across the country was one we attempted to solve by giving an early commitment to the continuation of the offshore labour program. My colleague, the Minister of Employment and Immigration (Miss MacDonald), made that commitment as well—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Minister, but I wonder if his remarks are relevant to the Bill.

Mr. Wise: Mr. Speaker, I appreciate your intervention and I am in your hands. I will let you be the judge. I am being as relevant to the Bill as the Hon. Member for Glengarry-Prescott-Russell was when he spoke.

In the area of farm finance, we indicated that we were going to re-establish or fund the Special Farm Assistance Program which had expired on January 1 of 1984. The previous Government made no additional funds available to that program, but we did through our interest rate conversion program. In fact, we even went beyond that. The Special Farm Assistance Program provided benefits on a means test basis which served some 1,800 or 1,900 clients of the Farm Credit Corporation. Our interest rate conversion program went beyond that to bring interest rates down from 16.75 per cent to 12.75 per cent. That program will cost us $16 million per year for five years, making it a $80 million commitment. Another important change to the program was that one did not have to plead one's case before a board or before bureaucrats, and because of that, rather than serving some 1,900 or 2,000 people, which was the number of people who applied under the previous Government's program, our program will provide benefits to 5,600 clients.

I will not take much more of the time of the House because I think that I have got the message across. I thought that it would be appropriate to take a bit of time not to deal with all of the questions raised but indeed to respond to some of them. We can save the time of the House by asking the Hon. Member, when he receives a list of the campaign promises that we made—

Mr. Boudria: I've got them right here. Do you want me to give you a copy of them?

Mr. Wise: Unless he has changed his document, I am not exactly sure to what he is referring. He seems to have all kinds of things over there. I do not have much confidence in what he has on his desk. I would rather provide him with the gospel.

I do not know whether or not the Hon. Member has on his list our commitment to provide funds to the Ontario Veterinary College for renovations to take place so that it could retain its credibility. That is something that was neglected by the previous Government for a long time. We delivered on that commitment as well. I do not know whether or not he has in his document, which consists of page after page after page—

Mr. Boudria: Lots of pages.

Mr. Wise: If he has lots of pages, it is obvious to me that he is not quoting from the right document. I do not know whether or not he has in his notes our commitment to provide a long-term dairy policy. I am going to be in a position, probably within a couple of weeks, to announce the formation of a small team that will be working with the Government and the dairy farmers of Canada to develop that long-term dairy policy.

Our commitments go on and on. In fact, they go well beyond the list. I can send the Hon. Member a list of things we have accomplished in the very brief time since the election. There have been well over 80 achievements and accomplishments. If the Hon. Member would like to turn on his calculator to add up what he calls cuts to the Agriculture Department, he will find that since that time, we have been able to provide to the agriculture industry some $1.5 billion.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the third reading debate on the Bill at hand. Of course, I will take the occasion to respond to the third reading statement made by the Minister, a statement which I believe was in order in view of the statement you made, Mr. Speaker.

The document from which I was quoting during the second reading debate and to which the Hon. Minister referred in his third reading statement was the book of Tory promises. It has on it a little logo, which you may recognize, Mr. Speaker. It bears the initials PC. Perhaps that means Progressive Conservative although—

Mr. Marchi: Patronage Canada.

Mr. Boudria: Patronage Canada, my colleague has said. I thought it meant "Regressive Preservative" but if so, it would not bear those particular initials.

The document to which I referred earlier was the consolidation of this Progressive Conservative document. There are so many pages in the book of Tory promises that I had to consolidate it in order to make it practical for me to use it in the House. Therefore, I published this book which is known as *Three Hundred and Thirty-Eight Tory Promises*. This is the book from which I was quoting a little earlier.

Mr. Marchi: Where they stood.

Mr. Boudria: My good friend, the Hon. Member for York West (Mr. Marchi), says that we should entitle this book *Where They Stood*. That would be a proper title for this particular book.

Mr. Marchi: It would be a best seller.

Mr. Boudria: It would be a best seller indeed. Perhaps we could deal with some of those promises on which the Minister says he is so proud of delivering. The Minister has said that there were not 20 promises. I count 20 promises right here. In any event, notwithstanding the fact that a few of them have—

Mr. Deputy Speaker: Order, please. The Chair realizes full well that the Hon. Minister made statements that went beyond the scope of the Bill. The Chair is willing to allow the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) the same leeway to make his comments. However, I would not want the debate on this particular Bill to degenerate into a totally unrelated debate. I am sure the Hon. Member realizes that.

Mr. Boudria: Thank you, Mr. Speaker. I will try to link my comments as closely as possible to the statement made by the Minister, a statement which of course you have already recognized as being pertinent to the Bill.

A while ago, the Minister said that he and his Party had delivered on most of the promises or on a substantial number of the promises made to Canadian farmers. I would like to know what happened to promise number three, which was to allow the Farm Credit Corporation to offer agri-bonds so that farmers will have access to reasonably priced funds. Where is the delivery on that promise? What about the promises to extend and expand the Farm Credit Corporation special interest subsidy, to revise Section 31 of the Income Tax Act to reflect the principles of equity, to re-establish a long-term dairy policy, to support farmers in the efficient development of the marketing system of their choice, to allocate the necessary funding to assist producers in refinancing loans at current prevailing rates and to eliminate the automatic annual increases in the federal excise tax on wine as part of the rescue package for the beleaguered wine industry?

● (1250)

The Minister, in the statement which he made a few minutes ago, referred to the report of the Standing Committee on Finance, Trade and Economic Affairs. The Minister said that there was no consensus on what should be done with respect to Section 31 of the Income Tax Act. I would like to remind the House that a document was unanimously adopted by members of that committee. I would like to read the portions of the document which refer to the statements which he made. The document of the committee read:

3. That the use of the existing questionnaire sent to prospective farm taxfilers in its application of Section 31 by Revenue Canada be discontinued.

It went on to explain the new procedure which would be used. It continued:

4. That the Minister of National Revenue consider the advisability of establishing regional assessment review committees—

5. That the Minister of Finance consider the advisability of doubling the present limit on the deduction of loss for part-time farmers—

Those were very specific recommendations. The Minister said that there was no consensus on those recommendations. However, there was more than consensus, there was unanimity. I am sure that the Minister must have inadvertently misinformed us when he said that. He knows that we not only had consensus, but that we also had unanimity.

The Government partially delivered on one promise in the document which related to capital gains tax. However, in isolation, that is not good enough for the farmers of Canada.

In any event, we on this side of the House still support the Minister of Agriculture (Mr. Wise). We know that he wants what is best for the farmers of Canada. Hopefully, in due time, he will succeed in cabinet in convincing the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret). I see that the President of the Treasury Board is in the House. I hope he is listening and that he is convinced that the Minister of Agriculture needs plenty of assistance for the farmers in my riding and all farming constituencies across the country. I plead with the President of the Treasury Board to confer with the Minister of Finance to ensure that the Minister of Agriculture will receive all the funds which he requires to have a prosperous agricultural industry in Canada.

The Minister referred to the Canada-Ontario development agreement. We are very pleased with the work which has been done thus far. I have spoken many times to the Minister about it. I hope that at some point in the near future I will be able to

tell the farmers of my riding, and especially the municipalities, that they will be getting their money. They are anxiously awaiting that money.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I hesitate to rise. There are many problems in the agricultural field. The Minister has succeeded in taking up an hour of the time of the House today to present a Bill which, in my opinion, and I am sure in the opinion of virtually every farmer and many lawyers in the country, does not have to come before the House. It is useful verbiage. The legislation concerns words which could lay dead for another 100 years, and it would not matter. The administration no longer exists, so leaving the words would not hurt.

The amendment which was made to the Crop Insurance Act was the same situation. It is no longer applicable. It has not been used for years.

Farmers are wondering what they can do in order to plant a crop. Many farmers have had to find other people to plant their crops and have had to quit this year. Some farmers are trying to make the hard decision as to whether or not they should continue their family farms. Those farmers are looking for answers with regard to financing for this year and coming years. They were hoping for answers on meat imports.

The Government enacted the Meat Import Act. However, within a few weeks it changed its mind and once again opened the borders. We now have more than twice what was the initial proposal for imports from Europe and other sources.

It puzzles me why a measure such as this would be brought before the House when there are so many other higher priority items in the agricultural field which I am sure the Minister and his Department could have brought before the House. I am quite puzzled as to why the Minister even bothered to put this Bill before the House. It may be part of the strategy so that government Members can say over the summer months that the Government has passed so many Bills which deal with agriculture.

This is the second or the third Bill which has been of a housekeeping nature. These Bills only allow the administration, the next time when the Bills are printed, to shorten them. The Government has now, officially, taken away useless words which are no longer relevant from the legislation. It has not contributed anything to the well-being of Canada's agricultural community or to the taxpayers of Canada. It has only wasted the time of the House. However, it has given us an opportunity to say something about a couple of agricultural issues which do not relate to the Bills.

I think, Mr. Speaker, that we should have the vote and get this piece of ancient history put properly where it belongs.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, unfortunately what was to be a housekeeping measure—and it was agreed that there would be one speaker from each Party—has turned into a politicized debate. I feel that the agreement has been breached.

First, the last speaker did not commence the politicization of a non-controversial issue. However, I would say to him that the measure is good management and that it will clean out the dead wood. Why reprint, at extra cost, all those useless pieces of legislation which are no longer applicable?

Mr. Althouse: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) on a point of order.

Mr. Althouse: Mr. Speaker, I think the Hon. Member will know that we have a House agreement and that he will be breaking that agreement if he continues to speak. The agreement was quite clear that each Party would have one speaker. I recognize his remarks, but I think he is breaking an order of the House and he should comply with that order.

Mr. Deputy Speaker: As far as the Chair is concerned, there is no such order of the House. There might be an agreement between the Parties, but there is no order before the House.

Mr. Dick: Mr. Speaker, I just wanted to say that I believe it is better to save money than to waste money and time printing dead legislation. It only confuses the issue. I an glad that we will clean it up.

It is unfortunate that the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) crept out of the House. I will wait for another occasion, when he creeps back in, to deal with the type of thing with which he dealt in regard to the Bill. His comments were not on the topic. He is so wrong that I suppose that is why he crept away.

Mr. Deputy Speaker: The Hon. Member knows that he should not comment on the presence or absence of other Members in the House.

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

[*English*]

SPORTS POOL AND LOTO CANADA WINDING-UP ACT

MEASURE TO ESTABLISH

Hon. Ray Hnatyshyn (for the Minister of National Health and Welfare) moved that Bill C-2, An Act respecting the winding up of the Canadian Sports Pool Corporation and Loto Canada Inc., as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of National Health and Welfare) moved that the Bill be read the third time and passed.

Mr. Joe Reid (St. Catharines): Mr. Speaker, if this Bill is to be adopted without comment on third reading, then we are quite prepared to pass it. But it was understood by the Government House Leader and the House Leaders of the two opposition Parties that there would be one speaker from each Party to address himself to the Bill.

I want to say at the outset that I feel rather honoured to have the privilege of addressing the Bill at this stage. As Official Opposition critic at the time the original legislation was introduced, I indicated to the House that it was doomed to failure from the very outset. Notwithstanding that, the then Government told us, told athletes all across the country, and told those responsible for the Calgary Olympic Games of 1988, that the legislation it was introducing would be the saviour of those Games. It would provide funding for athletes across this country so that we would not fall short in any aspect. When the original legislation came before committee the only people with any evidentiary value and experience pointed out that there was no way that the Sports Pool would be successful. Experience has shown that to be true. The Government lost $1 million a week while it was in operation. So we are now at third reading of a Bill to bring to an end a very sad part of our federal Government history. It was a page of that history which took the federal Government into competition with the provinces and charitable organizations all across the country who were fighting for the lottery dollar. People who spoke in favour of the legislation originally said that it would help those in need, yet there is all kinds of evidence to show that those most likely to purchase a lottery ticket are least able to afford it. So this brings to an end this dark page of federal Government involvement in lotteries.

It is a short Bill, Mr. Speaker, and I want to use the words of the Minister of National Health and Welfare (Mr. Epp) when he introduced this Bill in the first place. He indicated that it was a symbolic Bill. It was symbolic of federal government relations with the provinces then and now. In 1979, the Conservative Government entered into an agreement with the provinces with respect to phasing out federal involvement in lotteries. As a result of that agreement, the federal Government, the sports people, and those who shared in the benefits of the interprovincial lotteries, received a $33 million grant per year at no cost to the taxpayers or the Government. Following the February 1980 debacle, because of an election promise made by the then Leader of that Party, there was no holding back. No reason could be given to justify participation in the Bill except to say that the federal Government was going to get back into the lottery business through a game called Sports Pool.

• (1410)

This Government has indicated that there has been enough bitterness in federal-provincial relations. There has been enough competition for the lottery dollar and enough money spent on advertising by the federal and provincial Governments in competition for that lottery dollar. A system of harmony and co-operation existed between the Conservative Party and the provincial Governments in 1979 as it does today. The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) has been able to work out an agreement which will stabilize the financing of fitness and amateur sport. It will enable the Canada Games in Calgary to proceed in the knowledge that funding will be in place. The first symbol was that of a working relationship into which the Government of Canada can enter with the provinces to the benefit of all people of Canada.

The second symbol was one which tinged the former Government like no other. It is the ability to waste money through the mismanagement of Government Departments. It continuously threw good money after bad. Loto Canada, the predecessor of the Sports Pool, was marked by fraud, patronage, and law suits. The Liberals were such poor managers of Canadian tax dollars that during the election campaign of September 1984 it was said that they could not even make money out of a lottery. Such was the case as has been established today.

Through the introduction of this Bill we wanted to embark on a new era. That is why it was one of the first Bills introduced in the House after the formation of this Government. This is to be a new era of peace, good will, and harmony between the provinces and the federal Government. It spells an end to the bitter rivalry between Governments for the Sports Pool dollar. This Bill is symbolic in that it indicates a return to sanity in government spending. We have seen many instances of that since Bill C-2 was introduced in the House.

The Minister of Fitness and Amateur Sport has emphasized that we could not continue wasting over $100 million of taxpayers' money every week. We are left with no option but to terminate the Sports Pool Corporation and Loto Canada as quickly as possible. This was one of the earliest Bills introduced in this Parliament and it should be brought to a conclusion now. Let the lottery and gambling business of the Government of Canada be terminated now.

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, am pleased to participate in report stage of Bill C-2, an Act

respecting the winding-up of the Canadian Sports Pool Corporation. My remarks will be brief because I think there is consensus that this Bill should be passed. However, before commencing my remarks I would like to address some of the comments made by the eloquent Member for St. Catharines (Mr. Reid).

He mentioned how evil the concept of the Sports Pool was. He should pay attention to some of the things that the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) has said. In an article in *The Citizen* of September 18 ,1984, the Minister was quoted as saying that a different form of gaming operation could continue after this one because clearly we have to keep our commitment to the Calgary Olympics and we will. Implicit in that is the possibility that he may be looking at a mechanism to continue raising money for the Calgary Olympics in 1988.

The Member talks about squandering money. I am surprised that he would mention that in light of the controversy of the last two weeks about the Government taking money from pensioners and giving it to the multinational oil companies. The Member talks about patronage. I need not remind him that in the last months the House has been filled with stories of unending patronage by his Government. Before making those remarks he ought to have considered the actions of his own Government.

In consideration of this Bill there are a couple of important factors which should not be overlooked. It must be remembered that the main objective was to raise funds. This Government, like its predecessor, committed itself to $200 million of funding for the Olympic Games in Calgary in 1988. A few days ago the Minister of Fitness and Amateur Sport announced that the provinces would be contributing half of that commitment. I commend the Minister for picking up that $100 million. In addition, there is an Olympic coin which can raise an estimated $30 million to $50 million. However, the fact remains that there will be a shortfall of $50 million to $70 million in reaching that $200 million commitment.

● (1420)

Therefore, if this Sports Pool is to be wound up, it would be responsible on the part of the Minister to indicate his alternative to make up the commitment that he announced in September. Although the Minister stated he would inform the House about a private sector or government program to provide that other $70 million, he has yet to do so. Therefore, while it has been beneficial to look at past action, I suggest this debate would be meaningless without touching upon the ways and means of raising that $70 million.

I suggest that the Government should indicate as soon as possible how and when it will provide those funds. Quick answers to those questions will benefit the Canadian organizing committee for the Olympics, the athletes and all Canadians.

The Hon. Member for St. Catharines raised the broad question of lotteries in general. During the short-lived 1979 Conservative Government, an agreement was signed between the federal and provincial Governments which essentially indicated that the federal Government would allow the provincial Governments exclusivity with respect to lotteries. In exchange for that, the federal Government wanted to receive $35 million annually. The Hon. Member is correct that we have been receiving $35 million on an annual basis and that it is an income. However, I remind the House that the lottery business in Canada is worth at least $200 million per year.

If we are going to have a mechanism to raise funds on a national basis to support our athletes in all sports, we must also have a national will. I submit that that national purpose can best be defined by the federal Government of Canada. I believe that Canadians expect that of the federal Government. One need not have an M.A. in economics to realize that exchanging $35 million for $200 million is bad economics.

However, the Minister of Fitness and Amateur Sport continues to defend that agreement. He is quoted in *Hansard* of June 11, 1985, at page 5647, as saying:

> Those Members who are suggesting that we have given away the store are totally on the wrong side of the track because we are getting our fair share from the provinces.

With all due respect to the provincial Governments, I submit that we are not getting that fair share. It is somewhat unfortunate because we could be getting more in order to do more for sports.

Another major announcement made by the Minister of Fitness and Amateur Sport concerning sport financing related to cutting off federal funding for multilevel sports activities across the country until 1991. Quite frankly, that decision was not too well accepted in the sports community across this country. Let me refer to the Sports Manifesto put out by the Conservative Party of Canada. It is dated July 15, 1984. It states:

> We believe the federal role can be improved, and we believe that in the years leading up to the Calgary Olympics in 1988 this role must be improved.
>
> The first step which must be taken is to begin extensive consultations with all parties involved in amateur sport in Canada.
>
> We are committed to maintaining the highest level of federal support for amateur sports in Canada.

The sports community was counting on at least maintaining a certain discretionary level of funding. Cities like Thunder Bay and London which were looking at Olympic Games in the future will be hurt. We must recognize that sports activities need the funding and support of the federal Government.

While the private sector should be asked to share in the support of our athletes, and the municipal and provincial levels of Government should be involved in this process, the federal Government must also play a role. It is not acceptable to leave that responsibility to the private sector because it began contributing to amateur sports long before the Minister came to office. The Minister seems to suggest that the private sector is suddenly responding to his challenge for funding. However, the private sector has been a primary motivator of many of our sports activities throughout the country in all seasons.

Ultimately, when we talk about Olympic participation and the pursuit of athletic excellence, we must rise beyond our

partisanship, as the Member for St. Catharines attempted to do. This issue transcends politics, and in that spirit we on this side agree with trying to raise federal money to contribute to the Calgary Olympics of 1988 in order to make them the best ever winter Olympics. Certainly that must be the spirit that should prevail and that is the spirit that the sports community across the country expects of us. That is the spirit in which I close my remarks.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this is not one of the great partisan subjects of debate that have so rocked this Chamber in the last six or seven months. In fact, sport is something that I think pulls Canadians across the country together. It is part of the community base which our Party believes helps to give people a sense of commitment and strong participation within their communities.

As I stand here this afternoon speaking on behalf of my seatmate, the Member for Thunder Bay-Nipigon (Mr. Epp), who usually speaks for us on sports matters, I think of the many dozens of volunteers within my constituency who have spent much of their life working on a completely voluntary basis with the young boys and girls of the different communities across Essex County in order to give them a chance to participate in such sports as baseball. Some of the best amateur baseball teams in the country are found in Essex County. Some of the very best amateur hockey teams—

Mr. Marchi: Do you have a monopoly on sports?

Mr. Langdon: I must tell Hon. Members that if they want a real quarrel with Windsor Members of Parliament, they should not expect it on automobile quotas or something concerning pensions. They should expect the real quarrel to be over what is the sports capital of Canada. Of course, Windsor and Essex County are number one in that regard.

I must confess as a Canadian nationalist that part of the sense of commitment to sport in Windsor is a strong and almost irrational commitment to the Detroit Tigers which, for someone who used to be a Toronto Blue Jays fan, is occasionally difficult for me to adjust to. I can tell my hon. friend from the Liberal Party that being a Member of Parliament for Essex-Windsor makes one automatically a Detroit Tigers baseball fan.

Ms. Jewett: Aren't you going to talk about hockey?

• (1430)

Some Hon. Members: Shame.

Mr. Langdon: I have to talk about hockey too. The Belle River Canadiens, the Junior C team in Belle River, have just taken the Ontario championship. There was a huge celebration in Belle River which, I am proud to report to people, generated the usual sense of enthusiasm and community feeling for which Essex-Windsor is characterized.

Mr. Heap: Are you not going to say anything about lacrosse?

Ms. Jewett: What about B.C.?

Mr. Langdon: Lacrosse and B.C.? I have to confess they are both beyond our experience, as indeed is cricket. Cricket is not a major sport in Essex County.

Ms. Jewett: What about tiddly-winks?

An Hon. Member: And chess?

Mr. Langdon: The question of chess has been replaced by politics as a game of deadly seriousness in Essex county.

I have to express some serious points with respect to this Bill. My hon. colleague, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) has indicated she will be quiet. I cannot seriously believe this is a long-term commitment.

Some Hon. Members: Oh, oh!

Mr. Langdon: The Bill is an important accomplishment, Mr. Speaker, which this Government should feel some pride in bringing to the House because it has managed to get an agreement with the provinces. As a result of coming to an arrangement with respect to jurisdiction over lotteries, it will be possible for provinces to contribute $100 million to the Calgary Olympics in 1988. I hope myself, and I speak for our Party, that there would be an equitable sharing of that commitment among the provinces to reflect the fact that the Calgary Olympics will generate, by the most recent calculations we have seen, increased economic activity of $1.2 billion and 28,000 new person-years of employment. Most of that is concentrated in western Canada. Therefore, I hope the formula that is drawn out for the contributions of the provinces to this financing will reflect those kinds of benefits being focused in the West. I do not say that that means the rest of the country should not share in some contribution. All of us will have tremendous pride as we watch those Winter Olympics open in Calgary. We will have a sense of participation and of sharing that event.

I think, however, there remains a question mark over this Bill. I had hoped that the Minister might be here today to clear up that question mark. The federal Government did commit itself to $200 million in contributions to the Calgary games. At this point it has been able to indicate that we are at a maximum $160 million of the $200 million—

Mr. Reid: Thirty-five million a year from the provinces.

Mr. Langdon: Yes, but I understand that is not earmarked for the Games. If it is earmarked for the Games, that helps to answer the question, but it is my understanding from the Minister's previous statement that that is not earmarked for these Games. That leaves us with $40 million to $50 million still to be generated. I had hoped that the Minister would have been here to reassure us, and I cannot resist a small partisan needle here, I hope, that the method of raising that contribution will be somewhat more equitable than the method of

raising funds in this most recent federal Budget which has been anything but equitable.

We will be looking for a rapid announcement from the Minister, in return for our support for this Bill, of where he expects that further $40 million or $50 million to come from which will be contributed to the Calgary Games.

I have to make two further points. I cannot let this debate pass without making a reference again to the incredible success of this Sports Pool which is being wound up. As an economist I have had to look at the operations of a great many different kinds of agencies and companies. I have to confess that I have never before seen a lottery that managed to lose money. It has never been brought to my attention before. Most people in this country would have considered a lottery a licence to make money. Somehow this lottery, and perhaps it was the crowning achievement of the previous regime, managed to lose $46 million in the space of nine months. That amounts to $1.5 million a week. Occasionally this Party is attacked as having a penchant for extravagance, for being prepared to risk Government finances in wanton ways. It would never have occurred to us to have created a lottery to lose money. It took the dedication and achievement of the previous Government, the genius for organization of people who sometimes think they can set up government enterprises, without having the commitment which our Party has to make such government enterprises succeed, to establish an agency such as Loto Canada which, over nine months, managed to lose $46 million.

I cannot let that red letter achievement, and I use the word "red" advisedly, pass unnoticed. I have to point out that this Government has been successful in establishing an arrangement with the provinces that has got itself out of trouble, at least halfway out, with respect to its $200 million commitment to those Calgary Games. However, it has had to do so, I fear, at the expense of making a commitment that no further amateur sports funds events of an international character will be supported in Canada into the 1990s. It really is a great pity that that should have been done by this Government. Sports in this country is something of the fabric that ties our communities together. It is something which matters to all of us who have a sense of commitment and participation in our country. It matters to minor league baseball coaches in Essex County, right up to professional football teams which fight for the Grey Cup each November. For people such as those in London, Ontario, who hoped to have the Pan American Games and for those in Thunder Bay who hoped to have the Nordic Games, it comes as a loss, as a disappointment. They sense that the new Government does not really understand the significance of sports and spotsmanship. The Government abandoned its commitment to be open to provide support for those kinds of games during the upcoming five or six years.

● (1440)

We on this side of the House have a sense from our own communities of just how important sports activity can be. We would have wanted to leave open, not the possibility of huge contributions such as $200 million as in the case of the Calgary Games, but the possibility of at least some support from the federal Government to groups of citizens in various cities across Canada, citizens who would want, on a community basis, to come together to try to attract into their communities international sports events, which act as inspirations to those young athletes in Belle River, La Salle and Amherstburg who go out to the baseball diamonds and hockey rinks in the hope that some day they may represent their country at international events. We must remember that this somehow reflects their pride in being Canadian.

I hope this is a very temporary suspension of the help to international sports events which federal Governments have traditionally provided. I hope my colleagues from all Parties who are present today have sensed the enthusiasm in their communities for amateur sport, the enthusiasm which I see in my community. I hope they will push the Minister and their Government to reverse their penny-pinching attitude toward amateur sport at the international level and see to it, in the years ahead, that we become noted, as we have been in the past, as a country which believes in and takes pride in the sense of comradeship across the world which international sport can give to us.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

[*Translation*]

INCOME TAX CONVENTIONS ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for Mrs. McDougall) moved that Bill S-3, An Act to implement conventions between Canada and the Republic of Zambia, Canada and the Kingdom of Thailand, Canada and the Republic of Cyprus and Canada and the Federative Republic of Brazil for the avoidance of double taxation with respect to income tax, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the purpose of this Bill is to implement conventions between Canada and the Republic of Zambia, Canada and the Kingdom of Thailand, Canada and the Republic of Cyprus and Canada and the Federative

Republic of Brazil, for the avoidance of double taxation with respect to income tax.

The conventions were signed between February and June in 1984. They follow the same general pattern and are very similar to the conventions approved by previous Parliaments over the last nine years. The number of Canadian tax treaties in force is now 35. The conventions with Cameron, Ivory Coast, Kenya and Sri Lanka, approved by Parliament last June, should be ratified in the near future. After their ratification, the number of conventions in force will reach 39. I hardly need to add that once the four conventions under study are ratified, the total number will reach 43.

Mr. Speaker, we would like to give a short outline of the main elements of these tax treaties. Generally speaking, dividends paid by Canadian enterprises to non-residents may be taxed in Canada at a maximum rate of 15 per cent, according to these treaties. In the case of dividends paid by a Thai enterprise, a 15 per cent rate will apply if the Canadian company receiving the dividends holds an equity percentage of at least 25 per cent in the company paying the dividends and if the latter company engages in an industrial or commercial undertaking. In the case of dividends paid by a Cyprus enterprise, an exemption will apply as long as Cyprus does not impose a tax on dividends in addition to the tax chargeable on the profits of companies. If Cyprus introduces a tax on dividends, the rate will be limited at 15 per cent under the convention.

For dividends paid by a Zambian enterprise, the rate is limited at 15 per cent. Finally, for dividends paid by a Brazilian enterprise, a maximum rate of 15 per cent will apply but only if they are derived by a Canadian enterprise which holds an equity percentage of at least 10 per cent in the enterprise paying the dividends.

In the case of interest paid by a resident of one country to a resident of the other country, a general rate of 15 per cent will apply. However, there are a number of exceptions. In the case of Brazil, the 15 per cent applies only if the interest is derived by a company that is a resident of Canada. In addition, with respect to interest paid to the Government, a political subdivision or an agency wholly-owned by the Government or the subdivision, that interest is exempt in the country in which it arises. In the case of Cyprus, there is a tax exemption for Government interests and interest paid in respect of a loan made, guaranteed or ensured, or a credit extended, guaranteed or ensured by the Export Development Corporation (EDC) or its counterpart in Cyprus. Concerning interests from Thailand, the rates are 10 per cent if the interest is received by a Canadian financial institution, and 25 per cent in other cases; however, interests paid to the Government, the central bank or the Export Development Corporation are exempted.

With respect to royalties, the Conventions provide for a general tax rate of 15 per cent in the State in which they arise, except that in the case of Cyprus, the general rate is 10 per cent. Moreover, in the case of Brazil, the 15 per cent rate only applies if the recipient is a corporation that is an actual resident of Canada. Copyright royalties are exempt in the case of Cyprus and subject to a 5 per cent tax rate in the case of Thailand.

Among other items covered in these Conventions, where capital gains are concerned we find the following: the provisions concerning capital gains in each of the Conventions follow the Canadian policy aimed at ensuring that the State in which those gains arise maintain its taxation right on the sale of immovable property, business assets or shares in real estate companies.

Concerning non-discrimination, each of the Conventions prohibits discrimination based on nationality. This ensures that nationals of one state will be treated the same way as those of the other state in similar situations. However, this does not prevent a state from allowing fiscal incentives, for instance deductions for small businesses on the sole bases of the taxpayer's place of residence.

With respect to pensions, Canada has maintained its right to tax pensions paid to residents of the countries covered by the Bill. In the case of conventions with Cyprus and Brazil, however, the right to tax pensions under $10,000 and $4,000 respectively in a calendar year is granted exclusively to the country of residence of the recipient. Veterans pensions are generally exempted.

Let us talk about the avoidance of double taxation. In Canada we avoid double taxation by granting a credit on Canadian taxes for taxes paid in foreign countries, subject to the limits provided under Canadian law. In addition, dividends received by the Canadian branch of a foreign company are also exempted from taxation in Canada if they come from the exempted surplus of the resident branch of a country covered by a convention.

The conventions include as well a special provisions commonly called "credit for fictitious taxes" or, in the case of Brazil, "corresponding credit". Pursuant to such provisions, tax incentives provided under the legislation of those countries will be eligible for Canadian tax purposes, in the sense that investors will be allowed to deduct foreign taxes from their Canadian taxes even if those taxes have not been levied in the other country.

Generally speaking the terms of each convention constitute a fair solution to the various double taxation problems between Canada and those countries. Canadian businesses are in favour of expanding the network of Canadian tax conventions and, in that context, the early and final agreement on the conventions under consideration will be welcome. Each of the countries involved hopes to implement the bilateral tax convention, and this is why we urge the House to pass this measure as soon as possible.

Mr. Speaker, this gives me the opportunity to say that I had double taxation problems related to contracts awarded by a company I once had operating in a foreign country. The conventions featured in this Bill fully meet the wishes of Canadians who are quite willing to pay their taxes, but who balk at paying them twice in two different countries.

I urge the House to give particular consideration to this Bill and to adopt it without undue delay because we are facing a heavy work load.

• (1450)

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, commenting on a tax treaty Bill is always somewhat anticlimactic in that the treaty has already been signed by the Governments concerned, usually after protracted negotiations, and parliamentary approval by both countries is the last step. It is rare for amendments to be made to this kind of Bill, although in 1980 a Bill concerning 11 tax treaties was amended by the House Finance Committee to remove approval for one treaty; that treaty in fact had been signed in 1976 and has never since been renegotiated.

Bill S-3, which is before us today, is designed to implement tax treaties with four countries: Zambia, Thailand, Cyprus and Brazil.

The main purpose of tax treaties, of course, is to avoid double taxation and to give some predictability and assurance to investors. In Europe, in particular, most countries do not include international rules in their domestic tax system as we do, so double taxation can be avoided only if there is a tax treaty.

Attached to the Bill before us are the texts of the four agreements or conventions. Following the 1971 tax reform, former treaties were renegotiated and new ones were put in place. I believe the Parliamentary Secretary in his speech gave the exact number of countries with which Canada now has tax treaties, something over 30.

An Hon. Member: Forty-three.

Miss Nicholson (Trinity): Forty-three, thank you. The language and form of the conventions attached to this Bill are generally similar to those of the other treaties approved since 1975. The tax treaty with Brazil, as has been mentioned, has some special features. This is the end result of negotiations which began in 1975. It includes a different formula in respect to the taxation on capital gains. Another difference with the Brazilian treaty is the fact that all the reduced rates on withholding apply only to companies, not to individuals.

Canadian companies operating in Brazil have raised with our negotiators some ongoing concerned on which it was not possible to get agreement at this time, but we must hope that perhaps in future agreements will include features that are more encouraging to our Canadian businesses.

Under these agreements it has been said also that Canada reserves the right to tax pensions paid to residents of the other country, but in the case of Cyprus, the right to tax pensions of less than $10,000 a year is given to the country of residence of the recipient, with war veterans' allowances being exempt.

The other technical matters in this Bill, I think, have been summarized very well by the Parliamentary Secretary. It appears to be a rather straightforward matter and we would have no particular interest in delaying the Bill or discussing it further at this stage.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I suppose this is not the most scintillating debate that we have heard in terms of parliamentarians feeling the urge to spend the entire time allotment on this Bill. I will follow that tradition and again want to say how much we appreciate the fact that the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) very clearly outlined the contents of Bill S-3 for the Members present and those who are presumably watching and listening today.

I do not have much to add in terms of the points that the Parliamentary Secretary has made other than to make two or three general observations. Again, this Bill coming from the Senate as it was passed on March 12, I suppose is perhaps one of the things that we see flowing out of the Senate that has some marginal value. I suppose that a committee of bureaucrats could put this together in a few hours in their own Department as well but, again, I guess something has to be done in the Senate and this is something that was done over there, so we must thank them for this profound contribution to the country.

As the Parliamentary Secretary has indicated, Mr. Speaker, this is a Bill that flows from agreements that had been signed during the February to June interval in 1984 between Canada and the four countries mentioned, namely, Zambia, Thailand, Cyprus and Brazil. What it indicates is an ongoing process that a country such as Canada, as it expands its economic and trade and investment activities, finds itself entering these types of agreements with more and more countries as the years go by. To date, this has resulted in a total of 43 countries that have similar agreements with Canada so that people operating in these countries will not be double taxed.

Over the last few years, as a parliamentarian, I have come into contact on a number of occasions with people who have been caught in this double taxation situation, people who have found themselves either participating in investments of one kind or another in these countries or now, with a lot of Canadian firms operating in countries overseas, including Petro-Canada, find themselves again serving six or eight months in a foreign country and having problems with double taxation because agreements have not been struck.

• (1500)

Again, I would like to encourage the Government to act with as much haste as possible as Canada reaches out and enters into more and more extensive trade and economic activities in other countries. We should take steps to ensure that agreements are entered into between the respective Gov-

ernments that result in these double-taxation agreements, thus avoiding the problems associated with having to pay taxes in two countries.

I would also like to encourage the Government to consider the list of priorities for arranging these agreements. This is one area where the Government can provide leadership by encouraging Canadian entrepreneurs, traders and investors to increase their participation in Third World countries, the developing nations and the lesser developed countries. Again, these are the countries that now have, by and large, the majority of the problems associated with double taxation because Canada's trade with many of the developing nations has not been substantial and consequently participants from Canada in these countries have not encountered the level of double-taxation difficulties that have been encountered in other, more developed nations. Again, the Government can provide leadership in this respect by entering into agreements with developing nations for the removal of double taxation. This would then encourage more and more Canadian entrepreneurs to turn their attention to activities in some of these countries.

One cannot get overly excited about this piece of legislation in terms of parliamentary debate. Nevertheless, it is a very important piece of legislation and one that the passage of which members of my Party will do whatever we can to expedite.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I note that the motion on the Order Paper is for reference of the Bill to the Standing Committee on Finance, Trade and Economic Affairs. I think there is an understanding that we will, by unanimous consent, have this matter referred to the Committee of the Whole so that we can deal with the Bill in all stages, including third reading, today.

Mr. Deputy Speaker: Is there such unanimous consent?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill S-3, an Act to implement conventions between Canada and the Republic of Zambia, Canada and the Kingdom of Thailand, Canada and the Republic of Cyprus and Canada and the Federative Republic of Brazil for the avoidance of double taxation with respect to income tax.

Clauses 2 to 24 inclusive agreed to.

On Clause 1—*Citation of Part*

Mr. Riis: Mr. Chairman, I have a question on Clause 1. I wonder if I could ask the Parliamentary Secretary about a list of some of the nations that are presently being considered in terms of anticipating the agreements with which we will be dealing in the months ahead.

[*Translation*]

Mr. Lanthier: I think that this information is in my speech, Mr. Chairman, I will look it up if I may. Now in my speech, I said that the conventions with Cameroon, Ivory Coast, Kenya and Sri Lanka had already been approved in June and should be ratified shortly. I do not know whether this answers the question.

[*English*]

The Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause 1 agreed to.

Schedules 1 to 6 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed from Wednesday, June 12, consideration of the motion of Miss MacDonald (for the Minister of State (Finance)) that Bill C-51, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I suppose there are just a few moments remaining in the time allotted me to make my remarks on the borrowing Bill, a Bill which asks for authority to borrow about $18 billion in the next little while. I was saying the other day that the questions to be asked are why is this money being borrowed and for whom is it being borrowed. I really wonder about giving support to this Bill because of what the Government has done through its most recent Budget that will hurt the senior citizens of the country.

I know that Conservative back-benchers are getting very restless about this issue because they are getting a lot of static from their home ridings. Senior citizens are beginning to attack them quite literally. I see one Member over there already has a black eye from what happened in his riding. For those kinds of reasons, I do not want to give support to the Government on this particular borrowing Bill.

I think that what the Government has done is very, very reactionary. A headline from *The Toronto Star* reads, "Seniors ready to make sacrifice, Wilson says," and another one reads, "Seniors ready for sacrifice, says Wilson". It is very unfair that seniors of this country should be penalized and that pensions should be cut back by 30 per cent over the next 10 years when, at the same time, the Government is giving all kinds of money to the oil companies and the wealthy. In fact—

Mr. Deputy Speaker: Order, please.

[*Translation*]

Mr. Lanthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Parliamentary Secretary to Minister of Finance (Mr. Lanthier) on a point of order.

Mr. Lanthier: Excuse me, Mr. Speaker, but I had prepared my documents for today, that is Bill S-3 and Bill C-51. I did not expect another budget debate. I wonder how relevant his comments are. I would appreciate, Mr. Speaker, if you would call back those people to order and ask them to stick with the bill. I am ready to deal with Bill C-51 but I do not want to begin once again the same discussions on the Budget.

[*English*]

Mr. Deputy Speaker: With all respect to the Hon. Parliamentary Secretary, the Chair believes that the remarks made by the Hon. Member for Yorkton-Melville (Mr. Nystrom) are indeed relevant to the debate.

Mr. Nystrom: Thank you, Mr. Speaker. It is very important that when we borrow money, we know for what the money is borrowed. I know my friend, the Hon. President of the Privy Council (Mr. Hnatyshyn), who used to sit on this side of the House, made those kinds of speeches as well. He know that it was important to know for what the money was borrowed. I see this money being borrowed to give more tax shelters to the wealthy and the big companies. I know that Conservative Members do not like that. I know that some of them are very good Christian souls. I am sure they would be interested in an article which appeared in *The Toronto Sun* this morning, which is a rather conservative newspaper.

• (1510)

Mr. Hnatyshyn: I thought you just looked at the pictures.

Mr. Nystrom: No, I do not look at the pictures Ray, you look at the pictures.

The headline of *The Toronto Sun* article read: "Church raps 'rob the poor' budget". The article read:

> The Anglican Church has lambasted the federal Government for deindexing pensions, condemning the move as a government step to erode the social welfare system.
>
> The 918,000-member church yesterday launched a stinging attack on the recent federal Budget, saying it "robs the poor and gives to the rich".

The Anglican Church of Canada, which is a very respected and learned institution, has said that the Budget robs the poor and gives to the rich. That is absolutely true.

In the riding of Assiniboia, and in the town of Weyburn, a large number of senior citizens receive Old Age Security. They will lose 3 per cent of their income from pensions each and every year. After 10 years, that represents a 30 per cent reduction in their income. At the same time, the Government is going to give all kinds of money to the oil companies and to the wealthy.

Mr. Gustafson: What about capital gains?

Mr. Nystrom: The Hon. Member for Assiniboia (Mr. Gustafson) asks me about capital gains. I have said to him many times that I believe farmers needed a better exemption from capital gains. Why does the exemption go up to 500 per cent for whatever kind of investment a person wants to make, such as selling a condominium, or investing money in the stock market? Why is it wide open? The documents of the Department of Finance state that the wealthy people of Canada will benefit the most from the capital gains exemption.

The Government will lose about $2.2 billion in terms of corporate tax cuts because of the Budget. It will lose about $1.2 billion in terms of the capital gains windfall which will go to investors—people who play the stock market, real estate speculation and so on. On the other hand, the Government will save $1.6 billion on the pensions of Mrs. Jones, Mr. Smith and the rest of the old people in the country. I cannot understand why Members opposite are willing to support a Budget which increases the tax load on old people and which takes away the pensions of old people.

Mr. Hnatyshyn: We are not taking it away.

Mr. Nystrom: They are not taking it away? As of January 1, 1986, the Government is taking away something which pensioners had. They had full indexation of their pensions and the Government is taking that away.

Mr. Dick: Why do you lie?

Mr. Nystrom: Mr. Speaker, the Hon. Member is asking why I lie. I do not know whether or not that is parliamentary, but the Budget of the Minister of Finance (Mr. Wilson) indicates that senior citizens will lose 3 per cent every year on their pensions because of partial deindexation. That is a drop in real income of $100 in the first year. By 1990, it will represent a drop of about $1,500. After 10 years, it will represent a drop of 30 per cent. That is basic economics.

I cannot understand why the Government is doing this, particularly when it made promises during the election campaign that it had no intention of doing away with social programs. The Government said during the election campaign that social programs were a sacred trust. The Minister of Finance, during the election campaign last August, said that the Government had no intention of increasing the taxes of ordinary Canadians. Why did the Government break those commitments and promises? At the same time that the Government is taking away pension increases from ordinary Canadians, the spending for the Prime Minister's office has increased by 54 per cent. Spending in cabinet Ministers' offices has increased for salaries and new furnishings. Why does that type of thing happen? I noticed in the newspaper the other day that when the Prime Minister (Mr. Mulroney) flies overseas, he will now take two aircraft. Does he think he is the new President of Canada? He is emulating Ronald Reagan south of the border. I understand that he has also redecorated his car. Once again, he is emulating the President of the United States.

Why does the Government have money for all of those things when it does not have money for the senior citizens of the country? The old people of the country built Canada. They laid the foundations for this great nation. They were promised by the Prime Minister that their pensions and social programs would be a sacred trust. He said: "Elect me and I will not touch them". However, after a few months in office he has decreased the expected salary of senior citizens by 30 per cent over the course of the next 10 years.

I appeal to senior citizens across the country to go after Tory MPs like they have never done before. I appeal to them to send petitions and to write letters. The Government across the way is starting to buckle. Government Members' knees are shaking. They are running scared. There is not one Conservative Premier in the country who supports this Draconian and reactionary move. The Atlantic Premiers are condemning the measures. Frank Miller is condemning them. Even Bill Bennett is condemning them.

[*Translation*]

The new friend in Quebec, Premier René Lévesque is against that budget proposal, Mr. Speaker.

Ms. Jewett: It is true!

Mr. Nystrom: Some other friends of the Progressive Conservative Party such as the Canadian Chamber of Commerce are against it.

Ms. Jewett: Yes.

[*English*]

Mr. Nystrom: Mr. Bulloch's organization and other business organizations are against the measures. Student groups are against them. A lot of Tory MPs are against them. The Hon. Member for Victoria (Mr. McKinnon), according to press reports today, has said that he cannot understand why the Government of Canada would do this to the senior citizens of the country. He wishes that the Minister of Finance would speak to the senior citizens of the country. I wish the Minister of Finance would do that as well. Instead, he likes to sip champagne and eat caviar with the wealthy in Montreal and Toronto. He does not want to go out into the real world, in the communities of Weyburn, Yorkton and Chicoutimi where ordinary people live. They live on old age pensions, in little houses, in places such as Kamsack. Yet, the very wealthy Prime Minister has broken the promise and has taken away the money which those people should have. Then, the Government asks to borrow another $18 billion to support the Government in subsidizing its friends.

Once again, that Party has become the Party of the wealthy and the privileged in Canada. It wants to borrow more money so it can prop up its wealthy friends in the Rideau Clubs of the world. I say: "No, thanks".

Mr. Deputy Speaker: There being no questions or comments, I will recognize the Hon. Member for Davenport (Mr. Caccia) on debate.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we on this side of the House would be glad to support an understandable request on the part of a Government for borrowing authority, because we believe that there is an important role to be played in the interest of the public by the Government; even by a so-called Progressive Conservative Government which has attempted to interpret the mandate which was given to it by Canadians. After the raft of promises which were made, so far, the Government has given a dismal performance.

It takes a lot of nerve for the Government to ask for borrowing authority this week when the issue of pensions has erupted. It has left a sense of anxiety with a lot of Canadians who are beginning to wonder whether the solidity on which the pension system was built is still to be counted upon in the years to come. I must say it really takes a lot of nerve to do that.

• (1520)

This Government is also creating a sense of anxiety and uncertainty among other Canadians in addition to pensioners. It has created a sense of anxiety among those concerned about the environment. We have here a number of issues which have emerged over the past few months and which have left deep dissatisfaction among those who cherish and admire and want to retain the character and quality of our parks. This is because of the silly musings on the part of the present Minister of the Environment (Mrs. Blais-Grenier), musing on the quality of the water along the Niagara River, musing about whether or not PCBs are dangerous, and babbling just a couple of weeks ago about the toxic chemicals in the dumpsites which have been the object of profound dissatisfaction and unhappiness on the part of people who reside along the shores of Lake Ontario.

In addition, there are Canadians who are concerned about the uncertainty expressed or demonstrated so far by the Government in relation to the SDI proposal, better known as star wars. This Government has not had the guts to say no to the SDI proposal. In the beginning it wavered in favour, and has now somehow retreated and decided, as announced today, to set up a committee to investigate the matter. It does this instead of understanding what SDI really means to Canada and the global community, instead of rejecting the concept right away, thus dispelling a profound sense of fear which is mounting among our people from coast to coast concerning the long-term implications for Canada if we were ever to entertain the star wars concept.

There is a sense of anxiety because students by the thousands are still left in limbo. They have not heard about their applications for summer jobs. That is what I hear in Toronto, and this pattern can probably be found in other urban centres across the country since the cancellation of Summer Canada last November. There is a sense of anxiety among the unemployed in training because all of a sudden we have learned that the skill development allowances have been curtailed if not eliminated.

If you put together a number of the developments which have taken place as a result of the actions of this Government

since last October, you get the impression that this country is on the retreat, it is being closed down by this Government on a variety of fronts. Let us take for a moment Canada's role on the international front. Where do we stand right now, I ask the only representative of Cabinet here today?

Mr. Hnatyshyn: No, no; monsieur Côté and I.

Mr. Caccia: Our international role has somehow collapsed. Canada seems to be nowhere. It has disappeared behind the apron of President Reagan. There is no international action on Canada's part which one can detect in continuation of the past efforts over the decades by preceding Prime Ministers. Canada is nowhere to be found in international councils. The vision is gone. It is lost.

I was referring to SDI a moment ago, before the Secretary of State for External Affairs (Mr. Clark) entered the House. It seems to me that a clear, firm initial statement saying no to the SDI proposal would have been greeted with a great sense of relief by many Canadians who see the long-term implications of entering this kind of agreement.

This country is being profoundly affected by the wavering of this Government on social policy. Last October, November and December we had the debate on universality. You will remember that universality had to be re-established and reconfirmed as a result of continuous questioning in the House when its future was put into doubt. Now we have a new potential danger which is to be removed, let us hope very soon, on the question of deindexation of pensions. Again, instead of building and elaborating and improving on what we have, we seem to be tempted to move in the direction of weakening and dismantling our social security structure which has been built by consecutive generations of Canadians by virtue of long-term designs on improving what is hopefully going to be one of the best social security systems in the world.

This Government is under retreat as well on the environment. I regret to say that again because one does not want to sound like a broken record unless it is absolutely necessary, but here again on this front we have disappeared, as we have disappeared on the international front, as we appear to be inclined to demolish or weaken gradually our social security system. We have had statements on this subject which have weakened the confidence of Canadians as to what this Government really intends to do on the environment. I am glad to say that on acid rain, having taken over in September, the Government has continued the work established by preceding Liberal Governments.

Having said that, if you look around, there is no constructive action which has emanated in the environment since. We have this weakness in relation to our parks policy. We have no activity internationally to exert pressures on the U.S. to sign the acid rain agreement next month in Helsinki. We have uncertainty among the ranks of non-government organizations about their role and acceptance by government. We have a subcommittee headed by the Deputy Prime Minister (Mr. Nielsen) which is causing anxiety over the future of the Department of the Environment. We have no long-term plans as to parks acquisition and an increasing number of invitations to acquire new sites, as in the case for example of South Moresby. We have, therefore, a picture which leaves very much to be desired. It is not a healthy environmental scene that we see emerging after nine months of this Government.

Where we seem to be withdrawing and vanishing also in the area of research and development. Last November the cuts this Government initiated caused the liquidation or cancellation of a number of programs. It is particularly distressing that alternative sources of energy such as the sun and wind are no longer included in a number of programs of the National Research Council which are for the benefit of Canadians. In the long term this will cause us to be increasingly dependent on non-renewable sources of energy such as oil and gas. Why would the Government abandon efforts to further development of renewable sources of energy? This indicates to Canadians that the Government places no value on renewable energy. In the future, Canada will be dependent on oil and gas which have limited potential for supplying our requirements. That is very distressing, Mr. Speaker.

• (1530)

As well as renewable energy programs, other research and development programs were cancelled last November which required gradual abandonment of initiatives and, therefore, the loss of scientists and other people who could have been active in long-term research activities which would be of benefit to our economy. Not only are we reducing the number of scientists at the NRC, we are also not opening employment opportunities for young scientists graduating from universities and looking for an opportunity to work for their country in order to develop and improve our scientific and research potential.

It is most demoralizing that within two months of coming into power, the Progressive Conservative Government decided to eliminate a number of important research and development programs. In the long term, that will cause a considerable amount of distress because we will be losing the cutting edge which research and development affords us in competition with other countries.

The National Energy Program has been dismantled and thereby Canadian ownership in our oil and gas resources has been abandoned. That abandonment of Canadian identity and ownership is another distressing aspect that has emerged through the retreat from the public sector inspired by the Progressive Conservative philosohpy. We are telling the country that we do not believe in strengthening Canadian ownership and identity. That philosophy resulted in the dismantling of the Canadian Development Corporation, which was the result of a fine thought of Walter Gordon. The CDC became a reality in approximately 1971 and was the initiator of a considerable number of corporate enterprises that gave Canada the cutting edge and technological advance which permitted the formation of a number of free enterprise initiatives resulting in a considerable number of interesting jobs.

Another area of retreat and dismay is that of the Public Service. In the Budget we were promised a cut of 15,000

people in the Public Service by 1990. The message from the Progressive Conservative ranks is that there shall not be jobs in the Public Service for young Canadians who graduate and enter the work force. They will be told that they will not have the opportunity to serve their country in the Public Service at the federal level. Job opportunities will have to be found in the private sector. What kind of inspiration does this give to universities, teachers, and students when they are precluded from the opportunity to develop in the service of their country?

Another area of retreat and dismay is that of international competition. We heard the other day that Canada will not be the site for international events afer the 1988 event in Calgary. We seem to have lost heart in this area as well. Inevitably, one must conclude that the Government has no vision other than that of retreat. Its only challenge is to cut the deficit in the wrong way. What hope has this Government offered to Canada in terms of a role in the world as an independent and proud nation?

This Government is bereft of ideas. It has not yet provided a vision for Canadians of our national and international role. It seems to be saying that Canada is going to close down and asking the last one to leave to turn off the lights. I hope this will not happen, Mr. Speaker. We on this side of the House will ensure that the concept of a vision for Canadians does not die. We want the Government to tell Canadians what Canada should be doing on the world scene and what Canada should be telling the young people graduating from training institutions. The Government should tell Canadians what to hope for in their environment and what to expect from the Government in terms of research and development, housing, social policies, and social security.

Up until now we have seen only retreat on every front in a most depressing manner. This makes it extremely difficult to come into the House with a positive attitude in support of this request for financing.

• (1540)

We would be pleased to finance a Government that takes positive action and makes us proud of the Government of Canada. However, those Members should show us something of substance rather than a threat to pensioners and their futures. We do not want to see a reduction of employment in the Public Service. The Government should not waver, but say no to invitations concerning SDI, which is very destabilizing proposal. It should be making us proud about being part of a new decade that is emerging during difficult times.

I would like to see the Government introduce the policies that Canadians are expecting of it rather than having to react every day to measures that increase the level of anxiety and sense of uncertainty about our individual and collective future.

Mr. Kindy: Mr. Speaker, I am somewhat surprised by the comments made by the Hon. Member for Davenport (Mr. Caccia). He talks about a vision for Canada. What type of vision did we see in 1968 when we were promised the just society? What vision did we have with the National Energy Program that destroyed the oil industry in western Canada? His Party has no seats west of Manitoba. It is not surprising that they are not in touch with the people of Canada. He talks about SDI and says that we are giving up, but we have a clear direction and want to explore that possibility. The Hon. Member says that we gave up on the National Energy Program. What were the benefits to Canada and western Canada from the National Energy Program?

Mr. Caccia: Mr. Speaker, I believe that western Canada benefits as being part of Canada in a variety of ways. In the case of the NEP, it was the fact that future generations of Canadians would, whether western or eastern Canadians, enjoy and share in the increased ownership of our natural resources. I am sure that there are many young western Canadians who would look forward to sharing the ownership of our gas and oil resources to a greater extent than we have in the past.

I submit to the Hon. Member that that in itself is something to be proud about. I could name a long list of visions that were put to Canadians in the 1970s. Some of them were implemented and, it is true, some were not. However, we certainly made the 1970s a very thriving decade for Canada. I would also mention to the Hon. Member the third option in our foreign affairs which was launched, pursued, but not successful. Nevertheless, it was put as a possibility for Canadians if they wanted it.

I would mention to the Hon. Member the fact that we went to the United Nations in pursuit of the gradual suffocation policy *vis-à-vis* nuclear arms. We provided a vision not only for Canada, but for the rest of the world.

Despite enormous criticism, we offered Canadians a variety of programs for community employment during the summer and winter by which the Hon. Member's own city benefited as much as mine. Young people created their own jobs in the summer and winter and determined their own destiny until they could find the long term permanent activities that they were seeking.

If he wants me to continue, I will mention multiculturalism which, in itself, is an exciting concept and vision. It is in our hands if we want to make it work. I would mention our concept of developing a new approach to transportation systems in the West which was highly criticized and thoroughly debated.

I might also add that in the early 1980s, despite opposition in the House, we gave Canadians a Charter of Rights and Freedoms that probably makes Canada one of the most modern nations, with a legal instrument that is becoming widely tested and which evidently has met a need on the part of a number of people from coast to coast. Would that be a lack of vision in the eyes of the Hon. Member? I ask those Hon. Members to come forward with their ideas because so far they appear to be a bunch of bankrupt politicians. All they have introduced since last October is cuts and reductions.

The ones whom they are asking to shoulder the burden are the same people who have made a contribution to Canada all

their working lives. Can you be proud of that and go home to your riding during the recess? This is why I am asking Hon. Members to come forward with a vision because Canada does not seem to have one at this time.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Gray).

Mr. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I thought it was rather funny this afternoon when a Member of the Official Opposition told us it was our fault. On September 4, Canadian men and women were newly confident about this country, and it was the Progressive Conservatives that gave them reason to be confident. Looking back, it was the Liberals who gave us a deficit of nearly $200 billion. Mr. Speaker, mathematically speaking, $200 billion divided by 40 Liberal Members means that they each owe our economy $5 billion. That is what our economy is up against, Mr. Speaker.

Something else. Children being born in Canada today are in debt, at birth, to the tune of $7,000 each, because of the Liberals. That is not funny. During the years the Liberals were in power . . . now we have 1.5 million unemployed. If that is supposed to be the present or the legacy they left us, Mr. Speaker, it is some present.

[*English*]

Opposition Members say that we back-benchers in the Conservative Party have nothing to say. We were elected to work for our ridings and Canada in general. We have begun that process and Canadians are beginning to have confidence. Over 270,000 jobs have been created by our new Government as a result of cutting out progams that were not needed and cutting waste. We have lowered the interest rates.

I have just returned from a week in my riding where my constituents want development. I have already stated that picnic tables are a thing of the past because we have resources not only in oil and natural gas, but forestry, fish, agriculture and tourism. I guarantee the Hon. Member that as the Member for Bonaventure-Iles-de-la-Madeleine, with a Conservative Government for years to come we will never leave a legacy like that which we inherited on September 4.

[*Translation*]

Mr. Caccia: Mr. Speaker, I would like to point out to the Hon. Member that there is another way of looking at the deficit. A deficit can be necessary as a form of investment to save the economy when the unemployment rate is 20, 30 or 40 per cent in the riding he represents.

[*English*]

When unemployment was over 25 per cent, over 30 per cent and 39 per cent in the case of Port Alberni in British Columbia, the deficit was a necessity on the part of any socially responsible Government in order to provide aid to those affected by a recession. In that sense it becomes an investment in the future. It is an investment in Canada. It is not possible to run a Government like a corner variety store it is not a question of balancing the accounts. It is not a question of making a profit. A government has to do much more than just operate a business. A government has to look after the interests of the population and come through in times of need in the hope that when times improve it can reduce the deficit, gradually, when it is possible. You cannot look at the books and balance them year to year for the sake of balancing them as it is done in the private sector.

• (1550)

Mr. Gustafson: You had 20 years to do it.

Mr. Caccia: Otherwise that is not being in the public sector. You might as well stay in the private sector and run your books there. There is a profound social role that is incumbent upon a government. I will not apologize about the deficit. I am proud we did incur that deficit.

Some Hon. Members: Oh, oh!

Mr. Caccia: I know that we did it for the sake of those who were unemployed and for their families. There was nothing wrong incurring a deficit driven by that kind of social concern.

Mr. Deputy Speaker: The period for questions and comments is over. Resuming debate. We will commence with the Hon. Member who claims to come from the sports capital of Canada, the Hon. Member for Essex-Windsor (Mr. Langdon).

Some Hon. Members: Oh, oh.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, another great sport is politics. I enjoy the chance to enter this debate this afternoon.

I have to take us back in history to an election campaign fought against a long lived and arrogant Liberal Government which had punished the country's economy, which saw a significant decline in the production of the country and, in turn, a dramatic increase in unemployment rates. An election campaign took place. In that election campaign, the Conservative Party launched an all-out attack on that arrogant, probably misguided, Liberal Government. During the course of that campaign, that Conservative Party through its leader made some throbbing, exciting, powerful statements of optimism and hope about the future. In Regina, for instance, people heard, "This is a new country, and there is no excuse for unemployment in Canada if a government does its duty."

A statement made in Moncton was "The Conservative Party is going to find work for all who are willing to work, or perish in the attempt, and take such steps as will end this tragic condition of unemployment and bring prosperity to the country as a whole." The leader of the existing Government, it was said, "promises consideration of the problem of unemployment; I promise to end unemployment. Which plan do you like best?"

That was the Conservative Leader before the election and the Conservative Leader who, on the basis of those promises

was elected. I must say, Mr. Speaker, with an overwhelming majority, that Prime Minister (Mr. Mulroney) went on to put his remedies for this country's problems into effect. When he brought his major budget down just a few short months later, the Minister of Industry, a man by the name of Mr. Stevens, stated that the Budget "was wise and courageous." "The Minister has discharged a difficult task with such marked ability that the country will share with us a feeling of confidence in his capacity to guide us wisely and safely through these troublous days".

What was there in that Budget that was brought down? First, there were considerable cut-backs, for instance, reductions in the services given to agriculture. Second, there was considerable additional taxation. In fact, two-thirds of the new taxation in the Budget was to be raised through sales tax, import duties and what was charitably referred to as nuisance taxes. When you look at the increases in direct taxation that were to be established, for those whose taxable income was $10,000 a year, the percentage increase of tax was 53 per cent. For those who earned $50,000 a year, the percentage increase was 33 per cent. For those whose taxable income was $1 million a year, the increase was 31 per cent.

In those days, as in these days, there was a leader of a social democratic group within the House of Commons who got up and made the point that our leader has been making with respect to this Budget. "The millionaires", he said, "have been very gently dealt with by the Minister of Finance".

I was not there in those days, nor were any of these Hon. Members. I am certain that if they had been there, they would have applauded just as vigorously with just as much sense, confidence and certainty, that their Minister bravely, courageously, as Mr. Stevens had said, was going to provide a solution to this country.

In the interests of history, I have to tell you who these various people were who made these various statements, Mr. Speaker. The election promises were made by Mr. Bennett in 1930. He too promised tens and tens of thousands of jobs. The Minister of Industry who so magnanimously welcomed that budget was the Hon. Henry Stevens who later went on to desert Mr. Bennett because his policies turned out to be so misguided. The Budget that was brought in in 1932 had exactly the same cut-backs to the agricultural sector that we have seen in this Budget, exactly the same emphasis on increases in indirect tax and exactly the same unfairness within the direct tax increases which were designed to put people back to work.

The policy failed dismally then. It will fail dismally now. That massive majority of 1930 disappeared completely by 1935. I fear as I watch this Government, that its majority is going to ebb out in the same way in 1987 or 1988, or whenever the next election comes.

We have now had the first serious careful reading of this Budget by the business economists of Canada, not those who sent me to this House of Commons, those academic economists who according to my friend, the Minister of State for Finance (Mrs. McDougall) have never managed to get it right, not the people who the Minister of Finance (Mr. Wilson) himself referred to yesterday as economists who will tell you one thing with one hand and something else with another, but the business economists, the people who make the forecasts upon which businesses make their decisions about reinvestment.

Seventy-six per cent of those business economists surveyed have decided that as a result of this momentous Budget, there is no need to change their forecasts for this year. For 1986, no fewer than 50 per cent of them have said that there is no need to change their projections. Of the other 50 per cent—and I remind the House that these are business economists—a majority have reduced their growth expectations. In short, as a result of the "magnificent" Budget brought in by this "grand" Government, business economists—

• (1600)

Some Hon. Members: Hear, hear!

Mr. Langdon: —have decided that growth will go down. I note, for the record, that Conservative back-benchers are applauding the fact that that will take place.

Mr. McKenzie: We are applauding the Budget.

Mr. Langdon: These business economists have been even harsher. They were almost as bad as the BCNI itself which criticized the Government the other day. These are the business economists from whose ilk the Minister of Finance in fact springs. I am sure many people have been charmed by the Minister of State for Finance, yet none of the forecasters agree that the promise of the Minister of Finance of greater job creation will succeed. None of them believe what the Minister of Finance says, and 20 per cent of Canadian business economists expect that the jobless rate will be higher than they predicted before the Budget was brought down. Not a single business economist believes that it will be lower, thanks to the Budget, and 20 per cent of them believe that it will be higher.

It pains me to do so, but I have to ask the Minister of State for Finance to demonstrate in the future, when they bring before the House discussion of the projections of economic models, a little honesty. Projections are designed to show what would happen if a certain event takes place. In short, the fact that several hundred thousands of jobs have been created in the last eight months says nothing with respect to the projections of the budget experts of the Minister of Finance.

He would not admit it back in November, but he has since admitted in the House that his own finance projections indicated that there would be 50,000 to 100,000 jobs less as a result of the Budget. That is not an absolute number; that is 50,000 to 100,000 jobs less than would have otherwise resulted. In fact if 200,000 jobs have been created, what his finance officials were telling him was that if he had not brought in that November statement, he would have been able to rise in the House and boast about 250,000 or 300,000 jobs. I must say that he is boastful enough about the number about which he talks that I am perhaps just as pleased that he does not have more to boast about. He should at least have the honesty, as

someone who knows something about economics, to recognize that those absolute numbers have nothing to do with contradicting what projections suggest.

We have a Borrowing Authority Bill in front of us this afternoon which asks us to endorse the economic strategy of the Government despite the fact, as my little history lesson demonstrated, that this is a strategy which was tried in the 1930s. At that time it not only devastated the country but, of more importance to people like my friend, the Minister of State for Finance, it devastated the Conservative Party. In the expectation that they would at least be concerned about survival, I hope they take seriously this history lesson this afternoon and look to their political skins to see what is likely to befall them and to see what might happen to the whole country if we were subjected to a Liberal majority Government after the next election, thanks to what has been created in this Budget. I mean, God help us all.

I point out not just the failures which exist with respect to the macro-economic strategy on the part of the Government, but the failures which exist with respect to the agricultural sector. In fact, there are many Members of the House who know quite well the Ontario Federation of Agriculture. The Ontario Federation of Agriculture is to the Conservative Party what the Ontario Federation of Labour is to our Party. It is an organization which has almost always endorsed, supported, worked for and believed in the Conservative Party of Canada.

The Ontario Federation of Agriculture indicated last week that the Budget was a betrayal of farmers. It urged each Ontario Member of Parliament to rise and express the anger and frustration of Ontario farmers with this Budget. I have not heard many of my fellow Conservative Ontario Members of Parliament stand up to express that anger and frustration. As a New Democrat and speaking for my farmers in Essex County with whom I have talked in detail about the Budget, I can express that anger and frustration with absolute and total certainty that it represents their view of and judgment on the Government.

I have heard the Minister say on occasion that this Budget helps women. Having talked with women's groups within my constituency, I have to say, as we said earlier to the Minister of National Health and Welfare (Mr. Epp), name one group, just one group of women that believes the Budget provides something real and significant in terms of economic advance for women. Women's groups in Essex County tell me that they feel damaged, hard done by and hit by increased taxes. They also feel they have been hit by cut-backs affecting them. It is not only the pensioners who are expressing their disgust with what has been taking place; it is women, farmers and even professional business economists. With enemies like that, the Government badly needs friends. I fear with its present Budget it is simply not going to find them. This Government has brought this on itself and it is going to continue doing so in the future if it does not change its course quickly.

• (1610)

The Prime Minister (Mr. Mulroney) is wriggling. He is attempting to change. I ask him to move quickly, to let pensioners in this country know that he is going to change; to let women in this country know that he is going to backtrack; to let farmers in this country know that he is not going to continue with a Budget that they feel is a betrayal.

I hope, Mr. Speaker, that as we debate this borrowing authority it will have the effect also of changing this Government's strategy in this regressive Budget, a Budget out of the thirties instead of a Budget out of the eighties.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Châteauguay (Mr. Lopez).

Mr. Lopez: Mr. Speaker, I already knew that the Opposition parties and especially the NDP were as unrealistic as they come, but they have just demonstrated that they are also prophets of doom, both the New Democrats and the Liberals. They astonish me and they are astonishing me more and more. They really do not have much up here. They said as much earlier when they were counting the seats on our side and saying that when they were over there, at least there was something coming out of those seats. Well, if anything was coming out, it was coming out the wrong end, because there is nothing up here.

They keep accusing us of failing to keep our campaign promises. Last week, we also voted on a Bill, Bill C-15 if I am not mistaken, which contained one of our campaign promises, and both Opposition parties objected very strenuously to this Bill. They said that it would be a catastrophe if the Bill were passed. It was one of the campaign promises we want to keep, and we intend to keep them all if we can.

Had economic conditions been more favourable, had they left the economy a lot stronger than they did, I think we would be able to honour all our commitments very easily. But before leaving they scrapped the bottom of the barrel and left nothing but dust. That is why we may need more time to fulfil some of our promises, but rest assured that we did not forget them and that they are our concern and our objective—and we intend—to live up to every one of them.

In spite of those prophets of doom who try every which way to trip us and prevent us from governing, the people of Canada gave us a clear and unmistakable mandate to do just that. Anyone standing in our way and trying to prevent us from carrying out the wishes expressed by Canadians is showing disrespect for them. We made some promises and we are trying to fulfil them as much as possible, but every time we try to pass legislation to honour those promises you thwart our efforts. Do not do this or that, it is not good! You have been saying that for years, but people are growing skeptical and do not believe you any more.

You talk about honesty and point your finger at us, but if there were a mirror in the middle of the House it would reflect your own image, you could continue to talk about honesty while looking at your own image in the mirror and then I think you would realize that you can indeed blame yourselves. If there is one thing I wish it is that the Opposition Members be more realistic and stop showing off in the House. Take a constructive approach, and when we do something to improve the situation, for God's sake let us work together in the best interest of the country and of all Canadians, stop being so argumentative all the time. You keep saying that the steps taken by the Progressive Conservative Party are not any good. How can you justify that? Because you did not take them! That is the only reason you can find. There is no other. It is always the same negative attitude. Whatever we do, whatever the Government does, Members opposite say: That is no good. They always find a reason to say that it is no good. When we make a promise it is no good. Then, in the same breath, they criticize us for having promised something else and for not keeping our promise. Get your act together once and for all. Should we keep our promises or not?

If we are to keep our promises, when we make suggestions for that purpose, cooperate with us! Why criticize us when we are trying to keep those promises? On one hand, we must keep those promises, but on the other, you prevent us from doing so. If there is any hypocrisy or dishonesty involved, it is certainly over there. In fact, there is a lot of it.

Mr. Speaker, I do not want to speak too long, but I simply want to urge the Members opposite, both the socialists and their accomplices, to consider the fact that they should be much more honest and work in the best interests of Canada and all Canadians, because they are now doing just the opposite.

[*English*]

Mr. Langdon: How does one respond to that?

[*Translation*]

Mr. Speaker, first of all, I want to say that political issues have many interesting aspects. For instance, during the election campaign, the Minister of Regional Industrial Expansion was reported as having said that amendments to the Foreign Investment Act were required. However, he also said that such amendments must give adequate protection to any important sector. The legislation should provide some protection to sectors of major economic importance. However, there is nothing of the kind in Bill C-15.

Mr. Speaker, in my opinion, this means the Conservatives did not really keep their election promise. They had promised to introduce a Bill which would make certain changes but would also identify the sectors of major importance that should be protected. However, that is not included in the Bill itself.

The second thing that I want to say is that according to the Hon. Member, the Canadian people gave a mandate to this Government. Mr. Speaker, the constituents of Essex-Windsor gave me a mandate, that of speaking on behalf of ordinary Canadians. In order to do that, all bills introduced by the Government must be examined. It can be said that some bills are good, and we support them like the one I supported this afternoon. But now we have an economic strategy that has been announced by this Government, and this is a strategy that does plenty of things, but mainly it imposes higher taxes on every average Canadian and a tax reduction for a small group of rich people. Another thing this strategy does, it changes the safety net protecting senior citizens in our society. Those two things seem unacceptable to ordinary people. Well, I feel I have to fight against those things. When I was in my constituancy discussing the budget with people, nine out of ten told me I was right, because I was doing things they were in agreement with.

Mr. Speaker, you know we now have petitions being circulated collecting loads of signatures on the matter of pensions. In all, 90 per cent of my constituents want to sign such a petition. To me, that response means I speak on behalf of my constituents, and I think I also speak on behalf of the constituents of that Hon. Member.

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am quite pleased to have the opportunity to participate in this debate. We must discuss the borrowing authority of this Government at considerable length because of the priorities the Government has put in the Budget and other measures that it has enacted as of late.

The Minister of Finance (Mr. Wilson) said recently in a speech that this country had a shortage of rich people. I have looked at that statement in terms of my own riding and I beg to differ with the Minister. In my own riding, there is not a shortage of rich people, but a surplus of poor people. I represent a constituency which is not very affluent. The people of my riding will not benefit too much from the measures that were adopted by the Minister of Finance and by his proposal to cut off benefits to elderly people of Canada while at the same time giving the opportunity to do so to someone who wishes to sell a yacht or condominium in Florida without paying capital gains tax.

Mr. McKenzie: Or a farmer.

Mr. Boudria: I fail to see, as I am sure the Hon. Member for Winnipeg-Asiniboine (Mr. McKenzie) fails to see in his usual objective way why the Government of Canada would want to punish the poor and reward so unjustly the more affluent in our society.

Mr. McKenzie: Go out to Saskatchewan farmers and tell them that.

Mr. Boudria: Let us see what the farming community had to say about the Budget and the fiscal policies of the Government. I hear the Hon. Member across the way speaking of farmers. I would like to read from a resolution of the Ontario Federation of Agriculture and I would hope that the Hon.

Member for Winnipeg-Assiniboine would listen very carefully. The resolution reads:

That every MP in the province be talked to over the next few weeks and that this be done by a substantial group of farmers in the MP's own area and that we demand that our MP represent our frustration and anger and demand for action to their respective caucuses and Ministers—

I am glad that a member of the Conservative caucus has referred to the measures of this Budget that will positively affect the farmers of this country.

Mr. Minaker: Who wrote that? Would the Member table it?

Mr. Boudria: Oh, yes, I would gladly table the minutes of the meeting of the Ontario Federation of Agriculture. If the Hon. Member across the way challenges the fact that these might be authentic, I am sure he would himself want to phone that illustrious group to confirm the fact that those are the correct words.

The Hon. Member opposite also spoke of the benefits to the farmers of western Canada. Let us see what the Alberta Cattle Feeders Association had to say recently about the Government. In a news release, that group has said:

—the Conservatives traded off the Canadian cattle industry out of fear that retaliatory measures might affect Canada's exports of whisky, blueberries, maple sugar and other food products.

The news release went on to say:

Because of this foolish decision, one of the few options Canadian cattlemen have left is to press on with a costly countervail action against the EEC's export subsidized beef; and encourage the Mulroney Government to keep another of its commitments—

I would like to thank the Hon. Member for Winnipeg-Assiniboine for bringing up the agricultural component of today's discussion. I am grateful to him for suggesting that I raise this matter, and I am sure his constituents are as well.

The Government said that it has to repriorize its expenditures. It has published a little booklet entitled *Managing Government More Effectively*. I have a few suggestions of my own that I would like to give to the Government. In doing so, I would like to read a letter that was sent to me by a person from South Porcupine, Ontario. The letter reads:

Something I have wanted for a long time is a good government job. I wonder if you could help me out. Would you please be good enough to ask Joe, Mr. Wilson, Mr. Mulroney, Mr. Crosbie and others in the House of Commons very important if they have any unmarried sisters, step-sisters, aunts, great aunts, great-great aunts, nieces, cousins female, of course, grandmothers, great grandmothers, great-great grandmothers, second cousins, third cousins, etc. If any of them has I would be prepared to marry one of them regardless of age or appearance—

The letter goes on:

I talked this over with my wife and will get a divorce to get a job. I am 62 and am past the age of being fussy. I just want to be a member of All In The Family Club. I'll be watching all the activities in the Commons . . . to hear you make this astounding announcement.

It goes on:

I am sending you a copy of the letter I sent to Wilson and . . . Mulroney as I am sure my letter will never get to him, but if you want you can present him with this letter.

This letter came from an unemployed person living in northern Ontario. At the bottom, the letter reads:

P.S. Is there really such a person as Aurèle Gervais?

I thought I would bring this letter to your attention, Mr. Speaker, so that you would know what some unemployed people of Canada think of the government policies designed to manage Government more effectively.

Mr. McKenzie: If you're so smart, tell us why there was one and a half million unemployed.

Mr. Boudria: I see the Hon. Member across is beginning to get restless. If a Liberal Finance Minister would have presented a Budget like this one, I would be restless too. I do not blame the Hon. Member for feeling that way, it is not his fault.

Mr. McKenzie: Tell us why we have such a huge debt, if you're so smart.

Mr. Boudria: Let me read what a senior citizen of my riding has said to the Minister of National Health and Welfare (Mr. Epp). That letter reads:

Both myself and my wife are Senior Citizens—

An Hon. Member: Another one?

Mr. Boudria: Perhaps the Hon. Member across the way does not want to hear about these letters. Perhaps that is the whole problem. Perhaps the Government does not want to hear about the senior citizens of this country. Perhaps the Government is not interested in their plight. It is only interested in the shortage of rich people to which the Minister of Finance referred when he made a speech in Montreal. Perhaps that is the whole problem with this Government. If that Member does not want to hear about it, Mr. Speaker, I am sure that you do. The letter reads:

• (1630)

Both myself and my wife are Senior Citizens. During our discussion following your appearance on *The Journal* last night (June 5) we recognized that, even though we do not receive the GIS, we were continually seeking ways to "get by".

The reason is that we are now fully supporting one son (30 years old, with a perceptual handicap)—

Mr. Mantha: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Nipissing (Mr. Mantha) on a point of order.

Mr. Mantha: Mr. Speaker, I must say that the Hon. Member is in a little cloud. As the Finance Minister (Mr. Wilson) said, when a gentleman gets up to speak we should pay attention. However, given that the Hon. Member for Timmins-Chapleau (Mr. Gervais) is not here, the Hon. Member should not be talking about him.

Mr. Boudria: I cannot say that. It is out of order.

Mr. Deputy Speaker: I do not think that the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) referred to the presence or the absence of that Member.

Mr. Boudria: Mr. Speaker, of course I would not have referred to the absence of a Member. That would be unparliamentary. However, now that my colleague has brought it up, I must agree with him.

I will continue with the letter which I was reading from a senior citizen in my riding. It continues:

> Why are these two young men not earning their own way? They were. Both had good jobs in the oil industry in Edmonton, Alberta until the bottom fell out of it, when, with thousands of others, they returned home to Ontario.
>
> The question for you is "How many other Senior Citizens are bearing the burden of supporting family members who are unemployed?" We are lucky in that we are just able to get by, but we have to postpone (or probably give up) our hopes of a relaxed retirement, a little travel and enjoyment of some of the things we worked so hard for all our lives (I am a war vet.).
>
> So Mr. Epp, the nibbling away at the meager living standards of the pensioners of Canada is NOT the answer. It is shameful to pretend that the Seniors willingly support the deindexing of pensions, even to the limited extent your Government has done. Mr. Epp, a piece of paper that says the deficit is $xx billions does not feel hungry.
>
> What the pensioners support is a fair OVERALL sharing of the burden by those who do have jobs and CAN put up with a slightly reduced standard of living. The very young and the elderly have a strong elementary sense of fairness (it is always present, but often suppressed during working years when self survival is important). The Seniors of this country also have long memories—remember that when the next election comes up.

That is what a senior citizen in my riding had to say about the budgetary measure to deindex pensions. Members of the Conservative Party, who yesterday voted against full indexation of pensions, should remember that. They too have seniors in their ridings. They are part of a Government which has spent millions of dollars buying military uniforms for the Armed Forces. Does any Member of the House know of one military person who would not part with his new uniform in order to have a pension for his grandmother?

Mr. Fennell: Yes.

Mr. Boudria: The Hon. Member opposite said yes. I challenge him to name that person. I refuse to believe that there is such a person. People in the military are proud, but they know what their priorities should be. They know that it is ridiculous to take money away from senior citizens and to give $36 million to an expenditure of that kind.

I would like to read into the record a letter from a constituent who lives in Vankleek Hill, Ontario, which is in my riding. The letter reads:

> I am an old age pensioner who is not at the moment in desperate need of the funds, although I might well become so if the Government's apparent intentions come to full flower. I don't know by what right Finance Minister Wilson piously cites my alleged support for his attack on the elderly. First let him order all snouts out of the patronage trough before invoking my senile sense of self-denial. In the context of its favourite treatment for friends and relations, the Government's reneging on its election commitment to hold inviolate the hard-won and for the most part paid-for pension rights appears to be "cowardly, despicable and dastardly".

That is what the people of Glengarry-Prescott-Russell say about the budgetary measures of the Government. They are not pleased with measures which will deindex senior citizens' pensions.

I have received another letter from British Columbia. Again, that letter talks about how the senior citizens in that province feel about the deindexation of Old Age Security. Countless letters are received every day by members of our Party. I am sure that at least one Conservative member, before this debate is over, will have the intestinal fortitude which is required to stand, on behalf of his or her constituents, and read similar letters. There must be a Tory member somewhere who is willing to do that. I refuse to believe that there is not one Tory member who will stand up for his or her constituents. Perhaps I will be proven wrong. Only time will tell us.

Mr. McKenzie: Perhaps you are wrong.

Mr. Boudria: Perhaps I am wrong. Perhaps he is right. Maybe there is not a Tory member who has that kind of intestinal fortitude. I see the Hon. Member nodding his head in agreement with that. Maybe he is right. Maybe there is not one. Even I am willing to give at least one Conservative member that kind of credit, whether or not that Member deserves it.

I want to speak briefly on patronage. I have spoken about patronage on a few occasions in the past. Patronage costs money. In this debate we are talking about the cost of running the Government. I am sure Members opposite would agree with some of the statements which have been made in the House in the past.

The Conservative Government of Canada has decided to sufficiently reward Tory losers—the Tories who have lost elections across the country. The Minister of Justice (Mr. Crosbie) stated in *The Evening Telegram* of St. John's, Newfoundland, on Monday, June 10, 1985, that in his view it was unacceptable that the Liberals appointed 26 people, who were previously elected, to positions. That was unacceptable to the Minister of Justice, yet the same Tory Government feels that it was all right for the Government to appoint 1,200 of its friends and relatives to various government positions. That represents one person every three hours, 24 hours a day, seven days a week, since September 17, who has been appointed by the Conservative Party of Canada.

● (1640)

They are to be rewarded at the public trough. This is from a Party which said only a few days ago through its Minister of Justice in a newspaper in Newfoundland that appointing 26 elected people was unacceptable. I wonder how that person really feels about the appointment of thousands of others in his own Party. I have to ask myself the question in view of what we have heard over the last few weeks.

If this Government thinks it can make promises right, left and centre, if it thinks it can make 338 promises, as I have compiled in this book, to the people of Canada and then forget all about them, then this Government will get a very quick lesson after the next election.

[*Translation*]

The Canadian people, Mr. Speaker, voted for a change at the last election.

An Hon. Member: And they got it.

Mr. Boudria: And they got it. The Tory Member says so. Yes, Mr. Speaker, that is right. But it is also true that the Conservative Party was elected on an election mandate, a mandate that is cast down in those 338 promises I was referring to earlier. To have a political party elected on a mandate and saying the day after as they do now that they do not owe anybody anything, that they have no obligation whatsoever to the people who elected them on the mandate I referred to earlier, is unacceptable, Mr. Speaker. There is no excuse for a Government to behave like that. And it is my hope that before the end of today's debate, or in the coming days, at least one Conservative Member will rise and tell this House what his constituents really think about that. Maybe there is not one Conservative Member who will have the heart to do that. But I do hope there will be one, because if the Conservative Members do not have the courage to say what their constituents think, I am sure that their constituents will be telling them soon, when they return home to meet them over the week-end.

Mr. Deputy Speaker: Questions, comments. The Hon. Member for Châteauguay (Mr. Lopez).

Mr. Lopez: Mr. Speaker, the Hon. Member who has just spoken said that members of the Progressive Conservative Party should speak out. Now that it is my turn, I am going to tell him what is really on my mind. I feel first of all that like those hon. members who rose before him, he spoke through his hat. That is nothing new. We are used to that. It is true that he has no hat on, but just the same, he does not know what he is talking about.

When he claimed for instance that we are the source of all the ills which exist today under the sun, he overlooked or ignored the fact that the situation has improved considerably since we came to power. Most everybody is saying so. When he referred to the very clear mandate we have received from the Canadian people, something I am very proud of, I think that if Canadians were called upon again to elect a government, they would give us an even bigger majority.

Some Hon. Members: Oh, oh!

Mr. Lopez: That is clear evidence that they are not disappointed with us. He said so himself in so many words a while ago. I almost blushed when I heard him, because although I have heard it said before outside of the House, the Hon. Member has just confirmed that there are Liberals who would marry a Conservative. That is something which I have known a long time: everybody is anxious to marry a good match. Because he cannot find someone eligible among the Liberals, he will have to look elsewhere, and I know he will find what he is looking for among the Conservatives. He should be ashamed to recognize that he is getting letters from Liberals just like him who are seeking the hands of our ministers and members in marriage. I am proud of that. When I stroll through the hallways, I meet all these attractive women who are looking at me, but I do not think that they could propose marriage in such an eloquent way. In his riding, therefore, when people are writing to congratulate Conservatives and ask them to marry—

Mr. Boudria: It is not in my riding but in Aurèle Gervais'.

Mr. Lopez: I am proud of that. I am not lucky, believe me, for other people also will ask him. And the worst is that there will be fewer Liberals. They are not very strong at the present time but imagine how many will they have left if others begin to cross the floor. There are some forty members today but if it continues like that, there will be no one left. But we need a little opposition. I would not like to have everybody on the Tory side. There is not enough room. We have to let them sit on this side. Keep the Liberals with you. We do not need him. We are quite happy with our Conservative members. We want to keep them. The Liberals who would like to sat on this side should stay over there, we do not need them.

Mr. Boudria: Mr. Speaker, I am pleased to reply to the Hon. Member.

In the first place, I can hardly imagine a Conservative who would blush. I find it extraordinary. The member told us he had blushed. He could have turned blue but not red. I can hardly think that a Conservative could blush.

Mr. Speaker, he said that the situation had greatly improved. I am sure that the situation of Peter and Marcia Clark has greatly improved. It is much better than before. I am sure that the situation of Doug and Wendy Lawson has improved. I am sure that the situation of Marie Marchand in North Bay has improved as well as the situation of several other sons, brothers, borthers-in-law, nephews, grandfathers, grandmothers of the Tories. It is possible, Mr. Speaker, that some of them enjoy improved conditions.

● (1650)

[*English*]

The Member is also describing that letter I received in which he claims that my constituent wants to marry a Conservative Member in order to get a job. That is a constituent of a Tory Member of this House, not one of my own constituents. Perhaps the Hon. Member could convey that message to the Hon. Member for Timmins-Chapleau (Mr. Gervais). He has a constituent who wrote to me because he claims that he did not know whether his Member existed. In his letter he described out of desperation the fact that it seemed to him that the only way to get a job in this country is to be a relative or be married to a relative of a member of this Government. That is what

that person was trying to indicate. Perhaps I read the letter too quickly and maybe I will read it again a little more slowly to make sure the Tories understand, but that is what all this is about. The people of this country are fed up with that kind of action by the Tories.

The Member said a little earlier that he wants the opposition to be more positive. How can one be positive in the face of the nepotism which we have seen in this House? Only you, Mr. Speaker, as the non-partisan person you are, could understand how outrageous this is.

Mr. Winegard: Mr. Speaker, I was not going to participate in this.

Mr. Prud'homme: They all say that.

Mr. Winegard: But as usual, when I hear the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on his feet, our local stand-up comedian with a great sense of humour—

Mr. Boudria: You need one.

Mr. Winegard: We recognize that. However, what he does not have is a memory. He cannot remember what the Liberals did when they were in power. He conveniently forgets that. He cannot even remember what Bill he is speaking to today. I thought it was a borrowing Bill but, lo and behold, we have all of these extraneous things thrown in. Finally, Sir, I have never heard a better illustration of the pot calling the kettle black than that of the marvellous Hon. Member for Glengarry-Prescott-Russell. He enlivens this House daily. He is a joy to listen to. However, I hope he will recover his memory, retain his sense of humour and be a little more constructive regarding what is good for this country.

[*Translation*]

Mr. Prud'homme: Unlike my colleague from Guelph (Mr. Winegard), I would like to congratulate the previous speaker. He is one of our excellent new members.

[*English*]

Mr. Speaker, I was almost going to call quorum a minute ago as I like to do on Friday afternoon. However, I will not do it because it will only be embarrassing for you, Mr. Speaker.

If the Borrowing Authority Bill was passed, does the Hon. Member think there would be enough money to ensure that our older citizens, who are getting more worried and full of anxiety—and I will refer to this tomorrow night on CBC in French at 11:20, on Sunday night my colleague, the Member for York Centre (Mr. Kaplan) will refer to it in English on CBC—would at long last enjoy a good summer, knowing that indexation would not be touched? I trust that the Prime Minister of Canada (Mr. Mulroney) is a man who understands very well that he can back off from that position without losing face so that our older citizens will have a happy summer without anxiety. Is there enough money in the Borrowing Authority to do that?

Mr. Boudria: Mr. Speaker, I would like to respond very briefly to both Members. In response to the Member for Guelph (Mr. Winegard), my memory is just fine. I remember 338 Conservative promises. One hundred and thirteen involved spending more money, five involved spending less money, two involved increases in revenue, and 26 involved decreases in revenue. I remember those promises very well.

In response to my very eloquent colleague, the Member for Saint-Denis (Mr. Prud'homme), if the Prime Minister (Mr. Mulroney) cut the 57 per cent increase in the operation of the Prime Minister's office, or the salary increase of Roy McMurtry or Lawrence Hanigan, or the trip of the Minister of Communications (Mr. Masse), which cost $57,000, there would be all kinds of funds to help the senior citizens of the country.

Mr. Sergio Marchi (York West): It is a pleasure to participate in the dying minutes of another week in Parliamentary life. I hope some people are watching. It is very important to put a borrowing Bill into simple and basic terms. Perhaps we can break it down by asking where the money is coming from and where it is going.

Over the last several weeks, the country has involved itself in the issue of senior citizens. I would like to remind Hon. Members that two days ago the Minister of National Health and Welfare (Mr. Epp) said that they had no choice, option, or alternative but to do what was done. They did not know that things were as bad as they later discovered. Even if one accepts the statistics which he gave at face value, they still knew those things in July, August, and September when they told senior citizens that pensions would not be touched, that their pensions would be left intact because they helped shape the country and deserved those pensions.

There has been a serious and immoral revocation of that promise. When talking about the borrowing Bill let us not talk only of graphs, figures, charts, and books. Let us also talk about the thousands and thousands of seniors who have been phoning and signing petitions. Their message is very simple and clear and, therefore, our answers must be very clear and simple.

Why are we touching those pensions? The Budget is like *A Tale of Two Cities*. The Prime Minister (Mr. Mulroney) tells us not to worry, that things are all right and the economy is improving. The Prime Minister ought to get off his pedestral and visit the senior citizen of Sault Ste. Marie who has $100 of discretionary income. He should talk to him or her and ask if things are going well. He ought to get off his pedestal and visit the student who cannot get into York University because tuition fees are being raised. He should talk to the unemployed youth who are trying to break into the economic market-place. They face a catch-22 situation because they cannot get a job without experience. He should talk to some of the disabled people who are being discriminated against in the working place, or to racial minorities who, because of the colour of their skin or the ending of their name, cannot get into the market-place either.

I agree that we are fortunate to be living in this country. Millions have immigrated to this country and are proud and loyal as they should be. All Canadians should be fiercely loyal and thankful to this country. However, we also have our problems. We have our poor and our seniors who cannot make a go of it with deindexation. We must speak to those people.

We cannot only talk about capital gains bonanzas which help only a select few. Statistics of 1982 show that almost 70 per cent of all individuals showing capital gains came from 4 per cent of the Canadian population. It may help farmers who want to sell their farms and people who want to sell their businesses and reap a profit because they have worked hard and deserve it. However, that is only 4 per cent of the Canadian population. What about the other 96 per cent? What happened to equity and fairness? How can it be fair that the taxes of a person earning $15,000 increase by 36 per cent when the person who earns $200,000 is only going to face a 2 per cent increase because he provides jobs? There is something cruel and inequitable there, Mr. Speaker. It is a tale of two cities which the Prime Minister should live.

Mr. Deputy Speaker: It being five o'clock p.m. this House stands adjourned until Monday at eleven o'clock a.m. pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, June 17, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed from Friday, June 14, consideration of the motion of Miss MacDonald (for the Minister of State (Finance)) that Bill C-51, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Sergio Marchi (York West): Mr. Speaker, it is a pleasure to resume debate from last Friday. At that time I was indicating that the Government's Budget resembled *A Tale of Two Cities*. One city is the shining city on the Hill in which the Government sees the economy improving and an economic state which is progressing well. The other city reflects the other side of the tracks that the Prime Minister (Mr. Mulroney) and the Government have difficulty understanding.

If the Government understood these problems, it would not have imposed the partial deindexation of old age pensions for seniors across the country. It would not ask consumers to pay 2 cents a litre more to make up for the shortfall as a result of what was given to the multinational oil companies. It would not have cut nearly $100 million in job training programs. It would not have increased sales tax across the board, which is a very regressive step. It would not have asked families with two children who earn between $15,000 and $20,000 annually to pay 36 per cent more tax by the year 1990 while the $200,000 family with two children is looking simply at a 2 per cent raise in their taxes.

The Government would show that it is beginning to understand this other city if it were to forget its obsession with the deficit and introduce job creation programs in order to put Canadians back to work. However, the Budget is simply bankrupt of any new or worth-while job creation initiatives.

Without a job, an individual loses that sense of dignity and purpose. As a result, the country loses that same sense of dignity and purpose. That is the tale of the city which the Government has failed to recognize.

Certainly nothing depicts that better than the Government's attack on senior citizens by partially removing the full indexation that they thought was theirs. One of the measurements of a progressive, mature and compassionate country is to see how its society treats its senior citizens. Certainly, with the Budget proposal to deindex partially senior citizens old age pensions, we cannot say that we are as progressive and compassionate as we would like to believe.

However, the Government can vindicate itself and correct the wrong. In order to do so, the Prime Minister and the Government must understand the other city to which I have referred. It is one in which there are more poor than ever, more families in financial trouble and where the line-ups at the food bank and soup kitchens are increasing. It is a city in which there is an increasing need for shelters for the homeless and where thousands of young people have less opportunity to find their first jobs. It is a city where students cannot afford the tuition for their education and the unemployed cannot change their fate despite their efforts.

Ottawa may well be the shining city on the Hill and one may get a good view from 24 Sussex, but one cannot see from there the other city in which thousands of Canadians live. The Prime Minister must visit this other city to see the despair painted on people's faces. The concern of the unemployed worker in Sault Ste. Marie must become his concern. The problems facing the high school graduate who cannot afford to enroll at York University must become his problem. The struggle of an elderly disabled person in Sarnia must become his struggle. The future of a woman in Hamilton striving to find her rightful place in the work world must become his future. Our failure to have compassion and understanding for these dilemmas facing Canadians will be our misgiving and a failure of our country to react to a situation that needs attention.

The Acting Speaker (Mr. Charest): Are there questions or comments? Resuming debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise to speak to Bill C-51 with decidedly mixed feelings. No one would question the need for borrowing authority in present circumstances. However, the extent of the borrowing authority can be criticized, and in that respect I want to explore that situation in the time available to me this morning.

The Bill seeks to authorize the borrowing of $18.2 billion, only $16 billion of which is money that is directly required for this year. The other $2.2 billion is designed to cover borrowing that was made necessary last winter because of the actions of the Liberal majority in the Senate.

My colleagues and I are justly critical of the need for that borrowing to cover action under Section 39 of the Financial Administration Act. If we had no Senate there would not have

been a need for that part of the borrowing authority that we are debating and eventually voting on.

However, I believe there are deeper reasons for being critical of the Bill before us. It is, in a sense, dealing with the bottom line in the country's accounts, in the Government's financial operations. It is here that decisions on taxation and expenditure come out. It is here that one has to provide the funds required to make up the shortfall in taxation which will be required if the Government is to carry on operations for the coming year.

• (1110)

I want to consider both the possibility that sounder fiscal policies on the taxation side would have made necessary a smaller borrowing and, without meaning to contradict that conclusion, to consider the possibility that the kinds of development policies Canada needs in the present depressed circumstances might well call for larger borrowings than the Government is in fact undertaking. Before beginning that explanation, I might note that the borrowing authority Bill has been brought in properly, as we had arranged in December that it should be, at a time when the Government was considering a very large Bill covering this year in quite an inappropriate way. Our opposition persuaded the Government to break down the matter into other Bills. Within days after the Budget had been brought down in the House on May 23, on May 28, the Bill came before us for first reading. That appropriate action is one I want to recognize.

In considering the weaknesses of the Budget on the taxation side, I should like to indicate the first aspect of weakness which concerns me in this borrowing authority consideration and to compare this Budget with Budgets of recent years and with Budgets of the early 1930s when another Conservative Government had to deal with the problems of Depression and did so in many ways by actions which are quite similar to the ones this Government has undertaken in 1984-85. Of course, at that time revenues fell off sharply. The Customs Tariff was a much larger part of the basis of income for Government. Obviously that would fall off as trade values decreased and trade declined. Revenues fell off in sales tax and excise taxes, with only income tax seeming to be a sound basis for the Government to predict what its revenues would actually be.

In those days, Finance Ministers were as determined to balance the Budget as is the present Minister of Finance (Mr. Wilson). Of course it was not possible to take in enough in taxation to cover the relief costs and certain public works expenditures, which somewhat compensated for declining private sector activity. However, certainly every attempt was made to try to cover the costs of the ordinary operations of Government.

I have just referred to some public works expenditures. At the beginning of that Government's administration there was a good deal of public works authorization, but that fell off very rapidly. By 1932 and 1933, the Bennett Government was behaving very much the way the present Government is behaving. It was involved in a decrease of public works activities and in an increase in various taxes. Interestingly enough, sales tax was put on ice-cream cones and other things back in 1932, in the same way the present Minister of Finance has decided to tax various confectionary and drugstore products. The refusal to make any significant change in the tax system in those days was very much like the determination of the present Minister of Finance to leave the basic structure of taxation unchanged. There was, interestingly enough, in the very first Budget brought down by R. B. Bennett as both Minister of Finance and Prime Minister, a rejoicing in foreign investment, specifically the American investment which had come into Canada in the first months after his Government took office. In fact, the Budget Speech contains a long list of enterprises, practically all of them in Ontario and Quebec, which presumably represented some triumph of Conservative policy as early as 1930-31. All of this was carried out in the context of what a Minister of Finance, looking back in 1933, characterized as being done against the backdrop of the dead hand of past lavish expenditures and borrowing, by Liberal Governments, of course. If that kind of phrase does not evoke the spirit of the present Government's fiscal policy and attitude, I cannot imagine what would.

• (1115)

Perhaps the most striking contrast between the Budgets of those days and the Budget which we heard on May 23 of this year is the fact that the Government recognized that the wealthy should bear their fair share of the burden of government. Consequently, year by year, the income tax increased. It may astound my colleagues across the way to realize that by 1933 millionaires in Canada were paying income tax of more than 50 per cent. The actual tax bill for someone with $1 million of income in 1933-34 exceeded $500,000. That is the kind of taxation which allows a Government to try to cover the costs of its normal activities. It was of course not sufficient to cover the development needs the country had.

The Budget also talked about the irresponsible borrowing patterns of the past 10 years and excoriated the excesses of Liberal Governments in the past for their lavish expenditure and the consequent borrowing needs. The sad reality of this Budget, of course, is that the patterns it follows are so largely the budget patterns of years past, that is, the Liberal policy of trying to shift the burden of taxation to individuals and allowing all sorts of tax breaks to corporations. Those patterns are certainly followed in this Budget, excessively so on the individual's side. The hope that it will increase economic activity and lead to jobs is one which past Governments have expressed in a series of Budgets. The Budgets of Marc Lalonde and Allan MacEachen certainly expressed those hopes. The consequent failure of those hopes, the failure to move any closer to full employment, the run-up of large deficits and the resulting need to borrow are quite in keeping with what the present Government holds out to us. What we have then, surely, in this Budget is no departure from the past.

Conservative Members have moved to government benches and taken up Liberal ideas, which they of course evinced often enough when they were voting on Budgets in the past in

support of a Liberal Government. One wonders, then, how we can break out of the situation we are in if then Liberal and now Conservative policies do not do it. I want to suggest that, on the one hand, there be a thorough reconsideration and reform of our taxation system. This would provide us with a basis for raising far more revenue and allow us to readjust the burden of taxation in such a way that we would give a strong and healthy stimulus to the economy which, accompanied by other policies, could ensure that Canadian citizens would be able to give that impetus to the private sector, the small and large businesses which the Government talks about so much. There, it seems to me, is the Budget's most overwhelming failure. I recognize deindexation as being a political blunder of the largest scale. The Government now realizes that as well.

● (1120)

The failure to deal with tax reform and in fact the rejection of any kind of massive tax reform by the Minister of Finance is far-reaching and touches the lives of all Canadians. The Budget in its fiscal projections recognizes that the revenues of the Government will come in the proportion of 45 cents from individual taxpayers and only 15 cents from corporations. The balance that prevailed within the last quarter century when corporations paid rather more to Ottawa than individuals has now shifted so far that individuals pay three times as much in taxation to Ottawa as corporations. When we recognize that there has been that kind of shift in the taxation system of the country, we can recognize the hand of excessive and outrageous taxation of individuals which leaves individuals unable to support fundamentally their households and therefore unable to produce the impetus that is required for a sound economy to develop in this country again.

The failure of the Conservative Government to make any progress in the taxation system by loading even more taxation on poor and middle-income Canadians while leaving the rich even less burdened with taxation creates the kind of imbalance in which the fiscal statements of the country become a means for enriching some and impoverishing others. It seems to me that that makes this a Government which speaks for the wealthy in a way that the voters across Canada did not foresee when they voted for Conservatives on September 4. It seems to me that that is a ticking time bomb that deserves to go off in Government ranks sooner rather than later.

That is the fiscal side of the borrowing coin. If the Government allows those billions of dollars of tax breaks and refuses to collect taxes, it will inevitably have to borrow. If Canadians were to realize the amount of money that has gone into businesses through tax breaks, the extent to which ordinary Canadians pay interest on the investment capital of companies rather than having them depend on the stock exchanges and brokerage houses on Bay Street, St. James Street and beyond, and that Liberals and Conservatives have burdened them with paying for the capital for business investment, we would see a revolt of the proportions at which senior citizens have only begun to hint. That, then, is one of the reasons for borrowing. It is sad to say that there has been no fundamental shift in the attitude of Conservative Members.

On the other side of the borrowing coin, there has been no real consideration of the development needs of this country. I feel for the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), recognizing what he once did as a Member of the last successful Conservative Government of 1957 to 1963. At that time, national development programs of all sorts were developed. It was a Government of which Canadians could be proud because of its vision of what this country should be. For all of its failures, and some of those failures were failure to act on those national development programs, that Government had a vision for this country. These days, in the most despicable and contemptible way, we have a Government that hopes it can ride on the coat-tails of the American recovery which has been flagging these days, and that suggests that we will continue with the recession. We have a Government which thinks that foreign investors will save Canada. No Canadian can be proud of that. The Minister of "Regional Industrial Stagnation" takes pride in the Government's reduction of support for the shipbuilding industry. The day after the Budget was brought down, the shipbuilding industry was told that the subsidy program would be discontinued. That program has been important to the industry. The Government also cancelled the productivity improvement grant, which was about the only thing that was left for the shipbuilding industry, other than the tariff. A Minister of that sort does not deserve to be in a Canadian Government at a time of depression.

● (1125)

Canada has other needs. I would like to deal with the need for housing. We are falling further and further behind in the housing industry. Canada requires tens of thousands of housing units. I would suggest that the Government look at co-operative housing. That type of housing is the most efficient and socially sensible way of providing housing. It is a context in which people can establish the community and become involved in the committee and board structure. Canadians could begin to pull themselves together sufficiently enough to enter the job market. Co-operative housing suffered at the hands of the Liberal Government. So far it is not doing much better. However, I do not want to speak very severely to this issue because the Minister of Labour (Mr. McKnight) who is responsible for housing has a sensitivity for it. Will he be provided with the funds? Will the Canada Mortgage and Housing Corporation have the means to undertake the housing programs which Canada needs? It is not clear that it will have the funds. Fiscal measures such as the capital gains tax holiday are likely to increase the cost of land and housing. Therefore, CMHC policies which gear income to the market will be more difficult.

The Budget is designed to make things more difficult for the people of Thunder Bay. The waiting lists for housing are very long in Thunder Bay. The people of that community are seeking better and reasonably priced housing. We are not experiencing the general impetus that residential housing construction could provide from coast to coast. That would put people back to work, and it would produce a sound demand for small and large businesses.

The Government has failed to recognize the developing needs of Canada and to respond in an imaginative manner. The Minister of "Regional Industrial Stagnation" takes pride in packaging a variety of principles from years past in a document which requires agreement among all Governments. There may be something to be said for agreement on a statement of principles, not that there is anything remarkable about the details. Beyond that, will we have policy development which is applicable to industries and communities? Will there be financial assistance? Giving tax breaks is the easiest way to go. The distressing thing about tax breaks is that one does not have the means by which to assess their effectiveness and to recognize the cost.

We will vote against the borrowing authority Bill for a variety of reasons. The Government needs borrowing authority because it has failed to tax properly. The Government needs the money because it has failed to develop the kind of policies which Canada needs to get businesses moving and to get people back to work. The failures of the Government in its Budget are just as clear in the borrowing authority Bill as they are in various other areas.

The Acting Speaker (Mr. Charest): Are there questions or comments?

Mr. Baker: Mr. Speaker, the Hon. Member referred to trade with the United States. Does the Hon. Member have any opinions regarding the recent protectionist tariff policy of the U.S. Government as it relates to Canadian products? I refer, Mr. Speaker, specifically to protectionist measures on hogs, lumber, footwear, raspberries and saltfish which, of course, affect the riding of the Prime Minister (Mr. Mulroney) just as much as they affect Newfoundland and all the Maritime Provinces. It is an absolutely outrageous protectionist tariff of 20 per cent on the export of these products into the United States from Newfoundland and from the north shore of Quebec. This tariff was imposed last Thursday evening. I am wondering whether the Hon. Member would have any thoughts on the subject as it relates to the policy of free trade which this Government announced. And is this really free trade when it is free for the Americans only but Canadians have to pay 20 cents on the dollar? Why is all of this happening now with the advent of this new Conservative Government?

• (1130)

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, that is a very good question. The desire of Canadians to have free trade with the United States is older than the Dominion of Canada. I think of a Conservative Minister of a little more than a hundred years ago who spoke in terms of reciprocity of trade or reciprocity of tariffs. The desire of Canadians and their Government to achieve freer trade agreements with the United States has usually been a desire which Americans have failed to entertain. I suppose the year 1911 would be the main exception when an American Congress and an American administration was suddenly ready for the negotiation of a freer trade agreement with Canada, a significant agreement, and the Canadian people turned it down at, we might remind ourselves, the behest of the Conservative Party of the day through an unholy alliance with nationalist interests in Quebec which were also fighting the Liberal Government's naval policy at the time. The desire to achieve freer trade arrangements with the United States, then, is an almost universal Canadian desire. In this century, of course, we have become concerned about maintaining economic activity in this country which has been built up at much cost and great pain because the Americans would not allow us to trade freely with themselves.

I think what the American Congress is doing these days in one area or another, Mr. Speaker, is demonstrating again the protectionist tendencies which have been so strong in that body time after time and term after term. We, for our part, can succeed only in minimizing the damage in one area or another. We have worked hard in the area of lumber exports to keep that particular trade open. That is one item in the Hon. Member's list which, I suppose, is directly relevant to northwestern Ontario. But it takes inordinate effort to achieve some opening in the American market for these products.

I am sorry to say that, aside from much determination and all the lobbying efforts we can make in Washington with Members of Congress, there is nothing more I can offer the Hon. Member whose constituents are now affected by a tariff on saltfish. We will have to work as hard as we can and remind the Americans of those freer trade traditions which they came to after the Second World War on which, I hope, enough of them still believe their prosperity after the Second World War was based. And we must maintain our pressure on them for freer trade.

Long ago we Canadians settled on reciprocity of tariffs because we could not get reciprocity of trade with the Americans. We should remind the Americans that we do not want to be driven to reciprocity of tariffs at a time when we have in fact been reducing our tariffs and opening our economy more and more to the rest of the world. We should press the United States not only to stop these attempts to put quotas, tariffs and other restrictions on Canadian natural products, a battle which takes us back at least to the 1840s or 1850s, but we should in fact press them in other ways to open the state economies and various industries to Canadian production. We must convince the United States to lessen those "Buy America" policies. We would like to be sure that as much as possible industries which produce, for example, rail rolling stock, city streetcars and subway systems, such as, for example, the CanCar rail plant in Thunder Bay, can produce these systems in our country and that we are not forced by other rules of the United States to manufacture them in the United States, therefore getting some of the earnings back to this country but not the employment which we need so desperately.

I am sorry I do not have any additional solutions at the moment for the Hon. Member except to say that we must press on and remind our friends in Government that the rhetoric we are hearing now will not in fact bring us anything

without a great deal of hard work, and even the hard work may not do the job.

Mr. Baker: Mr. Speaker, the Prime Minister of Canada met with the President of the United States at Quebec City. The Prime Minister at that time informed his constituents—because they were affected—of the pending tariffs which were to be imposed, the tariffs which were under consideration by, I think, the United States International Trade Commission at that time. Yet, in spite of the discussion of the Prime Minister with the President of the United States, which was verified by the Prime Minister publicly in responding to his constituents—and, of course, that matter affected my constituents and a lot of constituencies right throughout eastern Canada—and in spite of the intervention by the Prime Minister, last Thursday night the United States Government imposed that atrocious tariff. It appears that all the representations, which were supposedly to have been made by the Minister of State for External Affairs (Mr. Clark) together with the Prime Minister, have had no effect whatsoever on the imposition of these tariffs.

So I would like to ask the Hon. Member, in light of what he was saying, whether or not he believes that intervention at the policitical level has any effect at all on general U.S. trade policy as it relates to protectionist tariffs? Historically speaking, would he say, for example, that once that trend is in place, not even the politicians can stop it?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I thank my good friend for another splendid question. What one can derive in the way of lessons from the experience of the late 1940s would suggest one particular word of wisdom for the Government in its present circumstances. I am saying that against the background which my friend has evoked of the summit of the Prime Minister with the President of the United States in which it was suggested that all sorts of good things will follow from the fine relations between the two countries. What Canadians so often forget—and I trust the Prime Minister knows better—is that the American constitution provides for a division of power in which the President has limited authority on many of these matters. He certainly faces the actions of a Congress made up of hundreds of Members representing their districts from coast to coast, and two Senators from every state, all of whom will go their own way. The President might conceivably have the best of intentions, but if those Congressmen do not agree with the decisions he has arrived at, he will not get anywhere.

I think of the late 1940s. The key point in the circumstances of 1947 through 1949 was that the dealings from executive to executive were not nearly as effective by themselves as the Government's holding out the prospect, or the fear, to the American administration and to Congress that the Canadian response in the way of trade restraints, which would be made necessary by our shortage of American dollars at the time, would have a very serious effect in one area or another of the United States. In each of those areas where a congressional district was involved there was a Congressman who was going to feel the direct impact of Canadian action.

• (1140)

The moral of the story is that a Government which can only see Americans as friends, instead of realizing the need to be businesslike and tough at times with them, will lose the opportunity to drive home to Americans that if they set out to hurt us, as happens in area after area, we may have to take action to hurt them in Michigan and other parts of the United States. I have yet to see that kind of toughness from this Government.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted to join in the debate on Bill C-51, an Act to provide the Government with borrowing authority of $18 billion for the succeeding months and year. I am disappointed that there is no provision in Bill C-51 for the indexation of old age pensions next January 1.

Last weekend I had the opportunity to visit half a dozen communities in my constituency. In each community I was met by senior citizens who presented petitions to me to present to the Prime Minister (Mr. Mulroney) and the Government. A senior citizen couple, both receiving Old Age Security pensions, will have their purchasing power decreased by $200. By 1990 they will lose approximately $1,200 of purchasing power per couple.

While I was in my constituency I received petitions from senior citizens groups in Little Current, Gore Bay, and Silver Water on Manitoulin Island. As well, I received a petition from the Senior Citizens' Club 455 in Espanola with several hundred names on it. It calls upon the Government to reinstate full indexation of the old age pension. In Elliot Lake I was presented with a petition by the President of the Senior Citizens' Group, Mr. Laverdière. In each case the senior citizens groups make a very strong presentation for the Government to reinstate full indexation.

Perhaps the most poignant story was that of Mr. Ivan Bailey from Evansville who came to see me in my constituency clinic in Gore Bay. He told me of his situation, which I think is typical of so many senior citizen couples across the country. He told me that he was 76 years of age and that he and his family had been pioneers in western Manitoulin. His wife is partially disabled and he himself had a heart attack a couple of years ago. In spite of that, they are able to cope and live in their own home. He pointed out that they are very thrifty. For instance, he cuts his own wood and burns that rather than heating oil. They do not splurge in any way. He was simply asking why the Government is going to cut back on their old age pensions next January when they are struggling and working so hard to make it on their own.

I hope that the Government will amend Bill C-51 in Committee of the Whole and provide for full indexation of old age pensions. I think that is the only way in which the Government can correct the situation of the senior citizens of the country. It is not only senior citizens who are very concerned about the

deindexation of old age pensions. People who are from 55 to 60 years of age, many of whom have taken early retirement and are counting on the old age pension in order to have a certain level of purchasing power, are concerned as well. If deindexation goes through, over a period of five years a couple will lose $1,200 of purchasing power. Over a period of 10 years they will lose $2,000 or even $2,400 per couple. Someone who has made retirement plans based on receiving benefits of a certain level will not have the expected purchasing power in four or five years when he or she does retire.

There is very great concern about the authenticity of the commitment of the Prime Minister. Last year he called the indexation of old age pensions a sacred trust, saying that he would maintain it fully. Now that is being taken away. We want the Prime Minister to keep his commitment. He has indicated that he is waffling. I know that he is getting a lot of pressure from his caucus. I do not think he should wait until after the adjournment of the House a week from Friday to make that commitment. Senior citizens are very concerned about this cut-back and he should make his announcement in the next few days. Senior citizens of my constituency are sending in petitions which will be presented in the House. We will be making the strongest possible arguments that indexation of old age pensions should be maintained.

When the Minister of Finance (Mr. Wilson) was interviewed on CTV *Question Period* in April he indicated that he thought he could make cut-backs in a number of government programs and would not have to increase taxes. He seems to have changed his mind because many taxes will be increased for medium and low income families. This Budget does not provide much benefit for low income families. One of the concerns of senior citizens about the Budget is that at the same time as they will be losing $1.6 billion a year, a capital gains tax provision has been instituted which will cost the Government $1.25 billion per year within five years. If there must be a trade-off, surely senior citizens ought to be the beneficiaries rather than high income groups.

The Minister of Finance has indicated that he is not satisfied with the number of rich people in the country. Surely even the Minister of Finance would not wish to see people benefiting enriching themselves to the disadvantage of senior citizens. When this Bill goes to Committee of the Whole I hope the Government will back down on its plan to deindex old age pensions and reinstate the full benefits.

● (1150)

There are a number of other provisions of the Budget I want to mention because I believe that they all impact on this borrowing authority. Clearly, one sector which received no assistance from the Budget was the farming sector, except perhaps to help farmers get out of farming. Over the weekend, the Prime Minister said that his Budget was so popular that he thought he would be able to back down and give old age pensioners their full indexation. I hope he will do so very soon.

The budget provision of a capital gains tax exemption up to $500,000 allows those involved in agriculture to get out of farming. That was a commitment made by the Tories during the election campaign although their commitment was to provide full capital gains tax exemption.

The agricultural community is clearly dissatisfied with the federal Budget. For instance, the board of directors and county presidents of the Ontario Federation of Agriculture met in Toronto on June 6. Their resolution states:

> Whereas the federal Government has betrayed the farmers of Canada by presenting a Budget which totally ignored the results of its own consultative process and the commitments of the Government of Canada; and whereas the Government has not only ignored its own promises, it has ignored the legitimate needs of our farmers; therefore be it resolved that we are demanding that the Government live up to its own commitments made during and after the election campaign and that in order to get this message across to our Government, we recommend the following action—

They recommend that each MP from the Province of Ontario be petitioned by several members of the Ontario Federation of Agriculture and that the Ontario Federation and the Canadian Federation of Agriculture hold an executive meeting on June 19 to form a national action plan to bring the frustration and disenchantment of the agricultural community over the Budget to the attention of the Government.

Clearly the Budget strikes out at Canadian agriculture. For instance, the Government will impose a 9 cent per gallon tax on gasoline and farm fuels early in September of this year. Out west, where agriculture and the use of fuels is a major industry, they are terming this the "harvest tax". It is a tax on western Canadian farmers' harvest, imposed by the Tory Government. This will cost several hundred dollars, and perhaps more, on very large farms. The tax will increase once again in January when the 1 per cent sales tax is imposed on agriculture and all commodities in the country.

Last fall, the Government flamboyantly boasted about how it would reduce the tax on farm fuels. In fact, it is reimposing that tax this September, early in the harvest season. It is interesting to note that the Government was considerate enough of the tourist industry not to impose that tax during July and August, but it had no reservations whatsoever about imposing it just as harvest begins. For that reason western farmers are calling it the harvest tax.

Not only will the 1 per cent sales tax increase tax on farm fuels on January 1, it will be imposed on other agricultural input costs and production costs. Furthermore, a massive tax has been imposed on our tobacco farmers who have been suffering from changes in the personal lifestyle throughout the country. The Minister talked about some accommodation in that respect but no backing down. The wine growers in the Niagara escarpment and other areas of the country have expressed their concern about the 2 per cent excise tax on alcoholic beverages. Clearly, the Budget practically ignores agriculture.

The Government said that it would clarify Section 31. In fact, it did not do that in the Budget and has taken no action, although a committee report recommended that the limit of deductibility for off-farm expenses be increased from $5,000 to $10,000. There was a commitment during the election campaign as well as a recommendation by the Finance Committee

of the House to establish an agri-bond program providing money at 8 per cent interest. These would be long-term, low interest rates to assist some 39,000 farmers who are facing serious financial difficulty. There was no action on that agri-bond program.

Therefore, groups such as the Ontario Federation of Agriculture are planning an emergency meeting on June 19 to prepare a national action program to counter the lack of action by the federal Government in its Budget.

The Prime Minister stated at the First Ministers' meeting on the economy in Regina that no one has increased productivity and assisted the country more than agriculture in the past several years. People like Harry Pelissero, President of the Ontario Federation of Agriculture, are now calling on the Prime Minister to explain why that sector is not recognized in the Budget if it has made such a great contribution to our economy.

One of the few areas singled out for cut-backs by the Nielsen committee is agriculture. Some $50 million a year will be cut from the Department of Agriculture. Although a number of programs will be severely cut back by the Government, it does not make it clear which ones. However, it is clear that the cut-backs will be $50 million this year, $50 million next year and $50 million the year after that.

The budget documents refer to programs like the dairy support program, agricultural commodity transportation and crop insurance as being subject to cut-backs. While it has not been made clear what will be cut back, we know that the Department of Agriculture is facing those cut-backs.

All of this is taking place when agriculture is under attack from beyond our borders as a result of the bungling of the Government. Last week, for instance, the United States Government imposed an even larger countervail duty of 5.5 cents a pound on our hogs and pork products going into the United States. That is a very substantial increase which will cost the hog producers of this country very dearly.

The Prime Minister met with the President of the United States in Quebec City. They were to solve all these problems in terms of trade with the United States. Clearly, these problems have been exacerbated in every realm. Whether it is steel, raspberries, pork or fish, our entire trade system with the United States, at a time when the Prime Minister talks extensively about improving trade relations, is incredibly worse. The support or bonus program on grain will drive down the international price of grains and have a devastating impact. Not only in North America, but in Europe and in other areas, the Government has clearly bungled our international trade relations. This is having a devastating impact upon our agricultural community, along with the lack of action in its Budget.

● (1200)

Mr. Baker: Mr. Speaker, I have a question for the Hon. Member. He talked about reductions in the agricultural sector. I should like to refer to a document which was tabled in the House recently. It is entitled *New Management Initiatives*, and it contains the initial results from the Ministerial Task Force on Program Review. In the sections under agriculture we find some very interesting words. It talks about improving and the targeting of scientific research and development. In part it reads:

> The Department will eliminate, or obtain full outside client funding for identified current low priority research.

Then under the section entitled *Limit Freight Subsidy*, it reads:

> The Government will propose changes to limit future expenditures to current levels.

The next section is entitled *Study Feed Freight Assistance*, which in part reads:

> —feed freight assistance will be examined for consistency with the commodity development strategies for feed grains and livestock.

Other sections are entitled *Recover Costs for Grain Commission Services* and *Harmonize Production Development Assistance*. They contain some very interesting words, such as the following ones:

> Provincial Governments also provide assistance for various such groups.

Then under the section entitled *Inspection and Regulation Programs*, it says:

> —the Government will consult with provincial Governments to determine areas in which federal-provincial duplication can be eliminated—

Does the Hon. Member have any opinion as to the assumptions in this document that the Government will harmonize, regulate, recover costs, limit, study and improve targeting? When we really get into the document, it talks about cuts which will come in the agricultural sector. Is there really that much duplication by provincial Governments? Is it correct, as the document assumes, that the agricultural sector is receiving so much money from provincial Governments and from the federal Government that we can do away with, as indicated in the document, duplication of these programs? Is the agricultural sector really receiving that much money? Is it possible for the federal Government to eliminate programs and to retarget programs, which will automatically be replaced by existing provincial programs?

Mr. Foster: Mr. Speaker, the Hon Member for Gander-Twillingate (Mr. Baker) raised a very important matter. I appreciate his question. He drew some similarities between the problems of fishermen in Atlantic Canada and the problems of farmers. Clearly there are some comparisons which can be made.

I should like to look at the quotas and countervail duties which have been imposed by the United States. In fact, last week it imposed a duty on fish from Atlantic Canada of approximately 20 per cent, while at the same time it imposed a countervail duty on our hogs of some 5.5 cents per pound. This is having a devastating impact on the price of hogs and has had such an impact since April 1 when the United States imposed it. We certainly see the similarity. There is sort of similarity in the approach of the United States, despite the comments of the Prime Minister about how he will improve trade relations.

I cannot remember, in the 17 years I have been a Member of Parliament, so many duties, countervails and threats of countervails being imposed. They are all on our primary producers who are already faced with very low commodity prices, for example, fish, agricultural products and softwood lumber. I do not believe anyone in the House will remember such massive countervails and quota plans between Canada and the United States in the past. It is clear that the Government is messing up our entire relationship in terms of those products, all of which have been in very low price positions for the last while.

With regard to the Hon. Member's question concerning duplication of federal and provincial government programs, I doubt that there is that much duplication. For instance, if we look at crop insurance, the federal Government has put up half the premiums and the producers have put up the other half. In most cases the provincial Governments have administered the crop insurance program. It has been a very beneficial program. The Minister runs around the country proclaiming what he has done for farmers since last September 4. One figure he quotes is something like $530 million which has been paid out in crop insurance. That is an insurance program which the former Liberal Government put in place, into which producers pay. As well, the federal Government pays into a fund and the provincial Governments administer the program at a relatively small cost compared with the cost of the premiums for the program. If the Government is proposing that provincial Governments, as I understand it is doing, will put up a third of the cost, similar to the proposed tripartite red meat stabilization program, I think it will find a very cool reception. The reception on the part of provincial Governments having to put up as much as the federal Government will be about as cool as the reception of the deindexation of old age pensions on the part of Atlantic Premiers, all of whom are Conservatives. I do not think many provincial Governments are prepared to put up that additional money for the crop insurance program.

With regard to research and so on, it seems to me that the money spent on research and on developing new varieties of grain, fruit and vegetables, is really a reach toward the future. If we develop a grain which is more hardy or more resistant to disease or will produce greater yields by 5 per cent or 10 per cent, that is the price we pay to be successful five, ten or fifteen years down the road.

In the tripartite red meat stabilization hearings, we heard that provincial Governments in the Maritime Provinces really wanted to see feed freight assistance provided, whether it was provided through the stabilization program or through a direct feed freight assistance program. I do not think they want to see the Government cutting back on it. It seems to me that the Government should be providing a feed freight assistance program, while at the same time doing the necessary research and development to make Atlantic Canada self-sufficient in grain so that hog and beef production can continue there, even though in the initial drafting of the tripartite red meat stabilization program they may not be qualified.

• (1210)

So I think the Hon. Member has raised some very important points concerning the Government's attitude towards management, where it essentially wants to cut back on programs like agricultural assistance, feed freight assistance, grain inspection and crop insurance.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am very interested in participating in this debate this morning and I want to get very quickly to the heart of my remarks because they relate to a very serious situation which has developed in my constituency. Usually I do not use the 20 minutes allotted to me to make a speech in this Chamber to speak on a local issue, but the subject of my speech today is a very serious one and it relates to job creation and the possible collapse of a major and historic industry, the former Cockshutt Plow Company, now called White Farm Equipment Canada Ltd. This firm goes back to the 1870s, so it is really a historic company with regard to the production of agricultural implements.

Bill C-51 is an Act to provide borrowing authority, and certainly there is nothing new or revolutionary about it. Usually Members of Parliament do not question the amounts of money involved because we all know that, particularly these days, it takes a lot of money to run a country. Governments run out of funds and they have to seek authority from this Chamber, Parliament, in order to borrow funds to keep payments going. However, we do use a Bill such as C-51 to question the Government's wisdom in spending that borrowed money. From time to time we put forward suggestions as to how we on this side of the House think the money should be spent. For example, in my opinion very often public funds are spent frivolously by this Government, and this is true of other Governments in the past.

We have the wife of the present Prime Minister (Mr. Mulroney) who has, so I understand, a spanking new office in the Langevin Building, and I question whether or not the taxpayers of this country should be paying for the operation of that office. It is my right to question that, and I do not know whether the money should be spent in that way. This certainly should be examined very thoroughly. Something else which might strike one as being very trivial but nonetheless symbolically important is whether public funds, even a few dollars, should be spent on a new presidential style podium for our present Prime Minister bearing a coat of arms not of a political Party, not of an office, but one that is symbolic or emblematic of our country. It is not a symbol of office, it is an emblem of Canada. If any person in this country should have the right to use that emblem, it is not the Prime Minister, it is the Governor General. I question the propriety of that use. In the former Prime Minister's household we used to question whether or not the taxpayers should pick up the tab for his and his family's food, and for the nanny or nannies, present and past. These are probably nit-picking examples but symbolically they represent our concern on this side of the House as to how this borrowed money is spent from time to time.

Miss MacDonald: As well as on a car and chauffeur for the Leader of the NDP (Mr. Broadbent).

Mr. Blackburn (Brant): We could, on the other hand, spend borrowed money to maintain pensions at a respectable level for seniors who built this country. We have gone into great detail on that issue on both sides of this House over the last few weeks. We could also borrow money to help keep Canadians from falling further and further into poverty. We could borrow funds to help preserve the quality and way of life for many other Canadians. We could use borrowed money to create meaningful jobs.

I have a modest proposal for the use of some of the borrowed money and, as I said at the outset, it has to do with a very serious financial and industrial problem in my constituency of Brant. This Government could offer to guarantee loans to White Farm Equipment Canada Ltd. in order to keep it from going under, thereby putting about 600 human beings out of work and on unemployment insurance. It would also take with it other smaller industries and suppliers, along with their employees, to say nothing of the hundreds of employees in the dealer network across the country. So we are talking about a very, very serious situation, one which I have raised on a number of occasions in the House and privately with the Minister of Regional Industrial Expansion (Mr. Stevens). I must say that he has been very accommodating and very positive, but so far no action has been taken. This would not cost the taxpayers one cent. Granted, the agricultural implement industry is going through tough marketing times. Harvesters or combines are certainly not in any great demand and the market is depressed. As my hon. friend from Algoma was saying a few moments ago, one reason for this is the deplorable state of finances in which our farmers find themselves at this time. The last Budget certainly did nothing to help that situation. Indeed, as the Hon. Member and others have pointed out, all that that Budget did was to make it easier for farmers to quit, give up and sell out. Well, that is a hell of a way to try to keep a basic major industry going in this country. What is happening to White Farm is the industrial spinoff from that kind of policy.

When I say this will not cost the taxpayers a cent of this borrowed money, I mean it. The money would only be in the form of a loan guarantee to tide this company over for a year, possibly two years, until, hopefully, the western agricultural market picks up, as well as that of central Canada. I call upon the Minister, then, to show some entrepreneurial spirit on the part of his Government and take a risk, as the former Government did. I would point out that as a result of the 1983 bail-out, so called, White Farm not only continued in production for two more years, but it increased its share of the Canadian combine market from 7 per cent to 22 per cent. The company is doing very nicely with a new Canadian owner, a president who is on the job in Brantford every day at his office, with a Canadian management team and a state of the art R and D facility, which was paid for in part by taxpayers' money over the years. The rug was pulled out from under the company, not because it was mismanaged or the market disappeared, but because of a foreign finance company, Borg-Warner, which decided, legally and quite properly, that it no longer wanted to have any of its money invested in White Farm Equipment Canada Ltd. The rug was pulled out at the very worst time. We cannot say that it was unfair on the part of Borg-Warner to do so. I suppose from its point of view, it was just good business. However, it dumped the whole financial problem back in the lap of White Farm Equipment of Canada.

• (1220)

For the first time in years, the profits that were being made at the Brantford facility were staying in Brantford. In the 1970s, when White Motor of Cleveland owned it, the Brantford facility made profits at a time when the market was buoyant. However, where did the money go? It was sucked out of Brantford to Ohio year after year. That was one of the things that lead to the financial problems of White Farm Equipment. When the recession hit in the early 1980s, it had no reserve capital. Furthermore, after the Cockshutt family sold out to foreign interests, virtually nothing was done to improve the plant or facility. There were virtually no capital expenditures at all. The only thing that was improved upon, updated or upgraded was the R and D facility which produced the state of the art axial-flow combining technology, and that facility would not have been built had it not been for the Canadian and provincial Governments which turned over a great deal of money to get that project launched.

Last week we did away with FIRA and brought in Investment Canada. We told Americans to come to Canada to buy us out. I have just given a perfect example not of why we should keep foreign money out but of why we should keep a very tight rein on how foreign investment in this country is used. It must always be used for the benefit first of this country and second of the foreign country or corporation.

Brantford is facing a very tense situation this morning. The deadline of the receivers, Peat Marwick, was arrived at last Friday at twelve o'clock. To the best of my knowledge, it has not been legally extended as Peat Marwick did not advertise an extension. So far, no word has come from the office of the Minister of Regional Industrial Expansion regarding an extension. We are hanging in the balance right now and are waiting with bated breath.

We do not know whether or not White Farm Equipment will be alive tomorrow or whether or not those 600 men and women who work in the plant and office will have jobs. We do not know whether or not the Government has the courage to put up a loan guarantee of some $30 million in risk capital to save those 600 jobs at the plant plus several hundred other jobs in the dealer distributorships and supplier industries, and indeed to save several of those supplier industries.

We are only asking for $30 million in loan guarantees to save White Farm Equipment. That is not a great deal of money. It equals the approximate cost of giving away capital gains tax exemptions to about 50 of the wealthy friends of the Minister of Finance (Mr. Wilson). That is really what $30

million amounts to. It would preserve a way of life that began when the Cockshutt Plow Company opened its doors in 1877. At that time, it became a world renowned harvester company and its products were extremely popular in the Canadian West for many generations.

The recent history of White Farm Equipment is one of ups and downs, lay-offs and recalls, recessions and depressions. We saw interest rates choking off sales in 1981. We saw the recession hit both the farm community and urban Canada in 1981, 1982 and 1983. Some parts of Canada are still suffering from that recession. As I said earlier, we saw the former American owners siphon off profits in good times and then shut the plant down in tough times. We saw the American owners sell out when the times became so bad and the future so grim that it was not worth keeping the company. However, no one in Brantford really ever believed that Cockshutt, or White Farm Equipment as it is called today, would ever really disappear. They believed that it would survive somehow.

White Farm Equipment was not a leach industry. In 1983, it went to the provincial Tory Government and the federal Liberal Government to ask for loan guarantees to keep it going. As I said a few moments ago, it increased its share of the Canadian combine market from 7 per cent to 22 per cent during the toughest years experienced on the farm front in recent history. White Farm Equipment proved that it can produce a state of the art harvester like the axial-flow combine. It was all set to produce a new, smaller version of the 9,700 class harvester that would be more economical to operate and would sell at a lower price when Borg-Warner in the United States pulled the plug. Unfortunately, that could not have come at a worse time.

What can be done to rectify the situation? I suppose that what I am pleading for this morning is for the Minister to announce sometime today that there will be a loan guarantee forthcoming to White Farm Equipment because times are going to improve on the farm front. If they do not improve, we are going to go right out of the agricultural business altogether. If times get any worse, it will be the end of the agricultural sector, we will end up importing almost all our food and we will be paying world prices.

I think the Government had better put aside its ideologies for the time being and realize that there are some sectors in the Canadian economy in which the private enterprise system simply does not function at 100 per cent efficiency and cannot do so for a number of natural and normal reasons, perhaps unlike private enterprise in the United States. If the farm community needs assistance at this time, surely this is not the time to reduce aid to farmers by $50 million per year, but it is the time to increase aid to those who are just on the brink of going under.

In the newspaper, I read the other day that net farm incomes are supposedly up by 30 per cent this year. I cannot for the life of me understand that figure. My riding is often referred to as an urban riding, but it includes the entire county of Brant. Some of the best farmers and some of the ones that were the most prosperous in the past live in Brant, and are still trying to hold on. Last week I spoke to some of those farmers. They were even more shocked than I was to read in the paper that net farm incomes were up by 30 per cent. Everyone to whom I spoke had a net farm income that was down.

As I said this morning, the Government, through its Budget, proposes to make it easier and financially more inviting for established farmers to sell and get out of the farm business. That will certainly not help the agricultural implement industry and it will certainly not help a community like Brantford, a community which has already been sorely hit by the recession of the early 1980s.

The community of Brantford is slowly climbing back to a better employment figure. There is still an unemployment rate of about 14 per cent in the City of Brantford. Even with the Summer Works Program, it will still be a very serious situation. Are we going to add another 600 and possibly another 200 unemployed to that list? I sincerely hope not.

What we are going to have to do is what the Government did in the case of Domtar. The Government is going to have to set aside its ideological strait-jacket for the moment and ask what is in the best interests of the public. It must ask itself what, apart from what is in the best interests of the company, is in the best interests of the public.

• (1230)

I urgently call upon the Minister of Regional Industrial Expansion, today, or at the earliest possible opportunity, to announce that the Government—as in the case of Domtar—will guarantee a loan of $30 million so that White Farm can continue until the market picks up, which should not be more than two or three years. The Conservative Government at Queens Park is prepared to give $10 million. There is private sector financing to the tune of approximately $5 million. However, another $30 million in loan guarantees is required.

I would also like to thank Members of Parliament of all Parties from southwestern Ontario who wrote letters of support, after receiving a letter from me which requested that support. I am not going to suggest what those Members recommended, but it was gratifying to know that they too are interested in maintaining those jobs.

I hope the Minister will consider every avenue and come forward today or tomorrow with a positive statement which will keep those 600 families out of poverty and put them back to work.

The Acting Speaker (Mr. Charest): There being no questions or comments, I will recognize the Hon. Member for Sudbury (Mr. Frith) on debate.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, in order that I maintain the rules of relevancy, I will preface my remarks by saying that there is absolutely nothing in the Borrowing Authority Bill of $18 billion which will solve the problems that were created in the Budget which was tabled on May 23 by the Minister of Finance (Mr. Wilson).

In the last six or seven days I have had the opportunity to travel widely throughout western Canada and parts of Ontario to ascertain firsthand the reaction of a number of groups in our society who have been affected adversely by the Budget. I was absolutely astonished to realize how little support the Government has for some of the measures in the Budget. I am surprised that members of the Conservative Party have been so silent throughout the debate which has taken place during the last two or three weeks in the House. I must admit, there are some rather courageous Conservative back-benchers who have had the conviction to stand and ask the Minister of Finance to reverse himself on some of the very unpopular measures which are in the Budget.

In addition, I note with some surprise, and I suppose with some contentment, that as a result of the Budget, the Conservative Party was forced to hold a special caucus in Ottawa this past weekend. Of course, I did not have the privilege to enter that room. Frankly, after witnessing the way in which the Conservative Party's blueprint for economic renewal was delivered on May 23, I can say that under no circumstances would any opposition Member even contemplate the idea of agreeing with it. I hope that the Members who attended the special caucus meeting at least had the courage to indicate their constituents' response and to give, firsthand, their opinions on the ridiculous and unfair deindexation proposal which was made by the Minister of Finance. I am sure, within the confines of those four walls, that both the Minister of Finance and the Prime Minister (Mr. Mulroney) learned that there are the makings of a taxpayers' revolt against some of the measures in the Budget.

I see that the Hon. Member for Saskatoon West (Mr. Hnatyshyn) is in the House. I visited Saskatoon last week and met with hundreds of concerned senior citizens. They are concerned about the impact of deindexation, not only on Old Age Security and the Guaranteed Income Supplement, but also about what will be the future intent of the Government on issues which affect the elderly and those in our society who are below the age of 65, who will be affected adversely by deindexation. Those people have no common voice to speak for them. I know that the senior citizens in Saskatchewan who represent those groups have repeatedly asked for the presence of their Conservative Members of Parliament to explain and convince them of the fairness of that tax measure. I suspect the reason for which those people have not seen Conservative back-benchers or front-benchers is that those Members are afraid to face the people who will be affected adversely by the Budget.

Where in the Borrowing Authority Bill are the funds which will reverse some of the direction which was in the economic blueprint of May 23? I have called the Budget a reverse Robin Hood budget. Not only does it take from the poor to give to the rich, the Budget will make the rich richer and the poor poorer. Any Conservative Member of Parliament who can stand before his constituents and attempt to justify the Budget as being fair and compassionate will require a good speech writer.

It took approximately two weeks for the full impact of the measures to be understood by Canadians. They are now very much aware of exactly what is the full intent of the Government with respect to deindexation, not only as it pertains to senior citizens, but as it pertains to personal exemptions and the effect which that will have on middle-income Canadians.

Canadians will no longer be fooled by the rhetoric which was heard during the 10 day debate on the Budget. In those 10 days I heard Minister after Minister tell the House that they had the support of the senior citizen of Canada for the deindexation proposal. The Minister of Finance indicated that old people had said they were pleased that the Government had brought in deindexation. He said they were willing to do their bit to ensure that the federal deficit is reduced. They did not mind that the Government was taking $50 a month away from them and giving $2 billion in tax cuts to the multinationals. The Minister of Finance said that the senior citizens did not mind the fact that the rich would get richer. He said the senior citizens felt that it was their sincere pleasure, as people who live close to the poverty line, to ensure that the acute shortage of rich in Canada would be remedied by the Budget. He said they felt happy that they would make the rich today even richer, because they know what the rich can do for Canada.

I listened to the rationale behind the moves of the Government to increase the capital gains exemption to $500,000. In essence, the Government is taking money away from middle-income Canadians and the people who live close to the poverty line and it is adding $125,000 to the pockets of the rich people of the country. I am sure there is some support. However, I would have to stretch my imagination to contemplate which two Canadians might agree with the proposal. We now recognize the facts. The Government has no support for the measures which will take away from the poor and give to the rich. That is the reality.

• (1240)

I defy any Conservative back-bencher who has been back to his riding during the last 10 days to rise in his place and give me the names of the people and groups in this country who support these tax measures. I believe there are some rather compassionate Conservative Members of Parliament who are silent in the confines of this chamber, who have a great deal of concern about those people in our society who are below the age of 65. I am speaking about the widows in our constituencies who are between the ages of 60 and 64 years and whom you and I both know, Mr. Speaker, represent true hardship cases because there is no support system within our Governments, either provincial or federal, which represents their interests.

One thing I have learned in the last two weeks is that the New Horizons program which we instituted some six years or seven years ago was instrumental in creating a number of senior citizen groups and infrastructures across this country. It has allowed the senior citizens to form groups which can speak with one voice in representing their interests. However, there is

another group in our society which will be just as adversely impacted by this Budget but which does not have the infrastructure or the organizations to speak for it. There is no voice for the poor in our society who are below the age of 65 but whose needs are just as crucial. I can report to you, Mr. Speaker, that in my travels across the country last week, I found that every one of those senior citizen groups I spoke with in order to solicit their views on the Budget indicated to me that they are prepared to take up the challenge for those people under the age of 65 years who are going to be just as adversely impacted by this Budget. Thank heavens there are people in this society who have some compassion and some sense of justice.

When the Minister of Finance indicates he is prepared to have the burden of the deficit reduction taken out on the backs of the poor, it seems to me that the Conservative Party has a warped sense of justice. Now I understand why it was required in the Budget speech to put in the word "fair" 26 times. Members of the Conservative Party had to first convince themselves that the Budget was fair before they attempted to do their sales job on the people across this country. We as an Opposition Party have indicated that there is no support for the move of deindexation, the federal excise tax changes and gasoline tax increases. I would like to focus for one or two moments, Mr. Speaker, on these particular areas. We have had the impact of those taxes pushed through a computer model, just as the Minister of Finance had the opportunity to do before he put his budget to the Canadian public. I am sure that the Minister of Finance and the Prime Minister of this country knew, when that Budget was tabled on the night of May 23, that as a result of deindexation, the increased federal excise tax and gasoline tax, another three-quarters of a million Canadians who are presently living just above the poverty line were going to be pushed below it over the next five years. Those figures have now been confirmed by the Canadian Council on Social Development.

When I put these questions to the Minister of Finance some 10 days ago, he had no quarrel with the numbers I presented to him. We see four or five days later in a report by Canadian Press that in fact, the Minister of Finance was aware. He had economic econometric models done which indicated that in fact three-quarters of a million additional Canadians would be pushed below the poverty line as a result of his budgetary measures.

I recognize that in the last 10 days we as an Opposition Party and the media have primarily focused our attention on the impact of deindexation on senior citizens. In the days ahead we will still push the Minister of Finance to reverse himself on his decision. The fact is that of those 750,000 persons who are going to be pushed below the poverty line, 230,000 persons will be senior citizens. That leaves another 520,000 Canadians who are below the age of 65 who will experience the same loss of roughly 20 per cent purchasing power, which will force the poor in our country to be poorer by 20 per cent. I find it incredible that the Conservative backbenchers have not risen in this House of Commons and asked their own government front-bench to reverse itself on these issues which are affecting their constituents.

Surely you will understand, Mr. Speaker, because you come from the Province of Quebec, that there have been fluctuations in the unemployment rate there. There is not one Member of Parliament in this House of Commons who has a monopoly on poor people. There is not one Member of Parliament in this House who has a monopoly on senior citizens. In every one of our constituencies there are senior citizens who have been adversely impacted by this Budget. There are people in our constituencies who are poor by anyone's definition of poverty, including Statistics Canada. We all have those kinds of constituents in our ridings.

I feel very strongly, Mr. Speaker, that it is our duty as Members of Parliament to come to this forum and place before the front-bench opposite these questions so that people can fully understand the need for reversal of many parts of this Budget.

We are witnessing the anger of senior citizens toward the Government on these measures and, quite frankly, what I believe to be the snowballing effect of this anger so that the Government will have to reverse itself on the issues which affect senior citizens. Once that has been accomplished, whether that takes the next two weeks before the summer break or whether the Prime Minister will wait all summer to reverse himself, therefore bringing more political damage to the Conservative Party, there are still a number of other issues.

This is not a one-issue Budget. There is a smorgasbord of questions which have yet to be asked so that we can properly focus the attention of the Canadian public on the need for reversal in a number of other areas in the Budget. I really wonder, Mr. Speaker, if the intent of the Government is to arouse the Canadian taxpayers and make them so angry that there will be in essence a Canadian taxpayer revolt and a re-enactment of the Boston Tea Party. Is that the hidden agenda of the Conservative Party? If that is what it is waiting for, believe me it is going to come. If the Conservative Party believes that this issue is going to go away quietly over the summer, it is dead wrong. I can only say that in terms of philosophy, in terms of my sense of justice and compassion, this Government deserves to have the political fall-out and loss which will result from a Budget which creates wealth beyond comprehension for the select few. These capital gains provisions are going to cost the Canadian taxpayer more than all of the indexation which will affect the poor.

Mr. Fennell: That is inaccurate.

Mr. Frith: The number I have is $1.6 billion. I could stand corrected on that, and I will verify it in the national accounts component, but let me tell you, Mr. Speaker, if there is a thought in this country that we do not already have enough concentration of rich, one might want to read some of the articles in the *Financial Post* and in the *Globe and Mail* business section, which indicate that nine Canadian families in this country control 46 per cent of the share wealth of the stocks in the Toronto Stock Exchange. Are we supposed to

worry about those people? It is a travesty of justice to make those nine families even richer than they are by taking the money from the poor who live in every one of our ridings across this country.

I was asked to check my figure and I stand to be corrected, Mr. Speaker. The capital gains tax provision will cost the Canadian taxpayer $1.25 billion—

Mr. Fennell: That is not accurate.

Mr. Frith: —over the next five years, and the deindexation of the senior citizens is going to cost in the neighbourhood of $1.6 billion. So, I do stand corrected.

However, I would indicate one other thing for the Hon. Member for Ontario. In the quest for justice in the country and the pursuit of happiness for the multinationals, the Minister of Finance has managed, through the Western Accord, to give the multinationals of the country $2.4 billion.

• (1250)

What Party which has a sense of the mood of the Canadian public would have the courage to introduce budgetary measures which would put $2.4 billion into the hands of the multinationals while taking equivalent amounts from the hands of the poor? It is impossible to believe that. That is what leads me to believe that the Government will have to reverse itself in these areas of very complex taxation. If I am not mistaken, four Conservative Members of Parliament have had the courage to stand up during Question Period and publicly disavow themselves from the measures put forward by their own Finance Minister. I give them credit.

However, I forecast that unless the Government decides to reverse itself on the issue of deindexation between now and June 28 when we rise for the summer break, the momentum created as a result of this Government decision will not die out. There will be a unification of 2.3 million Canadian seniors, the like of which has never been witnessed before. The demographic trends in our society indicate that the population over the age of 65 will be doubled in the next 20 years. I predict that that generation will become political activists in a sense that the Prime Minister never envisaged when the Budget was introduced. That will be a very positive thing. A political force has been created in this country which will be reckoned with for decades to come.

Mr. Cassidy: Mr. Speaker, I appreciated very much some of the comments made by the Hon. Member for Sudbury (Mr. Frith). However, there seems to be a state of selective amnesia among members of the Liberal Party with regard to the issue of deindexation of old age pensions.

The Conservatives have taken a measure which we find objectionable and which 2.5 million senior citizens find extremely intolerable. Their view has been echoed by children, grandchildren, and entire communities. On Friday night the Minister of State for Finance (Mrs. McDougall) was asked to defend this position in front of 1,000 women at the National Arts Centre. Never have I seen a Cabinet Minister as incoherent and incapable of defending an item of Government policy. She had just told the meeting that she herself had been very closely involved in the preparation of the Budget. If the junior Minister of Finance is not even prepared to defend this particular measure, it is obviously time for it to go.

I believe there were 130 or 150 Liberals sitting on that side of the House of Commons when Old Age Security was cut back by 5 or 6 per cent as a consequence of the six and five program. That was as cruel a blow to senior citizens in those days as what the Government is doing to senior citizens today. I question why the Liberals can be a bit sanctimonious now. They are getting up to condemn what those who were in Government refused to say a word about at the time of the six and five program. Perhaps the Hon. Member could explain what has changed now, apart from the fact that he is in Opposition, to put him on the side of senior citizens today when he was not on their side two and a half or three years ago and did not at that time publicly break rank with the Government as he is urging Conservative Members of Parliament to do today.

Mr. Frith: Mr. Speaker, talk about a selective memory process. I will tell you the difference between Liberal compassion and Tory compassion. Under Liberal compassion, every person who lived below the poverty line or was on a Guaranteed Income Supplement received full indexation against the cost of living. It was as a result of the six and five program that we were able to break the psychological inflation barrier of double digit inflation. Does the Member really believe that today's inflation rate of less than 4 per cent came about as a result of Conservative economic policy instituted last fall? That began when the Liberal Government had the courage to witness the ravages of inflation on everyone in our society. We took a common front position.

Members of the Government front-bench who are now trying to defend their deindexation proposals should read in *Hansard* some of the comments they made at that time. How can they justify the fact that in their Budget of May 23 they did not have the decency to protect those who need help and protection in our society? There is not one iota of support for them. Their attitude is to let them eat cake and share in the burden of deficit reduction.

The Liberals did not do that. I am proud to be a Liberal because the Liberal Party understood what it was to be poor and underprivileged in our society, living below the poverty line as defined by Statistics Canada. Having understood what it was to be in those economic conditions, we fully protected those people in our society against the full CPI index.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I am pleased to participate in the debate on the Borrowing Authority Bill. I intend to make a speech about jobs; not possible jobs, nor jobs at some undefined date in the future, but real jobs now to help alleviate the suffering that is faced every day by the unemployed in the country.

This speech is also about fairness; not the kind of Tory fairness that gives pensioners and the poor tax increases while

the wealthy get more handouts, but real fairness which ensures that all Canadians contribute according to their ability, real fairness that does not benefit one Canadian at the expense of another.

This is also a speech about justice. It is not about Tory justice which can ignore line-ups at food banks or tell a miner in Atikokan who has not worked since the mines closed five years ago that he will have to wait for the private sector to find a job, but real justice which puts the welfare of people before the welfare of capital. It is about justice which realizes that we must stimulate job creation in the private sector, but also realizes that we must move immediately to create employment directly in order to ease the pain of poverty. As well, we must put an end to line-ups at food banks and restore dignity and hope to the 1.5 million Canadians who have been betrayed and ignored by the Conservative Government.

The Government had an option to say that it would live up to its election promises and the commitments it made to the unemployed, seniors, native people, young people, and women. Instead, it chose to wash its hands of its responsibilities and the trust placed in it. It says that job creation is up to the private sector.

We have seen great evidence of the trust that was placed in the Conservative Party last September 4. It is exemplified by headlines such as one appearing in the Thunder Bay *Chronicle-Journal* of Thursday, June 13, 1985, which reads, "Tories Robbing Poor", and one of June 10 which reads, "No Support for Deindexing". There is clearly a great movement in Canada. That is one thing I will give the Conservatives credit for. They have given senior citizens across the land the reason they have been looking for to unite, mobilize, and create a force which we have never seen before in the country and which will be around for a long time.

• (1300)

Something I learned as a community worker many years ago is that if you want to build a cohesiveness and pull people together, then threaten their basic existence. Developers do it all the time with their zoning applications and it seems as though the Government has copied its corporate friends.

Not only senior citizens but other Canadians are very concerned about what the Government has proposed. One seniors group in Thunder Bay, the Sunshine Club, has begun writing letters to their MPs, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson). About 1,000 seniors in 15 clubs in Thunder Bay will be asked next week to join in an organization to lobby the Government of Canada strenuously.

Some individuals are already speaking up. An acquaintance, George Andrew-Cotter, a former City of Thunder Bay worker, is quoted in the paper as saying that widows are the ones who will be affected most. Widows have no other incomes. If they worked, it was in private homes or on farms. They have no other pension. He said that deindexation will hurt, not help the economy. Most of these people on Old Age Security spend all their pensions, and to reduce it reduces the amount of money going back into the economy. He said, "there must be other ways of reducing the debt load without jumping on us seniors".

In Thunder Bay in 1981 there were approximately 11,327 people receiving government retirement income. About half of them received only the Old Age Security and the other half received Old Age Security and the Guaranteed Income Supplement. That is an indication of the size of the group we are talking about in Thunder Bay, with a population of 120,000, who are angry.

Last Wednesday when my colleague, the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) and I were travelling to our ridings to attend local functions, we discussed the growing movement in opposition to the government's Budget. We decided on Wednesday afternoon that we would give senior citizens in our ridings an opportunity to get together and express their frustration directly to us so that we could bring it back to the House and to the Conservative Party particularly.

I am pleased to announce that with 36 hours' notice, via the media, posters in buildings and by word of mouth, 225 senior citizens crammed into the Lakehead Labour Centre to voice their anger and outrage about what was contemplated to be done to them. They were not there just to talk; they were there to take action. They presented us with a number of petitions which, later today, the Hon. Member for Thunder Bay-Nipigon and I will begin to introduce to the House.

They took more petitions to every corner of the community, to every senior citizens' building, to every church and corner store throughout Thunder Bay. Beginning today we will be presenting upwards of 1,500 signatures on petitions from all corners of northwestern Ontario; from Shebandowan, Kakabeka, Nolalu, Kaministikwia, Vickers Heights, Geraldton, Atikokan, Emo and Dryden. We will also be presenting petitions signed by delegates to the Manitoba-Northern Ontario District Command of the Royal Canadian Legion who held their annual conference in Thunder Bay last week. A number of them signed the petitions.

That organization also passed a resolution. They are representatives of the people who fought for freedom so that Canada could be the place it is today. They stated very clearly that they do not accept deindexation. We should remember that the Legion is an organization that tries to stay out of the political limelight. It wants to be seen as an organization serving its members. However, they recognize that in this instance they had to speak out because it is their members and their colleagues who are being affected by the Government's decision.

We also received a number of letters from individuals, a few of which I would like to read into the record. This is a letter from a retired businessperson in Thunder Bay, an individual who has been involved in the retail sector for some 30 years. He wrote to the Minister of National Health and Welfare (Mr. Epp):

Dear Sir:

I confess I do not know whether to call you the "Right Honourable" or the "Honourable" Jake Epp, but since the budget was brought down, I assume it safe to omit the "Honourable" altogether.

You claim, sir, that we seniors support the budget. Here is one that does not. I contributed in my community as a small businessman and employer for 30 years. I asked no government aid in business or providing my family's education. I was the exemplary taxpayer.

Now, sir, I face a dilemma. Your government has thrown out RHOSP. You have all but deindexed our pensions. Somehow the $500,000 capital gains exemption does not fit in with my financial plans. But how can anyone plan a future if they cannot trust the government? There is one thing I can do.

I have always voted Conservative, no more. I have been betrayed. Please tell Mr. Mulroney that here in Thunder Bay we don't like broken promises. We won't be fooled by deep toned double talk and we don't support your "tricky dickie" budget.

Another young individual from Atikokan wrote:

I would like to say a few words about the Conservative's plan to deindex pensions. I think it stinks.

I find it hard to believe that they can justify hitting our senior citizens with backwards punitive cuts, saying that it is time that the seniors did their part to help the country's economy. It seems to me that they already have.

The citizens which the Conservatives have chosen to rob have suffered the hardships and deprivations of recessions and depression, have fought in world wars to keep Canada a free country, and have worked all their lives to build a better place to live.

It is especially galling to see this substantial slashing of Senior Citizen's incomes when the Conservatives have decided, in the same budget, not to initiate their promised tax on the rich who manage to get away without paying any income tax. We are told that this tax would be complex and must be studied. Obviously the Conservatives feel it is easier to withhold from the Senior Citizens their rightful pension payments than to tax rich big wheels who might make waves or perhaps (how cynical) withhold political contributions.

The third letter regarding this subject comes from a gentleman I know well from the village of Vickers Heights, which is part of Thunder Bay. He writes:

My wife and I must heartedly protest the latest round of cuts especially to seniors.

Mr. Wilson in his latest budget is totally unfair to us the seniors of this great country. With the rise in the cost of living being a constant threat to our way of life, we must be indexed to the full amount of the cost of living. You should come down to our level and find out that it is tougher each year.

Further:

The latest federal budget has been a rather tough one for us that are retired.

It is not only individuals who are responding to the grounds well but editorials as well. *Lakehead Living*, an award winning weekly in Ontario, wrote in an editorial this past week:

There is an ironic twist to the federal government's recent budget. The government has produced a budget which puts further hardship on senior citizens and has released it just a few days before the proclamation of a month devoted to saying "thank you" to our senior citizens.

If the partial deindexing of the Canada Pension Plan was not such a blow to the income of our senior citizens the timing of the release of the budget, so close to Senior Citizen's month, would be laughable.

However, the deindexing of the pension system is a serious matter and is one that will take hundreds of dollars away from our seniors each year. That is money they cannot afford to lose.

Finance minister Michael Wilson's statement that seniors must share their portion of bringing down the national deficit is an insult to our elderly. Many of our senior citizens have already gone through one recession in the 1930's and have "shared" the burden of putting that economy on its feet. Mr. Wilson is very mistaken when he says seniors support his new budget. Opposition to deindexing is quickly gaining momentum among seniors across the country.

The Conservative government has awakened a potent political force in our senior citizens and if they are not careful they may pay for it in future elections.

Some would suggest that these are New Democratic senior citizens or that, heaven forbid, *Lakehead Living* is a New Democratic front. This is an issue which has stretched across all party lines.

• (1310)

In the public meeting which the Hon. Member for Thunder Bay-Nipigon and I held on Friday, we heard clear representations from every political party in the House and in the electoral system of Canada. I draw the attention of back-bench Members of the Conservative Party to the fact that they should not be afraid; they are not alone if they object to deindexation. For example, the Provincial Member for Fort William, a gentleman who took my place in the Ontario Legislature some eight years ago, attended our meeting to support senior citizens, wrote a letter to the Minister of Finance and ran a newspaper ad in the Thunder Bay newspapers which read: "Support Senior Citizens—Protest Deindexation of Old Age Pensions", in which he indicated that he strongly protested the deindexation of old age pensions and urged the federal Government to reconsider. He invited the constituents of Fort William and Port Arthur to write to him and that in turn he would forward them to the Minister of Finance, to let him know that not only New Democrats and Liberals but Conservatives objected to deindexation, this attack on our senior citizens.

The Government has awakened a giant, and it will regret it, not just today, not just tomorrow. Senior citizens, those who voted Conservative last September, did so with some unease. On one hand, they voted to get rid of the Liberal regime with which they were fed up. We can understand that. In many cases they went to the Conservatives because in those ridings they tended to be number two and they saw it as a way to get rid of the then Government. However, on the other hand, in the back of their minds they were thinking about other years and other Conservative Governments under which they had suffered; they suffered through four years and quickly turfed them out. The Government has rekindled that fear. It has confirmed their worst fears. I can assure the Government that they will not forget three years or four years from now.

Before turning to other aspects of the Budget, I want to wind up my comments on deindexation with an appeal. This is an appeal which I made to senior citizens in Thunder Bay on Friday when we talked about how one can get one's word to Ottawa, not only through petitions but by writing letters. I told them that their letters did not have to be long ones, that they had to be directed to the Prime Minister and read as follows: "Dear Brian: Deindexation stinks. Yours truly". I encourage senior citizens and all others across the nation to write to the Prime Minister in care of the House of Commons.

I should like to move on to other matters. The most significant line in the entire Budget suggests that the new direction for Canada's Government is to reward success rather than subsidize effort. We should think about that comment for a moment and what a dramatic shift it represents, not only in Canadian public policy but in terms of our view of the world. It used to be that in this country effort was important and that the role of the Government was to assist Canadians to further

develop the development of our culture and economy. That is no longer the case. They cannot come to the Government for help because they cannot find any, unless of course they have already made it and really do not need it, unless of course they are successful and can come to the Government for their rewards, their hand-outs. This view is callous and regressive. It is social Darwinism at its worst. It is a denial of all on which society is based.

Those words were echoed in a communiqué from a group which calls itself the Community Business and Professional Association of Canada and has as its motto "Fair Enterprise", an interesting approach. Its analysis of the federal Budget contains a number of important points which I would like to bring to the attention of the House. It indicates that the philosophy of rewarding success rather than subsidizing effort is very dangerous, in that it will curtail entrepreneurship in frontier areas of economic development. Risk taking is definitely discouraged in favour of classical endeavours. As indicated in the budget papers, the result will be that a greater number of profitable companies within each industrial sector will be taxable.

I see that my time is winding up. I have a number of other comments which I will reserve for another time, but in conclusion I should like to refer to how construction association representatives in Thunder Bay feel about the proposed 6 per cent sales tax on ready mix concrete and related building products:

> We wish to register our most vigorous protest against the proposed imposition of this tax.
>
> The construction industry (the country's largest single employer) has been devastated by the slowdown in the economy; registering unemployment in our area of up to 40 per cent. Investors need low interest rates and confidence in a stable construction climate, as stimulus to develop; not more taxes on the beleaguered construction industry and its suppliers to drive costs higher.
>
> Our industry represents 15 per cent of the Gross National Product and 650,000 direct jobs, with an equal number in allied industries and professions.
>
> The long-term effect this will leave on construction, and on employment in the construction trades is obvious.
>
> At a time when the construction industry is at a low ebb, we must demand that these changes be rescinded.
>
> Yours very truly,
>
> Robert L. Irwin,
> (Past President, Construction
> Association of Thunder Bay)
> (Director, Ready Mixed Concrete
> Association of Ontario)

Whether it is senior citizens or business people, the Budget will not help them. It will hurt them. For that reason, we will not support the Government's financial plan.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to say a few words in this debate about pensions and also about another issue which may not relate directly to the Budget but certainly relates to the policies of the Government during the course of its first year in office. Of course I am referring to the question which was a key issue in my campaign in Ottawa Centre during the course of the election campaign last summer, that is, to provide people who work in the Public Service of Canada the political rights which were promised them by the Conservatives when they campaigned for office.

Mr. Hnatyshyn: Is that relevant?

Mr. Cassidy: Yes, it is relevant. Among other things, we are talking about 500,000 people who work for the Government of Canada, directly and indirectly, and are now deprived of their opportunity to protest the deindexation of pensions despite the fact that many of them will in fact be retiring shortly and will find themselves in a situation where the purchasing power of what they receive is gradually diminishing, thanks to the hard-hearted policy of the Government.

I cannot tell the House how concerned pensioners in my riding are about the Government's decision to deindex pensions. Some of the double-talk and gobbledegook which is coming from Cabinet Ministers and even from the Prime Minister (Mr. Mulroney) is very confusing, to put it mildly. I always thought that when a measure was announced in the Budget, it had the force of law. In fact, it has been a tradition in Parliament that once a tax increase has been announced by the Minister of Finance, it takes effect immediately, despite the fact that it may take a number of months before the particular tax measure is translated into law. However, now we have the spectacle of the Government back-pedalling and trying to pretend that it really did not mean to do this to pensioners and, as a consequence, saying that of course it will monitor the situation, that it will not take place for several months, and that it was a proposal or an academic exercise.

If the Economic Council of Canada, the Business Council on National Issues or some other such body had come up with a series of proposals including the deindexing of pensions, it would have been appropriate for the Government to say that it would listen to the proposals with great interest. If a committee of the House of Commons had made suggestions for radical reform in terms of social security benefits or Old Age Security, again the Government of the day could have distanced itself from those particular proposals. However, we are now talking about a set of proposals contained in a Budget which took eight months to prepare and presumably set the course for the economic policy of the new Government over the life of its first term in office.

As I mentioned to the Hon. Member for Sudbury (Mr. Frith) a few minutes ago, I was struck by the fact that the other evening, the Hon. Member for St. Paul's, the Minister of State for Finance (Mrs. McDougall), the junior Finance Minister, appeared in front of a meeting of 1,000 women in the National Arts Centre and when she, having worked with the Minister of Finance (Mr. Wilson) on the Budget, was asked to defend the deindexing proposal, she did not know what to say.

• (1320)

The situation now is that virtually all Conservative Members of Parliament wish this proposal had not been made. They are distancing themselves to the point where the Minister of Finance is the only Member of Parliament adamantly in

favour of this proposal. I say to the Government it is about time it backed down and made sure that pensioners could sleep easily, knowing that their purchasing power was not going to be eroded because of a misguided proposal which should never have been brought forward and which should be withdrawn now. If Members opposite have made a mistake, be man and woman enough to admit it and withdraw the deindexing proposal now.

I think it is grossly wrong for the Government to decide it will double index the GIS but continue to take purchasing power away from senior citizens who happen to be just above the poverty line. I think that is the Government's intention, and I suspect if it acts at all, that is what we will hear, and I want to say in advance that it is wrong. Those pensioners who may be just above the poverty line right now are not very far above. In many cases in my riding, they still have to pay rent amounting to $400, $500 or $600 a month. If they are hanging on to their own homes, the average property tax for a home in Ottawa Centre is about $150 or $160 a month. The expenses of operating a home are rising rapidly and people in that situation cannot afford to see themselves lose $100 in purchasing power this year, $200 next year, $300 the year after and so on.

If the Government decides to restore indexing only to those who get the GIS, it will be doing by degrees what the Prime Minister said categorically the Government would not do when this issue was debated in Parliament in December. At that time he said universality was a sacred trust. It now appears he may decide to announce it is not a sacred trust anymore, but something to be eroded by 3 per cent per annum. This will go on until the present OAS is worth only 50 per cent of what it is worth today. For someone who is aged 50 and expects to retire at 65, the OAS will be virtually worthless and we will have what amounts to a means tested pension for the poor and nothing better. I think our country can do better than that.

I want to point out also that the other day the Senior Citizen Council of Ottawa-Carleton had a meeting. They represent all of the old people living in Ottawa-Carleton. They have some 60 affiliated organizations. They are strong, tough, bold, lively, and they said categorically that this cold-hearted proposal to reduce their inflation protection should be abandoned forthwith. While the NDP has been presenting petitions in this House for the last two and a half weeks, that organization has also been collecting petitions to see that this misguided proposal is withdrawn. They moved that copies of the resolution should be sent immediately to the Prime Minister and leaders of both opposition Parties, and they remind the people of Ottawa-Carleton that during the election campaign the Government said quite clearly that the PC Government would once more index the old age pension to the actual cost of living on a quarterly basis.

When they were in opposition, the Progressive Conservatives fought deindexing of the OAS. Now they are in Government, they suddenly find there are all kinds of reasons to take it away. Their excuses are just as hollow as the excuses of the Member from Sudbury when he tried to explain why the Liberals brought in six and five and cut back old age pensions by 6 per cent or so per annum.

The Council also pointed out that in the January 1985 Consultation Paper on Child and Elderly Benefits, the Government was again categorical in stating that in its view, no change was required in the OAS-GIS payment system. What was the Minister of Finance doing at that time? Did he sit in Cabinet when this question was discussed and the paper was reviewed and say he was going to get them in two and a half months, but he was not going to say what he was going to do right then? Was he refusing to play squarely and deal fairly with the Minister of National Health and Welfare (Mr. Epp), or was that Minister being duplicitous in publishing a consultation paper which he probably knew was going to be changed or violated in a very short time?

I think it is about time the Government stuck to its promises on this issue. We have seen a lot of broken promises and as far as our senior citizens are concerned, if I had a set of priorities regarding which promises to break, it would be to not break any at all, but if the Government is determined it is going to break its word, for God's sake, don't break your word to those senior citizens who contributed so much to our country.

A week ago today, at about this time, I was out on the steps of Parliament Hill when a number of people arrived to commemorate the fiftieth anniversary of the great trek to Ottawa which was broken up in Regina with tragic results by a previous Progressive Conservative Government. Some pensioners came to me and said "We want you to know that during the Depression we worked for 20 cents a day. We lived in the camps. There was no radio, no newspaper. It was like a concentration camp, or just about." They tried to break out but they could not. They lived in abject poverty year after year. They said "Now the country is prosperous and look what they are doing to us today." They asked me to please pass that message on to Mr. Mulroney and Members of the Government, and I am doing that right now.

The Government seems to have a passion for deindexing. It seems to have bought the gospel according to Colin Brown and the National Citizens Coalition right down the line. The Government is wrong on this issue, and I want to suggest that it is also wrong on deindexing pensions of people who work now or who have worked for the Public Service of Canada.

Last Friday I had a chance to meet with representatives of the Union of Economists and Statisticians. We talked about the Government's deindexation proposal which had been announced in conjunction with representatives of the PSA but quickly abandoned because it was clear that the Alliance spokespeople perhaps had made some mistakes. Certainly they did not understand what the Government understood they were getting. Public Service pensioners paid for indexing. They pay about the highest proportion of income for their pension benefit plan of any group of workers in Canada.

The actuarial assumptions the Government is using to try and back away from its commitments to indexing of Public Service pensions are hollow, unfounded, and have a great deal to do with the fact that for many years the earnings of the

Public Service pension fund have been grossly below those that private sector pension plans were getting in the private market, or had it been able to get the benefit of interest rates available on long-term Government bonds. It looks as though the Government is trying to send this matter back to the advisory committee on pensions which has already dealt with it once and made recommendations which effectively amount to deindexing. You can hardly expect a group which has come up with one lousy proposal to turn around and give a better proposal the second time.

Therefore, I want to echo the concerns of many people in the Public Service or retirees and say that I for one, and my Party as well, would support the matter of Public Service pension plans being referred to a parliamentary all-Party committee which can get objective advice and make some objective recommendations. I think it would be grossly wrong to refer this to an in-House advisory committee which did a bad job last time, which perhaps badly advised the President of the Treasury Board (Mr. de Cotret). This in turn led to an unfortunate rift between the President of the Treasury Board and the leaders of the major Public Service unions over something which in my opinion should never be implemented.

● (1330)

Public Service employees to whom I have spoken indicate quite clearly that if what they contribute is not sufficient to continue to pay for full indexation of their pension plans, they are prepared to look at a change in contribution rates. However, all of the actuarial calculations they have made indicate that what they are paying now is ample to maintain that indexation, particularly if they were to stop playing games by joining together the basic superannuation fund and the supplementary fund which has been created for indexation. That should be done, but if it is not done directly, I suggest that it be done by means of a review by a parliamentary committee.

I would like to conclude my remarks by speaking on the question of political rights. I do so in sorrow and with regret. During the election campaign, the Progressive Conservative Party promised, as did the NDP to provide full political rights for people working for the Public Service of Canada. I fought and won the election in the riding of Ottawa Centre on that particular issue and I am pledged over the life of this Parliament to do everything I can to make sure that those Public Service employees who deserve to get political rights do get them.

I believe that the President of the Treasury Board has been acting in good faith in terms of the discussions that he has initiated. I think, however, that he is being undermined by the Public Service Commission, which has been carrying out a holy war in favour of maintaining the present restrictions and by a number of senior mandarins at the Deputy Minister and Assistant Deputy Minister levels who believe that the present system should stay because it is necessary that a very small proportion of people working for the Public Service be untainted, pristine and seem to be non partisan. Most everyone to whom I have spoken agree that keeping a small proportion of the Public Service in a state of political virginity is probably not a bad idea, but that should not apply to the 250,000 others who work for the Public Service of Canada, yet that is the position being taken by those who I believe are stoutly resisting the efforts of the President of the Treasury Board to implement the promise the Government made last fall.

I must say with regret that last week I held a press conference to announce that the court case which I initiated in conjunction with a number of members of the Public Service Alliance who are federal Government employees will go forward. We expect and hope to get a date before the Federal Court of Canada early in the fall. The lawyers are now getting together to resolve the subsidiary and minor issues so that the case can focus on the constitutional questions of the denial of fundamental rights of freedom of speech and association to people working for the Public Service because of the current restrictions in the Public Service Employment Act. That case will go forward because I felt I had no choice. After 10 months of a PC Government, the Government mandate is beginning to weaken a bit. The Government is having some set-backs in areas like pensions and there is a grave danger that it will forget this promise the way it has forgotten so many other promises it made to pensioners, public service employees and ordinary Canadians.

We have seen during the course of the elections held in the Yukon and Ontario that the situation facing people who work for the Public Service has not changed one tittle since the election. Members of the Public Service of Canada are no more free today than they were during the election campaign leading up to the September 4 election. They can give money, they can go to political meetings, they can hold membership in a political Party but they can do more. If a member of the Public Service of Canada were to have knocked on doors for a political candidate in the Ontario election, he or she would have run the risk of losing his or her job as a consequence. That is how serious the situation is, and no change has taken place.

I thought that the Treasury Board might have issued instructions to personnel officers in different departments indicating that it is doing its best to implement these changes and asking the personnel departments to inform those people who are members of bargaining units that it is okay for them to take part in election campaigns while keeping a low profile but that if they want to be campaign managers or candidates, of course the normal rules will apply. However, no such compromise was reached. In the meantime, the Public Service Commission has continued, in its status as an independent Commission reporting to Parliament, to give advice to the people who run the Public Service in the various departments to say that it is an offence to take part in elections. To reiterate the guidelines issued in the spring of last year, they effectively say that any action by anyone in the Public Service that might give the least cause to think that a Public Service employee is not impartial is suspect and should not be engaged in.

A few weeks ago when he appeared before the committee, the President of the Public Service Commission made public a

poll on political rights that had been carried out by Carleton University. That poll indicated that 30 per cent of the people working for the Public Service of Canada would in fact exercise more political rights if they were granted them through legislative action. I think that the President of the Public Service Commission was taking the view that that proved that most members of the Public Service do not want to have political rights. I say that when 80,000 people are saying that their fundamental rights are being denied them, something is wrong.

I think all of us know how small of a proportion of the general population is in fact politically active. Perhaps 2 per cent or 3 per cent of the population of Canada, during the course of an election year, goes to a political meeting or takes part in a political campgaign. If 30 per cent of the Public Service indicates tha they would like to be politically active, that is a very major proportion. I would say that if only 1 per cent said that their fundamental rights were being denied, something would be seriously wrong.

The Charter of Rights says that everybody enjoys freedom of speech, and that does not include an exemption with respect ot all people working for the Public Service of Canada. The Charter of Rights guarantees fundamental democratic rights to everybody and does not exempt people working for the Public Service of Canada. The Charter of Rights provides for freedom of association and does not except people who work for the Government of Canada but wish to take part in the activities of a political Party.

The Government has time before we adjourn on June 28 to make its intentions clear. I look forward to a statement by the President of the Treasury Board because for Public Service employees, this issue is just as important as the issue of pension rights and deindexation is for the two and one-half million senior citizens who have been so cruelly treated by this Government.

The Acting Speaker (Mr. Cooper): Questions or comments? Debate.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I welcome this opportunity to speak to Bill C-51, but I would like to start by refreshing the memory of the public and explain that this is a very important piece of legislation which authorizes the Government to borrow an amount not exceeding 18 billion 200 million dollars for its operations, or as it says here: " . . . as may be required for public works and general purposes." In fact, this also means that when speaking to this Bill, Members are allowed to comment on a variety of subjects.

Mr. Speaker, if we look at the Government's strategy we are tempted to ask: Where is this Government going? Or if you prefer: What is their strategy? Actually, during the past nine months, we have seen the politics of style, the strategy of style, an attempt to sell a large Cabinet with a new Prime Minister—and I must say that on occasion, the Prime Minister and his Cabinet have cut a dashing figure on television—but that is not the primary responsibility of Government. It must be consistent and serious, and it is imperative that this Government firmly establish its policies both in the economic and social sphere. So at last we had a Budget, on May 23. We discussed this Budget for several days, and now we are considering this particular Bill which is aimed at authorizing the Government to borrow $18.2 billion. Billion, Mr. Speaker! Recently, someone asked me, and I was talking to high school students: what is a billion? So I said it was 1,000 million, and to try and put it into more concrete terms, I told them that to spend a billion, you would have to spend $1,000 every day for 3,000 years. They were speechless. I said yes. And of course $18 billion means you would have to spend $18,000 every day for 3,000 years.

So we cannot think in those terms. It is an incredible amount of money. It is a lot of money, and because this is a wealthy country, we have very big budgets.

Mr. Speaker, the Government is trying desperately to sell its budget. It is trying to save face by saying that the Budget has been well received. It should realize, however, that it contains a major defiency, which we have pointed out, and that is the proposal to de-index Old Age Security pensions. This is how the whole discussion on the Budget started, because we realized that in the figures we were given, the Government indicated the scope and the size of the Budget measures it was proposing.

• (1340)

[*English*]

The Government is desperately trying to sell the Budget to Canadians because, in my view, not many Canadians want to buy it. Conservatives have realized that the country is not willing to accept a Budget which will put the highest burden on those who are least able to carry it—the poor, the elderly and the unemployed. In his attempt to sell the Budget to Canadians, the Minister of Finance (Mr. Wilson), in a recent speech to The Empire Club of Canada in Toronto, said that the Tory Budget upholds public morality. Obviously, the Conservative Government distorts the understanding of the word "morality".

In its Budget, the Government has partially deindexed Old Age Security pensions. I have a document from the Department of Finance, released after the Budget, which indicates the effects of the various budgetary measures up to 1990-91. The document indicates that the deindexation of senior citizen's pensions will have an impact of $1.6 billion by 1990-91. The document outlines the revenue and expenditure impact of budget measures by national accounts component. The third column of the document from the Department of Finance was not made pulic. The first two columns which dealt with 1985-86 and 1986-87 were made public, but 1990-91 was not.

I would like to return to Old Age Security. That will have an impact on the deficit. Reductions in other fields of taxation, such as the modified indexing of personal income tax and the

personal surtax, the RHOSP and the child exemption will also have an impact on the deficit. The disability deduction has gone from minus-$15 million to minus-$50 million. Capital gains tax will cost the taxpayers of Canada $300 million this year, $600 million in 1986-87 and $1.2 billion in 1990-91. Canadians have a $500,000 capital gains exemption which will allow a $10,000 exemption this year and which will gradually increase over the next few years. They will be allowed to use those capital gains as a tax shelter.

An Hon. Member: It is not a tax shelter.

Mr. Gauthier: Yes, it is a tax shelter. No tax will be applied to the capital gains which people realize, whether it is realized on a Kentucky horse, a condominium in Miami, paintings or jewels. In that $500,000 capital gains exemption, we would have liked to have seen some encouragement for jobs, small enterprises and research and development. In other words, the Government should insist that the money be used for the benefit of Canadians in Canada.

The tax treatment of pensions will mean a reduction of $235 million by 1990-91. Housing loans will be reduced by $45 million by 1990-91. The document lists other examples. For example, the freezing of unemployment insurance premiums will provide a reduction in the deficit of $10 million. I could list all the financial consequences of the Budget, but the one measure with which all Canadians are preoccupied is the measure which deals with the partial deindexation of Old Age Security. Child benefits will also be changed, including the family allowances. Tax exemptions for dependent children will mean a net reduction of $600 million by 1990-91. The families of Canada will say that is immoral. I cannot blame them.

By 1990 the Government will have cut social programs by more than $2 billion a year. That money will not be redistributed to needy Canadians—the old, the poor and the unemployed. It is another election promise which has been broken by the Government. It says it will use the money to reduce the deficit, although it promised that it would not do that. That is immoral. The 1.4 million unemployed Canadians say that it is immoral.

The Government will probably come to its senses in the next few days and change its mind on the question of the Old Age Security pension. I hope the Prime Minister (Mr. Mulroney) will have the guts to come into the House and say that the Government has made a mistake and that it will not proceed in January 1986 with the Ways and Means motions which are necessary to implement the measure.

● (1350)

[*Translation*]

Mr. Speaker, the last time the Government asked the House to approve borrowing authority legislation, the circumstances were, of course, quite different. Hon. Members will recall that at the time, there had been no Budget, and we were being asked to provide borrowing authority for an amount that was far in excess of projected spending. The Government wanted to borrow more than it had said it was going to spend. Obviously, we objected to that. This caused quite an upheaval in Parliament which went on for several months, until last December, when the Bill was passed because the Government, which was involved in a debate on universality at the time, wanted to reach agreement at any price before Christmas, and since time was running out in two instances, namely for the borrowing authority which it needed and which was essential, and there was also the debate on universality which was becoming an embarrassment, the Government set aside the last day of the session before Christmas for a debate on universality, in exchange for the Opposition's consent on the borrowing authority legislation.

Subsequently, the Senate or perhaps I should say the other place, Mr. Speaker, made a fuss, and this caused a number of problems that were perhaps more a matter of image than substance. The situation today with respect to Bill C-51 is different. The Government has brought down a formal Budget and tabled its Estimates. But there is another difference, and that is because the Government is asking for $18.2 billion to finance its extravagant gifts to the multi-national oil companies and rich investors, while at the same time it is telling the elderly they will have to tighten their belts. They were unable to set aside any part of the $18.2 billion to provide for full indexation of the Old Age Security pension for Canadians. That is the difference, that is what is so immoral and that it is why it is wrong.

Mr Speaker, what we are considering today is the morality of the situation. Is there any moral justification for telling 200,000 senior citizens that they will become poor? Because that is what the result will be, Mr. Speaker. Between now and 1990, this measure will put 200,000 Canadians below the poverty line. The immorality of this Government's request in the Bill before the House today prompts me to dwell a little longer on the Budget brought down on May 23 of this year, since as I said before, the Government's request is closely linked to the Budget. What the Government is suggesting, Mr. Speaker, is a single, primary and very narrowly-based objective. The purpose of the Budget is to bring down the deficit, so the deficit comes first and nothing is going to stop that.

Mr. Speaker, I do not think any Member in this House is against bringing down the deficit. It is a very worthy goal, and it is very important. But it must be done without putting the burden on the wrong people. What the Tories have done is regressive and unfair. They are well aware of that. Why put a tremendous tax burden on the consumer while giving big corporations and wealthy individuals special privileges? Why not be a little more flexible and allow more generously for job creation? Why did they cut $78 million from the Budget for training, development, and especially manpower training? Mr. Speaker, there is a very real possibility that all these measures will reduce purchasing power and with all these tax increases,

the situation is not going to improve, and it may well get worse later on.

Let us look at the figures, Mr. Speaker. These are not my figures, they appear in the Government's Fiscal Plan, a document given to us along with the May 23 Budget. In 1987 middle-income consumers will have to pay $2.4 billion in additional taxes, while at the same time about $540 million in benefits will be given to the companies that are so friendly with this Government. We know them. And the figures keep increasing, Mr. Speaker, to the extent that the business community will have a field day by 1990, while elderly and ordinary Canadians will have to make do with ever diminishing assistance.

Mr. Speaker, the social planning council recently published a very interesting document indicating:

[*English*]

"Summary of Major Budget Measures", and these are not my figures, these are the figures of the Canadian Council on Social Development. These are the costs, and I will repeat them again because it is extremely important for Canadians to know them. For example, Mr. Speaker, the Budget will decrease the buying power of a typical family with two children by more than $1,000 in 1990. By deindexing tax systems, by capital gains exemptions, it lowers the revenues of the Government of Canada which results in increased taxation on consumers. The increased pension contributions will be lower. It will eliminate the federal tax reductions, reduce the child benefit systems and reduce old age security. By 1990, Mr. Speaker, $2 billion will be cut from provincial Governments for post-secondary education.

I really would have liked to continue my remarks for the next half hour because I still have notes. However, Mr. Speaker, I would just remind Hon. Members that on voting on Bill C-51, they are voting on $18.2 billion. That is a lot of money and, for God's sake, let us put it where it should be, that is to help the aged, the poor and the unemployed.

Mr. Keeper: Mr. Speaker, I appreciate the comments of the Hon. Member and I am glad that he spent a good deal of his time calling for justice for seniors. However, I wonder how he can explain to an ordinary citizen who may be watching this debate in the House of Commons how he can now condemn the government's plans to deindex seniors' pensions—which is a just and reasonable condemnation—when at the time his Party was in office it also had a plan for partial deindexation of seniors' pensions? I would welcome some explanation from the Hon. Member because I know him to be a man who is sincere and genuine.

Mr. Gauthier: Mr. Speaker, I appreciate that question. I believe my constituents will know that I can rise—

Mr. Gormley: In all modesty.

Mr. Gauthier: Yes, in all modesty, and say that the Government when it did apply the six and five made sure of two things; first, that the measure applied for two years and, second, that it did not touch those in need. Those in need who received the GIS were double indexed. They all know that in my riding. It was a question at that time of anticipating the inflation to be what it was. We were having double-digit inflation. We had a problem and tried to resolve it. I am not saying that it was the best way of doing it. As a matter of fact, Hon. Members know where I voted on that issue. I would say it did work, the six and five measure did bring down inflation so that indeed senior citizens did not lose very much.

• (1400)

Mr. Keeper: Mr. Speaker, I appreciate the comments of the Hon. Member. With regard to his present position on this issue, is the Member asking the Government to restore deindexing fully as it applies to Old Age Security across the board, or has he some more watered down position on double deindexing with regard to the Guaranteed Income Supplement? I am wondering about his concern regarding the Old Age Security.

The Acting Speaker (Mr. Cooper): I regret to interrupt the Hon. Member but, it being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENSIONS

CRITICISM OF BUDGET IMPACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, hundreds of thousands of Canadians are sending a message to the Government about its refusal to provide full pensions for all our senior citizens. The offices of Members of Parliament from coast to coast have been flooded with calls. The rallying cry of the Minister of Finance (Mr. Wilson) of a tough but fair Budget has been exposed for the Conservative hypocrisy of the rich that it really is.

Last March we said that the Prime Minister (Mr. Mulroney) put the "sham" back into the word "shamrock". It is now clear from his broken promises that he has put the "con" back into the word "Conservative". The Canadian people were conned last September, but they are mad now and will not take it any more. That is why life-long Conservatives in my riding have renounced their Party and expressed dismay at their betrayal by the Prime Minister. That is why seniors from across Hamilton will be gathering Friday morning at First Place Community Centre to let our Liberal Operation Justice Team know how they feel about so-called Tory justice.

Tory times are tough times, and now we see that Tory times are con times. Canadians are not going to be conned by the Government. We demand that the Prime Minister live up to his promises to the Canadian people and move today to restore

full indexation to senior citizens' pensions so that people from coast to coast will finally be able to sleep at night. The con game is up, Mr. Prime Minister. Come clean.

* * *

PENSIONS

OPPOSITION TO DEINDEXATION THREAT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the senior citizens of Thunder Bay are fighting mad about the Conservative Government's threat to deindex their pensions. With less than 48 hour's notice, more than 200 of them gathered at 2 p.m. last Friday to tell my colleague from Thunder Bay-Atikokan and myself what they thought of the Government's budget proposal.

George Andrew-Cotter pointed out that senior women are already $2,000 below the poverty line. Dutchie Gall pointed out that many seniors had been unable to save for their retirement years and are entirely dependent on the Old Age Security and Guaranteed Income Supplement. Mike Chicorli called on City Council to add its voice to the demand that the Conservative Government keep its election promises. Norman Richard described the budget proposal as a real scam, made in the name of grandchildren but designed to put their fathers out of work. Romeo Turcotte pointed to the ever-rising cost of living as requiring that pensions increase as well. Mike Comishin declared that seniors were not ready to lie down and accept what the Prime Minister (Mr. Mulroney) threatened to do to them. Louis Johnson asserted that if the Prime Minister has $500,000 to spend on a party with President Reagan, he could find money for seniors. Molly Kapush urged the Government to borrow as needed from the Canadian people so the interest would be spent in Canada, rather than in Germany or the United States.

The senior citizens of Thunder Bay and northwestern Ontario demand an end to the deindexation proposal. When will the Government act?

* * *

CAPITAL PUNISHMENT

CALL FOR REINSTATEMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, how much longer are are we going to tolerate the mollycoddling of murderers who have been convicted of deliberately planning and killing one or more human beings? We put them in prison for 20 years and, during that time, we provide extra protection for them. They have security, and are given far better food than hundreds of decent, law-abiding citizens can afford.

They are entertained and taken to sporting events. Hundreds of our taxpayers' dollars are spent for pool tables and equipment, and periodically they may have their spouse or common law partner as a guest in a government trailer. All of this, of course, is with the compliments of the Canadian taxpayer. We put the lives of prison guards on the line while they are with these murderers.

What about those who were murdered; young girls, young boys, women, police officers, and prison guards, many of whom were tortured and physically and sexually abused before their lives were snuffed out? Their bodies lie in the cold earth, with only relatives and friends visiting their graves. The loved ones left behind are the forgotten people of our nation.

"It would be barbaric to execute these murderers", the bleeding hearts cry. They ignore such barbarism as molesting and then murdering a four year old boy, or the agony suffered by a teenage girl before her body was raped and burned, or the pain of forcing policemen to dig their own graves before being slaughtered. A majority of Canadians want such murderers executed. I grieve and weep for the murdered and their loved ones, not for the murderers.

* * *

[*Translation*]

EXTERNAL AFFAIRS

IMPACT OF GREEN PAPER

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I am pleased to commend the Secretary of State for External Affairs (Mr. Clark) for his Green Paper on foreign policy.

This consultation document pinpoints directions for change and parametres with respect to international development, human rights, environment, trade and strategy.

Our Governement wants to set up a democratic consultation process through a parliamentary committee which, for the first time in the history of this country, will enable us to give Canadians an opportunity to participate directly in the preparation and drafting of Canada's foreign policy.

After beating around the bush for a while, the Official Opposition reconsidered its position and now agrees that the public and the Parliament of Canada ought to be able to discuss foreign policy issues.

Notwithstanding the negative criticism of the Liberals who, in fifteen years, were unable to make an over-all survey of external relations, people interested in Canadian diplomacy did make positive comments. Among other things, it was said that the Green Paper is intellectually more challenging than the former Government's 1970 White Paper, particularly in connection with economic questions.

In addition, Mr. Speaker, apart from any partisan consideration, organizations that are interested in Canadian foreign policy are enthusiastic about the prospect of a genuine international affairs debate in Canada, and that is the objective of the Progressive Conservative Government.

OLD AGE SECURITY

DEINDEXATION OF PENSIONS—DISCONTENT OF THE ELDERLY

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, this is not the first time I rise to tell the House that the senior citizens of New Brunswick disagree with the Conservative Government's proposed deindexation of pensions.

Today I would like to read a letter I received last weekend from the Golden Age Club of Scoudouc. Here it is:

MR. ROBICHAUD: We, the 160 members of the Golden Age Club of Scoubouc, are strongly opposed to the changes advocated in Mr. Wilson's recent Budget. Senior citizens deserve more than they are getting now, but the present Government does not seem to realize that. We hope you will bring pressure to bear with us senior citizens so that no change be made that might harm us. Thank you and good luck.

The message is clear, Mr. Speaker. This letter reflects the discontent and concern of elderly people. There is no doubt that the policy of the Government is inhumane and that, as long as it does not change its position concerning pension deindexation, senior citizens will continue to speak up, demonstrate and protest.

* * *

[*English*]

PENSIONS

MAIL CONDEMNING DEINDEXATION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, as Members belonging to the governing Party have risen in the House and complained about a lack of mail delivery in new suburban developments, I too have noticed prolonged delays in the delivery of mail, lost mail, and even misdirected mail which ends up in the wrong place. Mr. Speaker, we in the Opposition share these concerns about inadequate mail service. We sincerely hope that the Government will listen to its own backbenchers, if it will not listen to opposition Members, and improve mail delivery before increasing postal rates.

However, there is another kind of misdirected mail around this place. I am receiving a continuous stream of mail condemning the deindexing of senior citizens' pensions. This mail calls for justice for seniors, and it must find its way to the proper place, to government Members. A number of ordinary government Members have already spoken out on this issue and I urge those government Members who are calling for good mail service to call for justice for seniors, and to condemn the deindexing of seniors' pensions.

* * *

EXTERNAL AID

ETHIOPIAN FAMINE—WORLD UNIVERSITY SERVICE OF CANADA'S ADOPT-A-VILLAGE PROGRAM

Mr. Bill Attewell (Don Valley East): Mr. Speaker, in the International Year of Youth it is most gratifying to see the major role the World University Service of Canada is playing in relief to Ethiopia. Its Adopt-a-village concept is unique and thrilling. Several cities in Canada have adopted a village in Ethiopia.

Toronto has adopted the village of Gode. Gode is located in the Agadon desert of southeastern Ethiopia. The Agadon has been suffering from a three-year drought wihch has devasted crops and depleted all water supplies. There is malnutrition, starvation, and other diseases associated with poor nutrition. There are already 300,000 displaced persons who are seeking food and water, and Canadian and Ethiopian relief workers expect the total to rise to over 1 million by the end of this year.

• (1410)

There are real practical needs. Two 10-tonne trucks, a mobile medical unit, medical supplies, water storage facilities, and more personnel are urgently needed. The cost is $450,000, and I urge all residents of Metro Toronto and other Canadians to support the Adopt-a-Village concept developed by the World University Service of Canada.

* * *

HUMAN RIGHTS

OTTAWA CONFERENCE—WORLD-WIDE BENEFIT

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, as one of the Members of Parliament who is privileged to be attached to the delegation to the World Conference on Human Rights, I would like to say a word of congratulations to Ambassador Jay and all the officials of the Department of External Affairs who have formed the Canadian mission at that important conference. They have performed with a professional commitment worthy of the best traditions of the Canadian diplomatic corps.

Many people wonder, however, if it has been worth the effort. When the conference adjourns today and the delegates go home, it is feared that they may go home with little more than a communiqué phrased in diplomatic generalities and with a few rhetorical flourishes. Blacks can still be gassed at a peaceful demonstration in South Africa. Dissidents can still find penal servitude their reward for even a whisper of criticism behind the Iron Curtain.

But there is one gain from the conference. It is the recognition that if nations of the world can come together to discuss human rights within the borders of each other's countries, then human rights are not simply an internal matter anywhere. Human rights belong to everyone and they are a world responsibility that commands the concern of us all, not as citizens of one country intruding into the affairs of another, but as men and women who are sharing with others in their sufferings because we share a common humanity.

S.O. 21

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. John Nunziata (York South-Weston): Mr. Speaker, the appointment of Jim Wood, a former RCMP corporal, to the Canadian Pension Commission at a salary of up to $65,000 has given further evidence of the Solicitor General's (Mr. MacKay) tendency to assist his friends at the expense of his official responsibilities. During the 1970s Mr. Wood was responsible for leaking confidential information on RCMP activities to the Hon. Member for Central Nova, now the Solicitor General.

This was in total violation of the oath of secrecy that Mr. Woods swore when he entered the force. By arranging for his friend, Jim, to receive this appointment, the Solicitor General has debased the RCMP oath of secrecy. He has sent a message to members of the force that they can violate their oath with impunity. Indeed, if they violate their oath for the greater glory of the Tory Party, they may even be rewarded.

Ironically, the details of Mr. Wood's appointment come at a time when the RCMP Commissioner is attempting to restore respect for the oath of secrecy within the force. Commissioner Simmonds stated in the Hatfield report that the value of the oath is "in setting a standard of professionalism and integrity that will assure public confidence and trust in the force. When the standards are not maintained, there is a consequential lessening of respect for the organization".

The Solicitor General is like a wrecking ball in his own Ministry. He should resign, and the Wood appointment should be rescinded.

* * *

[*Translation*]

CANADA POST CORPORATION

REQUEST FOR INQUIRY INTO MAIL DELIVERY DELAYS

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, following complaints from some of my constituents in Argenteuil-Papineau that I was not answering their letters, I made enquiries and found out that it takes at least two or three weeks for mail to get to Ottawa from my riding.

Mr. Speaker, my constituents, and I as a Member of Parliament, refuse to be victimized by the Canada Post Corporation. How can a Crown corporation do what private enterprise would not dare? Why is the absentee rate among the corporation's employees so abnormally high? Why are rates going up while the quality of service is going down?

I would like to ask the Minister responsible to reconsider the mandate Parliament has given this corporation and to order an investigation of the corporation's management. My constituents are reasonable people. They are aware of the corporation's tremendous deficit. When service is good, they are willing to pay the cost, but now they feel they have a right to complain because Canada Post has given them a raw deal since it became a Crown corporation. One does not do this to Canadians without suffering the consequences, Mr. Speaker, and the people who are responsible for the corporation's failure to live up to its mandate will sooner or later be held accountable before Parliament.

ORAL QUESTION PERIOD

[*English*]

PENSIONS

IMPACT OF BUDGET

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Deputy Prime Minister. As we have seen over the weekend, the honeymoon is over for the leadership of the Tory Party, and the dishes have started to fly in the Tory kitchen. We saw many Members of Parliament from Victoria to Ottawa, to Montreal and on to Halifax, get up and say that the mistake made by the Minister of Finance about deindexation in the Budget should be corrected. Is it the intention of the Government to stop the anxiety of the old age pensioners of Canada, make it known right away that the Government intends to backtrack on that terrible decision, and give justice to the old age pensioners?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am not as familiar as the Hon. Member with flying dishes in the kitchen particularly as a result of his most recent foray into the Atlantic provinces with what he is pleased to call his task force on world disarmament, where his co-chairman, the Hon. Member for Winnipeg-Fort Garry, was saying precisely the opposite thing to what he was saying in public.

The question put by the Hon. Member today was asked repeatedly last week and was repeatedly answered by the Prime Minister, as it has been by the Minister of Finance in the past.

I merely quote a small excerpt from *Hansard* of last Friday at page 5772, when the Prime Minister said:

> I acknowledged at the press conference, without hesitation, that one of the issues affecting the elderly poor clearly is a source of concern for all of us, which was why a provision was inserted in the Budget that we would monitor that very carefully.
>
> According to the Budget, this measure would and will become effective on January 1 of next year, but also according to the Budget, we are monitoring the situation on a regular basis to ensure, as far as possible, that no problems will result for the neediest in our society.

[*Translation*]

DEINDEXATION OF PENSIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, instead of repeating at length what the Right Hon. Prime Minister

said, I hope the Deputy Prime Minister can inform the House whether instead of just "monitoring" the situation, the Right Hon. Prime Minister intends to act on the unanimous resolution of the Legislative Assembly in Quebec, the views expressed by the Premier of Quebec and the opinion of Conservative Members from Montreal who spoke out against the Government's de-indexation measure, and inform the elderly in the province of Quebec this evening, in Manicouagan, that the Conservative Government has made a mistake and that it intends to correct it immediately and put an end to a situation that is causing the disintegration of the Progressive Conservative Party.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the farce with respect to government ended last September 4.

The Prime Minister has answered that sort of question repeatedly, in a very forthright, upfront fashion, as when he said, again last Friday in the House of Commons in answer to a Member from the Hon. Member's Party:

—I heard the comment which was made by the Premier of Nova Scotia in regard to that budgetary provision. I heard it from leaders of the business community, the BCNI, leaders of trade unions, and my hon. friend from Beaches. I indicated at a press conference this morning that only a very foolish individual would be insensitive to that kind of comment and analysis. With regard to the question, I think we have been prudent. I hope, at the earliest possible moment, that we can make a statement which would be consistent with the intentions set forward by the caveat which was placed in the Budget.

Why the Hon. Member cannot accept that forthright, honest reply by the Prime Minister, similar to the replies made by the Minister of Finance, must find its motivation in the roots of his own political set of values.

GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, it is evident that I will get nowhere with the Deputy Prime Minister who cannot make up an answer but just reads from *Hansard*. Therefore I will direct my supplementary question to the Minister of National Health and Welfare.

As the Hon. Minister is responsible for defending the people who are less privileged in society, will he suggest to the Minister of Finance that if he were to stop the capital gains tax exemption for rich people, not give the $11 billion to the oil industry, then he, the Minister of National Health and Welfare, will be in a position to tell old age pensioners, those who live on family allowances and those who benefit from personal exemption on income tax, that the deindexation of these programs will not take place and the social contract will be preserved in Canada?

● (1420)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister had made very, very clear, by way of his explanatory statements, the Government's position in this matter. He has pointed to the commitment of the Finance Minister in the Budget, on behalf of the Government, to full indexation of the Guaranteed Income Supplement. He has pointed to the further commitment, carefully spelled out in the Budget, which promised that the Government would, and I quote, "review the adequacy of payments in light of future circumstances and will increase them as resources permit".

This is a clear commitment by the Government that the deficit will not be reduced on the backs of needy pensioners. Nothing could be clearer than that. That process is now going on, and we are monitoring it with respect to the degree to which the economy has responded to the Budget. If they would like to embark upon inquiries in that regard, we would have something to say to them as well.

GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is quite clear that the Prime Minister and the Government have put "con" back into the word "Conservative". If the Deputy Prime Minister wants to talk about honesty, why does he not tell us why the Prime Minister made the promises which he made to Canadian people?

Last week two life-long Conservatives came into my office to tear up their PC membership cards and pledge to work for me in the next election.

Some Hon. Members: Hear, hear!

Ms. Copps: One of them, Thomas Ashthorpe, said:

Mr. Mulroney promised he wasn't going to touch our old age pensions . . . I feel betrayed.

How many more torn PC membership cards will it take before the Government reinstates full pensions for all senior citizens from coast to coast?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, one of the reasons why there was a change on September 4 was not because of the tearing up of a couple of cards, but because of the tearing up of virtually hundreds of cards by members of her Party and the NDP.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Thousands; thousands. We were elected to address the horrendous legacy left us by that Party over there in terms of the economy of the country. Instead of preambling her questions as she does, she should look at the rate at which unemployment has declined since last September, at the new low level of interest rates, at the increased rate of growth of confidence in the Government, at consumer spending rises, at manufacturing orders which have risen, at price stability return, at farm cash receipts having risen, at exports having risen, and at bankruptcies declining. These are the things which the hon. lady and those with her should be thinking about.

Oral Questions

REINSTATEMENT OF FULL INDEXATION REQUESTED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if the Deputy Prime Minister thinks that only two Progressive Conservatives opposed these measures, I have seen his velcro lips sink into the political sand for the last time.

Mr. Ashthorpe told the Hamilton *Spectator* that the measure by the Government, a Party of which he has been a member for 72 years, could put him into an old age home. Will the Deputy Prime Minister act today to reinstate immediately full pension benefits, so that hundreds of thousands of seniors—Progressive Conservatives, Liberals, New Democrats and those who are apolitical—can sleep tonight?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think I have already answered that question four or five times today, as well as the Prime Minister having answered the question repeatedly for almost the entire Question Period last Friday, and the Minister of Finance before that. If the hon. lady cannot yet understand that—

Mr. Chrétien: Answer the question.

Mr. Nielsen: —or the hon. gentleman opposite who is interjecting now, I simply give up hope for their reason.

* * *

[*Translation*]

OLD AGE SECURITY

PENSIONS—REQUEST FOR REINSTATEMENT OF FULL INDEXATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. After the Conservative Caucus meeting on the weekend, the Prime Minister indicated that the Government may be changing its policy on pensions, perhaps this week or next week. My question to the Minister is as follows: Does the Minister agree with the spokesperson for one million pensioners who indicated that the Government will have to fully re-index pensions for all pensioners in Canada, and do so forthwith?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it seems that there is still an Hon. Member who has failed to understand and to hear the message in the responses by the Prime Minister to himself and to others last Friday. Let me, by referring to page 5776 of *Hansard*, answer that question directly in terms of what the Prime Minister said. He said:

> We indicated that one of the responsibilities of a Government was to listen to people, to reasonable debate in the House of Commons, and to criticism. I do not take it as a sign of weakness to acknowledge that we are, indeed, listening to people such as my hon. friend. One of the reasons for which the budgetary document was so framed was in anticipation of the kind of difficulty which has been raised by many people in the House, and particularly by my hon. friend. We will act as quickly as we can. We will continue to pay very close attention to what he and others say.

I wish that he would pay as close attention to the answers which he is getting from the Prime Minister and other Ministers of this side of the House.

* * *

PENSIONS

REQUEST FOR EARLY DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is one thing for the Deputy Prime Minister to answer for the Prime Minister and the Minister of Finance who are not here, but it is quite another thing for him to try to answer for the Minister of National Health and Welfare who is responsible for questions directed to him in the House. The Minister should be answering these questions, not the Deputy Prime Minister.

I will try again by directing my question to the Minister responsible for Canada's pensioners. I hope he will stand up and be counted, rather than leave it to the Deputy Prime Minister to reply. Given that the Prime Minister indicated that the Government may indeed change its policy on pensions, may reindex the pensions of Canada's pensioners before we recess for the summer, will the minister now guarantee to Canada's pensioners that the Government will do that, will remove their anxiety, and fully index the pensions of all Canadians before we recess?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to refer the Leader of the New Democratic Party to page 5776 of *Hansard*, about which he has already heard, I am sure. I will not repeat it for him because, no matter what are his qualities, I am sure he now understands what is on that page.

As the Prime Minister said, both in the House and on the weekend, we are listening to Canadians. The decision, if any decision is to be taken, will be done in the usual fashion. That stands.

RUMOUR ANTICIPATING DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, "done in the usual fashion" may mean that we will be waiting for another three or four years for the Government to act. Canadian pensioners want an answer now. They do not want to be sitting around all summer waiting for the Government to make up its mind.

I should like to ask the Minister a final two-part question. First, concerning the rumour which is going around that the Government is considering simple double indexation for those who are receiving GIS, will he assure the House that when the change comes there will be full indexation for all Canadian pensioners, not just those receiving GIS? Second, will he assure the House that the decision will be made before we recess? Why wait for fall? Do it now.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with respect to rumours, the Hon. Member should keep in mind that he probably knows the rumours best; he probably started them. I think he would admit that, in the best traditions of the Opposition, he has not only started that rumour but some others, and that he has also tried to use it for his own political purposes. I say to him: Check your own rumours that you have been making, and wait for any developments.

Mr. Speaker: The Hon. Member for Sudbury.

Mr. Frith: Mr. Speaker, I might add that Canadian senior citizens do not want to hear a rehash of *Hansard*. They want a decision by the Government to reverse itself on deindexation.

FULL INDEXATION—REQUEST FOR RESTORATION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Every senior citizen with whom I met in the last six or seven days, as I travelled across the country, wants me to put the following question to him: When will the Government do the compassionate and fair thing, reverse itself on deindexation, and restore full indexation to Canada's seniors?

• (1430)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I remind the Hon. Member of the speech he made regarding six and five. When he speaks to seniors I am sure he also puts into his presentation what the Liberal Government did at that time when inflation was eroding the purchasing power of Canadians, and of the senior citizens who were especially vulnerable. Knowing him, I am sure he did that.

As to the second part of his question, he really repeated the question which has been asked by his Party and the NDP. The answers given by the Deputy Prime Minister and myself also apply to the second part of his question.

REQUEST FOR IMMEDIATE ANNOUNCEMENT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Minister knows full well that the decision has been taken to reverse deindexation. It is no longer a question of if, it is just a question of when. Therefore, does the Minister believe that senior citizens who have fought wars, gone through depressions, and paid a special 3 per cent surtax to ensure their OAS pensions, should wait and worry all summer before they find out the Government is going to reverse itself? That is the question Canadian seniors want answered here in the House today, not tomorrow, next week, or the day we leave before summer break.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, regarding any decision, I repeat what has been said by the Prime Minister and repeated today by the Deputy Prime Minister. As to any other question relating to timing or anything else, I suggest that he refer to the answer we so frequently received when he was on this side.

Mr. Frith: In due course.

Mr. Epp (Provencher): That is, in due course these things will be answered.

SENIOR CITIZENS' REPRESENTATIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the same Minister. He will recall that last week the Prime Minister said that the Government was anxious to receive news which would be helpful on this matter of deindexation. He will also be aware, if he was in Manitoba over the weekend, that the Manitoba Society of Seniors published 30,000 copies of a journal in which they suggested the Government and the Minister failed to keep their promise to pensioners, ignored seniors' advice, and ignored their pleading. Since the Minister has the responsibility for pensions, would he now stand up and say that he is prepared to announce the Government is not going to proceed with deindexation?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think it was the Hon. Member who last week put the question to the Minister of Finance with respect to consultation. I could be wrong about it being he, but I think they should be seen for what they are. They speak of consultation, they speak of listening. The Minister of Finance today, on the invitation of members of that Party to attend a meeting in Halifax, has been trying to communicate with the office of the Leader of the NDP to obtain the time and place of that meeting in Halifax. Through last Friday he had no success. But he is there now meeting with the Chairman, Mr. Gifford, referred to by the Hon. Member for Beaches; meeting with representatives of the concerned pensioners, representatives of the senior citizens of Nova Scotia, and he is meeting with the Halifax Seniors Council.

Surely, Mr. Speaker, those Hon. Members cannot have it both ways, accusing us of not meeting, not consulting and not listening to interested bodies, in light of that kind of activity by the Minister of Finance.

Mr. Riis: Mr. Speaker, the Minister may be meeting, but is he listening?

Some Hon. Members: Oh, oh!

An Hon. Member: Sit down.

Mr. Clark (Yellowhead): You may be talking, but are you awake?

PENSIONERS' ORGANIZATIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister of National Health and Welfare, to whom this question is directed, will have received a letter from 10 differ-

ent pension groups representing over one million pensioners. They say that there is only one option, and that is reindexation.

Mr. Speaker: Does the Hon. Member have a supplementary question?

Mr. Riis: Are the Minister and his colleagues prepared not only to meet with seniors but to listen to what they have to say, and admit that there is only one option, complete reindexation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, regarding listening, what the Hon. Member said was pretty ridiculous, that when the Minister of Finance or anyone else in this House sits down with seniors or other groups they are not listening.

Mr. Riis: Well, their view is unanimous.

Mr. Andre: All one million of them? Every one of them?

Mr. Riis: Yes.

Mr. Epp (Provencher): To say they are not listening is patently ridiculous. We have said many times in the House that we are listening, and I would suggest we would listen to him as well if he did not come up with such ridiculous suggestions.

BUDGET CONTENT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, a constituent of mine writes: "This Government is made up of a bunch of opportunists who underestimated the intelligence, vigour and energy of our senior citizens". I am sure everyone is happy to learn that this is now all under review. However, I would like to seek a clarification from the Acting Prime Minister, who cites a sentence on page 18 of the Budget which he says makes it a proposal and not a policy, whereas a clear reading says it is policy, and when the policy has been instituted it would then be reviewed. Was it a policy, or was it a proposal?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Hon. Member should read the Budget. It has been quoted *ad nauseam* in this House by the Prime Minister in response to the nauseous questions from the Opposition. I do not intend by that reference to denigrate for one moment the seriousness of the subject with which we are dealing. The words are in the Budget that the Government will review the adequacy of payments in light of future circumstances, and will increase them as resources permit. Now, I think I would be presuming on the time of the House to repeat the kind of answers that I have given today, and that the Prime Minister gave in his very forthright and fully open fashion last Friday. Why can the Hon. Member not accept those answers? Can he not think of anything more positive?

SOCIAL SECURITY

FAMILY ALLOWANCES—EFFECT OF BUDGET

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the reason I was asking was because that sentence in the Budget not only applies to deindexing of OAS payments but also to deindexing of family allowances. Is it correct that family allowances are not a matter of policy but simply a proposal? Who did not read the Budget now?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the question that has been coming up here has been on the matter of pensions, that is the matter on which the answer has been given, and I would suggest he not draw any other conclusions.

* * *

PENSIONS

REQUEST FOR FULL INDEXATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to raise with the same Minister a question not at all unlike that being raised on a regular and daily basis. The Minister must surely be aware that we have at least 10 groups representing over one million pensioners who have asked for only one thing, a simple request that the Government move now to reinstate indexing for all old age pensioners. Will the Minister stand in his place and say that he supports them?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can repeat again what the Deputy Prime Minister has said today, and what the Prime Minister has said previously. I say to him that I support old age pensions, I support social programs, and so does everyone here.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): But I do not know if he has noticed that in the last year in the expenditures of the previous Government, compared with 10 years ago when we were spending 50 cents of every dollar on social policy, we are down to 43 cents, but we have gone from 11 cents on deficit payments to 25 cents. I say that he should look at both of these matters. Of course we would like to expand social programs, but we have to do it in light of the financial circumstances of the country.

PLEA BY PENSIONERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, having looked at both sides of the question, does the Minister support the request of literally millions of senior citizens who have asked that the Government simply put on the shelf its proposal to deindex old age pensions partially? As the Minister responsible, does he believe that the cause they have been fighting for is just, and will he rise and say he supports them?

● (1440)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would return to the answer to that question which I have already given, which is that everyone supports old age pensioners and the need for them to live in dignity. Every one of my colleagues in Cabinet and every one of my colleagues in the House of Commons support that. I would know of no Canadian who would not support that policy.

I would say to the Hon. Member again that, when looking at social policies, or any public policies, we must also be realistic in terms of the expenditures and the deficit faced by Canadians, as we face not only the question of social policies but the ability to maintain programs.

* * *

SOCIAL SECURITY

FAMILY ALLOWANCES—BUDGET IMPACT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is along the lines of the one put by the Hon. Member for Gander-Twillingate to the Minister of National Health and Welfare. On page 17 of the booklet entitled *The Budget Speech*, it says:

Accordingly, I propose to modify indexation for old age security payments and family allowances.

The Prime Minister has indicated that he is planning to back down on deindexing old age pensions. Is he also giving consideration to backing down on the deindexation of family allowances?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Budget has been well received by Canadians. Canadians feel that the Budget is taking the right direction. Canadians are realistic people and know full well that the deficit should not continue.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): I welcome back the lawyer from Bay Street who was in part the architect of that trend. Today, the largest single account in the Public Accounts of Canada is the servicing of the debt. After being on Bay Street last week, the Hon. Member is telling us not to worry about that but to make sure that the deficit has no relationship to public policy or social policy.

GOVERNMENT POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, the Hon. Minister is obviously skating around the issue. He is not telling us whether or not he will remove the deindexation of family allowances as well as the deindexation of the old age pensions. I wish he would clarify that point.

How can the Minister of National Health and Welfare justify deindexing old age pensions, a move which in the next five years will cost old age pensioners $1.6 billion, while at the same time he is reducing taxes to the multinational oil companies by $2.4 billion per year? Can the Minister explain how that can be justified? Does he think that that has been well received by the old age pensioners?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can answer the Hon. Member's question. He has asked the question in his usual manner which distorts the real facts. One thing that we cannot accept is the unscrupulous scare tactics that are being adopted by the Hon. Member in what he thinks is a very smooth fashion and are adopted even more so by Members of the NDP. We are not paying off the deficit on the backs of senior citizens.

Certainly the NDP and the Party of which the Hon. Member for Algoma is a Member are trying to ride, for their own political motivations, on the backs of the senior citizens by giving them misleading information, and telling them that there will be a reduction in their pay cheques when there will be no reduction. That sort of misinformation only exacerbates an anxiety rather than proffering reassurance. I have told the Hon. Member, as has the Prime Minister, the Minister of Finance, and the Minister of National Health and Welfare, that the situation is being monitored extremely closely and that, when resources permit, the appropriate action will be taken.

* * *

PENSIONS

ROYAL CANADIAN LEGION RESOLUTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of National Defence. Perhaps the Minister is aware that recently the Manitoba and Northwestern Ontario Command of the Royal Canadian Legion passed a resolution at its meeting in Thunder Bay calling for the restoration of full indexation of the Old Age Security payments. Knowing that veterans have a keen sense of sacrifice but also a keen sense of justice, I wonder whether or not the Minister would indicate that the Government will respect the Canadian consensus now developed and established, and recently joined by members of that particular Command of the Royal Canadian Legion, by announcing before we recess that the Government has abandoned its plan partially to deindex old age pensions.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is a perfect example of the kind of distortion that the Hon. Member, and most Hon. Members of his Party, attempt to make. The only exception is the Hon. Member for Beaches.

The fact is that the Government, in the short time it has been in office, has done more for veterans than any other Government, in my perception as a veteran. The Hon. Member knows, or should know, that one of our first acts as a Government was to index veterans pensions fully, a move made by the

Minister of Veterans Affairs. There is as much connection between what he is attempting to link as there is between the old grey mare and the grey ghost.

TELEPHONE CALLS FROM MINISTER'S CONSTITUENCY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Minister did not say whether or not he was going to respect the views of that particular Command of the Royal Canadian Legion on this issue. My supplementary question is directed to the Minister of Health and Welfare. I wonder if he could explain why my constituency office keeps getting calls from people in his riding who claim that they are being put on hold when they phone to talk about pensions.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member can say whatever he feels might benefit his political purposes, but that is not what is happening. I would suggest that the Hon. Member reconsider a question of that nature.

* * *

CANADA POST CORPORATION

NEED TO REDUCE ABSENTEEISM

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister in charge of Canada Post. The President of Canada Post has advised the Committee on Transport that he could withdraw half of the proposed increase in postal rates if he could reduce absenteeism to the level it is in comparable industries. In view of that, what priority will Canada Post give to reducing absenteeism in its strategy for controlling costs and limiting increases in the future?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I would like to thank the Hon. Member for asking that very important question. It is one that is of concern to all Canadians. The fact is that Canada Post Corporation properly assigns a very high priority to reducing the rate of absenteeism in the Corporation, a rate which is roughly twice the rate of absenteeism in the private sector.

I think the bottom line is that Canadians are entitled to get a day's work for a day's pay. Nobody at all would complain about someone being absent from work because of *bona fide* causes such as sickness, but I think Canadians have the right to the assurance that any claim for days off is in fact legitimate.

* * *

SOCIAL SECURITY

EFFECT OF BUDGET ON FAMILY ALLOWANCES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I believe that the families of our country have a right to know what is happening to them as well. For the sake of these families I would like the Minister to clarify what we read on page 17 of the booklet entitled *The Budget Speech*, as follows:

> Accordingly, I propose to modify indexation for old age security payments and family allowances. Beginning January 1, 1986, these payments will be indexed only for the annual increase in the consumer price index greater than 3 per cent.

In other words, families are in the same situation as far as knowing what is going to happen to them as the seniors of this country. Is this a trial balloon? Is this a proposal? If so, is this proposal going to be reversed? What are families going to expect? Are they going to expect the same treatment as senior citizens?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member just likes to expand the scare tactics that the has been using. I have heard opposition Members say, for instance, that senior citizens' pension benefits are going to go down. He knows full well that that is not the case. He knows that the increase would have been reduced, as he has tried to put it forward. He read the Budget correctly. I suggest that he follow exactly what he read.

• (1450)

GOVERNMENT POLICY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, what the Minister did not understand is that what we have read in the Budget does not tell us whether it is a measure or a proposal. Now we know that pension deindexation was a trial balloon from which the Government is backtracking. What I want to know, on behalf of families, is whether this is another trial balloon or whether it will it be done to the families.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, he should remember what the Liberal Government did with six and five, and what it did during other periods of time when family allowances were touched by Liberals, when inflation was at 11 per cent and when the deficit was below $20 billion on an annual basis. I would suggest to him that he should first take a look at the details of what his Party did during the time when it was in government. Again, I would remind him that it is exactly what the Budget said.

* * *

TRADE

UNITED STATES TARIFF ON CANADIAN PORK

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Prime Minister I would like to direct my question to the Secretary of State for External Affairs.

[*Translation*]

Last week in Montreal, I had a meeting with the Union des Producteurs Agricoles. For the UPA, the most important issue

is the tariff levied by the United States on imports of Canadian pork.

Mr. Speaker, my question is as follows: considering the special relationship formed by our Prime Minister with the President of the United States after the Shamrock Conference in Quebec City, could the Minister perhaps arrange for a telephone call between the Prime Minister and the President of the United States, to ensure that the tariffs on pork are lifted?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I appreciate the question put by my Francophone friend from Saskatchewan, and I hope to answer the question with the same courtesy and . . . the same accent!

In fact, we do not think the time is right for a telephone call between the Prime Minister of Canada and the President of the United States, but my colleague, the Minister for International Trade, has arranged for a meeting tomorrow with the provinces affected by this decision and union representatives for the pork producers to discuss their taking a joint Canadian position and ensure that in the last stages of the American process, we can increase Canadian pressure to bring about a policy and an approach that will protect the interests of Canadian pork producers.

PORK PRODUCTION—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary, Mr. Speaker, for my friend the Francophone from Alberta.

Until now, Mr. Speaker, no ministers have been to Washington to discuss a subject that is vital to Canadian pork producers, an industry that is worth $2 billion per year. Is the Minister prepared to make a commitment today to go to Wahstington himself to discuss a question that is extremely important to all Canadians with the U.S. Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, my colleague, the Minister for International Trade, will be in Washington this week to discuss the question raised by the Hon. Member, as well as other questions that are important to Canadian U.S. relations.

* * *

[*English*]

GOVERNMENT ADVERTISING

AWARDING OF CONTRACTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government may be totally heartless when it comes to senior citizens, but let it not be said that it is not compassionate when it comes to handing out untendered government advertising contracts.

Will the Minister of Supply and Services explain to the House why Mr. Robert Byron, a former member of the Tory election campaign committee who now heads the government agency responsible for advertising, has awarded $169,000 worth of contracts to Case Advertising Associates, a company for which Mr. Byron was formally the Vice-President before heading the government agency? Why was Mr. Byron allowed to give such contracts to his former company without the Minister's intervention?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, Mr. Byron was hired by myself to co-chair the Advertising Management Group because of his expertise. He has done an outstanding job.

Incidentally, the Advertising Management Group, under my supervision, is costing the taxpayers $7,825 a month less than the Advertising Management Group under the Liberals.

Some Hon. Members: Hear, hear!

Mr. Andre: And incidentally, the Advertising Management Group has shown us how we can save something in excess of $20 million in advertising less than the expenditures of the previous administration.

Some Hon. Members: Hear, hear!

Mr. Andre: And incidentally, Case Advertising undertook three small contracts for the Department of Employment and Immigration. That Department has indicated that the contracts were handled and that the program was undertaken in such an exemplary fashion that it is extremely pleased. That Department feels that it got more value for its money than it got from an advertising contract for many years.

Some Hon. Members: Hear, hear!

STATEMENT ATTRIBUTED TO MINISTER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, as interesting as that answer might be, it had nothing to do with the question.

In a recent report by Douglas Goold, in the *Edmonton Journal*, the Minister said: "Charges of nepotism and favouritism and patronage are always used by anybody who doesn't feel they have the right friends". Does the Minister think that anyone who complains about patronage only does so because he or she did not get it? Does his statement confirm our worst fear that the promises of the Prime Minister during the election campaign to reform patronage were nothing more than empty rhetoric? Does the Government not intend to follow up on those promises?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I will always applaud any public servant or employee who gets exceptional value for money, as Mr. Byron has for us. The Member was talking about conflicts, the implication being that somehow Mr. Byron did something which was improper. He severed all relationships with Case Advertising Associates. He did absolutely nothing which was improper.

If the Member is suggesting a new standard, perhaps he should approach the Right Hon. Leader of the Opposition who resigned some directorships at the end of June last year, yet

during July and August, when he was Prime Minister, there were some untendered contracts with companies for which he had formerly been a director. We do not consider that a conflict of interest. We consider it reasonable, once a person has severed a relationship, to conduct good business deals. This was a very good business deal on behalf of the taxpayers, and he ought to applaud us for it.

Some Hon. Members: Hear, hear!

* * *

INDUSTRY

WHITE FARM EQUIPMENT COMPANY

Mr. Derek Blackburn (Brant): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion I will direct my question to the Minister of State for Finance. My question deals with White Farm Equipment. The deadline for tenders was last Friday at twelve o'clock noon. I would like to ask the Minister if there have been any firm offers from the private sector to come to the aid of White Farm Equipment. If not, what is the Government prepared to do to save the 600 jobs at White Farms, and the approximately 300 jobs in the supplier industries and the dealerships?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I recognize that this issue has been of great concern to the Hon. Member for some time. I will give the appropriate Minister notice and will have him get back to the Hon. Member right away.

REQUEST FOR LOAN GUARANTEES

Mr. Derek Blackburn (Brant): Mr. Speaker, I would like to direct my supplementary question to the Deputy Prime Minister. In view of the fact that the deadline was last Friday at noon for tenders to buy out White Farm, and in view of the fact that Peat Marwick, the receiver, did not advertise any extended period, could the Deputy Prime Minister assure the House that the Government will at least guarantee loans in the interim, due to the fact that the private sector has not come to the rescue of that company?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure the Hon. Member would not expect me to be fully familiar with the details of such a question. Certainly I will take careful notice of the representations which he has made and see to it that they are drawn to the personal attention of the Minister.

• (1500)

[*Translation*]

TEXTILES AND CLOTHING

INQUIRY WHETHER GOVERNMENT WILL NEGOTIATE BILATERAL TRADE AGREEMENTS WITH PACIFIC RIM COUNTRIES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, since the request to re-open negotiations on the GATT agreement was unsuccessful at the Bonn Summit of industrialized countries, could the Minister for International Trade inform the House whether the Government intends to start negotiations on bilateral trade agreements with the Pacific Rim countries and propose measures that will help the Canadian textile and clothing industry to penetrate the markets in this area, which would help the industry play a prominent part in Canada's economic development strategy?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as I am sure the hon. gentleman is aware, Canada is a signatory to the multifibre agreement which expires in July of 1986. Canada is presently preparing its negotiating position and will be discussing with the other countries what should be done with respect to the renewal of this agreement. One of our objectives is to try to obtain entry to the countries to which the Hon. Member referred in his question.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, June 14, 1985, meet the requirements of the Standing Orders as to form.

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PRIVILEGE

STATEMENT OF MR. NIELSEN DURING QUESTION PERIOD

Mr. Speaker: I am in receipt of a notice of a question of privilege from the Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise on a question of privilege. Earlier in the Question Period, the Deputy Prime Minister (Mr. Nielsen) misled the House, no doubt inadvertently, I say—and I mean that—when he suggested that the Minister of Finance (Mr. Wilson) had attempted to find out the location of a meeting today in Halifax and that my office either refused or did not give the information. I simply want to indicate clearly to the House that what the Deputy Prime Minister said was not the case. The meeting took place at Spencer House Senior Citizens' Apartments at

5596 Morris Street in Halifax today. The Minister of Finance was told last Thursday. They are still waiting to hear from him any time today.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am, of course, going by information which has been provided to me by officials in the Minister's office. The gentleman in the offices of the New Democratic Party who was contacted was Mr. Jim Thompson, I believe. These efforts have been ongoing for some time in response to an invitation made by a member of the New Democratic Party, but all that the Minister of Finance apparently has been receiving is the run around. Fortunately, the Minister of Finance is meeting with those very people today.

Mr. Speaker: There clearly is not a question of privilege here.

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REFUGEES

TABLING OF REPORT ON REFUGEE DETERMINATION IN CANADA

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, pursuant to the provisions of Standing Order 46(2) I am tabling in both official languages two copies of a report entitled *Refugee Determination in Canada*.

It would be my predisposition, Sir, to see if there is unanimous consent to have this report permanently referred to the Standing Committee on Labour, Employment and Immigration. If that is not possible today, I will look to have that unanimous consent tomorrow.

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CANADA DEPOSIT INSURANCE CORPORATION

TABLING OF REPORT OF COMMITTEE

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 46(2), I would like to submit for tabling in the House, in both official languages, a copy of the final report of the working committee on the Canada Deposit Insurance Corporation.

* * *

Mr. Hawkes: Mr. Speaker, I happen to be the Chairman of the Standing Committee on Labour, Employment and Immigration and I understood that the Minister asked for unanimous consent of the House to have a permanent reference—

Mr. Speaker: We will get to it under motions, unless the House wishes to deal with it now.

PETITIONS

CLOSURE OF RURAL ROUTE 1 IN MAYMONT, SASK.

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I have the honour to present to this House of Commons a petition signed by 58 people from Lilac, Saskatchewan. These citizens protest the planned closure, on June 30, of Rural Route 1 in Maymont. They say it would be unfair, discriminatory and would inhibit their ability to receive mail. These citizens call upon Parliament to prevent the closure of Rural Route 1, Maymont.

CHANGES TO OLD AGE SECURITY ACT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I would like humbly to submit a petition I received in my travels across the country last week. It states that whereas any reduction in the pensions to seniors would create great hardship to a large segment of the population who helped to build our great country, and whereas the Government's election promises guaranteed that the structure of the seniors' pensions would not be changed, we petition the Government of Canada to remove the 3 per cent indexing of the Old Age Security pensions. This petition is signed by hundreds of citizens from the City of Toronto.

In addition, Mr. Speaker, I would like to present a petition on behalf of the residents of metropolitan Toronto and the Beaches outlining their concern for the Government's plan to deindex senior citizens' pensions. They wish to have restoration of full indexation.

In addition, Mr. Speaker, I have before me a petition signed by several people from the ridings east of the great metropolis of Toronto, Oshawa and Scarborough East, who have outlined their concerns about the Government's plans to deindex the senior citizens' pensions in this country.

In addition, Mr. Speaker, on behalf of hundreds of senior citizens in the City of Saskatoon—the riding, I might add, of the Government House Leader (Mr. Hnatyshyn)—I would like to present a petition. These petitioners have indicated to me that they wish me to place before you a petition in which they humbly ask the Government of Canada to reverse itself on the issue of deindexation and restore full indexation to all pensions for senior citizens.

I have another petition, Mr. Speaker, outlining the concerns of hundreds of senior citizens in the Province of British Columbia. They reside in several ridings in the metropolis of Vancouver. They have indicated that they respectfully request that the proposal by the Government be deleted from any approved federal Budget. In addition, they point out that Canada was built upon the backs and hard labour of its senior citizens whose Government now seeks to heap further insult upon what is already a grievous situation. These petitions have been presented to me in my travels across the country.

In addition, Mr. Speaker, I have a petition which indicates that there are several constituents of ridings in Toronto as well

as the Beaches who are humbly asking this Government to reverse itself on the issue of deindexation.

I would also like to place before you, Mr. Speaker—

Mr. Speaker: Order, please. Is the Hon. Member rising to present further petitions on the same subject?

Mr. Frith: Yes, it will be on the same subject, Mr. Speaker.

Mr. Speaker: I believe the Hon. Member knows the practice. Would the Hon. Member indicate how many there are? Otherwise, he has the right to file them with the Clerk.

Mr. Frith: I was personally asked, Mr. Speaker, by the citizens with whom I met, to present these petitions on a case by case basis, and I will wait until tomorrow to produce any further petitions.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour and the privilege of presenting a petition in this House, signed by constituents of the riding of Vanier, and according to these petitioners, the Budget of the Progressive Conservative Government is tough and merciless for the elderly since it eliminates full indexation of Old Age Security pensions.

Mr. Speaker, I also have the honour of presenting another petition from constituents of Ottawa-Vanier, this time from the Overbrook area, which says that the Progressive Conservative Government has failed to keep its promise made in January 1985: "Any savings which may result from program changes will not be applied to a reduction of the deficit."

Mr. Speaker, I have another petition humbly submitted by constituents of Ottawa-Vanier, again asking the Government to reconsider its position taken in the Budget, and to eliminate a provision which they deem to be tough and merciless for the elderly, since it eliminates full indexation of Old Age Security pensions.

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, I am very honoured to be able to present what I know will be the first group of a large number of petitions. They are signed by people from Windsor, Ontario. The petitions I am presenting today say that the pensioners ask the Government to respect the commitment it made during the 1984 federal election campaign and maintain full indexing of the old age pension.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I as well have the honour to submit petitions in certain numbers signed by residents in the riding of Davenport, in west Toronto, as well as residents in metro Toronto, who feel that submissions and presentations should be made to the Right Hon. Prime Minister (Mr. Mulroney) asking him to respect his commitment made during the 1984 election campaign and urging him to maintain the full indexation of old age pensions. I submit them in one group for your consideration.

• (1510)

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have a petition signed by a number of residents of the federal riding of York South-Weston, the riding of Mississauga North and the riding of Etobicoke Centre. These senior citizens are requesting that the Government protect their pensions. This is only the first of a number of petitions that will be presented from the riding of York South-Weston.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour and the privilege of presenting in the House a petition signed by fifty-six residents of the Village of Sarsfield in the electoral district of Glengarry-Prescott-Russell, and these people, Mr. Speaker, wish to protest and express their disagreement with the budgetary measures aimed at reducing indexation of Old Age Security pensions.

[*English*]

COST OF TRANSPORTATION ON BAFFIN ISLAND

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, I have the honour to present three petitions from three different communities, namely Arctic Bay, Pond Inlet, and Broughton Island. Some 411 citizens are protesting the high cost of transportation in the region of Baffin Island.

[*Translation*]

DEINDEXATION OF PENSIONS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour of presenting in the House a petition from constituents in my riding who are residents of the village of Saint-Louis de Kent, and these people humbly ask the House to urge the Minister of Finance (Mr. Wilson) to reverse his decision to de-index old age security pensions.

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I wish to present a petition which calls upon the Government to reverse its position with regard to the deindexation of seniors' pensions.

YOUTH EMPLOYMENT PROGRAMS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I wish to present a petition which calls upon the Government to provide youth employment programs that are accessible to the non-profit sector and provide adequate employment for young people.

MAIL DELIVERY SERVICE IN SUB-DIVISION OF SWIFT CURRENT, SASK.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I have the honour to present a petition signed by residents of the Alpine subdivision in the city of Swift Current

in Saskatchewan protesting the lack of urban residential mail delivery service. They request that door-to-door mail delivery to this new subdivision be instituted.

CHANGES TO OLD AGE SECURITY ACT

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition on behalf of several dozen constituents in Espanola, Ontario, calling on the Government to reinstate the indexation of old age pensions and deploring the fact that pensions will be deindexed next January.

I also have a petition from a dozen constituents in the Hamlet of Silver Water on Manitoulin Island also calling on the Government to continue its full indexation of old age pensions in 1986.

I also have a petition signed by about a dozen constituents in the Town of Little Current on Manitoulin Island calling on the Government to re-establish old age pensions in 1986 on a full indexation basis as in the past.

I also have a petition signed by several constituents in Meldrum Bay calling on the Government to reintroduce old age pensions with full indexation.

Mr. Derek Blackburn (Brant): Mr. Speaker, I, too, have the honour to present a petition from the residents of Brantford. It says that the undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of the Old Age Security program in Canada.

REDUCTION IN CANADIAN NATIONAL MARINE SERVICE IN NEWFOUNDLAND

Mr. Morrissey Johnson (Bonavista-Trinity-Conception): Mr. Speaker, on behalf of several hundred residents of Pool's Cove, English Harbour East, and Rencontre East, I wish to present this petition protesting CN Marine's decision to eliminate their communities along the south coast of Newfoundland as ports of call.

CHANGES TO OLD AGE SECURITY ACT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a petition signed by several hundred residents of the Town of Southey and surrounding districts calling upon the Government to reintroduce the indexation of pensions so tha senior citizens will not lose buying power as proposed in the Budget.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition containing the names of hundreds of senior citizens from my riding who join with the many others whose names have been presented over the last few weeks in protesting the deindexation of old age pensions by the Government.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to present a petition on behalf of my constituents of Kamloops-Shuswap. The petitioners ask the Government of Canada to reconsider its move to reduce indexation of the Old Age Security Program of Canada causing over 200,000 senior citizens to exist below the poverty line.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour to add nearly 200 names to the list of petitioners who have already submitted petitions from Windsor. They protest the Government's intent to deindex old age pensions and call upon the Government to revoke that decision.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have petitions from residents of my riding whose signatures were obtained by a student, Mike Fricker, a student volunteer who was hard at work on this campaign. There are also signatures from residents from 63 Carrie Street, Dawson Court, and Cumberland Hall who protest that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security Program and that it flies in the face of Progressive Conservative promises that a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis. They request that deindexation be cancelled.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the honour to present petitions signed by members of the Slovak Legion Branch 129 and the Ortona Branch 113 who call upon the Government to reject the deindexation proposal.

I also have the honour to present a petition signed by three dozen delegates to the Manitoba-Ontario Command of the Royal Canadian Legion who, at their convention in Thunder Bay, indicated very strongly that they were against deindexation.

I also have a petition from 150 constituents of the Thunder Bay-Atikokan and Thunder Bay-Nipigon ridings who also indicate very strongly that deindexation is not something they are very happy with.

Mr. Speaker: The Hon. Member for Bow River (Mr. Taylor) on a point of order.

Mr. Taylor: Mr. Speaker, I rise on a point of order, or maybe a point of information. I hear the words "restore", "reinstate", and "reintroduce" in connection with pensions. How can you do that when they have never been taken away—

Mr. Speaker: Order.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

REFERENCE TO STANDING COMMITTEE OF REPORT ON CANADA DEPOSIT INSURANCE CORPORATION

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions and I believe that you

would find unanimous consent for this motion and for the moving of it in the first place. It is as follows:

That it be an Instruction to the Standing Committee on Finance, Trade and Economic Affairs that, in relation to the Committee's order of reference of April 18, 1985, the Committee consider the document entitled "Final Report of the Working Committee on the Canada Deposit Insurance Corporation" tabled earlier this day before making its final report and that for the purposes of this study the said document shall stand referred to the said Committee.

Mr. Speaker: Is there unanimous consent for the waiving of notice and the introduction of the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: I apologize. I thought that was the one moved on behalf of the Hon. Minister of Employment and Immigration (Miss MacDonald). Does the Hon. President of the Privy Council (Mr. Hnatyshyn) seek unanimous consent on the earlier request of the Minister of Employment and Immigration?

Mr. Hnatyshyn: Mr. Speaker, discussions are carrying on with representatives of the Liberal Party on that one.

Mr. Speaker: I apologize. I understood notice of intent had been given.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all the questions be allowed to stand.

Mr. Speaker: Shall all the questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (for the Minister of State (Finance)) that Bill C-51, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade, and Economic Affairs.

Mr. Speaker: Before the period for Statements Pursuant to S.O. 21, there were seven minutes remaining in the question and comment period following the speech of the Hon. Member. The Hon. Member for Winnipeg North Centre (Mr. Keeper) had the floor for either a question or a comment. I propose to let the Hon. Member finish his comment and we will then move on to debate.

● (1520)

Mr. Keeper: Mr. Speaker, I was simply asking the Member, who is no longer here, about his Party's position with respect to deindexing of seniors' pensions. Obviously, the move by the Government to deindex seniors' pensions is totally uncalled for and unjust. I welcome the fact that a Liberal Member of Parliament would understand that and would speak out against this unjust measure by the Government. However, I was curious why the Liberals chose to do the same thing when they were in office.

Mr. Speaker: Debate.

Hon. Herb Gray (Windsor West): Mr. Speaker, the Government is asking the House for the approval of Bill C-51. I ask the House to consider how it can give its approval to such a Bill when the Government has betrayed elderly Canadians in its May 23 federal Budget. The Budget attacks the well-being of millions of elderly Canadians living on fixed incomes by increasing the cost of living for senior citizens through hidden and regressive taxes, while moving directly to cut the purchasing power of the Old Age Security pension.

Over the last few days, the Government, facing the understandable fury of millions of elderly Canadians and millions of Canadians generally about what it intends to do in its Budget, is hinting that it might be backing down on what it has said it would do when it comes to cutting purchasing power by deindexing the Old Age Security pension. Whatever the Government ultimately does, I do not believe that senior Canadians or Canadians generally should ever forget what the Conservative Government fully intended to do and may well still do in the Budget it presented to the House on May 23.

What were the promises made to elderly Canadians and later broken by the Conservative Government? On July 26, 1984, during the election campaign, the Prime Minister (Mr. Mulroney), speaking in Sherbrooke, Quebec, tried to create the impression that the Progressive Conservative Party would actually increase pension benefits for Canadians. He said, "We are committed to full pension fund reform to eliminate poverty among retired Canadians and to improve their standard of living".

In January this year, after the Conservative Government was able to examine fully the books of the Government and its financial requirements now and into the future, the Minister of National Health and Welfare (Mr. Epp) issued a consultation paper on benefits for the elderly and for children. The Conservative Government set out a number of principles in that paper which were to be considered as firm commitments. Let me quote the key principles. "Any savings which may result from program changes will not be applied to a reduction of the deficit". Second, "It should be stated at the outset that the Government regards the present system as a good one, which is working well". Third, "Changes in these programs which may

result from this review should improve benefits for those in need".

The final principle states:

> Any net savings which may then remain, whether resulting from reductions in expenditures or additional revenues, should be applied to other priority concerns in the social affairs envelope. No such savings should be transferred to deficit reduction.

These are direct quotes from the paper that was issued on behalf of the Conservative Government in January of this year. The record of the Budget shows how far the Government has broken the commitment in that consultation paper.

Having outlined the basic principles that I have quoted in the consultation paper, we can see how the Conservative Government moved all too quickly in its Budget to try to fool Canadians into believing that it was acting to maintain the basic principles of protecting the well-being of elderly Canadians.

The Budget Speech delivered by the Minister of Finance (Mr. Wilson) devotes only four lines to state that old age pensions are being deindexed. That is to say, its purchasing power is to be reduced in perpetuity for all increases in inflation below 3 per cent, but indexation would remain for the Guaranteed Income Supplement.

Although the Conservatives try to show that indexing the Guaranteed Income Supplement makes up for deindexing or cutting the purchasing power of the Old Age Security pension, the fact is that continuing indexing of the Guaranteed Income Supplement protects only the purchasing power of that supplement. It does nothing to protect the purchasing power of the Old Age Security pension which represents at least half of the pension income of those elderly Canadians whose incomes are so low that they receive both the old age pension and the Guaranteed Income Supplement.

This Budget is deceptive and sneaky, as the Leader of the Opposition (Mr. Turner) put it, because nowhere in the Budget Speech is there an explanation of the true ramifications of deindexing. There are no concrete examples of how incomes of senior citizens would be affected by what the Budget—therefore the Conservative Government—fully intended and likely still intends to do. Through its broken promises and deception, the Conservative Government is betraying our senior citizens. The Conservative Government promised in its January consultation paper that no savings or additional revenues in the area of social programs would be applied to reducing the deficit but would actually be applied to increasing benefits. However, that commitment to elderly Canadians was betrayed in the Budget, and the confirmation of that betrayal was given on May 24 in the House when the Minister of Finance stated, "Everyone has been asked to share a little of the burden in order to get the budget deficit and the accumulating debt problem under control".

Last weekend in my community of Windsor I talked to many people. Many were senior citizens who asked me why the Government is expecting them to bear any burden of deficit reduction. They asked, "why does the Government believe that we are as well equipped as wealthy Canadians to bear any part of such a burden, if that is required? They said to me, "We have already made our sacrifice for this country. We have survived a depression and the Second World War and the post-war period." They said, "We have paid our dues. We have made our sacrifices. If there is a need for deficit reduction", they told me, "that burden certainly should fall on people much better off than us".

In January the Government told elderly Canadians that it regards the present system as a good one, one which is working well. It said that it is a sound system, one which should not be disturbed, and that changes in these programs which may result from this review should improve benefits for those in need. It said that savings should not be transferred to deficit reduction. However, the Conservative Government totally reversed itself on this by attacking the income and well-being of elderly Canadians for years to come, in perpetuity.

The reality is that the Conservative Budget is punishing middle and lower-income Canadians but is especially cruel to the elderly.

Figures developed by reputable bodies—not only a very reputable body like the Official Opposition—show that the four lines devoted to the elderly in the Budget of the Minister of Finance failed to note certain facts. First, as a result of the Budget, the real income of an elderly couple will fall nearly $1,200 by 1990. By 1995, the real income of an elderly couple will be cut by almost $2,600. The real income of elderly singles, mostly women, will be cut by $560 in 1990. By 1995, the real income of elderly singles will be cut by almost $1,300. Only Conservatives would believe that our senior citizens could afford cuts of this magnitude. Elderly Canadians, as well as all Canadians in general, will have to pay sales tax increases for gasoline, health care products, pet food, shampoo and other goods, which will amount to hundreds of dollars per year in lost income.

• (1530)

These facts represent the truth which the Conservative Government failed to tell Canadians in its Budget. These facts expose the broken promises and the deception of the Conservative Government in its Budget. The Conservative Government did not tell Canadians that its Budget would increase poverty. The Budget provisions introduced on May 23 will see more than three-quarters of a million Canadians fall below the poverty line by 1990, and more than 200,000 more elderly Canadians living on fixed incomes will be forced into poverty. The Conservative Budget will cast more Canadians into poverty than the global economic recession in 1981-82. All the assurances and commitments given by the Conservative Government were exposed as being empty and meaningless. In fact, they were replaced in the the Budget by what I believe to be a long-standing, hidden Conservative agenda to weaken the social safety net built over decades. With the Budget, the broken promises and deception of the Conservative Government, it is seen for what it really is—cruel and manipulative. It betrays elderly Canadians. How can the Government ask for

support of Bill C-51 when it betrays in this and in many other ways the trust of Canadian people?

Throughout his budget statement the Minister of Finance continued to use, but in fact abused, the word "confidence". Certainly Canadians are finding it impossible to have any trust in a Minister or in a Government claiming to restore confidence when the Minister's own projections and forecasts for the economy, set out in his Budget Speech, and after taking into account the impact on the economy of that Budget, show a growth rate decline from the 4.7 per cent record increase in 1984, a year of Liberal Government, to 3.1 per cent for 1985 and dropping further to only 2.4 per cent in 1986. Jobs will not be created, unemployment, which is all too high, will not be reduced without a continued and in fact an accelerated pace of economic growth. Because of its own policies as set out in the Budget, the Government admits that it will be causing a slowing of the rate of growth on one hand. On the other hand, it continues to speak of confidence while in fact it puts both hands into the pockets of lower and middle-income Canadians through hidden and sometimes not so hidden tax grabs in its Budget.

This is what we must learn to expect from a Finance Minister who said during his speech to the Canadian Economics Association in Montreal on May 30: "Canada has an acute shortage of rich people". The Minister of Finance does not intend that rich people in Canada should bear their fair share of responsibility. We know this by looking at his Budget. Ordinary Canadians will be taxed an additional $400 to $500 per year when all tax increases in the Conservative Budget are taken into account. There is no stipulation that these revenues will be directed toward the poorer regions of the country, toward unemployed youth, toward elderly Canadians, toward single parents or toward the less advantaged people who need assistance. This money, taken from ordinary Canadians in extra and new taxes, will likely go into the pockets of rich Canadians through new tax breaks like the lifetime capital gains exemption set out in the Budget, as well as through following a blind priority of reducing the deficit rather than a priority of job creation and economic growth.

The Hon. Leader of the Opposition put this point in simple, straightforward terms when he said:

> The $500,000 capital gains tax exemption is a cash bonanza of $125,000 . . . The average family faces a $500 a year tax, while the wealthy have a cash lifetime bonanza of $125,000.

The value of the capital gains exemption has been estimated by the Department of Finance at $1.2 billion in 1990. Only 63 per cent of this capital gains benefit has been shown to go to people earning over $50,000 per year who represent only 4 per cent of Canadian taxpayers. Even if we ignore the effects of the capital gains tax exemption, the family earning only $15,000 annually will pay 36 per cent more in income taxes, while the family earning $200,000 will pay only 2 per cent more.

Is that fair? The answer of ordinary, individual Canadians and their families is that it is not fair. They say that the Budget and any legislation connected with it should not be allowed to go into effect.

Among the other 96 per cent of taxpayers, most of whom cannot use the capital gains exemption, are old age pensioners. I have already indicated to the House the damage the Conservative Government intended doing to their basic income in the Budget, as presented to the House on May 23. Its program of deindexation, applied not only to the Old Age Security pensions but also to the family allowance and the basic tax payable by individual Canadians, takes desperately needed money from senior and lower and middle-income Canadians and does severe harm to the economy.

If the Government is willing to reconsider the desperate and dangerous mistake it made in intending in its Budget to cut the purchasing power of the pensions of elderly Canadians, why will it not do the same thing when it comes to the purchasing power of middle and lower-income Canadians through the basic family allowance? After all, figures have been presented by reputable bodies such as the Canadian Press and the Canadian Council on Social Development, showing that the net effect of the Conservative Budget of May 23 is to begin cutting family benefits on an income of only $20,000 per year. There are not too many people who will say that such a family income in Canada today is a starting point for wealth; quite the contrary. Budget documents of the Department of Finance, which were not tabled with the Budget because of the truth they contain, show that the Government will take away at least $1.6 billion from pensioners by 1990. It is a well understood fact that pensioners struggling near the poverty line spend this money on the goods and services which they need to live. In addition to the damage to pensioners, the Government is taking $1.6 billion out of the Canadian economy. At the same time as the Government reduces demand in this manner, a leaked Department of Finance document shows that it is piling up a $1.3 billion tax break through its new capital gains tax exemption. This tax break does not even have to be used to invest in productive economic activity in Canada. It is all right, according to the Conservative Government, to invest those gains in condominiums in Florida, in works of art or in jewellery. That is Tory economics; it is not the economics of Canadians generally.

As we predicted before the Budget was brought down, Canadians will be forced to pay an additional nine cents per gallon at the gas pumps after the beginning of September, to pay for tax breaks for multinational oil companies of more than $2 billion by the conclusion of the next fiscal year. Individual Canadians will be hit by an increased federal sales tax and an extension of the sales tax base to candies, soft drinks, pet foods and cosmetics. On top of these and other tax increases required to make up the shortfall of $8.5 billion in revenues from oil industry taxation by 1990, the Government's deindexation measures alone will take $11.5 billion out of the hands of ordinary Canadians and their families in the next five years.

In conclusion, the Budget is built upon shameful principles involving an abdication of fairness and a disregard of fairness.

Its economic assumptions are as wrong as the public policy ethics between its lines. It is a mean-spirited scheme which seeks to implement the mistaken belief that deficit reduction above all will provide the conditions for private sector investment and therefore economic growth. On the contrary, it is public policy devoted above all to the goal of economic growth and full employment that in reality creates jobs that provide the tax base needed to reduce government deficits.

• (1540)

The Government has this reality all mixed up. It is undoubtedly, given its own predictions, going to move us backwards when it comes to economic growth. This mean-spirited Budget will cause joblessness and increase poverty and despair among Canadians. This Budget is advanced by a Government that does not, and I think cannot, understand that fairness and justice are integral parts of both the meaning and the generation of economic prosperity. For this reason let us send a message to this mean-spirited Government on behalf of senior citizens, Canadian families, indeed on behalf of all middle and lower-income Canadians, that the Budget is damaging to them and to Canada and thereforre Bill C-51 must be soundly rejected.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, there are a few areas of government policy I would like to comment on in this debate on the borrowing authority which the Government requires to carry on with its platform. First, I would like to comment, as environment critic for my Party, on how the Government is performing with respect to the environment and environmental issues. We notice with some satisfaction that there are no further cuts in the Department of the Environment itself in the Budget as it now stands. I think credit has to be given to many Canadians who let their anger be heard over the cuts in the Canadian Wildlife Service and other areas announced in the statement of November 8. I think the Government, once bitten, is twice shy about cut-backs in the environment. But the real test will come whenever the Nielsen task force reports. If the Department of the Environment and environmental sensitivity survives that report, then indeed Canadians who are concerned about the environment will be able to congratulate themselves on a job well done. They will have made it clear to the Minister and the Government that they did not have a mandate to go ahead with cuts in the Department of the Environment, in the Canadian Wildlife Service, or in the environmental monitoring which was taking place under the National Research Council.

Although Canadians from time to time may not be pleased with things the Government does for which it has a mandate, they are even less pleased when it goes ahead on things it did not seek a mandate for. Surely the Government did not seek a mandate to make cuts in the Department of the Environment. All we have to do now is to get the Minister of the Environment (Mrs. Blais-Grenier) to realize that what she says, where and how she says it, is very, very important, not just for her own political fortunes, however short they may be, but for the well-being of the environment. As I said the other day in the House when she was asking the Canadian Nature Federation to judge her by her actions and not her words, her words are important. If she says, as she did in committee once, that there are people who have worked with PCBs for 30 years and there is nothing wrong with them, well, that is not the kind of argument you expect from the Minister of the Environment. It is reminiscent of the argument made by Rothmans and other cigarette companies 30 years ago—and they might even be making it today—that there are people who have smoked for 40 or 50 years and they do not have lung cancer, so let's not get excited about the causal relationship between cigarette smoking and lung cancer. You cannot have these kinds of gems coming from the Minister of the Environment without there being some anxiety created on the part of those people who are concerned about the environment. If the Minister muses about privatization of the national parks system, this sends out a signal to people who may be interested in exploiting our national parklands for private purposes. The same holds true if she muses about logging and mining in national parks. I am told there are already some logging companies in Alberta who have expressed an interest in that. Since then the Minister has gone some way toward the goal of clarifying her remarks, but she has not ruled out logging and mining in new national parks, and that is still unacceptable to us. In any event, I wanted to put on the record the concern that I and a lot of other people have about the way the Minister is performing.

Members will be aware, I hope, that at this very moment, and since Friday, there has been a blockade going on at Wollaston Lake in northern Saskatchewan having to do with the concern of people there about the extent of uranium mining going on there and its potential expansion. I support that group and I feel for their desperation in trying to get someone to listen. I hope the Minister of the Environment will do the right thing and initiate an environmental review process, which I understand has never really taken place up there, either provincially or federally, regarding the new mines being planned. I hope she will try to initiate a process whereby the people there could be listened to and the effects of these new mines on the renewable resources economy of that area, on the native community and on the environment in general, could be assessed.

To be honest about my own biases in this area, I say that in the context of my opposition to uranium mining anyway. I put that opposition on the record when I first came to this place, even when there was a NDP Government in power in Saskatchewan. My opposition has been consistent throughout, and so when I am critical of the provincial Government of the day in Saskatchewan for not doing what I think it should do, I want no one to think that I am singling out the Progressive Conservative Government. I think uranium mining is a mistake no matter who is responsible for it and no matter to which Government the Crown corporation involved is responsible. It is one of the most hideous way we have yet developed as a white industrial society of trampling on the lives of native communities. We do this in the name of the international arms

race and sell uranium to countries like France so they can blow up innocent little islands in the Pacific and continue their ecological crimes, sins against the planet which they seem determined to commit regardless of the opinion of the international community, or anyone else for that matter.

I think it is high time that Canada got out of the uranium mining business altogether and said that we do not want to play a part in this. We do not want to be a part of the international uranium system which is part and parcel of the nuclear arms race. We have often got up in this place and been critical about the arms race, yet at the same time we remain silent about that aspect, the uranium mining which is taking place in northern Saskatchewan.

In that context I would call on the Minister of Energy, Mines and Resources (Miss Carney) to institute the kind of public or parliamentary inquiry into the whole nuclear fuel cycle which was promised by the Progressive Conservative Party in 1979. That promise was in its Throne Speech of 1979, but since it came back to power in 1984 we have heard absolutely nothing about such an inquiry. I used to have the impression that that Party was critical of the nuclear future which was imposed on Canada by the Liberals without any real consultation with the public and without any real debate about the role that nuclear power should have in our energy future. I had some hope that that was one area in which the Conservatives might do something I would agree with, but we have had complete silence since the election of September, 1984. When the silence has been broken, there have been statements from the Minister of Energy, Mines and Resources which are, to put it bluntly, quite frightening. The Minister has said that the only problem with Candu and the whole nuclear power option is a marketing one. That is not a view that goes to the root of the more fundamental question of whether or not this is an energy option that we ought to be pursuing in any event.

● (1550)

With regard to radioactive waste disposal, in a letter the Minister sent to the town of Gimli and other municipalities that passed resolutions expressing opposition to Manitoba becoming a radioactive garbage dump as a result of the research going on at Pinawa, the Minister said that the Government was interested in the commercial aspects of radioactive waste disposal. She went on about how Canada might be able to profit by becoming a repository for the radioactive garbage of the rest of the world. That is what I call a commercial world view taken to its most ridiculous extreme.

I have taken every opportunity to ask the Government to repudiate its view of radioactive waste disposal, but no word has been forthcoming with respect to whether or not an inquiry will take place. If one were to read the comments made by the Minister of Energy, Mines and Resources to the Canadian Nuclear Association the weekend before last, one would get the impression that it is business as usual and that we will see no different action taken by the Conservatives when it comes to the question of nuclear power except for some of the cuts that we have seen at AECL.

The third thing on which I would like to comment is the underlying values in the Budget. Through this Budget we have learned a lot not just about Tory economics but about Tory values. We have learned more than we ever really wanted to know about those things. The key phrase in the Budget was the Minister of Finance (Mr. Wilson) saying that the Tories wanted to reward success rather than subsidize effort. What does that tell us?

There is a tendency on the part of the Progressive Conservative Members, collectively and individually, to think that the financial world is the real locus of human activity and that everyting else has to play second fiddle to that. That can be seen in the summer job program through which the only jobs that are regarded as worth-while are those which can be hitched to the private sector. Those jobs which may be community oriented and deal with people are put in a kind of second class category because the real jobs are created when a small business hires people to help it market a product that nobody needed in the first place so that it can produce more junk. That is real economic activity as far as Progressive Conservative Members are concerned.

What did we see in the Budget? The Government is going to reward success rather than subsidize effort. What government Members are saying is that it is not how one plays the game of life but it is whether or not one wins. That is the value that lies at the root of the Tory Budget. The Government is telling all those people who do not have $500,000 in capital gains that they are not successful. Government Members do not regard them as the kind of people who make the economy run.

Pensioners on GIS, people who might receive a small company pension, people who worked hard all their lives and raised families but who do not have the level or the kind of incomes that will enable them to benefit from this Budget are not the people who really count. The people who really count are the people who can come into a $500,000 capital gain or be eligible for all the other goodies that are made available to the investment community. As far as I am concerned, that is bribery. It is nothing other than a bribe to rich and powerful Canadians who will not make the effort unless there is a buck in it for them. Pensioners and everyone else will make the effort anyway because they are decent Canadians who would invest their money in this country without even considering buying condominiums in Florida or doing whatever else it is the rich do with their money.

Rich Canadians have to be bribed by their Government to invest in Canada. I say that that is the very kind of economic system that the NDP and before that the CCF were created to resist. That is why we are here. We are here so that we can point the finger at this kind of shallow, immoral economics which makes the ordinary people pay through the nose because they do not have any choice. The rich people for whom there are no borders—their only border is the almighty dollar—might invest their money somewhere else because they do not really care about the country, and so we must cater to them.

What Progressive Conservative Members are doing here is capitulating to the very worst elements in our economic system. I was never more proud not to be a Progressive Conservative Member than I was when I saw 211 Members give their first standing ovation in the Budget Speech to the statement about the $500,000 capital gains exemption. That was one of the grossest things I have seen since I came here. That was the most disgusting display that I have ever seen. Members gave their first standing ovation to the statement about the $500,000 capital gain exemption. Boy, oh, boy, is that not something great for all their constituents?

Mr. Mayer: You have the sense of a goose.

Mr. Blaikie: I would say to the Hon. Minister of State responsible for the Canadian Wheat Board that we are not opposed to the capital gains tax exemption for family farms, so I hope he will not begin to deal with that issue.

Mr. Mayer: Be honest and straightforward about what you are saying then.

Mr. Blaikie: Conservative Members are saying that everything we have been taught over the years by our Sunday school teachers, our cub and scout masters and our parents, is not true. They are telling us that it is not how one plays the game but rather whether or not one wins. Progressive Conservative Members are telling the people who already have money that they are willing to give them even more money to spend more money. They are saying to the rest of us who did not make it big that that is tough luck. I say that this Budget deserves every element of criticism that is delivered against it for that underlying philosophical reason.

Much attention has been paid to the question of deindexing pensions, and properly so. However, I would like to see more debate about the kernel that lies at the root of this Budget, which is, that the business of life and the business of Government is to reward those who are already successful and to demand from those who have not made it big in the economy that they give up their indexed pensions and make other economic sacrifices so that those who already have money can be paid to make more money.

Mr. Foster: Mr. Speaker, I wanted to comment on the Hon. Member's speech. He began his speech by talking about how the Minister of Environment (Mrs. Blais-Grenier) often shoots from the lip and ultimately backs down on many issues. I think that occasionally the Minister makes really colossal mistakes in the operation of her Department. I believe that she made a colossal mistake last December when she approved the decision made by the Minister of Finance (Mr. Wilson) to cut out the proposed toxicology centre at the University of Guelph. That centre was proposed by two world-famous universities, the University of Guelph and the University of Toronto. It was being supported by the federal Government, the Province of Ontario and the private sector. It was a model about which the Government has been talking—co-operation between the private sector and federal and provincial Governments. It took many years to complete the proposal for the centre. With respect to its funding, the federal Government provided $16 million, the Province of Ontario provided another $16 million, auxiliary assistance was received from the universities, and some $8 million was provided by the private sector. It was a world-class facility which was designed to deal with the toxicological problems of the world. We hear about these problems from newscasts and from concerned Canadians daily, whether it is with respect to the control of diseases and infection in the environment or whether it is leakage problems in the Niagara River. However, the Minister cut that facility which would have given Canada a world-class capacity in dealing with those problems. It would have provided a facility for research and the development of new techniques. It would also have assisted in scientific training. It is a very specialized field. It does not only deal with toxic chemicals, it deals with chemicals which may cause cancer or other diseases which are so prominent in society. I spoke to the Chairman of the Board, who is a research scientist at the University of Toronto, and to other people from the University of Guelph. They indicated that there has been no consultation. The Government thinks that by talking about consultation it makes it so. However, it does not make it so. The decision to cut the centre was a unilateral decision. I am sure even the Hon. Member for Guelph (Mr. Winegard), who is a former President of the University of Guelph, was not consulted. The Minister of Finance simply cancelled the project. There was no consultation with the original team which was appointed to guide the development of the centre.

• (1600)

The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) was quite right. The Minister often shoots off rockets which she has to retract. However, she also cancels projects such as the centre at the University of Guelph, which will be a severe impediment in the research and training of people in that very important field.

The promise of research and development is simply "Mulroney baloney". The same applies to the question of indexation, agriculture and the rest of the promises. It is political rhetoric. When the Prime Minister (Mr. Mulroney) has a research audience in front of him, he promises research. When his audience relates to fishery, he makes promises in that area. When his audience is from the agricultural field, he makes promises in that area. The policy of the Government changes every time the audience changes. It is a very serious problem.

Bill C-51 should provide some of the things about which Hon. Members on this side of the House are talking. We are being asked to grant $18 billion of borrowing authority to the Government. The Government made commitments to research, the environment and many other areas. Now the Government is backing off and asking for a blank cheque, with no promises.

Mr. Baker: Mr. Speaker, I would like to add a few comments to what the hon. gentleman said about national parks. In fact, a lot of the decisions which were made by the Government, as they relate to increases in fees, are now being

announced. A couple of days ago, as the hon. gentleman suggested, the new fee structure for the national park in my riding was announced. I was surprised. People who buy family rates in the national park in my area—

The Acting Speaker (Mr. Charest): It is with great regret that I interrupt the Hon. Member for Gander-Twillingate (Mr. Baker), to remind him that his comments and the comments of the preceding speaker should be relevant to the speech which was made by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). He may be coming to another question which is more relevant.

Mr. Baker: Mr. Speaker, the Hon. Member did mention national parks and the new rates. It would cost about $1,000 to buy family rates for the season to take advantage of all the services of the Terra Nova National Park.

The Hon. Member spoke about the cuts in the Canadian Wildlife Service. That service was destroyed. Since the Hon. Member was intimately involved when the cuts were announced and when the programs were cancelled, what person-years were reinstated following the outburst from the general public and from members of the standing committee of which the Hon. Member is a member? Was there a resintatement of any services as the Minister claimed?

The Acting Speaker (Mr. Charest): I am sorry, the period for questions and comments has now expired. I am sure there will be other opportunities for the Hon. Member to anser that question.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—Canada Post Corporation—Request for postponment of rate increases; the Hon. Member for York East (Mr. Redway)—Transportation of dangerous goods—Retail carriage hazard to Toronto; the Hon. Member for Davenport (Mr. Caccia)—National Parks—Parks policy—Minister's position. b) Request for ministerial assurance.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald (for the Minister of State (Finance)) that Bill C-51, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Charest): I would like to remind all Members of the House that the initial eight-hour period of 20-minute speeches and the 10-minute questions and comments period, according to Standing Order 35(1), has now expired. We are now moving into the period of 10-minute speeches with no questions or comments.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have previously made some comments regarding the effects which the Budget will have on the Atlantic area. I said that it would be devastating because the private sector is not strong in that area. As a matter of fact, 80 per cent of economic funding in the Atlantic area comes from the Government. It is betwen 35 per cent and 45 per cent elsewhere in Canada. Since the time when I set out the effects which the Budget will have in the Atlantic area, the Atlantic caucus has gone to Atlantic Canada to seek the views of the people. I thought it would be useful to read into the record some of the press reports from business groups, senior citizens' groups, local politicians and other groups in the Atlantic area. First, I would like to read an article from the *Journal-Pioneer* in Summerside, Prince Edward Island. It reads:

> The May 23 federal Budget further injured all Canadian farmers, but it may kill hopes of survival for many farms already suffering badly because of high debt and low prices, National Farmers Union spokesman told members of the Atlantic Liberal caucus in Summerside today.
>
> A brief presented on behalf of the farm organization's Maritime region criticized the Wilson Budget for failing to represent or protect the basic interests of most Canadian farmers. Regional co-ordinator Gordon Vessey and P.E.I. director Urban Laughlin charged that present and proposed federal agricultural policies "spell disaster" for many farmers.

● (1610)

That is a comment from the farmers' spokesman in Prince Edward Island, Mr. Speaker. I would like to quote again from that same news paper. It reads:

> A volley of verbal abuse was lobbed on the recent federal Budget by an Island farming organization and a union representing public employees when Budget hearings initiated by the Atlantic Liberal caucus opened here Wednesday morning.
>
> "We fell the result of this Budget will be higher unemployment, lower consumer demand, increased hardship for the poor and near poor and, contrary to expectations, a larger deficit," Aubrey MacDonald, President of the P.E.I. division of the Canadian Union of Public Employees said, "This is not a Budget appropriate for the times".

I have another quote from the same News paper, and I will read the first couple of paragraphs as follows:

The Atlantic Provinces and Prince Edward Island in particular, will be hit hard by the Budget introduced in the House of Commons May 23 by Finance Minister Michael Wilson.

That was the collective opinion of eight groups representing interests as diverse as tourism and day care, who appeared before a hearing of the Atlantic Liberal caucus Wednesday at the Linkletter Convention Centre.

To continue on with the feeling of the people in the Atlantic area, Mr. Speaker, I would like to quote from *The Guardian* in Charlottetown as follows:

If farmers were getting a fair price for their commodities there would be no need to ask for special consideration from the federal Government, a spokesman for the P.E.I. Federation of Agriculture said here Wednesday.

Federation President Ray O'Brien told the Atlantic Liberal task force the recent federal Budget has all people in Atlantic Canada, not just farmers, concerned the federal Government has "totally abandoned" any notion of special consideration or assistance because of geographical position.

In other words, that idea of special consideration for have-not areas and for developing areas such as the Atlantic, has been completely forgotten by the Government.

I have another quote from Moncton, New Brunswick, which reads as follows:

Charging that Finance Minister Michael Wilson's Budget stinks, the executive director of the New Brunswick Senior Citizens' Federation—

I notice that there are senior citizens in the gallery today, Mr. Speaker. If they could only come down here to the floor of the House of Commons and say themselves what they think about this Budget. It goes on to read:

—told the federal Liberal caucus Thursday that seniors are mobilizing against its plans to deindex old age pensions.

And we have seen that mobilization now taking place across the country, Mr. Speaker. It goes on:

"The elderly have no political clout," he said. "We use whatever methods we can to spread the word. We don't demonstrate or stage marches. We will continue our fight both on the federal and provincial level".

I have another quote from an editorial in *The Journal Pioneer*, which reads:

The Wilson Budget shows no sign of leaving the consciousness of Canadians, the main reason being that Finance Minister Wilson designed the Budget so that it would affect the maximum number of people. This was probably the outcome of his efforts to ensure that nobody got hurt—

Continuing with the quotations from the Atlantic area, Mr. Speaker, I quote the following from *The Telegraph Journal* of June 6, 1985:

The recent federal Budget may spell the end for many farmers already suffering because of high debt and low prices, the Atlantic Liberal caucus was told Wednesday.

A headline in *The Times* transcript of June 7, 1985, reads, "Richard pulls no punches in ripping Budget". It reads, and I quote:

—the May 23 federal Budget "stinks . . .". The Executive Director of the New Brunswick Senior Citizen Federation did not mince words Thursday in Moncton in lambasting the move by Ottawa to deindex the country's old age pensions.

These are just a sample, Mr. Speaker, of the reactions from farmer's groups, fishermen's groups, senior citizens, union leaders, businessmen, and from boards of trade throughout the Atlantic area. The plain message is that this is the first time in history that a Government has failed to recognize that all parts of this country are not equal and that there are some parts where the private sector is weaker. If we bring in a national policy that applies the same to everyone across the country, we are naturally going to hurt the weakest.

I think a case is to be made that senior citizens in the Atlantic region will suffer more because the Atlantic region will suffer more from this particular Budget. The public sector, as I have already pointed out, is what we have depended on for many years to provide employment, and the private sector is not strong enough to provide that employment. That is why we are going to be more hard hit than anyone else.

The cut-backs we have seen in the various programs we depend on will be disastrous. There is a cut in the fisheries of $25 million, in addition to a previous $40 million cut. We do not know what the effect of cuts in transportation is going to be on CN Marine, for example, on the ferry services. Bear in mind, Mr. Speaker, that the only way we can get to the islands of Newfoundland and Prince Edward Island is by sea. That is the only way we can carry large and heavy merchandise, and it is also the way many tourists travel. If we cut the transportation budget and affect those ferry services, we will naturally affect both the cost of goods and materials and the tourism industry.

I said earlier on, and it bears repeating, I think, that the reductions in transfers is also going to hurt us in the Atlantic area. While there will be an increment, the over-all increase to the Atlantic area in transfer payments under the Established Programs Financing by 1990, is going to be cut. That is going to hurt because the provincial Governments will have to recoup in some way. If we increase the tax, we obviously increase the cost of all materials which are coming in by truck, by air and by other conveyances. So that is going to result in an increase as well in the Atlantic area. All of this points to the disastrous effect that the Budget is going to have. Indeed, that was recognized by the Government. The Minister of Justice (Mr. Crosbie) when he was in Newfoundland was less than sanguine about the effects of the Budget and was less than enthusiastic. The Minister of Justice said at that time that if the Budget had any negative effects on areas like Newfoundland, then Ottawa would take measures to deal with them. He went on to say, and I quote:

If it turns out that in any of the approaches taken in this Budget there is any possibility of any damage to regionally deprived areas, then there will be changes made to deal with that.

The time has come, Mr. Speaker, for the Minister of Justice and the Government to live up to the commitment he made in his speech on this particular Budget. We have heard from a host of groups all over the Atlantic area. They are not political groups. They are union groups, business groups, farmers' groups and fishermen's groups. And all of them have said there is going to be a disastrous effect on the Atlantic area because of this Budget. I call upon the Government now to follow through on the commitment made by the Minister of Justice when he spoke and tried to support this disastrous Budget some time ago. He said, and I quote:

"If they don't perform, then big brother will have to be given the job back again", he warned.

He admitted the private sector in the Atlantic area is weaker than any other parts of the country and said there will have to be more government support in the Atlantic region.

That is a quote from the *Evening Telegram* in St. John's of what the Minister of Justice said on May 25.

So I call upon the Government now to follow through on the commitment made by the Minister of Justice that if the Budget is seen not to work in the Atlantic area, then changes would be made. I call upon the Government to restore the programs that we have depended upon, to restore the support which the Government of Canada has historically given to the Atlantic area and to retract those disastrous measures which are going to have such a negative impact on the Atlantic region.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in the 10 minutes I have available to me, I would like to make some comments on Bill C-51, which is an Act the Government has introduced in order to increase its authority to borrow funds to spend on operating expenses during the course of this fiscal year. As you know, Mr. Speaker, having read the Bill, what the Government is asking for is an additional $18,200 million on top of the borrowing authority which already exists.

Just so that we can compare that borrowing authority with previous ones, I would like to take the House back for a moment to the Minister's speech when he introduced this Bill on May 28. As recorded at page 5133 of *Hansard*, he said at that time:

● (1620)

With the passage of this Bill, the Government will have a total of $32.2 billion of borrowing authority for the current fiscal year.

Later, on that same page, he compares this year's borrowing authority with the previous year's borrowing authority. He points out that the total amount of borrowing authority for the 1984-85 fiscal year was $31.9 billion. Today we are being asked to increase the borrowing authority by about $300 million over and above what this House allotted the previous administration.

The Government is increasing the amount of money it wishes to borrow after arguing that it was busy cutting deficits, reducing expenditures, and creating an era of confidence in the country. I am wondering what type of signals of confidence are being sent out from a Minister of Finance (Mr. Wilson) who says he is cutting the borrowing of the country and reducing the deficit, then asks the House for more money than, even to use his assessment of them, the accursed Liberals asked for in the previous year.

Parliament is being asked to give the executive branch of the Government an additional $300 million over and above what it spent in the previous year. Why is this extra money necessary? It does not seem to be for the provision of goods and services. In fact, the Minister of Finance does not seem to have taken any substantive action to reduce the deficit. He has reduced expenditures to a lot of key people. Pensioners will be asked to take a cut in the real value of their pensions. Families will be asked to take a cut of $500 per year in their spending power based on the May 23 Budget. That falls on top of a tax load imposed in the November 8 statement, which cost ordinary families approximtely $500 in increased taxes and reduced government services.

In the course of less than a year, average families with average incomes will have approximately $1,000 less to spend than they had with previous administrations. Therefore, why does the deficit not seem to be going down? It is not going down very quickly, as even *The Globe and Mail* has noticed. It points out that the deficit may be trimmed by as much as $1 billion in 1985-86. The forecast would only be for another $1 billion in 1986-87, which would leave the annual deficit at $32.7 billion in a total budget of just over $100 billion. The Minister of Finance is not changing the proportion of deficit very much as compared to previous Ministers of whom he was so critical.

The most important point is how much of the Gross National Product the Minister is going to ask the Canadian people to carry by way of debt charges as compared to previous administrations. One would expect the amount would be going down. However, the Government's own papers indicate that debt charges seem to be growing somewhat faster than the Gross National Product. In fact, by 1990-91 public debt charges will represent about one-half of a percentage point more of the expected Gross National Product than they did in the budget year 1984-85. Even the budget papers indicate an expected increase in the deficit in the next five years. Yet the focus of the rhetoric from that side of the House continues to be on what a great job they are doing of attacking the deficit.

The facts are becoming more clear as Canadians understand what the Budget is about. They can now see that the attack is not on the deficit, but rather on the pocketbooks of ordinary Canadians. The focus of this Budget and of these spending policies is to effect a transfer of income. It seems that the stated policy of the Progressive Conservatives is to have a transfer of investment income from the pockets of those people who have only ordinary amounts of money, or are very poor, to those individuals who are already wealthy in their own right.

I cite a number of budgetary measures to back this up. They are reinforcing a trend that has occurred, even under Liberal Budgets, over the last four or five years. We are now at the point where approximately 4 per cent of the population of the country has control of about 40 to 42 per cent of the country's resources. There has been no effort to redistribute those resources to less fortunate people. In fact, this Budget will exaggerate that process.

To give an illustration of how corporations have been assisted by this process, let us look at income tax paid by individuals and corporations. In 1950, income taxes paid to the federal Government were shared roughly equally between individuals and corporate citizens. By 1980, 70 per cent were paid by individuals and 30 per cent by corporations. Through the Budget provisions of May 23, by 1986-87, 77.3 per cent of income tax will be paid by individuals and a mere 23.6 per

cent by the corporate sector. That accretion of wealth by the already wealthy continues.

The move for the virtual elimination of capital gains tax is being sold to the country as a means of allowing the accumulation of capital in hands which will reinvest it. I submit that we have seen programs like this in previous Budgets. The Lalonde Budget contained an ISIP provision which stands for Indexed Securities Investment Program. That afforded people who wanted to invest in stocks the option of setting up an ISIP in order to avoid paying capital gains on most of their profits from stock investments. This Budget almost entirely eliminates the little capital gains tax that was being charged under the Lalonde Budget.

As a result of such government and budgetary policy, shareholders put different requirements on company officials than may be expected by budget makers at the federal level. They do not use the money saved through decreased taxes to start new businesses or hire more people. Instead, they take the safe route and buy up existing small businesses, which often puts people out of work. The actual result is quite opposite to what the budget planners had hoped for. We must recognize that we are not dealing with rational people. They have failed to study what happens in the real economy.

This particular program, as well as the entire Budget, should be opposed. We should all take every opportunity available to explain why we cannot support this Budget.

• (1630)

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I am pleased to enter into this debate in spite of the impatience of Members on the other side of the House to dispose of this legislation. Bill C-51 seeks to increase the Government's authority to borrow by $18.2 billion.

The Acting Speaker (Mr. Charest): Order, please. Has the Hon. Member for Winnipeg North Centre (Mr. Keeper), already spoken to Bill C-51?

Mr. Keeper: No, Mr. Speaker. I have not spoken.

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member. He may continue.

Mr. Keeper: Thank you, Mr. Speaker, I assume that means that when we get up and ask questions in the House, Members opposite become very sensitive and notice our presence.

Every day the Government claims to be decreasing the deficit. It is asking Canadians to shoulder the burden of that decrease and is particularly asking senior citizens to shoulder the burden. It is significant to note that when the Government asks for increased borrowing authority we must question everything it says about its intentions to reduce the deficit and the impact its economic policy will have on the economy. Seniors are being asked to disrupt their own economic package to which they have contributed with their hard-earned money over a lifetime. Yet the Government is calling into question its own economic policy and its effectiveness in reducing the deficit by seeking this borrowing authority of $18 billion. I suggest that it confesses a failure. Deindexing will cut the purchasing capacity of the Old Age Security pension which makes the credibility of the Government's economic policy crucial.

The Government has accused both the Opposition and the media of distorting the reality of these deindexation proposals. However, whether we call it partial deindexing or deindexing the fact is that the purchasing power of seniors will be $100 less next year, $200 less the next and $300 less the year after that, while the cost of the Government's economic policy increases for the senior citizens who have made this country what it is today.

Although the Government claims to be cutting the deficit, its Budget will cut pensions. Furthermore, the fact that the Government is asking for increased borrowing authority shows that its attempts to cut the deficit have been ineffective. At the same time, the impact of this on seniors is very real and will remove real dollars from their pockets.

Perhaps a partial deindexation of pensions could be justified if everyone was sharing in the burden of deficit reduction. However, the Government's Budget is tough and unfair. The Budget is tough on senior citizens and other groups in this country and is particularly unfair because it gives a tax holiday to the very wealthy in this country. Those who will be eligible for this capital gains tax holiday are those with considerable assets. In the meantime, the Government is asking seniors and others to reduce their incomes in order to combat the deficit.

That is why the Budget is unfair and that is also why it is being rejected. More and more petitions are being presented from Members from all sides of the House. Senior citizens and other Canadians throughout Canada are signing petitions and asking the Government to withdraw its deindexation proposals because they recognize that the Budget is unfair and unjust.

Those petitions will continue to come in until the Government has reversed its position on deindexation. The New Democratic Party has a long traditions of supporting pensioners—beginning with the Canadian Commonwealth Federation, which is the Party from which the NDP grew. We are accustomed to calling on Governments to meet the needs of senior citizens. It is important for us to continue that tradition because Governments must realize that we will fight for seniors every time that they are attacked.

In conclusion, the Government's request for increased borrowing authority shows that its efforts to reduce the deficit have not worked. It is understandable that Canadians are outraged when it asks seniors to cut their incomes in the name of deficit reduction. The Government will have to reverse its position on the deindexation of seniors' pensions.

• (1640)

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it is a pleasure to have the opportunity to stand before this august assembly to consider Bill C-51, which would accord to

Her Majesty's Government authority for borrowing an additional $18 billion this fiscal year.

I have been listening to the debate. In a certain sense it is rather peculiar. The Government is being berated because it has been observed that it is committed to a redistribution of wealth in favour of the wealthy at the expense of the poor and the elderly. This kind of debate has been deemed by some as rather strange. After all, this is a Conservative Government. What would one expect of a Conservative Government except that it would do what it has set about doing? It should not be of any particular surprise that there should be a capital gains tax exemption in favour of the wealthy. It should not come as a particular surprise that those making over $200,000 per year will pay less taxes, while those making less than $30,000 per year will pay more taxes. It should not come as a particular surprise that more money will be furnished to the oil companies for their benefit at the expense of the rest of us. There are no surprises. This is what one would expect of a Conservative right-wing Government. One must ask why there is so much upset and why there is such a tremendous reaction. Perhaps one could attribute the reaction of so many to the fact that the Government has proved to be so precociously hyprocritical.

I direct the attention of the House to a matter which I think should be of great concern to the Government. It said that it would help out small business persons. I do not know to what small business people Hon. Members of the Party opposite have spoken. However, I know that the small business people to whom I spoke, small retailers, small manufacturers and so on, are a little concerned that $7.6 billion will be taken out of the pockets of consumers next year. They have great difficulty trying to understand why they should be encouraged to invest more, why they should expect to have increased sales, and why increased investment and hiring are justified.

The trouble is that the Government promised to be so different. We had a smooth talking salesman and his colleagues going across the country promising that things would be different. I will always remember the day that the present Prime Minister (Mr. Mulroney) seemed almost to declare himself a New Democrat by saying: "I agree with you, Ed; there should be a minimum tax on the rich". However, the promise which hurt was the one given several times, the promise that there would continue to be complete indexation of the Old Age Security. As I said, that promise was thrice given. We have heard about confidence, consultation and sacred trust. It is to be observed that the word "sacred" has come into serious question in the last few weeks.

Many Canadians, including senior citizens and the elderly, were convinced by the smooth performance during the election campaign. They were further reassured in the House, despite the fact that they were somewhat miffed by having a *Saturday Night Live* show with clackers on the Government side. They had no reason to believe that they would be so treacherously treated as to have experienced a proposal, as it now is, to deindex the Old Age Security.

The problem is that it is very difficult to establish trust, especially for politicians. I am willing to accord to the present Prime Minister that during the first portion of his tenure he communicated to all of us at least a basis upon which we could trust him, so we thought. So competently, so sincerely and so soothingly presented were his promises that we thought at the very least that he would live up to what he said. He did not. By so doing, he has wrought almost a revolution among senior citizens and elderly of the country. So offensive was the breaking of those promises that no one has been able to produce a single soul representing any significant organization in Canada who is prepared to accept that deindexation of the Old Age Security was a reasonable and just proposal.

I know Hon. Members opposite feel very uncomfortable in the position in which they find themselves. It is a tragedy when the Prime Minister has created an image of hucksterism in that office. It is offensive and dangerous to the democratic process when the slick promises of a vacuum cleaner salesman become the rhetoric of a Prime Minister. It is dangerous when the Prime Minister is imaged as an individual from whom one would not buy a used car. If I were sitting on the side opposite, I would seriously question the future of a Party which has projected an image that has been so viciously contradicted. A Party which has offended the notion of the morality involved in breaking promises in the fashion that has been done is a Party which will be in trouble.

I stood before about 1,200 senior citizens last week and I asked the following question: Is there anyone here willing to stand up and defend the position that senior citizens should sacrifice what little income they have in order to decrease the deficit or to increase the wealth of the wealthy, that they should be the sacrificial lambs for increasing employment? As the record has shown all over the country, not an individual stood up. It is a sad day when the Leader of the country, having projected an image of trust, of assurances to the elderly and the poor, of honesty and of marriage to sacred trust, should so badly translate it into such treatment of those in society who need a more positive thrust in the direction of this country, a thrust to development of employment and economic growth which we should demand and have.

It is not a situation which does any of us proud. I hope we will proceed just a little farther than this backtracking which is already on the record. Canadian senior citizens know that the forces for revision of the Budget are strong even within the Conservative Party. There is no reason to delay. There is no reason to continue the worry, concern and prospect of suffering among senior citizens who will be placed below the level of poverty as a consequence of deindexation. There is no reason the Government should not accede to the demands of virtually every person in the country, live up to its promise and return to an image of trust within its own ideology. I cannot accept that ideology, but at least it should be true to its ideology and to its promises, and then perhaps we could return the debate to a more reasonable basis.

• (1650)

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in discussing the borrowing authority, very little

attention has yet been paid to the money spent by the Government on international development assistance. Some really quite tragic developments are taking place and are being encouraged by, particularly, the Minister of Finance (Mr. Wilson) and the Minister of Regional Industrial Expansion (Mr. Stevens), apparently without the knowledge or concurrence of either the Secretary of State for External Affairs (Mr. Clark) or the Minister for External Relations (Mrs. Vézina). There is a conflict between finance and regional industrial expansion on the one hand, and external affairs and external relations on the other, and it has been growing since the present Government came into power September 4.

You will recall that the Secretary of State for External Affairs announced at the UN that Canada would continue to have a target of .7 per cent of GNP on official development assistance by 1990. Apparently without discussion with that Minister, the Minister of Finance announced in his November statement that the deadline date would be moved from 1990 to 1995. That came as a surprise to everyone since we had taken the Secretary of State for External Affairs' word that the deadline date would be 1990. As I said, that was the beginning.

We then saw the Minister for International Trade (Mr. Kelleher) get into the act in his January discussion paper on international trade in which he mentioned the desirability of linking trade and aid through something called the trade and development facility. I think he had intended that originally this would be in the Export Development Corporation, where it might indeed very appropriately belong, but it has now suddenly turned up in the Canadian International Development Agency. Indeed, the Minister of Finance in his Budget stated that the trade and development facility would be in CIDA.

Most significant of all, and it seems to me that this has been almost entirely ignored, the Minister also announced that this trade and development facility would receive half of all increases in the foreign aid Budget for the next decade. Apparently this was done again without the knowledge or concurrence of either the Secretary of State for External Affairs or certainly the Minister for External Relations who is responsible for CIDA.

It was some two months later, after the statement of the Minister for International Trade, that the Minister for External Relations decided it was time to consult the non-governmental organizations about this linking of trade and aid. Now the Green Paper comes out with a list of extremely interesting questions which have again been largely ignored because only four paragraphs are devoted to international development assistance. Nevertheless, it is a series of very interesting questions which it would like the public consultation process to help the Government answer.

One of these questions concerns the nature of the linkage between our trade and aid program. This is put as a question in the Green Paper. The Minister has made a great deal of having full consultation with the Canadian public before any decision is taken. Yet, as we have already seen, a decision has been taken that this new facility established in CIDA with its emphasis on trade will receive half of all increases in the foreign aid budget for the next decade. This just shows how little the Government really believes in the consultation process which it talks about all the time.

It was prepared to decide on star wars without consultation. It was prepared to decide on bilateral trade with the U.S. without consultation. It has now agreed to a couple of weeks' consultation this summer and, if you work out the probable agenda for the hearings, as I have been doing, given the translation requirements and notice to all interested groups, it seems to me to be impossible to hold more than two weeks of hearings if the deadline date of August 23 is to be met. That is just a façade, it is not consultation at all.

In the case of trade and aid, the deed has already been done and it has been announced in the Budget. As far as I can see, the Minister for External Relations, who is responsible for CIDA, is watching the Canadian International Development Agency being turned into the Canadian Export Development Agency. The purpose of this new facility in CIDA is to in a sense duplicate the Export Development Corporation, perhaps because it is not doing a good enough job, and provide export subsidies chiefly to uncompetitive and inefficient Canadian businesses.

A second recent development shows that it is not only the Minister of Finance and the Minister for International Trade who are now determining our international development assistance policy, but also the Minister of Regional Industrial Expansion.

It is very interesting that while the Minister for External Relations was in San Salvador signing an agreement to provide a loan, presumably for development assistance, to El Salvador despite the continuation of the death squad activities, the special envoy of the Minister for Regional Industrial Expansion, who is a Salvadoran and who at one time I am told worked for the Salvadoran Embassy in Ottawa, was meeting with a small right wing business clique in Salvador, almost all of whose members are participants in the ARENA Party of D'Aubuisson, telling the elite that they would be the conduit for the development assistance being proposed by the Minister for External Relations.

I know the Minister was asked to meet with the Minister for Regional Industrial Expansion for two hours prior to her going to Central America. No doubt she got the word on how the linkage between aid, trade and export subsidies would be facilitated in the loan to El Salvador. What she probably did not know was that the envoy of the Minister of Regional Industrial Expansion was in Salvador at the very same time giving guarantees that the aid would be, as is the case in other development which I have mentioned, subsidized trade linked in with the small right wing business community in Salvador.

What this House must do, and in the very near future, is persuade the Government to not continue making the final decisions on linking of aid and trade but to genuinely consult the Canadian public as the Green Paper says it wishes to, and see if the Canadian public would like to see a genuine aid

program or simply one which subsidizes Canadian and other businesses.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Miss MacDonald (for the Minister of State (Finance)), moves that Bill C-51, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

And the division bells having rung:

Mr. Hnatyshyn: Mr. Speaker, there have been consultations and I think you will find a disposition, by unanimous consent, that notwithstanding the form of the motion on the Order Paper, it be amended to refer the Bill to Committee of the Whole rather than to a standing committee.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: The question is as follows. Miss MacDonald (for the Minister of State (Finance)) moves that Bill C-51, an Act to provide borrowing authority, be read the second time, and, by unanimous consent, referred to Committee of the Whole.

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

(*Division No. 102*)

YEAS

Messrs.

Attewell	Blenkarn	Brightwell
Beatty	Bourgault (Mrs.)	Caldwell
Bertrand (Mrs.)	Bradley	Cardiff
Charest	Hamilton	Nicholson (Niagara Falls)
Clark (Yellowhead)	Hardey	Nickerson
Clark (Brandon-Souris)	Hawkes	Nielsen
Clifford	Hnatyshyn	Nowlan
Comeau	Hockin	Oberle
Cook	Holtmann	Oostrom
Cooper	James	Pietz
Cossitt (Mrs.)	Jardine	Price
Crofton	Jepson	Ravis
Crouse	Johnson (Bonavista-Trinity-Conception)	Redway
Darling	Joncas	Reid
Daubney	Kelleher	Reimer
de Cotret	Kempling	Schellenberg (Nanaimo-Alberni)
Della Noce	King	Scowen
Dick	Landry (Mrs.)	Sparrow (Mrs.)
Domm	Lanthier	Stackhouse
Duplessis (Mrs.)	Layton	Stewart
Epp (Provencher)	Lesick	Suluk
Fennell	Lewis	Tardif (Mrs.) (Charlesbourg)
Ferland	MacDougall (Timiskaming)	Taylor
Fretz	MacKay	Toupin
Friesen	Marin	Towers
Gormley	Mayer	Tupper
Graham	Mazankowski	Turner (Ottawa-Carleton)
Gravel	McCuish	Valcourt
Gray (Bonaventure-Îles-de-la-Madeleine)	McDermid	Vankoughnet
Guilbault (Drummond)	McDougall (Mrs.) (St. Paul's)	Wenman
Gurbin	McKinnon	Wilson (Swift Current-Maple Creek)
Hamelin	McKnight	Winegard—98.
	Minaker	
	Moore	

NAYS

Messrs.

Althouse	Epp (Thunder Bay-Nipigon)	Hopkins
Angus	Foster	Isabelle
Baker	Frith	Jewett (Ms.)
Blackburn (Brant)	Gauthier	Keeper
Blaikie	Gray (Windsor West)	Marchi
Boudria	Guilbault (Saint-Jacques)	McCurdy
Caccia	Heap	Nunziata
Cassidy	Henderson	Pépin (Mrs.)
Copps (Ms.)		Prud'homme
Deans		Riis
		Robichaud
		Waddell—30.

Mr. Speaker: I declare the motion carried.

Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Charest in the chair.

The Assistant Deputy Chairman: Order. House in Committee of the Whole on Bill C-51, an Act to provide borrowing authority.

Shall Clause 2 carry?

On Clause 2—

Mr. Baker: Clause 2(2) of the Bill states:

All borrowing authority conferred by subsection (1) that remains unused and in respect of which no action has been taken by the Governor in Council pursuant to Section 37 of the Financial Administration Act shall expire on March 31, 1986.

Would the Minister of State for Finance, in requesting such a large amount, enlighten us on the projections of the President of the Treasury Board? His November statement dealt with the raising of additional revenues to the Government of

Canada by increasing fees and eliminating certain programs. Could the Minister indicate to the House whether or not the projections by the President of the Treasury Board and the Minister of Finance are on line, in view of the fact that many Ministers have cancelled fund raising activities; funds which were supposed to be derived from increasing certain fees. What effect would those modifications in the financial statements have on the requirements of the Government of Canada and the requirements as stated in the borrowing authority Bill?

Mrs. McDougall: Mr. Chairman, the changes that have been instituted since the original projections in the fall, based on the kind of fees that the Member is talking about, would be marginal at best.

Mr. Baker: Mr. Chairman, I imagine that they are marginal in the Minister's eyes when we are talking about $18.2 billion. However, even the smallest projection made in each Government Department means something to that Government Department.

Would the Minister reconsider her answer? Projections have been made by each Minister as to how much the Government of Canada would gain from increased fees as a result of modifying certain fee schedules and modifying the collection of fees from the general public in many areas. Many of these announcements have since been cancelled. In other words, there were subtantial modifications made by every Minister since the November financial statement and since the Ministers made statements regarding the increased revenues to the Department.

If the Minister finds it difficult to understand what I am talking about, let me give her an example. The Department of the Environment said it would raise fees by charging people for telephone calls. As I understand it, that will not now be done. It also said it would save the Government of Canada money by cancelling park guides. That will not be the case. There are a number of examples of increased fees for public usage which have since been cancelled.

Surely the Minister cannot say that these millions of dollars are only marginal. Surely the Minister must have some opinion as to what the effect of those cancellations have been as a result of public uproar in various parts of the country? What effect will that have on the needs of the Government of Canada under this borrowing authority?

Does it give further reason for the inclusion of Clause 2(2) as outlined in the Bill?

Mrs. McDougall: Mr. Chairman, I am sure that even the Hon. Member knows that projections are always estimates. There are adjustments to them as time goes along. That should not be a surprise. However, if the Hon. Member will check the Main Estimates again, he will discover that the rate of increase in Government spending is at its lowest in many years. I would suggest that perhaps he is the one who should examine the figures.

Mr. Baker: Mr. Chairman, I am not supposed to be the one answering questions here. The Minister is supposed to be an expert on this Bill and is supposed to give the House some general opinion of the requirements of the Government of Canada as outlined under this borrowing authority. All that she has told the House so far is that the effects will be marginal because it is only a few hundred million dollars, give or take a few hundred million.

I am asking the question in all sincerity. Has the Government re-examined its financial needs for this financial year in view of the modifications and changes that have been made since the President of the Treasury Board outlined the vicious cuts in Government Departments and projected increases in revenues amounting to hundreds of millions of dollars? Much of that is from programs that have been reinstituted or changed from the collection of higher fees to the collection of lower fees. Surely the Minister knows what I am talking about. Perhaps the President of the Treasury Board, who knows exactly what I am talking about, could give the House the answer to the question.

Mrs. McDougall: Mr. Chairman, I believe I have answered the Hon. Member's question. I said that the changes are marginal and that there is information available in the Main Estimates. There is up to date information available in the Budget.

Mr. Boudria: That means she doesn't know.

Mr. Baker: Mr. Chairman, if the changes are marginal and do not really have any effect on the needs of the Government of Canada, why is there this increase in fees in the November statement? If it is only marginal, why is so much attention being paid to it by Ministers of the Crown? Surely it is not only marginal. Surely the President of the Treasury Board could stand in his place and tell us what the negative figure has been since his November statement?

Members of the House deserve to have this information. You cannot have a Government operating like this, saying that it needs $18.2 billion, give or take a billion dollars, and just letting it go at that. It is then said in Clause 2 that anything left over will terminate March 31, next year.

Surely we deserve some information regarding the actual figures. What happened since the President of the Treasury Board tabled his statements of cuts and increased revenue measures to the Government of Canada? Surely with such a blanket proposal, the House deserves some statement from the Government regarding its needs for the coming year? If it is not forthcoming, maybe I should give an hour long speech on some of these cuts and decreases in revenue. Maybe that would be a good idea. I am calling upon the Minister to take a stab at answering the question which has been directed to her or, as I said, I can go into specifics regarding the difficulty with which the Government of Canada will be faced as far as realizing certain objectives are concerned.

• (1750)

Mrs. McDougall: Mr. Chairman, the Hon. Member will find our projections in the Budget. There are some on page 12 and some on page 13. They are public documents. They have been tabled in the House. If he is having difficulty with this, I suggest that he look it up.

Mr. Baker: Mr. Chairman, I have a few comments to make about the particular Clause; perhaps some Hon. Members would like to have a cup of coffee. It is not a joke or a laughing matter. When we examine the document entitled *Expenditure and Program Review,* tabled in November 1984 by the President of the Treasury Board, it is no laughing matter that we see in every government Department tens of millions of dollars being required and being obtained by the Government of Canada through increased fees to the general public. It is not a laughing matter when the Government of Canada tells everyone that they have to pay for their telephone calls to the weather office. The Government of Canada should be encouraging fishermen and everyone else who needs weather updates to telephone the weather office, not discouraging them. It is no laughing matter to have the Minister of the Environment increasing park fees to such a degree.

An Hon. Member: She didn't.

Mr. Baker: I hear the Hon. Member. I would like to tell her that they just came out a couple of days ago in our region. They were some of the hidden costs. There will be approximately $9.2 million in increased revenues for the Department of the Environment through increased user fees in national parks.

What does that mean? I will tell the committee what it means for a family. It means in Terra Nova National Park in Newfoundland that to tie up or moor one's boat, the charge will start at $110 for the season and go up to $590. In view of the imposition of that kind of fee scheduling in national parks, I say to the Minister of State for Finance that people will not use the mooring facilities or the wharfs. Therefore that $9.2 million will be substantially reduced.

Let me look at another fee in national parks, the one related to the use of golf courses. It will cost a family over $500 per season. Obviously people will not use the golf courses on a regular basis. Therefore the $9.2 million will be reduced even further.

In that same "little" saving, according to the Minister of State for Finance, we also see an increase in the cost of semi-serviced lots for people using camp facilities. To what will the increase amount? According to the Government of Canada, it must be equal to or more than that offered by private enterprise. Consequently those charges have risen to exceed those of private enterprises adjacent to national parks.

An Hon. Member: Equal to.

Mr. Baker: I hear the hon. gentleman across the way. I should like to tell him something. The fee for a semi-serviced lot in the Terra Nova National Park is over $8. Since the Hon. Member wants me to get specific, in Beothick Park at Eastport, the charge is $7.

An Hon. Member: I didn't say that.

Mr. Baker: Perhaps he did not say it, but I will tell him in any event. Even down at Trinity Cabins, the charge is $7. The Government's increase is a substantial one over the rates charged by private enterprise. There is no place in Newfoundland where one has to pay to moor a boat, so what did the Department say? It said that it would have to go by a national standard of dockage fees somewhere in central Canada. At what did the Department look when it looked at golf course fees? It said that it could not compete with private enterprise, so it would increase the rates more than those of private enterprise.

Apart from that, things have happened to the Government since these projections were made which could substantially impact upon its requirements. I give as an example for the Minister of State for Finance the protectionist tariffs imposed by the Government of the United States on Crown corporations involved in international marketing practices. Obviously they will impact upon the requirements of Crown corporations which, by law, would have to be written off by the Government of Canada. The Government cannot say that they will not have any impact at all.

The Prime Minister is in his own riding tonight attending a meeting. He has to answer to 700 fish plant workers who are being discriminated against by the United States protectionist tariff on saltfish. These workers went to the Prime Minister prior to the Quebec Summit and told him that this problem would arise. The Prime Minister indicated that he would raise it with the President of the United States and that he thought there would not be any problem. On Thursday night, at nine o'clock, down comes the decree from the United States Department of Commerce indicating that there would be a 20.75 per cent tariff on saltfish from the north shore of Quebec, affecting the riding of the Prime Minister, my riding and several other ridings represented in the House. That does not have to be made up by private enterprise. That has to be made up by an agency of the Government of Canada, and that one action will cost that agency millions and millions of dollars. It has been established by law that that Crown corporation must buy all saltfish from fishermen in its coverage area, which includes the entire Quebec north shore and all of Newfoundland.

Mr. Robichaud: And Labrador.

Mr. Baker: And all of Labrador, yes. I am not talking about the tariff imposed on saltfish as it relates to private companies. They have been subjected to an 11 per cent or 12 per cent charge by the Government of the United States, but in this case with 20.75 cents on the dollar, the Department of Fisheries and Oceans will have to come up with the difference to make up for the tariff.

The Minister of State for Finance should realize that when establishments which are in place as a result of regulations,

Crown corporations, announce to fishermen in the riding of the Prime Minister, or for that matter in any riding in Newfoundland or Labrador, a new price structure for the coming year, as was done three weeks ago, they have to pay that money. On top of that, fishermen have to be compensated for the U.S. tariff. They cannot compensate by charging fishermen less because by law this particular corporation announced its fee structure.

I have another example for the Minister of State for Finance. The Government indicates that it will triple the rates. After looking at the statement of the Hon. President of the Treasury Board, who was only doing what he was ordered to do by Cabinet in November 1984 and in the subsequent statements emanating therefrom, we see that the cancellation of several federal government programs was announced. For example, the cancellation of the fisheries vessel insurance program was announced. What did the Liberal Opposition do in this Chamber? It rose and said that the Government could not cancel it, that it had to reverse its decision. The Minister of Fisheries and Oceans rose and said that that program could be cancelled because the President of the Treasury Board said so. However, as time went on, and as we in the Opposition put on the pressure, the Minister of Fisheries and Oceans realized that he could not cancel that program and that therefore he could not save the projected $8 million. He could not save the money, so what did he do? He turned around and said that he would triple the rates. We are back into the same situation of having tripled rates and fishermen, who do not require it because the loan authority does not demand it, are not getting the insurance. In that event the projection of the Department of Fisheries and Oceans as far as the $8 million is concerned goes completely out the window.

• (1800)

The Minister of State for Finance and the President of the Treasury Board have to go back to the drawing board. They should ask the Minister of Labour what he is going to do when every provincial administration says that he has to increase the federal minimum wage. What will that do? It will increase the cost of every single contract the Government has with security companies and cleaning companies in airports. It will increase charges to the Government through the Department of Public Works and the Department of Supply and Services.

The Government has to increase the minimum wage. It said it was not going to do it, but I say it will have to do it and very quickly because the federal minimum wage, for the first time in our history, is less than that of any province in Canada. Tory times are hard times. In your province, Mr. Chairman, the minimum wage is $4.58 an hour and the federal minimum wage is $3.50 an hour. That cannot continue because it violates the Labour Code. The Code does not spell it out directly, but it does say that it must reflect the average minimum wage rate across Canada and there is no way the Government can get out of it. But it has not included that in any financial statement or expenditure review program.

So my original question for the Minister is very relevant. What are the actual projections? What is it going to do? There are big gaps in the program announced by the Government to raise fees, increase rents and everything else. You know that a lot of these programs have been cancelled or reorganized. So the question to the Minister was a perfectly logical question and I would be pleased now to take my seat and—

Some Hon. Members: Hear, hear!

Mr. Baker: If the Minister will recognize that I have a legitimate point, then yes, Mr. Chairman, I will take my seat. But I am sure you will recognize me again if she says that it is only a flash in the pan, that a couple of hundred million dollars here or there or everywhere does not really matter.

Mrs. McDougall: Mr. Chairman, I never suggested that the question was not a terribly serious question. I indicated that in my considered opinion the impact would be marginal. The reason for that is that we have been working very hard as a government to cut our expenditures and keep the management of government services under control. If there are adjustments within departments they will be within good management practices, and if there are additional expenditures, as the Hon. Member well knows, they will have to be approved by the House, will they not?

Mr. Baker: Mr. Chairman, I do not think the Minister completely understands what I am talking about.

Mr. Lewis: Even Herb Gray is leaving.

Mr. Baker: I was requesting some indication from the Minister about just how much money was going to be required by every Government Department in order to function.

Mr. Oberle: You have the figure right there.

Mr. Baker: Let me elaborate some more, then perhaps the Minister might be able to understand what I am talking about.

Mrs. McDougall: George, I can hardly wait.

Mr. Baker: Right now, at this very minute, the Government of Canada has decided to cut back on person years in its various departments.

Mr. Lewis: What?

Mr. Baker: To cut back on person years. We used to call it man years, now it is person years.

Mr. Lewis: The Minister understands that.

Mr. Baker: The Government notified every federal Department that there must be a cut-back in the number of people hired in the Departments. The Government talks about savings in person years, but nowhere in the financial statements or the Budget papers does it indicate what the increased costs will be to the Government. Yesterday we heard the Government was going to cut back the number of RCMP officer in certain

airports. They will be replaced by private security companies. It is one thing to do that, but it is another thing when Government Departments bring in an employee who has been working for 19 years, as was the case with one I had the other day, or 10, 12, or 13 years, and saying to them that we cannot afford to pay them because our person-years have been cut. However, we will offer you a personal contract. I do not see that in the Department of Supply and Services' envelope, Mr. Chairman.

For example, what actually happens is that 350 employees of the Small Craft Harbours section of the Department of Fisheries and Oceans across the country will be offered a personal contract or be hired through a private engineering or consulting company to do their work. As a result, all those Departments which have been cut back will now have to supply money to the Department of Supply and Services to pay for those personal contracts, or that Department will have to pay.

Here is the shame of it. With that policy, the Government still has to pay wages, overtime and an amount to make up for the loss of benefits, but it also has to pay a profit to the person who is hiring the worker concerned. So when you ask the Department of Supply and Services how much extra that person-year is going to cost the Government, they say from 25 per cent to 30 per cent more. But what do you see when you look at the financial papers? You see a saving because of cuts in person-years. There are orders given to Government Departments to cut back on this or that function or to cancel this or that program. There are only six or seven small craft harbours people who are in the field now in Newfoundland. There are only 10 or 12 of them in Nova Scotia and 30 or 40 in Quebec. However, this adds up to about 300 people. This measure in the budgetary papers appears on only one line.

• (1810)

However, these people are losing their positions as public servants. They are losing their pensions and all of their benefits for all time and they are being offered a personal contract or the opportunity to work through a private consulting firm. These people are professional engineers. They have always done that type of work. They go to the communities along the coastline of eastern Canada and the Arctic to help build wharves, slipways or breakwaters. They consult with local community groups who apply for what we used to call Canada Works programs before the present Government got its hands on them. We do not know what that program will be called in the fall.

It is true that the service to the community groups and the local organizations will still exist. However, it will exist at an increased cost to the Government of Canada. It is not, as the budgetary papers would show, a reduction in the cost of Government. It is not a reduction in the amount of money required just because there is a reduction in person-years. It is actually an increase to the expenditures of the Government of Canada because it has to pay for those contracts, either directly or indirectly.

Let me deal with another area that is hazy. I am again discussing the Minister of Labour and a matter that has not even been discussed in this Chamber. It is a matter that should have been discussed; there are a great many matters like that.

The announced reductions in the Expenditure and Review Program of the President of the Treasury Board and the statement made by the Minister of Labour indicate that the Government is going to save money by cutting 25 per cent of the budget on the home repair program across Canada. That shows up as a 25 per cent reduction in the Expenditure and Review Program and in the Budget papers. This works both ways. In this particular case, the reduction will be greater than 25 per cent. Why is that?

I do not think that the cuts contained in these Budget papers and the Expenditure and Review Program was completely fair. Newfoundland got cut by 44 per cent and Quebec got cut by 48 per cent while the national average was 25 per cent. How the Government arrived at those figures, I do not know. However, when this cut was made, the Department, the Minister, the President of the Treasury Board, the Minister of Finance and all Members of this Chamber did not realize something.

When the cuts went into place only a month ago, all of these offices that administered the program that was cut by 25 per cent through this Expenditure and Review Program could no longer exist. They existed on the fees that they received for the number of applications they processed. That figure was an average of $450 across the country, $500 if it was a municipality and $1,300 if it was in the north. The salaries of the clerks, inspectors and managers were paid on the basis of the number of applications that were processed. Along comes this Expenditure and Review Program which cuts everything across the nation by 25 per cent and cuts some provinces by more than 40 per cent. All of a sudden these offices were left with one-third of the money they had to spend last year, money on which they were just getting by. They could not process enough applications to maintain their existence. The offices are therefore closing down.

The Minister of Labour should know about this. Obviously his advisors have told him that last year some areas were extended for coverage under this home repair program. Big announcements were made in every single province of Canada indicating that the Government would extend this program, just like it did last spring. All of a sudden the Government was left with all of these extended areas but a budget that was cut by 25 per cent. All organizations that were operating the RRAP program got hit twice. They got hit by the reduction of 25 per cent and they got hit with another reduction because the areas of coverage were extended.

What are we now left with? We are left with hundreds and hundreds of homeowners in every single community in this country who are being told that they are too far down on the list to be serviced. However, they were told last year that their turn was coming up next. Now the CMHC and the provincial housing authorities are devising criteria so that they can knock people off the list. If they have a list containing 500 families

and they know that they cannot deliver, they say that they are going to restrict the criteria and make it more difficult to qualify.

This is happening when all of these people felt that the home repair program was a cheap way to get their homes repaired, because anyone could get a loan to cover the cost. If one was a millionaire, one could still get a loan. Anyone qualified for a loan. The public felt that this was a great program. All homeowners needed to do was establish the fact that they needed that loan, based on the size or condition of their dwellings and the size of their families. Now, because of this new measure brought about by the reduction in expenditures, there are hundreds upon hundreds of people who will not be able to receive the benefits of the program which has been hit by the 25 per cent cut.

The Minister of Labour cannot now turn around and tell the Minister of State for Finance that he needs additional money because the program was not only cut by 25 per cent but was knocked out of half the country. Now all these areas of Newfoundland no longer qualify because there are no longer any RRAP offices in operation. The provincial administrations refused to operate the program and, since they refused to operate the program and pay the salaries, those offices have to close.

The Minister of State for Finance should realize a couple of realities as they relate to eastern Canada. There has been one of the worst fishing seasons in living memory. The ice is still blocked in on certain parts of the coastline. Fishermen are unable to fish. Fish plants are unable to operate. Even in areas where the ice went out, the water is still too cold for fish. If the water is very cold, the fishermen cannot fish.

Now the Government of Canada has made an about turn. The Minister of Justice announced on behalf of the Minister of Employment and Immigration that the Government would extend unemployment insurance benefits for fishermen this year because the fishery is bad. What was the mistake which was made in the submission to Cabinet, that was approved, which appears in the expenditure program of the Department of Fisheries and Oceans?

• (1820)

The error was that the Government thought that it was just as bad a year this year as it was two years ago when a similar program was implemented. In other words, the Government is going to be faced with the reality this week of having to approve more money for that program. Once the Government has announced it, it cannot stop it. The Government cannot tell people that they will receive an extension of unemployment insurance benefits and then say that it only meant to provide an extension of two weeks. The announcement indicated that the benefits would be extended until the ice was gone and the fishermen could once again fish. That is what was in the announcement of the Minister. Therefore, the Government of Canada, because of the adverse weather conditions, the temperature of the water, and the ice that surrounds the coastline, knows that it must cough up more money in order to satisfy that program and the terms and conditions which were announced by the Minister of Justice.

Changes will have to be made before the end of the summer. The Minister of Employment and Immigration recognizes that some changes will have to be made as far as her general policy is concerned. She said that she would save $250 million. The Minister of State for Finance probably is thinking that $250 million is only marginal. However, $250 million would reduce the borrowing authority to only $18 billion! Presently it is only $18.2 billion! The Minister of Employment and Immigration has announced that she will not need approximately $200 million this year because of reductions and redefinitions within the Department that controls unemployment insurance. The figure that is used in the Expenditure Review Program is absolutely crazy.

The Minister cannot say in a financial review that she will save $200 million in the coming year because modifications will be made to the interview process for unemployment insurance purposes. I would like to tell the House why that is wrong. The Minister is talking about bringing people into an unemployment insurance office and interviewing them. The Minister is talking about picking up the telephone in every office and asking people if they are looking for work. If those people cannot be reached—Mr. Chairman, I see that my time has expired.

I am sorry that there is not another Clause in the Bill. I have not yet said what I wanted to. However, I suppose my time has expired. I will conclude by saying that in passing this Bill we will give the authority to the Government of Canada to borrow $18,200,000,000, give or take $600 million!

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Chairman, I have a number of questions I want to ask the Minister of State for Finance. I know that the House would like to pass this Bill quickly, but I would remind the Minister that the Bill involves $18 billion. The Minister is familiar with the amount of deferred corporate tax which is presently on the books. Could she give us an approximate idea of what that sum is?

Mrs. McDougall: Mr. Chairman, I would be very happy to tell the Hon. Member what is the current amount of the deferred corporate tax. However, I would first like to explain to him that the most important expenditure which the Government makes is on the interest on the debt. The interest on the debt is $22.6 billion. That is more than we are able to pay for health care, Old Age Security and other things. It is because of that debt that we must borrow this money. Had we not inherited the profligate record of the former Government, we would not be in this position and we would be able to get on with the job of managing the Government and the programs in which we, as a Government, are so interested.

The good management which we have brought to the Government is a record in which we take some pride. Our expenditures show the lowest increase in 17 years. Ministers are managing their Departments in a manner which keeps their

expenditures under close control. We have been able to establish an exceptionally good record for expenditures on training and employment initiatives which involve the private sector and local communities as well as the federal Government. It is very important for the Hon. Member to know those things. He should also recognize the efforts which we have made in inflation control and in bringing the debt to a level we will be able to manage much more effectively in future years.

I should also point out to him that in response to the wishes of the House, and as an act of good management, the Borrowing Authority Bill was introduced within two days after the presentation of the Budget. Of course, that means that our figures are up to date. We recognize the connection between having good records before the House and being able to make an assessment of the amount of borrowing authority which will be required. The responsible actions which we have taken are a very important part of the future financial management practices of the Government. The fees to which the former Member referred are part of our management practices. I believe that we have established the most appropriate way to deal with the deficit and the accumulated debt. As a result, we will be able to ask for less borrowing authority next year than would otherwise be required.

One of the important items we have brought forward—and I know the Hon. Member will be interested in it—is the review of corporate taxation. That review will be under way shortly. We are looking at all the measures we use in the corporate sector to raise money. We are also looking at how the corporate tax structure should be changed so that it will be fair and equitable, and will raise the revenues the Government needs. That will give us more flexibility in revenue and expenditure planning.

We are attempting to ensure that Canadian people have the jobs and the social policy framework which they require for the future. And I think what we have attempted to do in the small sector is going to be very important to that.

• (1830)

In response to the direct question, I will get back to the Hon. Member with the answer. I might tell him, however, that the underlying principle of classification, of course, as between budgetary and non-budgetary transactions, is that transactions changing the net indebtedness of the Government are classified as budgetary while transactions involving the creation of an offsetting financial asset or liability are non-budgetary. For example, a loan by the Government increases financial assets since the recipient incurs an obligation to repay the loan. And the creation of the asset for the Government is offset either by a reduction in another asset, which is typically cash, or a corresponding increase in a financial liability, which is typically unmatured debt. I am sure that answers the Hon. Member's question.

Mr. Riis: Mr. Chairman, I am not sure if that answers my question or not.

Mr. Althouse: We were looking for a number, I think.

Mr. Riis: Is the Minister saying that it is at this point difficult, if not impossible, to arrive at a figure for the amount of accumulated deferred corporate tax? I am not looking for a specific number but even within 10 per cent or 20 per cent would be helpful. Surely the Minister must have some general idea.

Mrs. McDougall: Mr. Chairman, I think what I am indicating is that we do not have the number in our documents, but obviously there will be a lot of variables in the future as to what the implications are, and it will depend on corporate revenues and profitability, how that is effective over time and how much investment corporations continue to make.

Mr. Riis: Let me be more specific, Mr. Chairman. I don't want to pursue this needlessly but what I want to know is, as of today—not what the future holds—what is the existing value of deferred corporate tax? Is it $20 billion, $5 billion, $18 billion? That is the question. It is not what is going to happen but what it is as of today when we are requested to approve $18 billion in borrowing authority.

Mrs. McDougall: Mr. Chairman, perhaps if the Hon. Member would indulge me for a moment, one of my officials will attempt to get an answer to that question.

Mr. Riis: Thank you. I would appreciate that. Again to set some of the Minister's earlier comments into context, regarding the amount of money this year—the 1985-1986 fiscal year—what is the value of the corporate tax expenditures for this period? Is that question clear to the Minister?

Mrs. McDougall: No, not really.

Mr. Riis: In other words, we know what are certain costs to the Government. This particular provision costs the Government this much and another provision that much. A lot of people ask the question in terms of the corporate expenditure account, such as the Minister laid out back in 1979. He laid out what the accumulated value of that was, as well as under the corporate tax expenditures for the various programs so that we could evaluate. While the Minister says this may be done in the future or this will be evaluated, could we have some idea of the total value of corporate tax expenditures in the country?

Mrs. McDougall: Perhaps when my other official comes back he could change places and one of them will try to find out. I doubt that we would have a record of that, Mr. Chairman.

Mr. Riis: Mr. Chairman, the Minister has indicated that there is a great deal of fiscal management now in place in the various Departments as reflected in the Estimates and the generation of the Estimates. Within the Ministries and Departments which come under what is called the "social envelope", how is it that the Government evaluates the efficiency of its expenditures? In other words, we have had projections from previous speakers if we cut 10 per cent here

or 25 per cent of this program. How does the Minister evaluate whether or not these programs are effective?

Mrs. McDougall: Mr. Chairman, all that would be up to individual Ministers, not up to the Department of Finance. The Ministers themselves bring judgment to their Departments. There has obviously been a great deal of overspending in the past, and it is a case of looking at each envelope on social programs and bringing the best judgment to what is effective; have the needs in the country shifted or have they not shifted. Those are ongoing evaluations which I believe any intelligent Minister would make in a social portfolio as well as an economic portfolio—I think we owe that to the Canadian public—so that we do put our resources to work in ways which deal with the present and the future and not with the past.

Mr. Riis: Mr. Chairman, perhaps the Minister could respond to this question, and it is one which is on a lot of people's minds these days, that is the critical cuts in pension increases which has been debated. How did the Government evaluate that in terms of deciding that this was an appropriate action at this point in time to reduce the increase in OAS?

Mrs. McDougall: Mr. Chairman, I think the question of the evaluation which would be done by the Minister of National Health and Welfare should probably be directed to him. In terms of the Department of Finance, the Minister of Finance in bringing this Budget made an assessment of how we could meet the real needs of the elderly poor, which was why the Guaranteed Income Supplement was fully indexed, and we took into account that most Canadians we spoke with in our pre-Budget consultations all suggested that we ensure, if we only had a limited amount of money—which the people understand in this country—that we look after the neediest people first. That is why the evaluation was that the Guaranteed Income Supplement should remain fully indexed, and we were more than prepared to do that.

We have tried to be as fair as possible in spreading through the system how we deal with the problems we have. It is always a very difficult line to draw and we brought our best judgment to that. I think that we will find before our first term is up that social policy will give us more flexibility. This is our first Budget and not our last.

Mr. Riis: Mr. Chairman, what I find interesting, in light of the Minister's last response is that she will know, of course, as everyone in the House knows, that as a result of the deindexing of the increase to OAS, 220,000 pensioners will now be receiving incomes which place them below the poverty line, by the government's own definition of "poverty line". When one sees 220,000 seniors now living below the poverty line, one would have to say that that is inappropriate; it surely is not an appropraite step to take. However, Mr. Chairman, we will leave that for another discussion at another time.

With respect to this Bill before us, the Minister is requesting $18.2 billion in borrowing authority. She obviously feels that reducing a senior's disposable income by 3 per cent will not cause undue hardship. How would the Minister feel if Hon. Members of the Opposition tonight decided that it might be a prudent measure to reduce this borrowing authority by 3 per cent which would eliminate $546 million? If 3 per cent is nothing to worry about, how would the Minister feel if we moved an amendment later tonight to reduce it by 3 per cent?

• (1840)

Mrs. McDougall: Mr. Chairman, the Government is attempting to manage its affairs well and will continue to do so. We have budgeted very closely and would prefer not to borrow any money at all. The easiest government policy in the world is to write a cheque. The former Government did that time after time. It is the easy policy, but not one which is fair or good for the future of the country.

Mr. Riis: Mr. Chairman, we are certainly concerned about the amount of government spending, but by the same token we do not talk about the hundreds of millions of dollars that are being offered to all sorts of sectors of the economy which we might feel are highly questionable. In order to bring some wisdom to the way in which funds are expended by the Government, it may be appropriate to reduce the amount by $546 million in order to bring some extra pressure to bear. We are certainly not prepared to accept the priorities of the Government in terms of expenditures and cut-backs. The increased user fees in many areas are inappropriate, particularly now that we are giving vast sums of money to the oil companies as a result of the Western Accord.

If we are to give the Government authorization to borrow an extra $18 billion, it is not unrealistic for Members of the House of Commons to ask for some projections. During discussions on the Budget, it became clear that the Department of Finance has done these projections. They have factored in, as well as possible, the various elements of the economy and the Government's measures. Can the Minister give us any indication of what the Government programs will do in terms of increased employment?

Mrs. McDougall: Mr. Chairman, the record of this Government in terms of jobs has been very good. There has been a steady increase in the number of jobs. I think something like 235,000 have been created. The regular increase in employment has been spread throughout the country. The Western Energy Accord has resulted in greater investment throughout Canada. The jobs from the Western Energy Accord are not just in Alberta and the other energy producing provinces, they exist throughout Ontario and Quebec in the manufacturing sector. The number of jobs that have been forthcoming reflect the fact that there is a real awareness of Canada and a need for private sector initiative and development which will enable us to create those jobs. That is what we have done in this Budget.

Mr. Riis: The Canada Permanent Trust Company recently completed a survey of the forecasts of a number of business economists. Interestingly, none of the economists interviewed agreed that the promise of job creation by the Minister of Finance will succeed. About 20 per cent of those business

economists interviewed expect the jobless rate to be higher than it was before the Budget.

The other day I read some comments made by R. B. Bennett during the 1930 election campaign. At that time he, too, was saying that they were going to create tens of thousands of jobs in the next number of years.

Mr. Hnatyshyn: We have done it.

An Hon. Member: Look at the facts.

The Assistant Deputy Chairman: Order.

Mr. Riis: They get a little sensitive when I remind them of what R. B. Bennett said. I suspect that if we compared the campaign rhetoric of 1930 with that of 1984 we would find some real similarities. Perhaps a little later in the evening we will have a chance to do that, Mr. Chairman.

The Minister commented on her wish list or hope list in terms of employment figures. With regard to the economic intelligence that she has from the Department of Finance, what does the Minister believe about disposable incomes of Canadians as a result of the Budget? Surely that is critical in terms of an economic recovery and in terms of encouraging the small business sector to expand. What do the Budget and the policies of the Government do in terms of disposable income for Canadians?

The Assistant Deputy Chairman: A very short answer, please, by the Minister of State for Finance.

Mrs. McDougall: Disposable income is a very important part of public consumption, just as business investment is. I know that the Hon. Member is very fond of quoting business economists indicated that our actions would lead to fewer jobs. They were not correct then and I do not think they will be correct now.

Mr. Riis: I would like to make one last comment and then I will give the floor to my hon. colleague. In order not to disappoint the Minister, I will once again quote her collection of business economists. In their analysis they say that the new tax measures in the Budget will drastically reduce the spending power of the average Canadian. The November statement of the Minister of Finance and the Budget will together take $1,000 a year out of the pockets of the average Canadian family through increases in taxes and reduced deductions. Mr. Chairman, $1,000 a family is going to have a very important impact on the ability of the small and medium sized business sectors to expand in spite of their best intentions. How is $1,000 taken from every family in Canada going to be useful in terms of encouraging economic expansion and development?

Mrs. McDougall: Mr. Chairman, the best thing that we can do for the country is to lower interest rates because interest rates get built into the costs that people pay. We have a responsibility to the people of Canada to ensure that in the future we will not have the kind of inflation and interest rate policies that we had in the past, which have cost the country so dearly. They are the reason that we have a high unemployment rate and a high deficit. They are the reason that we must bring some sense into our fiscal framework which we have not seen in this country for many years. We are not taking money out of the pockets of the people for no good use. It is for the purpose of building up the fiscal integrity of how we deal with the future so that we are able to bring forward the programs and flexibilities that people will need in the future.

Mr. Hopkins: Mr. Chairman, when the Minister of State for Finance and her colleagues promised the sky to voters last summer, did they not realize that they might have to face the music some day and pay for those promises? Can she and her front-bench colleagues not add and subtract? There is no justification for getting up in the House day after day and saying that they cannot do it because of the debt situation in the country. There was a debt situation last summer which they talked about all the time, but they still went ahead and made all kinds of promises. The Prime Minister even went to the extent of putting his name on a telex sent to the Chalk River Nuclear Laboratories in my riding of Renfrew-Nipissing-Pembroke. He said not to worry one bit, that not only were they going to retain the present research facilities, they were even considering expanding them. Did the Prime Minister not realize at the time that there had been deficit budgeting in the country? Did he make that promise seriously? Obviously not.

• (1850)

The Government has just chopped 50 per cent from research and development in Atomic Energy of Canada Limited. The Chalk River Nuclear Labs are a very important part of that research and development. For the Prime Minister to go back on a promise is unforgivable, just as it is unforgivable for people on the front benches of the Government to state day in and day out that they did not know the country was in debt so they cannot keep their promises. Is that what the Prime Minister meant when he told the senior citizens of this country that their financial situation was a sacred trust?

The Minister of Finance introduces a Budget, along with the Minister of State for Finance and the Cabinet, that knocks out the first 3 per cent of indexing of the inflationary increase from the pensions of senior citizens of this country. The Government thought it could get away with this by saying that it would provide jobs for the children and grandchildren of pensioners. However, senior citizens of this country are smarter than the front bench of the Conservative Government because they can see through that ploy very easily. The Government is simply trying to make itself look good by cutting back.

A review of history shows that when Marc Lalonde left the finance portfolio, there was a $30 billion debt. When the Conservative Government took office, it ran that debt up to $38 billion and brought it back to $34 billion, then suggested that it had made great progress. That is their logic.

Since the Conservatives follow their great process of consultation, did the five or six conservative MPs from the Ottawa area suggest to the Minister of State for Finance that the

Public Service of Canada should be cut by 15,000? Did they support that concept? Was it the Minister of National Health and Welfare who suggested to the Government that it cut research and development in Atomic Energy of Canada Limited by $100 million? He has Whiteshell in his constituency, another AECL facility. I doubt very much that he made that suggestion.

The Prime Minister of the country not only promised but made a commitment to the Chalk River Nuclear Laboratories that there would be no cuts in that institution. He knew full well at the time that there had been deficit financing in this country. The Government cannot deny that there was insincerity in that promise and that it was absolutely unfulfilled. Not only did he not fulfil that promise, the Government wants to make itself look good by removing money that those labs have managed to earn. It will lift $50 million from AECL's reserves this year and another $20 million from its reserves next year and are applying it to the national debt. Those labs will be left with nothing to back up the situation they will be facing as a result of the $100 million cut on research and development.

One of the platforms on which the Government ran during the election was that it would increase research and development in the country and fully encourage it. The Minister of State for Science and Technology, who has four degrees behind him, went to the Chalk River Nuclear Laboratories to visit the scientists and declare his friendship. He is certainly not a friend today. He is following the Government without any sympathy for the fact that $100 million is being but back from research and development, which is 50 per cent of the Government grant to that institution.

We are sometimes told not to raise the question of the Avro Arrow because there is no comparison. I say that there is a comparison because Atomic Energy of Canada Limited has some of the finest engineers, chemists, physicists, and scientists in the country. Furthermore, the Government is driving the talent away from the National Research Council. It cannot stand success.

It took years to build a success story in research and development in this country. For example, cheap hydroelectric power has been produced through the nuclear reactors in this country. The Province of Ontario alone has saved the residents of Ontario billions of dollars in energy costs by providing energy from Candu reactors. Canadians take it for granted that everyone knows about these successes, but obviously the Government does not know. Without those reactors which produce the cheapest form of hydro that can be found, central Ontario, the home of the Minister of State for Finance and the Minister of Finance, would not have the energy resources to run those industries, factories and businesses in Toronto.

The Minister of Finance talks about rewarding success. However, the way he rewarded success was to chop 50 per cent from the research budget of the very people in AECL who have saved Canadians billions of dollars in energy costs alone. The Government cut $100 million from the research and development budget of AECL and also took $70 million from its reserves without warning. Furthermore, it has proposed no alternative. While it proposes to charge users more, there is no firm agreement in that respect. Although there are those who say the cut-backs will not be so detrimental, why is the Government sending public relations officers to those institutions to offer early retirement in order to reduce the number of jobs by 450? Even that will not be enough to cover the bill, and others will have to be laid off.

Again, the Government is downgrading one of the finest research establishments in the country. I was told by one Member that it is not paying its way. However, that is another story. Many companies, both domestic and foreign international companies are related to the nuclear industry in this nation. They send programs to the Chalk River Nuclear Laboratories and other facilities at AECL to conduct research and development. Once their problems are solved, they use those solutions in their industries. That is the pay-off. The Government is slashing that capability. It is saying: "Okay, tomorrow you face the music; we will not give you any more money for it or any time to bridge the gap."

• (1900)

I have another very good example. The present Minister of Supply and Services said outside the base gate at Petawawa in my home community during the election campaign that if the Conservatives were elected, they would increase in real terms national defence expenditures by 6 per cent. I am sure Hon. Members remember that famous pamphlet, *Honour the Commitment,* which was circulated among Canadian Armed Forces personnel. Where is the honour and where is the commitment today? The Government is not even meeting the NATO commitment decided upon by NATO Ministers.

Mr. Dick: It is better than the Liberals did.

Mr. Hopkins: I hear the Hon. Member for Lanark-Renfrew-Carleton. He just proved that he does not know what he is talking about. When we left power, we were at a 4.1 per cent real increase in spending on national defence, and the Conservatives are away below that percentage today.

Mr. Dick: Are those your projections or what you were spending?

Mr. Hopkins: The Hon. Member is good at coming into the House and shouting. Sometimes he is better at it from the seat of his pants than from the soles of his feet. Another example would be the promises to the agricultural industry, all those great promises to help out farmers.

Mr. Gormley: Capital gains.

Mr. Hopkins: The Hon. Member refers to capital gains. That helps them get out of farming. It does not help them to remain in farming, to become involved in farming for the first time or to help those in trouble in the agricultural industry. That is what the Hon. Member's Party promised to do during the election campaign, and it has not been done. Let us talk about subsidization and assistance to farmers. Today, Canadian farmers are competing with the European Economic Com-

munity and its great subsidizations to agricultural industries in European countries. Agriculture is one of our greatest industries. However, people do not look upon it as an industry. They look upon it as a bunch of homes in which people live. Agriculture is big business today, and it is time for everyone to recognize it.

What will happen to all the equipment promised for the Canadian Armed Forces? Thank goodness the Liberals got most of it ordered and on stream before they left office. Otherwise, the Armed Forces would certainly not have it today. I am sorry that the Deputy Prime Minister and Minister of National Defence is not in the House this evening. Where is the pay increase for the Canadian Armed Forces? They have been looking for it for weeks, indeed for months. Why was it not announced in April? Is the Minister of State for Finance prepared to tell us today where that increase is?

The Minister of National Defence himself did the cutting as chairman of the cutting committee in Cabinet. Is he saying that the money to pay for the increase for the Armed Forces is in this package? We have not been told about that. All we have is a one-page Bill which does not tell us a thing about that. I ask the Minister of State for Finance, where is the pay increase for the Canadian Armed Forces? Is the Government holding it up as a money saving device as well? Is it holding it up the same as it is trying to hold 3 per cent back from senior citizens on an annual basis? The Minister says that it is only 3 per cent, but what will it be over two, three, four or five years?

It is great to go out in an election campaign, as did the Conservative Party last summer, and make all kinds of promises. However, when it comes time to keep them, that Party says that it did not know there was no money and that it cannot do those things. People are sick and tired of hearing that from the Ministers on the government front benches. An Hon. Conservative Member from the Cobourg area—the name of his riding escapes me at the moment—at a committee meeting one night at least had the courage to say to the Minister of National Defence that it was time that he got off his butt and started to give some answers. He also said that it was time for the Government to get off its collective butt and to start giving some answers. Now that the answers are forthcoming, we know why they were so long in coming. These people did not want to give those answers in the first place.

During the election campaign, the Prime Minister ran around the nation and called the interest of the senior citizens a sacred trust. He said that nothing would happen to them and that they would be looked after. Afterwards, in a rather underhanded manner through the Minister of Finance and his colleagues, he proceeded to pull 3 per cent out from underneath them on an annual basis. Also, he placed a half page ad in a local newspaper which indicated: "You are safe". He indicated that they were committed to full funding and to the full operation of the Chalk Nuclear Laboratories. He indicated that they were safe in Conservative hands, that nothing would happen to them. However, a few months later, after being in power, they chopped $170 million and have no shame about it. That is the worst part of it. The people out there are beginning to know the scenario and what this new Government is all about.

Also, the Government said that it would increase jobs through the private sector. However, it goes into regions of the country and cuts out many jobs.

The Assistant Deputy Chairman: Order, please. I regret to interrupt the Hon. Member but the 20-minute period is over.

Mr. Deans: We will give him an extension if he would like more time.

Mr. Epp (Thunder Bay-Nipigon): Mr. Chairman, I should like to ask some questions and focus them on th area which the Hon. Member for Kamloops-Shuswap was exploring before. I am pleased to see that the official has returned, and I trust that the Minister of State for Finance has some idea by now of what the total deferred taxes might be. Perhaps I could ask for that particular figure before expanding on it and raising some further questions. Would the Minister of State for Finance have an indication of the total of the deferred taxes?

Mrs. McDougall: Mr. Chairman, we are still looking at that. It will arrive before this session draws painfully to a conclusion. Perhaps I might indicate some of the things which have been happening in our economy that I should think—

Mr. Epp (Thunder Bay-Nipigon): Mr. Chairman, I would prefer to ask some questions, not to hear a speech.

• (1910)

Mrs. McDougall: Mr. Chairman, I would have preferred not to have so many speeches, too, but there seems to have been quite a number from the other side. Perhaps I could just point out for the edification of the Hon. Member who used to, as I recall, as did many members of the Opposition, talk a lot about jobs, that I do not hear them talking about jobs much any more. I wanted to correct the figure I gave earlier on the number of jobs created because there actually have been 271,000 jobs created. Employment increased by 159,000 in April and May, the largest two-month increase in over 12 years. The seasonally adjusted unemployment rate declined to 10.5 per cent in May from 10.9 per cent in April. The unemployment rate in May was the lowest in three years. Almost 80 per cent of the increase in jobs was in full-time employment. Youth unemployment rose significantly while adult employment grew moderately.

After the painful, painful increase in unemployment this country has suffered for so many years, that is a record this Government can be proud of. Of course, Hon. Members on the other side of the House do not talk much about employment and jobs any more because they know we have a good record in that area and that our measures have worked. We are creating jobs and opportunities for Canadians, and that is a record we can be proud of. Hon. Members now choose to ignore that. They have lost interest in jobs for Canadians all over this country.

Mr. Epp (Thunder Bay-Nipigon): Mr. Chairman, the concerns we feel about creation of employment in order to get this country back to 4 per cent unemployment do not need any lectures from the Minister.

To return to the topic I was raising a moment ago and picking up on what my friend from Kamloops-Shuswap had to say dealing with deferred taxes and corporate tax expenditures, let the record show that a good hour of questioning of the Minister has not given us the total of deferred corporate taxes. I do not doubt that the search through the records and the guesstimation required would produce an astonishing figure. Surely tens of billions of dollars have gone uncollected, have had to be borrowed and added to the national debt because of this situation. The key point is there has not been any change in nine months of this Government. Nor was there much change in the nine months of the previous Conservative Government.

The question I have for the Minister, one which interests every taxpayer in this country, is what the grand total might be of taxes not collected but which have been turned into capital for Canadian companies or distributed to shareholders. If the total were to reach $100 billion, something over half of the national debt, that is money on which interest is being paid by taxpayers now for the enrichment of corporations and wealthy Canadians. This Government and these Ministers, present and absent, do not intend to do a damn thing about it by the appearance of things. There has been little talk about looking at corporate taxes, but it is primarily at where the losses could be pulled in so as to reduce one's tax burden.

The taxpayers of this country have been told this year they are going to pay three times as much tax as the corporations do, about 45 cents out of every dollar Ottawa takes in comes from individuals and only 15 cents from corporations. Taxpayers have been flimflammed by this Government talking about the enormous national debt, but they want to know exactly how much of the wealth of Canada was taken out of their pockets. They want to know exactly what proportion of their taxes is the result of allowing nine corporate family groups to acquire something like half of the stock traded in the TSE 300. They want to know exactly how much this Government and previous Liberal Governments have taken from their pockets in the process of making a handful of Canadians spectacularly wealthy.

It is appalling that a Government which has been in office for nine or ten months does not have any idea of what those figures are. It is surely appalling that a Government which would pride itself on being business-like has no idea what those figures are. Individual taxpayers of Canada, those people we have talked about *ad nauseam*, as the Government would probably say, have a very great interest in knowing exactly how much of their tax burden is the result of this transfer of wealth. They want to know if these cut-backs by the Government are the result of taxes not collected from the wealthy.

If ordinary Canadians saw that figure, they would be astonished. It is quite possible that $100 billion is an underestimate. The borrowings being undertaken by the Government now move us up toward a debt of $200 billion. If ordinary Canadian taxpayers were to realize that this supposedly business-like Government is in fact a Government from Wall Street and Bay Street and does not give a damn about them and is quite ready to let this game go on, there would be a revolt in this country which would make the pensioners protest over the last few weeks look like just the beginning.

• (1920)

I suggest to the Minister of State for Finance and her colleague the Minister of Finance that it is time we knew what a reasonable estimate of corporate tax expenditures will be. It is time we knew what the deferred taxes totalled. We have a right to know exactly how much of the national debt is money that ordinary Canadians are paying to enrich corporations and their owners, and in particular a small number of the wealthiest Canadians. That is the kind of capitalism that exist in this country today.

I really do not believe it is true for all of them, but if Conservative Members really want to continue with that kind of refined exploitation of our tax system both on the corporate break side and the individual burden side, let them be clear with the public that that is what they want to do. They will discover the extent to which the voters of 1988 or 1989 will reject this Government.

With those comments, I would invite the Minister to give us any kind of firm figure she might have on corporate tax breaks. Is she able to tell me that the total which I have suggested is outrageously high, and that individual Canadians are not paying anything like that total to enrich a few, or is she not? Does she have to confess the ignorance of the Finance Department and the imperative need to get on with the job of gathering information in order to make the national accounts of this country as business-like as they ought to be?

Mrs. McDougall: Mr. Chairman, I am really quite surprised at the Hon. Member for indicating for the record how long it was taking to find an answer to the question. Let the record also show that the question was asked at around 6.30 p.m. As we all know, the Department of Finance is a union shop. It takes a little time to get information in the evening.

I might also indicate that the kind—

Mr. Hnatyshyn: I just phoned your office and it had been closed since three.

Mr. Epp (Thunder Bay-Nipigon): It was open at five when I came over here.

Mrs. McDougall: That late?

The Assistant Deputy Chairman: Excuse me. I hate to interrupt this conversation. Perhaps the Minister of State for Finance could answer the question.

Mrs. McDougall: Along with the kind of muddle-headed thinking we have heard around here is the Hon. Member's indication that only rich people are going to benefit from this

Budget. This is a point Opposition Members never tire of making, even though it does not bear any resemblance to the truth. The kind of investment we are going to see from this Budget and from our economic policies is going to create the jobs that Members of the Opposition and Members of the NDP have so recently forgotten.

I think I should say for the record, since there has been a great deal bandied about this evening, that this $38 billion was not our deficit. It was the deficit that we discovered when we walked in the door. It belonged totally to the former Government.

I might also say in response to an earlier question that our expenditures on research and development and our commitment to efficiency in the research sector in an attempt to develop private sector partners are all going to be good for Canada and good for our techonological future. We are attracting capital investment. I just came back from a trip to Europe where I found that there was quite an interest in Canada. People with substantial amounts of money are prepared to look at Canada as a place in which to invest because they recognize that the policies of this Government will be helpful to them and of course will be helpful to the Canadians who are looking for new jobs.

Mr. Epp (Thunder Bay-Nipigon): Mr. Chairman, the Minister did not answer my question; not that I really expected she would have the resources at hand to do so. She began responding to the speech which dealt with the Atomic Energy of Canada Limited, undoubtedly a good topic to consider as well.

The Bill indicates that a sum of money may be required for public works and general purposes. The public works part is the part that interests me. In recession circumstances, when some industries are concerned about the possibility that they may be sliding into depression circumstances, public works are one of the means available to us for maintaining and increasing employment and for increasing economic activity.

As I suggested earlier today, the budget speeches of the early 1930s, the Bennett days, provide some interesting reading. I concede that much has changed over the years and Ministers of Finance are less involved with the details of their accounts than they were in those days. I suppose that is the point I have been making over the past 15 minutes. There was a good deal less moralizing going on in speeches made in those days than is the case these days.

One of the interesting things about the budgets of the 1930s is that when the R. B. Bennett Government first came in, Mr. Bennett recognized the need for a jolt of expenditure so that the Government would not simply be paying out relief costs. Therefore, some public works authorizations were put forward. There had of course been others which the Liberal Government in earlier years had put forward as well.

I think we have a similar situation today. We had a Conservative Government in office which, very early, has denounced the waste and extravagance of its predecessor. It took a little longer to do so in the 1930s. However, in various areas, I find that the concern of my constituents and people across the country is that the Government is not maintaining levels of expenditures, but rather is cutting back.

My Liberal colleague, the Hon. Member for Gander-Twillingate, referred to the Small Craft Harbours branch of the Fisheries and Oceans Department.

The Assistant Deputy Chairman: The Hon. Member has about one minute left.

Mr. Epp (Thunder Bay-Nipigon): Thank you. Let me then say that the desire in committee to have increases in the Budget for small craft harbours and the promises given to the shipbuilding industries of the country represent examples of potential for public works and for the encouragement of enterprise. In both areas there appear to be very real disappointments coming for these industries. I would ask the Minister of State for Finance what she can indicate about the new public works this Government has launched, public works which would justify our voting for the borrowing that this Bill is designed to authorize.

• (1930)

Mrs. McDougall: Oh, I have been waiting for this all day.

Mr. Deans: I can tell that is true. For those who were not listening, the Minister has just said that she has been looking forward to this all day.

I was not going to rise and speak in this debate, as I thought that things were going along reasonably well. However, I heard the Minister say that somehow or other she took some joy from the fact that there are 271,000 people working who otherwise might not have been working. I cannot help but feel a sense of panic in my heart when I hear such a statement. There are still approximately 1.8 million people who are unemployed. For a Minister of the Crown to rise an expect that we should applaud when the Government has created a paltry 271,000 jobs, over and against the enormous need, is enough to make one shudder.

The Minister has failed to address the areas of greatest need, those in the age group of 16 to 24 and those in the age group of 55 to 65. There continues to be an overwhelming number of people who are almost to the point of being institutionally unemployed. That is not being addressed by the Government.

The Government has asked us to allow it to borrow additional funds. To do what? We are not clear on that. The Government says it needs more money. I know the minister will remember the discussion on the Government's proposal to partially deindex old age pensions. We suggested to the Government places where it could go to raise substantial amounts of dollars—into the billions of dollars—in order to offset a number of tax impositions which the Government was prepared to impose. The Government said no. My colleague from Kamloops-Shuswap suggested one area. I see that my colleague from Simcoe North is in the Chamber. As a lawyer and an accountant, he has gone through the analysis quickly and can see the point which we have made.

How can the Government ask the House of Commons to permit it to borrow money to pay for the debt it has accumulated on behalf of extremely wealthy corporations which are not paying taxes? That does not seem to be an unreasonable point to make. Is it not reasonable to expect that the corporate sector, in these difficult times, would perhaps be willing to contribute, if not the amount it owes, at least the interest costs to the balance of society on the money it owes? The Minister is shaking her head. I am not sure whether it is because she has never thought of that before or, perhaps, it is the first time that she has considered it. Who else in society, other than corporations, can come to the Government and ask the Government to borrow money in order to pay what they rightfully owe and then not even pay a cent toward interest charges? It does not take much to see the unfairness of that.

There are a lot of people in the country who have not worked for the past year. They are drawing on savings which they have accumulated over 30 or 40 years. Those people are receiving a bill from the Department of National Revenue which tells them that they owe the Government some tax. If those people asked the Government to defer the tax for a few years, and if they also asked not to pay interest charges, can we imagine the Government's response? This Government and its predecessor, which I might say are cut from much the same cloth—the two political Parties which represent a vested interest in Canada—allow those who have more than they need to not pay taxes. If they should happen to be asked to pay a share, by God, the Government will give them all kinds of loopholes so that they will not have to pay their share. It is not only the corporate sector which gets away with that. Heaven forbid that we should only allow deferred taxes without any payment—

Mr. Lewis: Will you change the Ontario Corporation Tax Act?

The Assistant Deputy Chairman: Order, please.

Mr. Deans: Mr. Chairman, I am being asked if I will change the Ontario Corporation Tax Act. That shows the naivety of the Member. He knows that I have no power to change the Ontario Corporation Tax Act.

That provision is not only provided to the corporate sector. I might add that the corporate sector owes many billions of dollars.

I want Tory back-benchers to tell me the truth. How many of them truly believe that it is fair to tax a widow on her pension and to say to the corporate sector that it can defer taxes and that the Government will borrow money in the international money markets to cover what the corporate sector would normally have to pay? The Government does not even ask the corporate sector to pay interest on that money. Do they think that is fair? Is there one Tory who is prepared to stand and say that he thinks a widow should have to pay tax in order to cover the costs which ought to be borne by the corporations, upon whose behalf we borrow money so that they will not have to pay taxes? I do not see Members rising, so I assume that they all agree with me.

It is not only the corporate sector, it is those who benefit from the corporate sector. What has the Government done with those guys? The Government says: "Well, you are not getting enough out of that so we will allow you to accumulate half a million dollars in your lifetime tax-free. However, we cannot do that for everybody. If we are going to do that it can only be for the top 5 per cent of the population." That will cause problems for the Government.

Not only will the Government allow corporations to defer taxes and to not pay interest charges, it will now give an additional bonus to those individuals in the top 5 per cent so that they can accumulate $500,000 in their lifetimes which is tax-free. "But that is a bit awkward", the Tories say, "because we are running kind of short of cash. We are going to have to find a way to make up the shortfall. We'll do away with the indexing on old age pensions. That is how we'll do it", so the top 5 per cent can accumulate this $500,000 and pay no tax but the old age pensioner, by God, they will have to pay for it. That is the Government.

• (1940)

Then it has the nerve, Mr. Chairman, to ask us to let it borrow more money, And while it is borrowing more money it is decrying all of the borrowing which took place before. Here is this Government asking us to give it more and at the same time telling us that the evil in this society is that it has had to borrow so much. So the Government decides that what it will have to do is raise the taxes on ordinary Canadians. So what did it do? It upped the sales tax. But Government was careful when it upped the sales tax because it knew that a sales tax works harder on average income Canadians than it does on those at the upper-income levels. That is typically Tory. That is the kind of thing which one could have anticipated would occur but hoped would not. It is a tradition of the Conservative Party; sock it to those who don't have much. Give it to those who have more than they need. That has been the tradition of the Conservative Party in Canada and of Conservative Parties all around the world. To think, Mr. Chairman, that they would have the nerve to come back and ask to borrow more.

Mr. Riis: Next they will tax candy for the kids.

Mr. Deans: As my colleague just said, the Tories must then begin to find out that that doesn't raise enough. If they deindex old age pensions, and increase by 1 per cent the sales tax, that still does not raise enough to pay for the give-aways. So they say, "We'll increase the tax on candy. And we'd better do it on pet food, too". Then they asked themselves, "What else can do do?"

Members of the Conservative Party sit here on the third floor in the little cabinet room and say to themselves, "We have given to the corporations, we have given 5 per cent to the upper-income level, but there must be some other friends we have missed. By George, we missed the oil companies. What can we do dor them?" So they decide to do away with some of

the taxes on the oil companies. But if they reduce the tax burden on the oil companies that will reduce the amount of revenue to the Government. So they thought they had better increase the cost of gasoline at the pumps. And they did that.

The Minister of National Health and Welfare has the answer to everything. He walks around almost blind. He stands in his place and defends the indefensible. He is the only person in the caucus of the Tory Party who is still arguing that it is good to deindex pensions. The Prime Minister has not given him the word yet.

If that isn't bad enough, last Friday, and a month ago, he was going around the country saying that because of the high deficit, and because we are in such debt, we must look at new ways of funding health care. He thinks perhaps we should be looking at privatizing the health care system so the Government does not have to pay out as much, and will have more to give to its rich friends. So what has now started is a movement.

We have the Minister of National Health and Welfare who speaks to the medical association, I believe in Alberta, and says he wants it to consider the possibility of moving towards more privatization of the health care scheme in Canada. Because, after all, the Government cannot afford to carry the burden of providing universal health care to the poor, and the rich can afford it so they don't have to worry. Then the Minister has another meeting with the Health Ministers and he says to them that it may be a good idea in trying to bring down the burden of cost to Government to privatize the health care system, find new private ways to provide the same system to people at whatever cost, because it will be private and Government doesn't have to worry about it. The wealthy, of course, can afford it, but the poor will not be able to. And if the wealthy find it difficult, the Government can give them another tax break and tax the poor some more in order to make sure the rich are not inconvenienced in any way. That is what the Government is doing. That is clear. One doesn't have to be a student of Conservative logic to see what it is now doing.

The unfortunate part of it all, I say to your, Mr. Chairman, is that the end result of all of this will be that Government will not bring down the deficit, because it does not have the will to bring down the deficit, because it is afraid to go to where the problem really lies, and that problem really lies in the level and amount of give-aways which this Government and its predecessor Governments have made available to the private corporations.

My grandfather was a Conservative, God rest his soul.

Some Hon. Members: Oh, oh!

Mr. Deans: I must say that when he reached his sixties, he saw the error of his ways. My grandfather was an entrepreneur. He put his own money on the line. He didn't run to the Government and demand assistance. He didn't get anything from the Government. He was one of those free enterprisers that Tories dream about. But under 30 or 40-old years of Conservative administration in Ontario, and an almost equivalent number of years of a similar kind of Liberal administration in Ottawa, the Government provided that every single person who ran a major corporate system in Canada was able to write off so much of it against the public purse that it wasn't necessary for them to raise their capital themselves. They now do not know how. They do not want to take risks. Why take risks when the Government will bail you out? The government's protestations to the contrary, it is following along in the exact same way. Albeit using somewhat different techniques, as the predecessor Government of the Liberal Party. The results will be identical. That is what I find most disappointing, Mr. Chairman.

I can tell, Mr. Chairman, just from the way you are looking at me that you have recognized the fallacy of the argument of the Government. The one thing it has not been prepared to address when talking of borrowing is what was done with the money. Why did we borrow that money in the long run? We have to try to figure that out. The reason we had to borrow the money over the last four years was because of high interest rates. And it was the Conservative Party which supported the Liberal Party in its quest for high interest rates.

Mr. Lewis: Oh, oh!

Mr. Deans: I remember, as does the Hon. Member for Simcoe North—we will remember—when the now Minister of Finance went to Montreal and spoke to the Board of Trade there. He said he supported the high interest rate policy of the then Liberal Government. The now Minister of Finance said, "If I were the Minister, I could do nothing more, nothing less than to follow the line established by the Bank of Canada". It was the Minister of Finance when he was the Opposition critic who said that high interest rates were necessary and that the Conservative Party of Canada supported them.

The end result was that a million people lost their jobs and countless hundreds of thousands of people never recovered, tens of thousands of people lost their homes and their businesses, farms went bankrupt in record numbers. But the Conservative Party supported the Liberal Party in allowing those interest rates to continue to rise to the point where no one could afford them. Now the Conservative Government has the gall to come into this House and suggest to us that we should accept its idle rhetoric.

No, Sir. I will tell you right now, Mr. Speaker, it will get its money only because it has the majority which will force it. But the fact is that it has been the mismanagement of the Liberals, supported by the Conservatives over the last 20 years, which allowed the deterioration of the system that has put us in the position we now are in.

• (1950)

Mr. Althouse: Mr. Chairman, I have a number of questions for the Minister. Perhaps she could give us some explanations about the nature of the Borrowing Authority Bill we are discussing tonight.

In the statement the Minister of Finance gave when this Bill was introduced on May 28 he indicated that this $16.2 billion would bring the total borrowing authority for the current fiscal

year to $32.2 billion. He compared that to the total borrowing authority Parliament had granted to the two different Governments for 1984-85, which amounted to $31.9 billion. In effect, we are granting an additional $300 million this year. He indicated that while Parliament had granted borrowing authority of $31.9 billion last year, $27.6 billion was actually expended by the Government, leaving $4.3 billion unused as of March 31, 1985.

The request for borrowing authority this year is $300 million higher. Does that mean that $4.6 billion will be left in a fund for unspecified expenditures? Could the Minister tell us what the unspecified expenditures portion of this borrowing authority is likely to be by the end of this fiscal year?

Mrs. McDougall: I am not sure that I could estimate at this stage what the unused portion may be by the end of the year. I would indicate that the figures do not appear to be quite correct. I think that perhaps the $2.2 billion of short-term Section 39 borrowing has been included twice in that total, because the figures the Hon. Member was giving were not correct. I would have to check *Hansard*. Perhaps there was a mistake. I would like to put that on the record.

We will, of course, be trying to control our expenditures as much as possible and not use any further borrowing authority than is necessary. The total amount of borrowing authority will depend on the economic prospects we have, which at the moment we are reasonably pleased about, given the circumstances of the country. It will depend on interest rates which have been trending downward. It will depend on revenue projections. As more people continue to go to work we will have increased revenues. All of this will be reasonably positive in terms of the actual borrowing.

Mr. Althouse: Mr. Chairman, in light of the expected reduction of the deficit the Minister of Finance has been talking about, why is the borrowing authority higher this year than it was last year?

Mrs. McDougall: The actual borrowing last year was $39.8 billion. We are anticipating a total of $28 billion this year. Therefore, the amount of borrowing is down.

Mr. Althouse: Mr. Chairman, I am not trying to confuse myself deliberately. I am reading from the statement by the Minister on pages 5132 and 5133 of *Hansard*. The numbers that he presented are somewhat at odds with the numbers the Hon. Minister of State for Finance is presenting. The Minister's statement seemed to be fairly clear. He said:

> With the passage of this Bill, the Government will have a total of $32.2 billion of borrowing authority for the current fiscal year.

In the next paragraph he points out that, in his opinion at least, the borrowing authority for the 1984-85 fiscal year was $31.9 billion.

Mrs. McDougall: I think the $2 billion which is in there is part of the reserve. The other is the $2.2 billion that was borrowed under Section 39 in February which, instead of being part of the long-term borrowing program, had to be repaid. That is the difference.

Mr. Althouse: Mr. Chairman, what is the Government's interpretation of the amount of money that it can borrow under Section 39 of the Financial Administration Act? Last year while the Senate was holding up the Borrowing Authority Bill the Government apparently borrowed $2.2 billion. What are the limits, if any, to that borrowing authority? If the borrowing authority which is before the House at the moment turns out to be insufficient, is there any limit to the amount of money that could be borrowed under Section 39 of the Financial Administration Act in order to keep the Government in operation?

Mrs. McDougall: Mr. Chairman, there is no limit to the amount that can be borrowed under Section 39. However, it must be repaid within a term of 180 days. That is where the limitation is imposed. However, we are expecting that we will have a much more responsible response this year and that we will not have to use Section 39.

Mr. Althouse: Could the Minister indicate the difference in cost for the 180 day borrowings versus the kind of borrowings that are normally carried out under the borrowing authority as such? While she is at it, perhaps she could tell us what sort of rate the Government is anticipating will be paid during this fiscal year for the borrowings that are necessary to make up the interest on the accumulated deficit that we have.

Mrs. McDougall: The interest rate spread changes every day. Between short and long it is normally about 1 per cent. However, you cannot always put everything in the least costly part of the market because that would jack up rates in that part of the market and would change the spread going in the other direction. That is why our debt management program of not using Section 39 is very important to us. We do try to design our debt management in order that the costs are minimized, depending on the rate spread at any given time in different sections of the market.

Mr. Althouse: Mr. Chairman, it is normal for individuals lending money for short terms to take a lower rate on deposits than we do for longer terms. Is that procedure followed with the short-term money which the Government borrows? If so, how did the Minister of Finance arrive at the figure of $15 million as the cost to borrow short-term money, as opposed to long-term money? That is the price tag he laid at the feet of the Senate for holding up the Borrowing Authority Bill and forcing him to go to the short-term market, which is normally a lower priced market, I would think.

• (2000)

Mrs. McDougall: Mr. Chairman, there was some deterioration in the interest rate curve at that point, and there was an issue that had to be deferred. I am sure the Hon. Member is aware that while normally the spread widens the further out you go, there have been reverse yield curves more frequently in recent years than in the past. This was particularly true at the

height of the inflation cycle when nobody wanted to lend for long periods of time. Therefore, we have what is called a reverse yield curve, because everyone wants to keep their money very short.

Mr. Althouse: Mr. Chairman, could the Minister tell us what the accumulate deficit for the country is now? I want to repeat my previous question as well. She indicated in an answer to my friend from Kamloops-Shuswap that the Government is estimating that the cost of interest on debt will amount to $22.6 billion. I am sure she can tell us the accumulated deficit. We know from the Budget what are the expected additions to that. Since she is quite specific about the $22.6 billion figure, I am sure she will be able to answer the question I put previously about expected interest rates?

Mrs. McDougall: Of course, much of that is on debt that is already outstanding. Therefore, the estimate is based on that.

I assume the Hon. Member means the accumulated debt rather than the accumulated deficit. Therefore, I believe the accumulated debt is $190. If I have a correction to that figure I will advise the Hon. Member.

Mr. Althouse: I assume that the Government expects to pay approximately in excess of 10 per cent interest or probably in excess of 11 per cent interest, given that it is paying a debt under $200 billion and is expecting to pay approximately $22.6 billion in interest. Therefore, I assume it is a good estimate of what the Government is expecting interest rates to be, which is somewhere in excess of 11 per cent.

Will the Minister tell us if she and her officials have had time to arrive at the number asked for my my friend from Kamloops-Shuswap? Can she tell us the total accumulation of deferred corporate taxes that have been left unpaid and on which no interest is being paid?

Mrs. McDougall: Mr. Chairman, I will deal with the first point raised about the average interest rate. The reason that rate is historically quite high is that the deficit doubled over five or six years as interest rates were at their peak. Therefore, the accumulated debt is weighted to the high interest rates that had to be paid during that period when the former Government treated the deficit, its expenditures and revenue so irresponsibly. That constitutes a large part of that cost.

The amount of deferred corporate income taxes is to be found in Corporate Financial Statistics published by Statistics Canada. It is quite readily available during business hours. It is $29.4 billion for 1982, the latest year available.

Let me point out that the so-called interest on unpaid taxes is not relevant or applicable because deferred taxes arise out of the investment a company makes. It concerns capital cost allowances and therefore there is no deferral of taxes without an initial investment. Corporations, as citizens, pay the taxes that are owing. However, not only corporations but individuals can write off their interest costs if they invest money to some extent as well.

Mr. Althouse: The Minister said that the interest rate that is being paid varies, depending on the year that the debt was incurred. Is she saying that there has been no refinancing of those debts that might have been incurred in the 20 per cent range? Is there no way of refinancing those at current rates?

Could she also tell us how far ahead the Government commits these interest rates? Are they not just short-term?

Mrs. McDougall: No, they are not just short-term. That is what I meant about the spread between the short and long-term rates and how the debt management program depends to some extent on what those spreads are and what the demand is in the market-place for short-term as opposed to long-term instruments.

When those are issued in the form of a bond, of course, it is a contract to pay on a fixed date and cannot be refinanced when the interest rate structure moves. They are repaid at maturity and I believe that 20 years is the longest normal term for a bond. However, if the Hon. Member looks at the announcements that we make monthly he will see that there are normally three or four maturities which will be anywhere from one year to perhaps 24 years.

Actually, if bonds can be issued in the long end to a greater extent, it is a sign of confidence because the expectation is that interest rates will be stable and people are prepared to go for longer terms. Lately we have seen a willingness in the money markets, among financial institutions, to go somewhat longer on mortgages than they have before. That is a very positive trend.

Mr. Boudria: Mr. Chairman, I would like to speak briefly on this clause of the Bill. I see that a Conservative Member who was adjusting to the role of being on this side has decided to sit in another place in the Chamber. Perhaps he will want to reconsider and stay on this side permanently, especially after I have convinced him that the Government's measures and the way it is spending taxpayers' money is totally inappropriate.

Let me talk about Government expenditures. Perhaps the Minister, who is responsible for this Bill and one of the Ministers responsible for the public purse, can indicate to us why she believes that the Government should get borrowing authority in light of certain facts which I will bring to her attention.

First, I would like to talk briefly about the 57 per cent increase in the Prime Minister's operating Budget. I say this, keeping in mind that this is the same Government that is telling senior citizens of this country that there is not enough to go around. It has been telling senior citizens that they must tighten their belts. I have met with many senior citizens in my riding over the weekend, and they do not feel like tightening their belts any more. As a matter of fact, they are not in a position to tighten their belts. At the same time, we see that the expenditures for the office of the Prime Minister have been increased by 57 per cent. Mr. Chairman, you, being the non-partisan person you are, would understand how outrageous that is.

• (2010)

I should like to talk a little about salary increases to certain people. I brought to the attention of the House on a few occasions that the Government rewarded some of its friends and relatives through the mechanism of patronage. As we know, this is very expensive to the public Treasury.

I should like to refer to two individuals in particular, a gentleman by the name of Lawrence Hannigan, who happens to be a defeated Conservative candidate in the riding of Laval-des-Rapides, and Roy McMurtry, another Tory loser. Both were appointed to very lucrative government jobs at tremendous expense to Canadian taxpayers. Their salary increases alone amount to close to $60,000 per year. Just imagine what would happen if some of our senior citizens had that kind of money. Needless to say they will never have it. However, it would be interesting to indicate how far that $60,000 would go toward restoring the pensions of senior citizens in my riding.

There are roughly 6,000 seniors in my riding. Next year they will each be cut by approximately $100. A very quick multiplication of the figures shows that the salary increases of those two Tory losers alone could restore full indexation to the pensions of all seniors in my riding. I am sure there is not one Tory back-bencher who would not second a motion to cancel those salary increases and give them to the seniors in their ridings.

I detect almost unanimity for that on the part of Hon. Members across the way. Looking at my good friend from Interlake, I can tell that he would be in favour of restoring the benefits to the seniors of his riding. I am sure he does not really want those large salary increases for two Tory losers. After all, he was a Tory winner and he is making less money than the losers. This is almost enough to cause a back-bench revolt in the Conservative ranks. We can see that starting develop at this point. Obviously the Hon. Member for Simcoe North is beginning to become somewhat upset about this issue.

I should like to refer to the economic statement of last fall. On November 8, the Government of Canada issued a document entitled *Expenditure and Program Review*. As I said, this was delivered on November 8, otherwise known as black Thursday. On black Thursday, the Government decided to effect these very severe, harsh and unfair cut-backs. Not content with doing that at public expense, at the expense of those who could least afford it, Mr. Chairman, do you know what the Government decided to do?

Mr. Marchi: What?

Mr. Prud'homme: What?

Mr. Boudria: I am glad the Hon. Member for York West and the Hon. Member for Saint-Denis ask me that question. The Government decided to ship copies of that document to every provincial Premier. One would think it would have relied on Canada Post. After all, it was a very worth-while government endeavour. But that is not what the Government did. It sent by jet messengers with copies of the economic statement. Tory back-benchers were sent as messengers. After all, the Government had to find something for them to do. Tory back-benchers delivered copies of the economic statement personally to every provincial Premier. The total cost was $23,850 for delivering ten copies, and the Government wants the House to give it more money! Why? Why should we give it more money when it has squandered what we already gave it? That is terrible.

[*Translation*]

Mr. Speaker, I would like to talk about the Minister of Communications (Mr. Masse). As we all know, the Minister decided to spend taxpayers' money in a rather unusual way. The Minister decided to fly hither and yon on a Government plane, and so what did he do? He asked his friends or rather his family and his staff and they filled the jet and left for the Middle East. They made a few stops and when they got back, they added up the cost of the trip: $57,000 the Minister of Communications spent on a trip to the Middle East. It cost $57,000, Mr. Speaker! That is obviously why everybody now knows the Minister's nickname: the "courant d'air national". Obviously, when you spend that kind of money—

Mr. Speaker, I would also like to say a few words about the cost of renovating ministers' offices. As you know, the ministers all have very large offices here. They say that some ministers have more offices than staff. They have five or six offices and only two or three people working in those offices, here in the Parliament Buildings. The Minister of Public Works (Mr. La Salle) has new carpeting in his office which cost $10,000, Mr. Speaker, and I do not know what—

[*English*]

The Minister of National Health and Welfare, the same Minister who wants to cut the pensions of the seniors in my riding and in your riding, Mr. Chairman, spent $23,327 to redecorate the inside of his office on Parliament Hill. Mr. Chairman, I know that you are saying shame on the Minister, and rightfully so.

Mr. Holtmann: The Liberals before left the place in a rotten mess. We had to.

Mr. Boudria: I hear my friend across the way. The Liberals are not the ones who are cutting the pension cheques of senior citizens. It is the Tories who are perpetrating that upon Canadians. The Tories are responsible for that mess.

Some Hon. Members: Oh, oh!

Mr. Boudria: They are giving the money of taxpayers to multinational corporations, to themselves and to their friends, and there is none left for our seniors.

I would like the Minister to respond to these questions, and then I will have more to ask.

Mr. Prud'homme: Where is the Minister?

Mr. Hnatyshyn: Mr. Chairman, the Minister is out of the Chamber for a moment getting a glass of water. If the Hon.

Member wants to continue, he may do so, as I am making a note of any questions he asks to which she can respond.

Mr. Boudria: Because of the insistence of the Government House Leader, I will ask more questions.

Mr. Towers: She is back.

Mr. Boudria: There are more examples of government waste. The Minister of State for Fitness and Amateur Sport, otherwise called the amateur Minister, spent $13,496 to redecorate his Parliament Hill office. Let me tell you, that would buy an awful lot of wallpaper. The Minister of State for Mines is here, and he spent $17,712. Maybe he could tell us what colour the wallpaper is at that price. The people of Canada deserve to know. I see this is getting the Minister a bit excited. Perhaps if I was a Minister who spent $17,000 on wallpaper I would be a little excited when it was brought up in the House.

• (2020)

Mr. Hnatyshyn: The facts are all wrong.

Mr. Boudria: I am glad the Government House Leader has indicated the facts are all wrong, because those facts are what I received in response to a question I aksed and it is signed by him.

Mr. Hnatyshyn: I like to read George Bain.

Mr. Boudria: These were supplied and signed by the Government House Leader personally.

Mr. Hnatyshyn: In my own hand.

Mr. Boudria: He signed this personally and he is now saying that it is wrong.

Mr. Hnatyshyn: You have your facts wrong.

Mr. Boudria: Has he inadvertently misled this House? No, I am sure the Government House Leader would never do that. So the $130,000 worth of Government waste I have just described must be true. I would never think the Government House Leader would tell us anything but the entire truth and I can see that you are nodding in agreement, Mr. Chairman.

Let me ask the Minister of State for Finance about the cost of limousines. It used to be that one could actually drive up beside the West door of the Parliament Buildings. Now the place, as we know, looks like a used car lot. There is hardly room to drive by because so many limousine drivers are tripping over each other. There are 39 or 40 of them all over the place. Of course we know how badly Ministers need them. It is extreme suffering on their part to do something other than jump into a limousine to go over to the West Block or to the Confederation Building, or wherever their offices are. We know that would be quite strenuous. We also know that in order to supply these limousines the Government had to supplement the existing stock. So the Government bought $173,000 worth of limousines to add to the existing ones. Just in case the Government House Leader says that information is not exact, it was he again who provided it. I ask a lot of Order Paper questions and they do get answered.

Mr. Hnatyshyn: At least I answer questions.

Mr. Boudria: Just in case the Minister of State for Finance thinks this is extravagant, which it is, maybe she could comment on why the Government had to lease another $30,000 worth on top of the $173,000 worth which had been bought. I have the list right here, everything from renting a Chrysler New Yorker for a whole year, to leases for one day. I could list them all for the record if you want to know the details.

On top of this, the Government wants us to give it more money at the same time it is cutting the pension cheques of seniors. Well, Mr. Chairman, my constituents will not go for this. If I voted for that, they would never forgive me, as they will never forgive Tory Members across the way. Some of them may vote for this, but we know most of them will have time to reconsider.

Let us talk about the changing of uniforms. There is a ceremony outside this place known as the Changing of the Guard, but there is now another ceremony in the military known as the changing of the uniform. This means that for the bargain cost of $36 million, all our military uniforms can be colour coded. Do you know of any military person, Mr. Chairman, or does the Minister know of any military person who would not give up trading his or her uniform in order to give their grandfathers or grandmothers their pension cheques? Maybe she could answer that question specifically.

Mr. Hnatyshyn: George Bain was right.

Mr. Boudria: I cannot think of one constituent of mine in the military who would not give up trading his or her uniform in order to restore pension benefits to their grandparents. That money would go a long way to restoring those benefits for the people of this country. Perhaps the Minister can tell us what she thinks of the extravagant expenditure on the part of the Minister of National Defence. It is enough to make a Minister want to resign.

Let us talk a little bit about the Shamrock Summit, another bargain deal. It cost the taxpayers of this country close to $1 million, almost half of which went just for television.

Mr. Towers: You don't know anything about class.

Mr. Boudria: The Hon. Member says I don't know. I am glad the Hon. Member for Red Deer has woken up to the fact that his Prime Minister wasted that money. I am glad that he is finally agreeing with us, and I commend him for that.

Mr. Towers: You don't know anything about class.

Mr. Boudria: Some $500,000 was spent by the Prime Minister of this country so we could listen to him sing on television. The rest of it was spent on various things, such as the Armed Forces and other things. No doubt the Government House Leader agrees with me that it was an extravagant expenditure.

The Acting Chairman (Mr. Fennell): I am sorry to interrupt the Hon. Member but his time is up. Unfortunately he has not left enough time for the Minister to answer his question, so we will let her answer at the end of the remarks of the next Member.

Mr. Angus: Mr. Chairman, I would like to ask the Minister if she would react to comments made by Mr. C. R. Bowles, executive vice-president of Great Lakes Forest Products when he appeared before the June 3, 1985 meeting of the Standing Committee on Fisheries and Forestry. Referring to deferred taxes, a subject raised by my colleagues a number of times this evening, Mr. Bowles said this:

> Deferred taxes are extremely difficult to describe without using your hands and your feet and all sorts of things, so let me just try to go through it . . . I dare say everybody, or almost everybody, in this room, is a member of a pension plan. That is a form of tax deferral. In the corporate sector, the biggest one is the accelerated write-off for capital investment in manufacturing and the production of machinery . . . So the difference between the accounting charge for taxes and the amount which actually has to be paid in accordance with the law, sits in this never-never land we call deferred income taxes. It is therefore not correct to consider the balance in this account as an amount owing to the taxing authorities.

He summarizes by saying:

> The tax act tells us what we have got to pay; the accountants determine what we show on the balance sheet and profit and loss statements or earning statements; the difference between the two is deferred income taxes—that is what we call it—and it is not owed to anybody . . . You never pay any of that as such back to the government.

● (2030)

Would the Minister agree with the interpretation of Mr. Bowles of the term "deferred taxes" as it applies to the corporate sector of this country?

Mrs. McDougall: Mr. Chairman, I probably understand far better than Mr. Bowles how the deferred tax system works. I am sure the Hon. Member would agree that our undertaking of a study of corporate taxes, something which seems to be very worrying to Members of the NDP tonight, is a very positive move forward and something that is long overdue.

I would like to point out to the previous Member who questioned me that there are quite a number of points he raised which were of great interest to me. He talked about cars and the decorating expenses. I would like the Hon. Member to know that I moved into the office of a former Minister of the former Government and the total inventory of that office consisted of six plants and five tubes of toothpaste. I wonder where the furniture went.

Mr. Hnatyshyn: As they said in the Pepsodent ads, I wonder where the yellow went.

Mrs. McDougall: I also discovered when I moved in that the car for the former Minister of State for Finance was nowhere to be found either. Is that not truly amazing? I wonder if the Hon. Member also remembers a certain Hon. Member for Winnipeg-Fort Garry who spent $1 million on his staff.

Mr. Hnatyshyn: Over a million a year. Wretched excess.

Mrs. McDougall: I find this selective use of statistics quite fascinating. We all know that the Hon. Member for Glengarry-Prescott-Russell is very interested in statistics of all kinds. I know that he is a burrower. I am just amazed that he did not come up with the fact that the inventory of my office was so tiny.

Mr. Hnatyshyn: I know that he wouldn't knowingly mislead anybody.

Mrs. McDougall: I should return to the question at hand. I do treat it as a serious one. That is why we have undertaken a review of the corporate income tax structure. We will be examining over the next few months ways in which we think the country can be better served by the corporate tax structure, and this will include the kinds of things that will create jobs as well as things which will create some even-handedness in the tax structure.

Mr. Angus: Mr. Chairman, I would like to thank the Minister for responding, not to my question, as my question asked for her interpretation of the definition, but for giving me information regarding the study. Once again, Mr. Bowles and others have stated very clearly that as far as their companies are concerned, they have no intention of paying back those so-called deferred taxes. They believe that they are solely within their rights not to do so. Not in terms of policy but in terms of interpretation, I am asking the Minister whether or not the interpretation of the tax Act of Mr. Bowles as it applies to deferred taxes for the corporate sector is correct and that that money does not have to be paid back at this current moment in time.

Mrs. McDougall: Mr. Chairman, that is what deferment means, of course. It means that the taxes do not get paid back in a single moment. The taxes are due and payable in the future under some certain circumstances. If corporations continue to invest money, then the deferred taxes continue to be deferred.

I recognize that the Hon. Member is quite exercised about this matter. We are undertaking to review the corporate income tax structure. It is something to which we have committed ourselves.

I will not comment directly on the remarks of Mr. Bowles. I do not know the context of those remarks, or what the question was to which he was responding, or the point he was trying to make. However, I do understand the principle of deferred taxes.

Mr. Angus: Mr. Chairman, let us say that a company has accumulated tax deferrals amounting to $100 million. If that company stopped investing capital investment within its plant, would it then begin to pay those deferred taxes back to the Consolidated Revenue Fund of Canada?

Mrs. McDougall: Mr. Chairman, the answer to the question is yes. It is a little more complicated than that but ultimately, if a company stops investing, that triggers the taxes payable.

Mr. Cassidy: Mr. Chairman, because the borrowing Bill is now being discussed at committee stage, I have a question I would like to put to the Minister of State for Finance; it is a question that has puzzled me. I was not in the House a year ago when the 1984 Budget was being debated. I do recall, however, from press reports, and from reading *Hansard* the dire warnings uttered by the Conservative Opposition of the day. In fact, many of the Minister's colleagues in Cabinet were at that time Opposition Members. They warned about the deficit and they preached doom and gloom. They indicated that the situation was far more serious than the Liberal Government of the day had indicated to the public. This was repeated many times prior to the election campaign.

During the election campaign, Conservative Members did two things. They continued to warn the country that the deficit situation was extremely serious, but at the same time they made an extraordinary string of campaign promises, one of which was the promise that a Conservative Government, contrary to the Liberals' 6 and 5 program, would restore full indexing on Old Age Security pensions. That promise was made with the knowledge that it was potentially costly. They knew that money would be required in order to do the decent thing; to continue providing pensions and dignity for old age pensioners. That promise was made in the context of a preparation for Government, and with a transition team in place that was planning that kind of thing.

My question is quite simple. What has changed? One did not need to be in the Ministry of Finance to know what the situation was like. Conservative Members when in Opposition were saying the same thing as the Minister of Finance has said in his Budget, but somehow the policy results are diffeent in the sense that policies were made in full knowledge of the situation, but were subsequently violated and thrown away. How is it that Conservative Members could make those promises knowing that the financial situation would prevent them from doing the decent thing for old age pensioners?

Mrs. McDougall: Mr. Chairman, I will review once again for the Hon. Member what he has heard many times in the House. He may not have been here a year ago, but neither was I. When planning for Government, one could expect that things are worse than they look. However, one must take power before the actual facts are known and the next stage can be assessed.

As I and other Members have indicated earlier, this is our first Budget and not our last. We have kept many of our commitments. We brought forward the borrowing Bill within two days of the Budget. The Main Estimates contained the lowest year over year increase in 17 years. We have kept our commitment on accountability in the borrowing Bill. We have kept our commitment that the poorest people in our society would be looked after. We have kept our commitment to create jobs and we have kept our commitment to bring down interest rates. I think that the record speaks for itself. Commitments have been kept. The kind of flexibility that will come from control of the deficit and still lower interest rates will mean that in the future, we will have the flexibility in social policy which everyone in this House wants.

• (2040)

Mr. Cassidy: Mr. Chairman, it seems to be that what the Minister is saying indicates that the Progressive Conservatives, when they were campaigning, were either being naive or hypocritical. The Conservatives were being naive if they said that things were worse than they appeared to be at the time they made the promises. They were hypocritical if they proceeded to make promises in the full knowledge that they would have to break them.

Mr. Hnatyshyn: You were not around.

Mr. Cassidy: I was around. I was out on the hustings. As a matter of fact, I was aware of people working for Conservative candidates in my riding and elsewhere in Ottawa who were promising pensioners that they would not have to put up with cut-backs if a Conservative Government was in power. Some pensioners were taken in. They are telling me now that that will never happen again. However, at that time they were taken in by a Party which was being either naive or hypocritical.

While complimenting the Minister of State for Finance on her presentation last Friday night at the National Arts Centre—which I thought was fully up to the standards of the other three participants, including Geraldine Ferraro—I felt that she was extremely uncomfortable when she answered a question from the audience with respect to her defence of the pension situation. In fact, I would say that she was close to being inarticulate, which is something the Minister never is. The reason is that even the junior Minister of Finance is being left out to dry. She does not know whether or not her Prime Minister is going to fish or cut bait on this issue, and when it will occur.

I would suggest that the Minister of State for Finance come out right now and say that she recognizes, having met with her constituents and having seen the telegrams and letters, that a grave political mistake has been made by the Government in deindexing pensions. She should say that it should not have been done and that it was wrong for the Government in its first Budget to take that particular step. Why does she not say now that it was wrong and that she will do everything in her power to persuade the Prime Minister to withdraw the deindexing before the House rises for the summer recess on June 28?

Mrs. McDougall: Mr. Chairman, if the Hon. Member was confused or took my remarks last Friday night to be anything other than thoughtful, he is making a mistake. Before that group of people I was doing what Members of the NDP do not do. I was going through the whole package of things the Government has done. I spoke of how the Government is looking at Public Service pension plans so that they will not cost the taxpayers more money. I also explained that there would no longer be a full guarantee on MP's pensions as of January 1, 1986. That is something which does not seem to get mentioned in the rhetoric of the Opposition. I went on to

explain that this was a package of budget items which we had put together very carefully. I explained that it is always very difficult to draw the line. As always, we have attempted to look after the people who are the most in need. That is where our hearts are and that is where our greatest concern is. I am sure the Hon. Member shares that concern.

Mr. Cassidy: Mr. Chairman, I would like to be thoughtful for a minute. The concept that indexing everything is undesirable is a valid argument. I would accept, for example, if the Government said to those who are contracted by the Government that it would not automatically give them a 3 per cent or 4 per cent increase every year, in line with the rate of inflation. I would understand if the Government told them that they would have to fight for every penny. That is certainly argued in terms of labour-management negotiations. However, I found it objectionable to have the same argument apply, with such religious fervour, by Members of the Government, including the President of the Treasury Board and the Minister of Finance, when it comes to people who are no longer able to work an extra hour-and-a-half a week if their income begins to fall. The Government should find a way to provide a better service, which is more efficient and which would cut costs to keep them in line with government ceilings.

Senior citizens are not in the position to fight back. The bulk of them live in poverty or below the poverty line. It seems to me it is desirable for people who retire, who can no longer provide for their own needs by working, that indexing should continue to apply. I think that is a humane and sensible provision. Why is the Government out to punish Public Service employees who have worked 30 years for the Government of Canada? Why is the Government out to punish people who started their working careers for 20 cents or 40 cents a day back in the days of the Great Depression? They are now trembling. They do not know if the purchasing power of their pensions will get them through. Why is the Government picking on the people who are the weakest in society? If the Government wants to preach deindexation, why does it not do it to able-bodied individuals who are in their working years and to corporations and companies which have been ripping off the Government for a very long time?

Mrs. McDougall: Mr. Chairman, I think that the programs we have put in place do recognize some of the situations which the Hon. Member has outlined. The budget papers indicate that government Departments will not automatically get an increase for inflation every year. We have been consistent in looking at the whole area of indexing and what it has done to the system over time. I believe there is more consistency in our approach to the policies which we have produced than we have seen from any government for a long time. There is considerable sensitivity, concern and awareness.

We recognize that there is a short-term problem with the elderly poor, in which case those on the GIS are protected. We also recognize that there is a long-term problem in that these things will continue to happen if we do not provide for and encourage the kind of pension recommendations which are included in the Budget, such as pensions for part-time workers, earlier vesting and portability. All those things will help women, who comprise the larger proportion of our elderly poor.

We have very carefully balanced the policies we have outlined in the Budget. We have indicated that we would watch the trends very closely. It is something to which we are very sensitive. When we are in a position to do so, we will have more flexibility in social policy and we will be able to enrich some of the programs.

As I indicated earlier tonight, we have to ensure that the social policy meets the needs of the present and the future rather than the needs of the past. That means that we need flexibility, financial responsibility and fiscal responsibility. If we do not have that, we will come to the point where the funds will simply not be there to deal with the people who have real needs. I believe that people who have lived through the Depression and the wars know how important it is to take responsibility for the future. We are enormously sensitive to senior citizens and to other people who are in need in our society. That is why we indicated in the budget papers that we would watch the situation very closely with a view to enriching the programs as soon as we have the fiscal capacity to do so.

Mr. Cassidy: Mr. Chairman, the Minister is avoiding the point, which is that the Government is being sensitive to the needs of the rich people today. It has given them a half a million dollar exemption capital gains tax—

Mr. Hnatyshyn: You do not know any farmers.

Mr. Cassidy: As far as the aged are concerned, the Minister is dead wrong. She said that the Government is being sensitive to the needs of the people on GIS. People on the GIS are suffering a $100 decrease—

Mr. Lanthier: The NDP is against farmers!

Mr. Cassidy: This is a Budget for the rich.

Mr. Hnatyshyn: Farmers are not rich.

• (2050)

The Assistant Deputy Chairman: Order, please. What went wrong? The Hon. Member for Ottawa Centre.

Mr. Cassidy: Mr. Chairman, you know, as I know, that a tax concession to farmers could have been very easily accomplished without benefiting all of the fast buck artists on Bay Street and St. James Street, which is what the Government has done in its Budget with the capital tax exemption. Everyone in this House knows that, Mr. Chairman. There is no issue about that.

To get back to the point I was trying to make, the Minister stated that the Government is protecting the poorest of the pensioners, those who receive the Guaranteed Income Supplement. What she ignores and what she is dissembling about is that people receiving the Guaranteed Income Supplement will also suffer the equivalent of $100 loss in purchasing power

next year because of deindexation, $200 a year after that, and $300 the year after that, rising to about $700 by the early 1990s. That cut in purchasing power will apply equally to a pensioner with pensions and other investment income amounting to $30,000 a year, to a pensioner whose income gets them just above the threshold for receiving the Guaranteed Income Supplement, and to those 1.3 million pensioners who will receive the Guaranteed Income Supplement.

I cannot understand what sensitivity there is in dealing with the poorest of pensioners in exactly the same way as someone who by any standards would seem to be very comfortably off. People are asking me why the Government has done this? When it can give so much money to the rich people, why is it taking $100 next year and twice that the year after from people who are receiving the Guaranteed Income Supplement who, by definition, are living in poverty?

Mrs. McDougall: Mr. Chairman, the Hon. Member well knows that it is not only farmers who are going to benefit. The small business organizations across this country are going to benefit from this Budget. This is a Budget of opportunity. The small business organizations have been asking for this tax measure for years and years. We recognize that we also have to do something about jobs. That is something we have been committed to from the beginning. It is something we have a good record on. It would be nice to have all the money in the world to answer all the problems the very first go-around. It would be nice to be able to do that. But the Government which went before was totally irresponsible, because its answer to every problem was to write a bigger cheque. That is why we are here today discussing these topics.

The worse thing that ever happened to senior citizens in this country was in the middle 1970s when the former Government moved from a surplus to a large deficit and never got off that track. It totally squandered our prosperity. The economic theory is very simple, Mr. Chairman, and it has to do with seven years of feast and seven years of famine. It is a theory which has been around for a long time. If one is not careful in the seven years of feast, then one cannot handle the seven years of famine.

That Party opposite squandered our prosperity, Mr. Chairman. Day after day it just wrote cheques. That was its answer to every problem. There was no discipline, no caring for the future of the country. It dealt only in the present.

Mr. Baker: Mr. Chairman, in view of the comments made by the Minister a few moments ago, I feel that I have to speak for a few moments.

The Minister stated that our problems were caused by the previous administration writing blank cheques. But I can assure you, Mr. Chairman, that this Government does not intend to write any cheques at all, as our critic on environment has pointed out. The former Minister of the Environment on many occasions pointed out that the lay-offs which took place in the Canadian Wildlife Service and with Environment Canada are absolutely unexplainable and cannot be defended by any Government.

But I want to get back to the Minister's sensitivity and concern. What was in the financial statement, the Expenditure and Review Program, is correct when it states that the Government is going to save $30 million because it is going to treat pensions as income, and that it is going to save $60 million through separation payments under Employment and Immigration.

What that means, Mr. Chairman, is that prior to this Government taking office, and prior to March 31, someone who finished their employment after years of working, and who received payments from their employer, did not have those payments taken into account as income for unemployment insurance purposes. Now it is taking into account. In fact, it is spread out over the entire years so that we get to the point where someone who has worked all their life, never drawn unemployment insurance, and always there was that provision there whereby they could draw for a set period of time, has had it discontinued. The Government is going to save $60 million. I will agree with that figure. The Government is going to save $30 million by taking pension income as earnings as of, I believe, January 1. That means, Mr. Chairman, that anyone who retires early and draws a pension early—that is a lot of people in the Armed Forces and the Public Service—will have their pensions taken into account as earnings for unemployment insurance purposes. In other words, Mr. Chairman, they have to pay in but they can't collect. Is that sensitivity and concern, as the Minister of State for Finance claims?

What really concerns me, Mr. Chairman, is this atrocious $200 million figure, which I suppose, Mr. Chairman, in considering this Bill of $18.2 billion is another $200 million which was not taken into account. What the President of the Treasury Board says is that we are going to save $200 million through intensifying interviews under the Unemployment Insurance Act. But there will be no saving of $200 million, and I will tell you why, Mr. Chairman, and I will tell the Minister why.

We can look at all the report from the Auditor General we want and there is always this massive figure of overpayments which should never have been made to recipients who were drawing unemployment insurance. There was never a distinction made as to why they received the overpayment. In other words, according to the law, if the Unemployment Insurance Commission makes a mistake, it is the recipient who has to pay the money. If the employer makes the mistake, the recipient still has to pay back the money. That is a considerable portion of what the Auditor General recognizes as being "overpayments".

The Minister says, "We are going to save $200 million now by intensifying interviews". In other words, Mr. Chairman, if the recipient is telephoned and they are not at home, they can get cut off their unemployment insurance benefits. If it is found that they went for a week looking for a job somewhere and didn't report that change of address to the Unemployment Insurance Commission they can lose their unemployment insurance benefits. If the Commission makes a mistake, as in a lot of these cases, it is the recipient who has to pay it back.

The point is, Mr. Chairman, that all of these cases involving the $200 million will be appealed. They will be appealed to the Board and then finally to the federal Tax Court of Canada, because we are going to encourage those people to appeal. The Court will hear their appeal because their reasons will be justified for that appeal. How else are we going to do it, Mr. Chairman? We are going to keep these appeals going for three years because the Act states that anything which is owing over a three-year period is automatically erased by the Unemployment Insurance Commission. I believe that every Member of Parliament now is going to encourage everybody to appeal—

• (2100)

Some Hon. Members: Question.

Mr. Baker: I am going to continue until nine o'clock. I am not going to sit down.

Some Hon. Members: Question.

Mr. Baker: I am going to continue until nine o'clock, and then I am going to finish tomorrow morning because of what the Minister said—

The Assistant Deputy Chairman: Order. It being nine o'clock shall I rise, report progress, and request leave to sit again at the next sitting of the House?

Some Hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADA POST CORPORATION—POSTAL DELAYS—REQUEST FOR POSTPONEMENT OF RATE INCREASES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I rise under Standing Order 45. On June 4 in the House, in the absence of the Minister of National Revenue (Mr. Beatty), I asked his Parliamentary Secretary if Cabinet should not be considering improving Canada Post services before a rate increase is approved and implemented. Clearly the Canadian economy cannot afford to ignore the deteriorating productivity in a Crown corporation, that is the Post Office, that vitally affects every Canadian and the ability of every Canadian business to compete effectivetly in the marketplace.

Canadians want quality service and there is no reason they should not receive it. They are paying for first-class service and are entitled to the best. Canada Post claims that the mail is on time in 86 per cent of cases. This is just not good enough in the estimation of most Canadians. Normally if a paying customer is dissatisfied with the services of a particular company he has the option of taking his business elsewhere where he can receive the best quality service for his money. Since the post office has a monopoly on first-class mail it is not possible to go elsewhere unless a person can afford the services of private couriers.

Why should Canadians be forced to do this? It is our responsibility to provide postal service to Canadians, and ultimately to provide the best service for their money. The cost of doing business through the post office is not just the cost of stamps, but also the cost of delays, uncertainty, and anxiety. It is not knowing what you are going to get in the mail and when you are going to get it. Canadians seem to be giving up hope of better postal service, Mr. Speaker. They are plain fed up and tired of giving Canada Post the benefit of the doubt. Canadians want a post office that reflects responsibility, dependability, and service consistency and efficiency.

How can a postal rate increase be justified when we are aware of the many horror stories about disgraceful service. I am not referring to isolated incidents. The public is now being asked to pay more for postage in an environment where volumes of addressed mail are declining along with the quality of service. The seeming inability of Canada Post to provide consistently good service will hobble its future. Canada Post stands to lose a tremendous volume of business to private courier services.

Surely the Corporation must realize that a price increase during a period of declining service can only accelerate the decline in mail volumes and ultimately result in additional revenue losses, something I am sure the Corporation does not want to have happen if it still intends to clear its deficit position by 1987. We must remember that the inefficiencies of Canada Post not only impact negatively on the general public of the country, but also cost the business community, particularly small business which can ill afford to have its time and money wasted and abused by Canada Post.

Not only are small businesses concerned about the two-cent rate increase for first-class mail, but also about the possibility of a larger increase for small packages that are not sent first class. If these rate increases are approved they could force lay-offs and closings among businesses that are unable to make the necessary changes in their operations before the increases come into effect. Indeed, it is no small wonder that small business owners get very upset at the slightest hint of a postal disruption.

• (2105)

It is truly unfortunate that Canada Post all too often appears to be threatening to strike or is suffering from labour trouble. Perhaps it is time to reconsider whether Canada Post should have the right to strike. I believe that it is an essential service. More importantly, should a corporation that is vital to millions of Canadians have the right to disrupt a service that could mean the livelihood of hundreds of thousands of Canadians?

It is time to get Canada Post's house in order. It is time to consider what the customers want; that is, what Canadians expect and want for their money.

I commend Canada Post in its attempt to decrease and eventually eliminate its cash flow deficit. It is true that the Corporation has come a long way since its incorporation in 1981, but it is not fair to ask Canadians to carry the burden of its deficit when there is little indication and hope of improved services in the future. They are being asked to pay more for a service that is totally unacceptable.

In summary, I would ask my Cabinet colleagues to seriously consider the proposed Canada Post rate increases, what effect they will have on Canadians and whether they honestly feel Canadians should be asked to pay more for services while there is no evidence of improvement in the basic service. I have had many letters and phone calls to my constituency office about this topic. Not one letter has been complimentary of the post office. They have all been harshly critical of the service and demanding that we not approve a rate increase.

Finally, let me talk about the absenteeism rate at Canada Post. It is nowhere near the level in private enterprise. I believe it is another serious flaw that the management of the corporation should bring into line with normal levels. Perhaps when other efficiencies are put into effect, only then should it come back to the Government to ask for a rate increase.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, first I want to thank the Hon. Member for Don Valley East (Mr. Attewell) for providing Canada Post with copies of the envelopes that took a great deal of time to get to their destination. I can assure the Hon. Member that upon receipt of these envelopes, an investigation has been launched by Canada Post and the Corporation will determine the causes of the undue delay that occurred in the delivery process.

The Corporation and the Government recognize that perhaps one of the single most important issues for Members of Parliament and many Canadians is the level of service provided by Canada Post. In fact, I believe we could say that this is something that truly unites Canadians. In this, the Corporation achieved initial dramatic increases in the level of service, with speed and reliability levels reaching up to 90 per cent on-time performance in 1983-84.

However, several factors affected its performance in 1984 and earlier this year. One of the major factors is that the Corporation is now processing the largest volumes of mail in the history of the post office. Further, during the prolonged period of labour contract negotiations, many large and small postal users flooded the system to protect themselves from possible disruptions. This made Canada Post's task of providing Canadians with acceptable levels of service particularly difficult.

Since service is Canada Post's business, every effort is being made to restore service performance to previous levels. Recent tests indicate that this has been under way for the past two months and that service performance now stands at an 85 per cent level. Canada Post Corporation's goal is to reach a 90 per cent on-time service performance level in the next few months. Of course, the Corporation will maintain its policy of both monitoring and publicly releasing its service performance levels on a regular basis.

In a corporation which handles more than 25 million pieces of mail every day; in a corporation which handles almost 7 billion pieces of mail every year, such incidents are bound to happen. If only 1 per cent of the mail does not get to destination on time, we have 250,000 unhappy customers.

Canada Post is conscious of the inconvenience this problem causes its customers and I can assure the Hon. Member for Don Valley East that all efforts are being made by the Corporation to reduce to a minimum these types of incidents, and at the least possible cost of Canadians.

• (2110)

TRANSPORTATION OF DANGEROUS GOODS—RAIL CARRIAGE HAZARD TO TORONTO

Mr. Alan Redway (York East): Mr. Speaker, on May 24, the Railway Transport Committee of the Canadian Transport Commission rejected a recommendation to reroute trains carrying hazardous materials through the centre of downtown Toronto. That was a shock to me, a shock to my constituents, and a shock to the people of Metropolitan Toronto. That recommendation had been made by a very distinguished committee, the Burton-Post Committee. Burton is a professor at the University of Toronto and is well regarded; Post is actually the Ontario Regional Manager of the Railway Transport Committee itself. These two distinguished gentlemen recommended rerouting out of downtown Toronto trains carrying hazardous material. However, for some astounding reason, the Committee rejected this recommendation.

In addition, both myself and my constituents were shocked because the main line of both CPR and CNR go right through my constituency of York East. It is the same line on which the famous Mississauga train derailment occurred a few years ago. If that train had stayed on the track in Mississauga, that accident would have occurred 30 minutes later in my constituency. All the people in my constituency have been very concerned about this situation ever since that time. They are very concerned about train derailments because something like 1,500 freight cars carrying hazardous materials travel through Metropolitan Toronto every month. Two accidents occur involving those particular freight cars every year. The Mississauga train derailment was one example. Another accident occurred recently in February, 1984. It was an accident in which a so-called empty freight car blew up in the MacMillan Yard in the Scarborough area of Metropolitan Toronto. Since that time there have been a number of very famous train accidents, one occurring in the Barrie area of Ontario and another occurring in the Pembroke area of Ontario. Of course there was the very famous one in India. All those accidents involving trains carrying hazardous materials required a great evacuation of residents living in the surrounding areas.

The Commissioner of Roads and Traffic in Metropolitan Toronto indicated that it was impossible to have a similar evacuation in Metropolitan Toronto because of the high density population in that area. A number of suggestions have been made on how to deal with this sort of problem. One was to slow down freight trains to something like 25 miles per hour or 40 kilometres per hour. That has been rejected already by the Railway Transport Committee, because there are so many trains travelling this route it would clog up the line. The Committee indicated that it was impossible to slow them down and clog up the line.

Another suggestion, as I just indicated, was the rerouting of trains. That was rejected because of the cost of $120 million, apparently, to build other facilities to allow for the rerouting of these trains out of Metropolitan Toronto. By the way, these trains travel back and forth, carrying the same goods in and out, without dropping them off at all. It is an incredible situation.

The Toronto Board of Education has arranged for and is now holding evacuation drills in its schools. There are nine such schools in areas adjacent to the direct lines travelling through the Metropolitan Toronto area. There are something like 76,000 students in those schools. They had their first drill on March 5. They are planning another evacuation drill in the fall and expect to carry them out on a regular basis.

Other suggestions have been made about how to deal with the situation. Some of them include ceilings on the numbers of cars on these trains. Right now these trains carry up to 150 separate carloads of hazardous materials at a time.

• (2115)

Another suggestion for the federal Government or the Commission is to prepare some evacuation plans themselves. They have not done anything of that sort.

Another suggestion is to make sure that the cabooseless trains which are proposed to travel back and forth not be allowed to travel in high density metropolitan areas. There has been nothing said about that as yet.

Of course another suggestion is the colour-coding of these cars carrying hazardous material. That at least is apparently going to be introduced when the Transportation of Dangerous Goods Act, proclaimed November 1, 1980, is actually put into effect. There are no regulations promulgated to put it into effect, but I understand those regulations will come in on July 1 of this year. They will finally be some colour-coding so fire-fighters will know what is in those cars when they turn over and cause these potentially hazardous situations.

The final suggestion was for not just a rerouting but a relocation of the actual tracks themselves; put them in an area where there would not be a high density of people and there would not be the same sort of problem situation occurring. Obviously there has been a lot of resistance to that because it will cost a lot of money, and there will be some people wherever the track is relocated. But it is possible because there is a green belt plan around metropolitan Toronto. It would be possible to relocate the track in that area. Approval has to come from the Cabinet, not from the Canadian Transport Commission or the Railway Transport Committee.

I ask the Parliamentary Secretary this evening if the Government is now prepared, if it is going to reject all of these other suggestions, to finally approve some funding for a relocation of these tracks to solve the problem and make sure the safety of 2.5 million people in metropolitan Toronto is protected, that they are not going to be placed in a situation such as the one which recently occurred in India where they suffered such devastation.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I hope to respond to most of the items the Hon. Member has raised.

The question of transportation of dangerous commodities through populated areas, be they large or small, is one of grave concern to the Minister of Transport (Mr. Mazankowski). As you know, it was the present Minister who asked Mr. Justice Samuel Grange to inquire into and report on the derailment at Mississauga in November of 1979. The Minister has followed this issue closely over the intervening years.

As a result of the Grange Commission inquiry, many important steps have been taken to increase the level of safety in the transportation of dangerous commodities through built-up areas. For instance, hot box detectors have been installed, gateway inspections are being performed, a retro-fit program is underway to install roller bearings, tank cars have been equipped with double-shelf couplers, regulations have been promulgated with respect to thermal and bottom fitting protection and new freight safety inspection regulations became effective on November 5, 1984. Hon. Members know that there has been much recent debate in this Chamber with regard to the transportation of dangerous goods and more specifically PCBs. New regulations enforcing standards for the transportation of dangerous goods will come into force July 1, 1985.

As to the case at hand, Mr. Speaker, as already stated by the Minister, the implications of the Burton-Post report recommendations are severe and there has not been a clear consensus as to which of the two, if any, should be implemented. I would like to advise the Hon. Member that the responsible authorities are invited to apply for railway relocation at any time, an option which has yet to be exercised. It must be pointed out at this time, Mr. Speaker, that the CTC has not rejected the recommendations of the Burton-Post report, but rather that in an effort to reach a solution which would prove satisfactory to all interested parties the CTC has invited submissions on safety measures not already addressed in the Burton-Post report. These submissions must be filed by October 1, 1985. I would encourage the interested parties to take advantage of this opportunity and make their views and ideas known.

Adjournment Debate

• (2120)

NATIONAL PARKS—PARKS POLICY—MINISTER'S POSITION. (B) REQUEST FOR MINISTERIAL ASSURANCE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you probably know, on page 5642 of *Hansard* of June 11, in a question put to the Minister of Environment (Mrs. Blais-Grenier) on Parks Canada, it is shown that I did receive a reply to the effect that the Minister committed herself to protecting, improving and beautifying the Parks. Having received that reply, I pressed her further to obtain a commitment that she would not review or change the present policy of Parks Canada, that there will not be any mining, timber cutting or other activities in conflict with Parks Canada policies.

In reply, apart from the fact that she could not resist the temptation of addressing some vilifying comments in my direction, comments which are on the record for anyone to see, she urged me to stop reading newspaper headlines and referred me to statements made before the standing committee of the House. She did this rather than taking a clear stand on whether or not she would make sure that there would be no review or change of the existing Parks Canada policies in which Canadians place so much confidence and have for many decades.

Today, what I see in *The Globe and Mail* is an article describing an interview with the Minister. This article again puts in jeopardy the attitude of the Government toward the environment, and in this case toward Parks Canada. In the article, it says that the Minister first indicated that she would not consider mining or logging in national parks like Banff or Jasper. Big deal. Of course one does not consider mining or logging in such parks as Banff or Jasper. What kind of a statement is that? It is a well known fact that those two major parks, along with others, represent a very valuable heritage. They are parks in which one would not even dream of let alone contemplate the possibility of mining or logging.

The interview goes on to quote the Minister as saying that it is not anything anyone would wish, but if they are to establish a park in an area where the logging and mining rights are owned by private developers, then there would have to be some compromise. What kind of a park would this be that the Government envisages? Is it a logging park, is it a mining park or is it a logging and mining park? How can one reconcile this kind of statement with the well established practices and policies of Parks Canada, which are to ensure that there are no activities of this kind?

For example, would this kind of proposal lead to the acquisition of South Moresby in those magnificent islands as a national park in which logging would be allowed? I would ask, as would you, Mr. Speaker, what kind of park that would be. Would it be a park in which the land is saved but not the forests? Does that make any sense?

I am amazed at this kind of muddled thinking that is emerging from the Government which does not seem to know the basics about environmental and parks policies. At this rate, the Government is becoming a menace to the environment. The Prime Minister (Mr. Mulroney) cannot go on saying that the Minister was misquoted. That is like saying that a tape recorder was functioning improperly. We cannot go on like that. The series of statements indicates that something is profoundly wrong and that there is an attitude which poses a threat to the parks. It poses a threat to parks in the same way in which the Government posed a threat to wildlife by the cuts it made last November. On the one hand we have a Government which prides itself on the creation of jobs, but on the other hand it does not hesitate to wipe out existing jobs in wildlife. It still has the nerve to defend that decision, in light of the continuous appeals to restore the Canadian Wildlife Service.

• (2125)

The Government has already made decisions which pose a threat to another very important field which has environmental implications—renewable energy. Renewable energy is very important. It is the path to a conservation approach and to the use of resources which are not finite and environmentally friendly. It has taken years to put renewable energy resources on track. However, the NRC is having to abandon its research, as well as a group of scientists who were involved in soft energy studies. The Budget has imposed a federal sales tax on insulation material, and solar and wind equipment. If all the elements are put together, we see a general trend which is telling Canadians that their future lies only with oil and gas. That is not the road which Canadians should travel. The Government is dismantling many years of careful work, which was launched in the 1970s, particularly in 1977 when the country was hit with the second oil crisis.

We are seeing a threat to the parks policy because of the silly statements of the Minister. There is a threat which has emerged in the wildlife field. There is a threat and an impending serious consequence to the over-all conservation of energy by renewable sources, due to the decisions of the Government.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I welcome the opportunity to respond to the Hon. Member for Davenport (Mr. Caccia) on behalf of the Minister of the Environment (Mrs. Blais-Grenier). I find the logic of the Hon. Member somewhat convoluted. I think he will know that the parks policy, as it is now written, is a direct consequence of the 1979 Conservative Government when the present Minister of Fisheries and Oceans (Mr. Fraser) approved the policy during his term of office as Minister of the Environment.

When the Hon. Member speaks about parks policy he should be fair enough and logical enough to define the whole policy. He knows that the policy, as it is presently written, which he supported when he was Minister and which continues to be supported without reservation by this Government, does indeed include specific areas in which there is a preservation and conservation attitude.

However, we also have a commitment to support the kinds of activities which will respect the things which have been done

by local residents. Such is the case with timber harvesting in Gros Morne National Park in Newfoundland and trapping in Wood Buffalo National Park in Alberta and the Northwest Territories. Those activities were not stopped two years ago, they are still continuing. These are activities which seem reasonable to the local residents. It was agreed at that time when the parks were established that the activities would be permitted because of their importance to the local economy. Nor can we be insensitive to the economic and cultural importance of certain activities such as hunting and fishing to our native peoples. New parks in Canada's North will be established in such a way that the importance of these activities will be fully recognized.

Again, I would point to new parks, Mr. Speaker. We want new parks and we are going to have new parks, but we will have to have some sensitivity toward these things. I cannot believe that the Hon. Member opposite would not share that similar view if he were in fact still in Government and still Minister of the Environment.

This Government without question is firmly committed to maintaining the natural beauty and integrity of our national parks, parks which are famous worldwide, and deservedly so. Resource extraction will not be permitted within their boundaries. But we cannot turn a blind eye to the economic and cultural importance of certain activities to local residence and native people. I know, Mr. Speaker, that the Minister of the Environment, who is now the Vice-Chairman of an OACD conference and will be going to Helsinki to sigh certain documents on behalf of Canada and the international community, supports that comment and that perspective totally.

[*Translation*]

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

The House adjourned at 9.30 p.m.

HOUSE OF COMMONS

Tuesday, June 18, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed from Monday, June 17, consideration in committee of Bill C-51, an Act to provide borrowing authority—Miss MacDonald (for the Minister of State (Finance))—Mr. Danis in the chair.

The Chairman: Is the Hon. President of the Privy Council and Government House Leader seeking the floor on a point of order?

Mr. Hnatyshyn: No, Mr. Chairman. I just want to carry on with the debate.

The Chairman: House again in Committee of the Whole on Bill C-51, an Act to provide borrowing authority. When the committee was interrupted at nine o'clock p.m. on Monday, June 17, Clause 2 of the Bill was under consideration and the Hon. Member for Gander-Twillingate had the floor.

Mr. Baker: Mr. Chairman, it is unacceptable for the Government of Canada to be cutting 3 per cent from the pensions of our senior citizens. Furthermore, what the Government has been saying over the last couple of weeks and what the Prime Minister has been saying over the last couple of days is also unacceptable. The Official Opposition has put forward its position very firmly. We are saying that if senior citizens have to suffer by losing 3 per cent of their pensions, then so be it, let the Government of Canada suffer by losing 3 per cent of its borrowing authority.

Therefore, I move:

That Clause 2 of Bill C-51 be amended by deleting the words "eighteen billion, two hundred million dollars" and substituting therefor the words "seventeen billion, six hundred and fifty-four million dollars".

The Chairman: The committee has heard the terms of the amendment. The Chair finds the amendment in order.

Mr. Hnatyshyn: Mr. Chairman, I rise to respond very briefly to this amendment and to indicate, unfortunately, what has happened with respect to it. When we look through all the political rhetoric which has gone into the presentation of this particular amendment, we discover that the Opposition is now suggesting that there be a limit with respect to very clearly laid down, unprecedented borrowing authority legislation which has come before the House in an appropriate manner, as we brought down the Estimates with respect to the spending requirements of the Government of Canada. A proposition with respect to the borrowing requirements of the country was brought in within two days of the Budget in order to ensure that essential services can be provided by the Government of Canada through a borrowing authority. This particular borrowing authority is justified on the basis of the statistics provided within the Budget and the Estimates which have been laid before the House.

On occasion, the Opposition attempts to make political points. As we in the House of Commons say, this is a political forum, but let us consider the effect of this particular amendment. By virtue of this particular amendment, the Official Opposition is saying that every person who relies on expenditures through the federal Government will be cut by 3 per cent more than is now required by the Government of Canada to carry on under the terms of its Budget. It is saying to the people of Canada that they will be cut more. It is saying to Canadians who rely on payments, subsidies, grants and a variety of things, that they now have to take a reduction. These are the same Members who are complaining about a process under which the Government will modify indexing in the future and which, we say to the people of Canada, we are monitoring on an ongoing basis. The Opposition says: "No, cut the poor right now". This goes right to the people in society least able to defend themselves. The Opposition is now saying: "Cut the amount of money you are now spending on the poor of the country". This is the effect of its amendment.

Some Hon. Members: Oh, oh!

Ms. Copps: Cut the Prime Minister's budget.

Mr. Hnatyshyn: When we get down to it, this is exactly what the Opposition is saying. It is saying to the people of Canada, who can least afford it—

Ms. Copps: Cut the expense accounts.

The Chairman: Order, please.

Mr. Hnatyshyn: The poor of the country—

Ms. Copps: Cut the $19,000 trip to Vancouver.

Mr. Hnatyshyn: Mr. Chairman, I hope you will call for order.

The Chairman: Order, please. I ask Hon. Members to listen to the Hon. President of the Privy Council.

Mr. Hnatyshyn: The people of Canada are concerned—and I have received many complaints about it—about how the Liberal Opposition is so rowdy, its lack of decorum, and the way it disrupts proceedings in the House of Commons. This is something on which Canadians across the country have written to me. We in the Government have sat and listened to the representations on the part of the Opposition. We have tried to listen in silence while opposition Members made their points. We believe in free and democratic debate. However, when the Opposition resorts to barracking and to shouting down speakers on the government side who have a right to participate—

• (1110)

Ms. Copps: Tell the truth to the Canadian people.

Mr. Hnatyshyn: Mr. Chairman, the Hon. Member is the worst offender. The barracking that goes on by that Hon. Member is unacceptable.

Ms. Copps: Tell the truth to the Canadian people.

Mr. Hnatyshyn: I say to the people of Canada that this is the kind of representation they have in the Liberal Party. Liberal Members do not believe in free and unfettered debate.

Ms. Copps: We believe in the truth.

Mr. Hnatyshyn: They believe in shouting down anyone who tries to put forward a position with which they do not agree. Their response is not to debate the issue but to try to shout down the speaker. That kind of attitude does a disservice to the democratic institution of the House of Commons, an institution which we all respect. I would hope that Hon. Members of the Liberal Party would simply allow the freedom of speech which we in this country hold so dearly to our hearts.

If I can carry on without Liberal Members trying to shout me down—

Mr. Tobin: Mr. Chairman, I rise on a point of order. Surely it is noted by all of those who are present today that the Government will not even listen to, let alone meet with, senior citizens. The bombast of the President of the Privy Council is exceeded only by the hypocrisy of his comments.

The Chairman: That is not a point of order.

Mr. Hnatyshyn: Mr. Chairman, the Hon. Member has been around the House for a couple of years. He will understand that not only is that not a point of order but it is a complete misstatement of the facts. I will not even comment on the statement he made because I must be touching a sensitive nerve. The only nerve that I know the Hon. Member has is the nerve that goes to his mouth. I must be affecting that nerve because he is responding in a rather curious and unparliamentary manner.

What I have said about the effect of this particular motion is, I think, quite clear and would make sense to anyone who understands basic arithmetic. Opposition Members have simply indicated to the poorest people of this country that they are not going to be allowed to have the services that will be provided for by this borrowing Bill.

What is a borrowing Bill? It is like running a household—

Mr. Tobin: You're stalling while your Members come in.

Mr. Hnatyshyn: Mr. Chairman, again Liberal Members refuse to listen. Could I have some order, Mr. Chairman? They refuse to let people speak on the floor of the House of Commons. They refuse to listen to reason.

Ms. Copps: We haven't heard any.

Mr. Hnatyshyn: I want to reason with Members of the Liberal Party because I think that there are Members of that Party who can listen to reason and who will be silent enough to allow free and unfettered debate to take place on the floor of the House of Commons. I know there are some who will not try to disrupt the proceedings of the House of Commons by constantly shouting, something which is so repugnant to the people of Canada.

Ms. Copps: You're repeating yourself.

Mr. Hnatyshyn: I simply want to appeal to the reason of Hon. Members and say that we—

Mr. Gauthier: You said just about enough.

Mr. Hnatyshyn: We on the government side have tried to bring reasonable management into the affairs of this Government. I think this is a situation which has been acknowledged by the people of Canada. With the proper sense of responsibility for the taxpayers' money, we have attempted to bring forward a full and complete accounting with respect to the affairs of the country.

We have in fact dealt with the question of a borrowing Bill after bringing in a full, complete and massive Budget. Now the Official Opposition is moving a motion which has the effect of slashing the amount of money that the Government is able to borrow in order to bring essential services to the poor of this country. I appeal to the sense of compassion of Hon. Members.

What has happened to the Liberal Party? I know that Liberal Members suffered an enormous electoral defeat, but I look back to the proud tradition of the Liberal Party over the years—

Mr. Boudria: Frank Miller knows what that feels like.

Mr. Hnatyshyn: In the Liberal Party, there was compassion for the poor and there was no preoccupation with politics, with cheap shots and with the rat pack mentality. I appeal to the real soul of the Liberal Party, and particularly the Leader of the Opposition, who I think is an honourable man, to show some leadership. I know this is a difficult time within the life of the Liberal Party, but what is the Leader of the Opposition

allowing his back-benchers to do? There is no way that this motion should be allowed to carry, but if it were carried, they would be punishing the minorities of the country because there would not be the necessary funds to ensure that employment opportunities are available for women in programs of the federal Government. Through this very unfortunate amendment they are attacking the people who are least able to defend themselves.

• (1115)

I am the first to acknowledge that the Liberal Party has had some success in social policies in the country. To see what remains of that Party moving a motion which will have the effect of adversely impacting on—

Mr. Tobin: What hypocrisy! How can you speak this way?

The Chairman: Order, please. I ask hon. Members to listen please to the President of the Privy Council.

Mr. Hnatyshyn: Thank you, Mr. Chairman. I appreciate the fact that you are so often required to bring the Liberal Party to order. We in the House must look seriously at decorum and the impression that people of Canada have of this institution. That impression is negatively impacted by the Liberal Party which knows nothing of debating on a serious matter, but rather spends its time trying to shout down people who are appealing to common sense, such as myself.

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

Mr. Hnatyshyn: The Official Opposition should be ashamed of itself.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I have been around the House for a little while and have been in the Opposition for an unfortunate period of time. However, it is this kind of tactic, irresponsibility, and attack on the poor of the country, that will ensure that the Liberal Party remains in opposition for the next 25 or 30 years.

Some Hon. Members: Hear, hear!

Mr. Caccia: Mr. Chairman, I have listened very carefully to the intervention of the Hon. Government House Leader. In his attempt to lecture us he has overlooked a very important point, which is not unusual in his myopic approach to politics. He has inadvertently, or perhaps inaccurately, accused us of slashing borrowing authority. He does not seem to realize that the Liberal Opposition is putting pressure on the Government at the first opportunity available for us to do our job and to speak up. Contrary to what the Government House Leader said, we have listened to the signals that we have received from pensioners across the nation.

As the weeks pass, it becomes quite clear that this is an important issue of national dimension. On May 23, the Minister of Finance said that there would be deindexation. He did not say that there may be deindexation; he said that there would be deindexation. He also said that there would be deindexation of family allowances. He did not say that there may be deindexation of family allowances; he said that there would be such deindexation. Now all of a sudden, the Prime Minister is saying that that was just a proposal and that we should not be upset. He says we should not interpret "will" as meaning "will", that it may mean "may". For the first time in recent history the Budget is no longer a Budget. It is something which ressembles a White Paper. The pensioners of Canada and those who are approaching that time of life are thinking that perhaps they should not take seriously what the Minister of Finance is saying. Perhaps they should wait for potential statements from the Prime Minister. As every day goes by, the distance between those two gentlemen is growing.

• (1120)

If I were a Tory back-bencher, God forbid, I would have to ask myself what I would say to my constituents during July and August. Are they going to tell their constituents what the Minister of Finance said on May 23, or what the Prime Minister has been saying in the last few weeks? What is the true theology? That is the question facing 180 inexperienced back-benchers who will face the music when they go home. I feel sympathy for them because it is the first time in a long time that they will have to defend government policies. The people of their constituencies are wondering what on earth is going on.

An issue of national importance has emerged. The Official Opposition has seized the issue because it is its duty. If Conservative Members were in opposition they would be doing the same thing. We are asking the Government to diminish the amount of money which is requested in the borrowing authority Bill by the amount of the proposed deindexing. We are on our toes in the Official Opposition and we are putting pressure on the Government, at the first opportunity, with this amendment. That is what we are doing.

Mr. Oberle: Mr. Chairman, I am looking at the other side of the House and it is interesting to see that there are only two members of the New Democratic Party here today—

Mr. Riis: Mr. Chairman, I rise on a point of order. I believe it is the tradition of the House that Members do not draw attention to other Members who are at the time occupied in committee or elsewhere and are not in the House. I believe it is desperate behaviour on the part of the Hon. Member. If that is the best comment he can make in this debate, it is a sad state for the Progressive Conservative Party.

The Chairman: The Hon. Member for Kamloops-Shuswap is correct. The Hon. Member for Prince George-Peace River has the floor.

Mr. Oberle: Mr. Chairman, I apologize. If the Hon. Member had heard me out, he would have realized that I simply wanted to be polite to him. I wanted to point out how infinitely logical are members of his Party and how illogical are members of the Official Opposition. What members of the

Official Opposition should have done, in pursuit of their objectives—namely to reindex seniors' pensions—was to have suggested that we increase the borrowing authority by 3 per cent, not decrease it—

Mr. Tobin: It cannot be done.

Mr. Oberle: I feel obliged to point out the logic. Borrowing authority provides the Government with the opportunity to meet its obligations. These obligations are not just to senior citizens, they are, in the main, to bankers because of the spendthrift activities of the previous Government during the last 20 years. What those Hon. Members opposite are doing by asking us to decrease the borrowing authority of the Government—and the bankers, of course, will want their pound of flesh—is to decrease the Government's ability to meet its obligation to the poor, because we will be paying the bankers and our other statutory obligations to the provinces.

• (1125)

What those Hon. Members should have done, if they had wanted to be responsible and if anything else but their selfish political motives had motivated them, would have been to increase the borrowing authority with the view to the Government's proceeding with the reindexation of pensions. We could have debated that logically. But what they have done now, if in fact their motion carries, is to make it necesssary to renege on other social programs, because that is the only thing we can renege on. We cannot renege on our obligations to the foreign bankers. There is no money tree out in the backyard. These thousands of people who come from all across Canada and the United States are walking around these buildings thinking there are money trees out in the back. There are no money trees. The Government cannot give anything away that it has not first taken from somewhere else. Had it not been for the strange and irresponsible policies of the Liberal Government over the last 20 years, we would not be in this fix.

So I appeal to the Opposition's sense of fairness and logic. What it is doing makes absolutely no sense at all. What it should be doing is to increase the spending authority. Mind you, we would fight this. I speak to senior citizens as well. They built this country. They put us where we are. And something else they did throughout their lives is to have paid their bills, something which the Liberal Government did not do. Had it done that, we would not be in the fix we are in. The senior citizens who write to me say, "For God's sake, pay your bills because we don't want to pass our debts on to our grandchildren".

I appeal to the Opposition's sense of logic and fairness, Mr. Speaker, and I would like to think that it would withdraw this motion.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Chairman, at the beginning of the debate on this amendment, I think it would be a good thing to explain clearly what the intentions are of the Opposition and our reason for moving an amendment that seems to have taken our friends opposite by surprise.

Mr. Chairman, the reason is quite simple. Ever since a Budget we consider unfair and inequitable was brought down, we have tried in every possible way to make Government Members understand that in an enlightened society like ours, we cannot tolerate any attempt to reduce the deficit by making the rich richer and putting a greater burden on the neediest in our society, and I am referring to those people who only have their Old Age Security pension and especially those who have to live on that pension plus the Guaranteed Income Supplement.

We know that Canadians who are receiving the Old Age Security pension and the Guaranteed Income Supplement are those who are living below the poverty line across this country. We cannot accept this, and we have said it a hundred times over. However, our efforts together with those of thousands of Canadians across the country do not seem to have moved the Government away from its determination to make people pay who cannot afford to pay.

That is why we are moving this motion this morning, in an attempt to make the Government take its own medicine so it will understand that a 3 per cent cut in income is not something to be taken lightly.

We realize the Government must meet its commitments. That is why it has tabled a Bill to seek borrowing authority, which means that the Government can then go to the financial markets and borrow the funds it needs for its operations. We think that if the Government does not realize what a three per cent cut in income means to the neediest in Canada, perhaps it will understand—although I am not so sure—when it has to take a 3 per cent cut in its borrowing authority, that a three per cent cut can hurt. And that is why we are taking this action.

[*English*]

We are just trying to impress on this Government that a 3 per cent cut when one is below the poverty line is unacceptable. And after repeating this hundreds of times it is obvious that we have not so far been able to push our message across. So we are trying, by a practical amendment, to let the Government feel the pinch of a 3 per cent cut, and that is the reason we are doing it.

• (1130)

When the Hon. Member for Prince George-Peace River, who is hurling invective at me, said earlier that there was no logic in what we are doing because if we had wanted to reindex pensions we should have moved an increase in the borrowing authority not a decrease, he proved that he does not understand the way this Budget and the borrowing authority work.

Mr. Oberle: I understand how you work.

Mr. Guilbault (Saint-Jacques): If you did, you would not have said that because the borrowing authority relates only to

this fiscal year and the pension cuts will be in the next fiscal year. So it is absolutely irrelevant whether or not the borrowing authority is reduced. It will have no bearing on the seniors this year. Open your eyes, wake up and read the Budget.

What we have been doing over the years under Liberal and Tory Governments is gradually and increasingly to build a sound pension system which could benefit and has benefited the citizens of this country, a system which has been the pride of Canada the world over. Even under Tory Governments the pension benefits were increased, but what is happening now? We see an attack on one of the basic cornerstones of the social network which protects the people of this country. We are not going to allow that to happen, as few in number as we may appear to be to those on the government benches.

Remember one thing: we are not alone on this side of the House. The NDP and the Liberal Opposition, along with thousands upon thousands of people across the country, are against this proposal. We have not raised this blockade, it was the people of Canada who have done it. We are not the ones who suggested to the three Atlantic provincial Premiers that they should speak against this measure; they did it by themselves. They certainly would not listen to Liberal advice because they are Tory Premiers. They thought themselves that it would not be acceptable to the people in their provinces. The Manitoba Legislature passed a unanimous resolution, including the Tory back-benchers, condemning this measure.

[*Translation*]

The Quebec National Assembly has also adopted a unanimous resolution condemning this measure and asking the Government to reverse what it too believes is a case of flagrant injustice being prepetrated on the neediest in our society. Thousands of Canadians are opposed to this Scheme. And if that is not convincing enough, I would invite the Members opposite to stand in front of the Parliament Buildings tomorrow and watch thousands of people who will be demonstrating in favour of a reversal of the Government's decision.

[*English*]

Let me get back to the Budget and the reason we are opposing this borrowing authority. We ask ourselves: Where is the fairness in this Budget when you start cutting the benefits of those who need it most? When the time comes to cater to the rich of this country there is no barrier. The Government is offering them a lifetime deduction of $500,000 on their capital gains. Don't shake your head; read the Budget. It will benefit a very small segment of our society.

Mr. McDermid: Nonsense.

Mr. Guilbault (Saint-Jacques): Probably between 4 per cent and 6 per cent of our society.

Mr. McDermid: That is not true.

Mr. Guilbault (Saint-Jacques): Why should these people get away with a bonanza when the poorest in our society are asked to bear the brunt of this Budget? We say that the Budget is not fair. It was said to be fair, but we found out it is not.

Mr. McDermid: Tell the truth for a change.

Mr. Guilbault (Saint-Jacques): The Government promised to bring in a minimum tax on the rich.

Mr. Gass: It is coming.

Mr. Guilbault (Saint-Jacques): It is coming. That is my point. It was not in the Budget.

Mr. McDermid: It was so.

Mr. Guilbault (Saint-Jacques): The Government is talking about it, promising it, but why would we on this side of the House believe the Government when it promises a minimum tax on the rich? It promised earlier not to touch pensions and to bring in full indexation. I wish the Minister of Finance, when he spoke of bringing in a minimum tax for the rich, had his hand on the Bible. Then maybe we would start believing him. Why should we believe him?

Mr. McDermid: Why should we believe you, a Liberal?

Mr. Guilbault (Saint-Jacques): In Sherbrooke last summer, the Prime Minister was promising to reinstate full indexation, while in January, in the consultation paper on social services, the Minister of National Health and Welfare plainly stated that pensions will not be touched. That was in writing, but his hand was not on the Bible. This is what we will have to ask the Government Members each time they promise something, either to put their hand on the Bible if they are believers, or to make some sort of official declaration if they are not. How can we be certain the Government is going to follow through on its promises after we have seen what it has delivered over the past few weeks and months?

I say that the Budget is unfair because it is asking the poor to pay. The Budget brought in a surtax but not a minimum tax. What will happen to those hundreds of people who do not pay a cent of tax even though they have large incomes? A surtax on zero is still zero. It will bring in taxes from the middle-income people again, the poor and the middle-income earners, the two favourite targets of this Government.

Mr. Dick: Those are the rules you broke as a Liberal Government.

Mr. Guilbault (Saint-Jacques): What you are doing is taking more from those who need it most. More than that, now that the Government realizes that this thing may not wash, Members opposite are going across the country saying they are monitoring the situation. They are going to think about it and maybe they are going to do something. Well, I say to the Prime Minister and to the Minister of Finance that if they had in mind to monitor the situation until the end of the year and then maybe cut the indexing or maybe not, because that is the story we are getting now that this situation is getting hotter, then why write the proposal in the first place? It has been

termed a proposal, not a measure anymore. Why write it in the budget documents in the first place? Why do the seniors spend sleepless nights in anxiety thinking that maybe their purchasing power is going to be reduced by $1,500 over five years? If the whole purpose of the exercise was to monitor the economy, then why do that? The Government could have left that out of the Budget completely. It could have monitored the economic situation, and if it thought at the end of the year there was reason to cut the pension indexation, it could have done so without having the seniors worry for months over what it was going to do.

What the people are asking themselves at this time is whether they are going to be cut or not. So why do it? I am going to tell Members opposite why it was done. I know why. Government Members thought they would get away with it. They thought that a powerful 211-Member Government on a honeymoon could steamroller just about anything they wanted on the backs of the poor of this nation. It so happens that it does not wash, so now they are toying with the idea that maybe they will back off and maybe not. We are just saying that while the Government is toying with this, we are going to give it a ride on the borrowing authority. We are going to make the Government feel the pinch of 3 per cent too. Maybe that will bring it back to its senses and make it do something sensible for the people who need it most.

[*Translation*]

Mr. Chairman, that is what we are trying to do by presenting this amendment. We are trying to make the Government understand that when people are strapped for cash and have to borrow—which is the position the Government is in—they are in exactly the same position as an elderly person who is strapped for cash and has to borrow to pay the rent.

An Hon. Member: That is the truth!

Mr. Guilbault (Saint-Jacques): It certainly is! And an elderly person in a situation like that certainly does not like to see his or her purchasing power cut by 3 per cent!

I think that when not a person but a Government is strapped for cash and has to borrow to pay for its daily expenditures, that Government is not particularly keen either to have its borrowing power cut by 3 per cent.

That is why we are trying it this way, Mr. Chairman. I am not sure it will work, but it might put a new light on the Budget and it might make the Government think a little today. Today, because tomorrow there will be thousands of people on the Hill in front of the Parliament Buildings. Those people will be bringing an entirely new dimension to this question, and in their own way they will be trying to make the Government review and reverse its decision on a measure that must be the most unfair proposal the Parliament of Canada has ever been asked to consider, at least in the last seventeen years I have been sitting in the House.

• (1140)

[*English*]

Mr. Riis: Mr. Chairman, I am pleased to have an opportunity to make a few comments as a result of the unexpected turn of events here today. Yesterday, in one of the comments that I was making about Clause 2 of this borrowing Bill, I suggested to the Minister of State for Finance that obviously the Government had come to the conclusion that it could live with reducing the purchasing power of senior citizens by 3 per cent. A number of Conservative spokesmen have said that they are concerned and did not like to do this but it is something that had to be done. They were confident that senior citizens would support this act of cutting 3 per cent from their disposable income in the years ahead.

When we put this into dollar and cent terms, assuming that inflation remains at the stable level at which it has been for the last number of years, which all projections indicate, a typical senior citizen in our country would lose approximately $1,500 of purchasing power over the next five years. It also means, as the finance officials have indicated, that 220,000 senior citizens will drop below the poverty line, as defined by the Government, in the years ahead.

The Government is saying that it supports the decision to reduce senior citizens' purchasing power by 3 per cent. It believes that seniors could live with this reduction, and it is prepared to impose that upon the people who built this country.

I appreciate the symbolism of the motion put forward by the Hon. Member for Newfoundland in which he suggests that if the Government is going to ask senior citizens, as a special group, to take a 3 per cent cut, then it is not unreasonable to expect the Government itself to take a 3 per cent cut in this particular borrowing authority, which amounts to a little over half a billion dollars. Perhaps the Government itself should adjust its priorities as it has asked seniors to adjust their eating, travelling and day-to-day priorities. This motion asks the Government to adjust its expectations downward, just as it is asking senior citizens to do. I do not believe that this is an unreasonable expectation when one uses the same logic that is used by Members opposite.

Quite frankly, I have not been able to understand why there has not been outrage from Members opposite, particularly from the Hon. Member for Mississauga South who used to sit on this side of the House beside the NDP. I recall the time when he would become extremely animated in his outrage because of the discriminatory activities of the Government of the day against the oil companies. I admire the colour the Hon. Member brings to his speeches, as only he can. He went on for days and days during Question Period and in debates fighting for the oil companies because the Government, through Petro-Canada, was acting unfairly. The Hon. Member, along with some of his colleagues, convinced the Official Opposition at that time to shut down the House of Commons during the infamous bell ringing period incident because the oil companies were being punished. The Opposition at that time stayed out in the lounge and drank coffee,

talking about the importance of that act of symbolism. They believed it was important to close down Canada's Parliament in the best interest of the multinational oil companies.

While I understood their action at that time, for many reasons I did not believe it was appropriate. I did not think the priority of closing down the House of Commons to prevent free debate from taking place was appropriate. I did not appreciate the tactics because I thought they were rather dictatorial.

However, the Opposition at that time felt strongly about that issue. I cannot believe that Hon. Members opposite do not feel as strongly now about what the Government is doing to senior citizens in this Country. They are not like oil companies with headquarters in Houston and Dallas, Texas. These are hundreds of thousands of grandparents, mothers and fathers and relatives and friends who will have their disposable incomes cut.

The Minister of Finance termed these cuts within his Budget fair. However, it has been demonstrated time and again that this Budget is not fair. The Budget is punitive toward the poor of Canada because it raises taxes to the poor and middle-income Canadians while being a bonanza for the wealthy. I realize that some Members opposite smile at that remark, implying that I am wrong in that analysis. However, it is not my analysis but that of every financial analyst, business and academic economist in the country. The simple fact is that the wealthy benefit while the low and middle-income earners pay.

This country is in desperate need of leadership, as was shown when the people of Canada cried out for strong, decisive leadership in the last election.

Mr. Nickerson: They have it.

Mr. Riis: The Hon. Member for Western Arctic says they have it. Let me point out to him that on budget night the Minister of Finance stated that starting on January 1, 1986, the Government will deindex pensions. That is what the Budget statement indicated, what the Minister stated, and I think Canadians believed him, coming as it did from the Minister of Finance who indentifies government policy. While many people, including myself, did not like this policy, it was a clear signal to the people of Canada. However, the Prime Minister stood up recently to say that the Government did not really mean it was going to do that but, rather, intended it as a proposal, an idea or a concept. In other words, it was a concept to which the Government was not committed.

What kind of leadership signal does that convey? On the one hand the Minister of Finance says that the Government will take certain action while, on the other hand, the Prime Minister says that the Government will monitor public opinion and the economy because this measure is only a concept.

That is not the decisive leadership demanded by the people of Canada at this time. It is not the kind of decisive and direct, strong leadership that Canadians said was needed. It is mumbo-jumbo. Even if one makes a bad decision, I suppose people appreciate the fact that one believes it is correct. We have hung the poor Minister of Finance so far out on the limb that it does not matter what he does, he will fall off. If he does not, he surely should. Obviously the Prime Minister has no confidence in him. Obviously the Government of Canada has no confidence in him. I have not heard Hon. Members opposite leaping up in their places and saying: "Listen, if he does not fight for senior citizens, I am prepared to". They have been mute over there. I do not know where they stand on this particular issue.

• (1150)

When a Budget is brought in which cuts the expected increases to the OAS so that the purchasing power of senior citizens will be reduced next year, the year after and the year after, that, what happens to all those folk who are not senior citizens today? If a person is 50 years of age today, and if the Government proceeds with this policy, it means that he will not collect $37,000 in OAS over the term of his pension. It means that he will not be receiving $37,000 to purchase goods and services and so on.

Mr. Lewis: If there is inflation.

Mr. Riis: Yes, if there is inflation. Considering that some countries are facing 1,000 per cent inflation, and considering that we have always had inflation in the last number of years, I suspect that this is a reasonable expectation.

I ask Hon. Members opposite to think about what they are doing today. They are saying to 50-year old people that they will introduce a policy on January 1 which will take $37,000 out of their pockets over the term of their retirement. They sit there and they take this. I do not understand how they can say that the Budget is a fair one.

Mr. Brisco: To what age, Nelson?

Mr. Riis: To age 85.

Mr. Lewis: If you keep making those speeches, Nelson, you will never live that long.

An Hon. Member: Is that the average age?

Mr. Riis: Mr. Chairman, I have opened up—

The Chairman: Order, please.

Mr. Lewis: Come on, Nelson.

The Chairman: Order, please.

Mr. Riis: Hon. Members opposite should rise in their places so that people across the country can hear what they have to say. It is easy to sit there and snipe and yell, but they should rise to their feet so that the people of Canada can hear what they have to say about cutting the pensions of senior citizens.

An Hon. Member: Wait until you sit down.

Mr. Riis: I will be resuming my seat in a couple of minutes, but I hope some Hon. Members on the government side will

have the courage of their convictions to rise and speak. It is easy to snipe and yell across the aisle, and I do it myself, but I also rise to make my comments.

Before resuming my seat, I want to make one suggestion. If this particular amendment passes, it will cut a number of dollars from the borrowing authority. Yesterday we asked the officials of the Minister of State for Finance what the deferred corporate taxes were for last year. The answer we received is that they were somewhere in the neighbourhood of $30 billion, just under $30 billion, back in 1982. Something to consider, in terms of deficit reduction or obtaining more funds for social programs, is that the Government could levy a 10 per cent interest rate on deferred taxes so that corporations, instead of putting off their taxes year after year, pay just 10 per cent for that privilege. This would net us $3 billion this year. Then we would not have to worry about the 3 per cent cut to the increases in the OAS. It would even allow the Government to decrease the deficit somewhat. It would allow the Government other money, so that it would not have to impose user-fees in a number of federal areas. I step down, having made that modest proposal—impose a 10 per cent levy on deferred corporate taxes, which would result in a flow into the national Treasury of about $3 billion.

Mr. de Corneille: Mr. Chairman, at the beginning of this day an amendment was presented to reduce the borrowing authority by 3 per cent as a symbol to remind the Government of the onerous punishment which it has put upon the backs of senior citizens by cutting at a rate of 3 per cent of the increase in their inflation protection. This Party was trying to make one point. If the Government wants to talk about reducing deficits, then perhaps, through the symbol of cutting its spending, it would be induced, if it had 3 per cent less, to cut out some of the fat with which it has started to bloat since it became the Government in terms of patronage and of the salaries to people who were its back-bench supporters in the past. Perhaps it could cut away some of the people in the PMO which were added on, this huge number of extra employees. Perhaps it could cut back on some of the political commissars which have been placed in the offices of every Minister of the Crown in order to ensure that its particular interests are carried out for political purposes rather than in the interests of the Public Service, that is, to serve the people. It could cut in many places and be cut back to some kind of integrity. That 3 per cent might make government Members more honest.

When the Hon. House Leader rose to reply to the proposal to cut back government borrowing by 3 per cent, it was amazing that the first thing he said to the Liberal side of the House was: "You want to do this to the poor". *Honni soit qui mal y pense*! It is interesting that the Hon. Government House Leader did not think, when 3 per cent was to come off the Government's budget, of cutting the extra people in the PMO or of cutting patronage. The first thing which crossed his mind was obviously that if there was to be a 3 per cent cut, it would be on the backs of the poor. They would first select the poor as the targets, not the rich. It is interesting, is it not? *Honni soit qui mal y pense*! In pointing the finger at us, the first thing he thought he would have to cut as a result of a 3 per cent cut in borrowing would be the poor. That is all the Tories can think of—to cut the poor. They are their first targets.

Also it was interesting that the Hon. Member for Prince George-Peace River suggested that we should have proposed an increase in the borrowing rather than a decrease. First, the rules do not allow it. Obviously this veteran Member of the House does not understand its rules. The borrowing authority could not be increased by a proposal or motion from this side because it is not permitted. He was not interested in why we were introducing this proposal. He was trying to say that we were being hypocrites, when in reality the opposite was the case.

Also it is interesting that the Budget hits the poor and protects, and in fact gives a windfall, to the rich. The Budget offers a $500,000 lifetime opportunity in respect of capital gains. In effect, it is a gift of $125,000 in due course to everyone in the top 4 per cent of the population who invests in stock and makes other kinds of investments about which the remaining 96 per cent or 97 per cent of the Canadian population knows nothing. Instead of thinking about how they might fulfil their election promise that the rich who are paying no taxes would start to pay, they broke that promise.

• (1200)

We waited for nine months for this Budget to be tabled, but there was still nothing in it to ensure that the rich who had not been paying any taxes would now pay them. This borrowing authority Bill does not indicate the amount to be used for expenditures. It simply indicates the amount of money the Government will get. The Government could cut down its expenditures or increase income revenues by adjusting the Budget. The Government could introduce a Bill which would ensure that those who are paying no taxes would have to pay them from now on.

There is reason for us to be bemused and annoyed with the righteous indignation of the Hon. House Leader, who stands up in pious and pretended self-righteous indignation saying that we should stop trying to take 3 per cent away from the poor, when it is the Government that first wanted to take it from the poor. The seniors are asked to take a 3 per cent cut in the inflation protection which was introduced by the Liberal Government. The Hon. Leader of the Official Opposition introduced this measure to ensure that seniors would be protected. In the Budget, the Tory Government guarantees that the first 3 per cent of inflation will come off the backs of senior citizens. If inflation continues through the decades, as the Minister of Finance predicts it will, the first 3 per cent of inflation will be taken off the backs of senior citizens, and that rate will be compounded. It is tragic that the purchasing power of senior citizens will be threatened.

The Prime Minister said that nothing has yet happened to the senior citizens. That is a tragic way to speak to senior citizens. Something has happened to them, they are scared. Those who are too proud to ask for welfare or the GIS will fall deeper and deeper into poverty. Even with the GIS, they are

only receiving $7,000. In communities with a population of over 500,000, the poverty line is around $10,000. These people are already living $3,000 below the poverty line. Imagine what it means to senior citizens to be told that they will lose 3 per cent a year. The Prime Minister can say that nothing has happened to them yet and that perhaps the Government will change its mind, but the cuts are in the Budget and in its thoughts. The first thought of the Tories is to take away from the weak and give to the rich, the corporations, and the oil companies.

There was money in the Budget for the rich, but it was taken away from the seniors. The Government is also planning to take away from mothers. Think especially of what 3 per cent per year means to a single mother. The Government wants to take from those who cannot fight back, from the unorganized. The business lobbies are well organized, well-heeled, and have good lines of communication. The Government thought the seniors would lie down and take it.

Even those who have hesitated to become politically active realize that there must be some kind of morality in Government. During the election campaign, the Prime Minister promised the seniors that he would not take anything away from them. Now, in the first Budget, they have been betrayed. They feel this is too much. I challenge the Tory back-benchers to demand that these people be relieved of their anxiety now rather than during the summer when it would be easy for the Government to give some small token to the seniors to make them feel a little better. They are feeling bad and are worrying now. They want to be relieved of their anxiety and terror now.

Every Member of the House has received phone calls and letters from senior citizens. They know that what I am saying is true. They know of the anguish of the seniors and of the children who are worried about their parents. This is a matter of national concern. For the Prime Minister to say that nothing has happened to them is wrong. A lot has happened to them. They have been shaken up and threatened. Their futures have been put in jeopardy. To suggest another 3 per cent cut to those who are already living in poverty is drastic, tragic, and cruel.

The Government has also made promises with regard to the give and take proposal. Before and during the election campaign the Prime Minister and the Secretary of State promised that the Government would bring forward the give and take program to give charities a 50 per cent tax credit. That promise was broken. The Government broke its promise to charities, but kept its promise to oil companies. The promise to the oil companies was a sacred trust because the first priority of the Tories is to look after the rich. However, the charity organizations which serve the churches and poor people were fobbed off without any reference in the Budget. The former Tory Budget of the present Secretary of State for External Affairs at least contained a footnote indicating that the give and take proposal would be studied. There is not even a reference to it in this Budget. The promise which the Prime Minister made to the charity organizations of the country was broken, but money was found for the oil companies. That shows the sense of values of this Government. It takes from the poor and gives to the rich. Premier Buchanan said that this was politically unsound. They were told by Premier Miller that this was politically unsound. Yet they have the amazing audacity to think that they could put this one over on the Canadian people and that the Canadian people would accept it. To think that they can give money to the oil companies and a windfall of $125,000 to 4 per cent of the population, while taking away from the poor is sheer arrogance. It is arrogant to think that the people of Canada would stand for it.

• (1210)

I am sorry that I have to rise to speak in this way about the Government. It sounds as though I were over-simplifying the matter. I thought that perhaps there might have been some amelioration in the situation. The more I study the Budget and see its repercussions, the more I am amazed at the Government for giving to the rich and taking from the poor.

The Government took away from the charities. As well, it broke promises in other areas. It broke its promises to senior citizens. The Prime Minister promised that this would never happen. It broke its promises in terms of universality. It broke its promises to the charities of the country and its promises to the disabled and women. Just today, the press is reporting on how women's organizations are protesting that they too have been betrayed.

Is there no shame on the part of the Government? Did government Members think that because the Budget would come out in the late spring, the summer would soon come and they could escape scot-free? I hope the Canadian people will keep this very much in mind all during the summer. We can guarantee to them that when the fall comes, they will still be facing the same problems.

The fundamental problem is this: the Government had better decide that it must keep its election promises. It had better decide that if it wants to survive, it should listen to the people and care as much for the poor as it does for the rich.

Mr. Nickerson: Listen to the expert on political survival.

Mr. de Corneille: I was very sorry to hear the Hon. Member for Simcoe North and the Hon. Member for Kootenay West indicate, while the member for the NDP was speaking, that they disagreed with what the member of the NDP had to say. He was saying the same thing as I am saying here, and that is, that it is not fair to take from seniors.

Do those Hon. Members want to rise to explain their position? I think the people of Canada would like to know about it. In fact, the people of Canada would like to know about the positions of many of the other members of the Conservative Party, including the Hon. Member for Western Arctic. Are those Members quite pleased with themselves, or are they going to recommend to the Prime Minister and the Cabinet at the next caucus meeting that action must be taken before the House rises for the summer? Are they going to recommend that the Cabinet take action by announcing to the seniors of the country that their cry has reached the Cabinet

and that it intends to do something about their suffering? Will they ask the Government to reinstate the 3 per cent that it has deindexed from the pensions? I hope that at the same time the Government will also reconsider its position on family allowances for those who are poor. As well, I hope the Government will listen to the voices in Atlantic Canada that have expressed their horror at what is being proposed by this Budget.

In Atlantic Canada, there are certain regional disparities and the area requires and depends upon federal transfers and grants. The people in Atlantic Canada are saying that the Budget will hurt their communities and particularly the disadvantaged ones. This is again another case of the federal Government's Budget being one that attacks those who are poor and weak who live in the disadvantaged provinces while giving to those who live in the wealthy provinces.

The Government's record is an amazing one. As the people of Canada study it, they will better understand the philosophy of the Tory Party. I understand even more clearly now after the Budget why I became a member of the Liberal Party. I hope that the Government will take steps that will take into account this motion to cut back government borrowing by 3 per cent and look at the way it is spending money on things that are fat and unimportant. I hope that it will give back that 3 per cent which is causing such anguish to the poor seniors.

Mr. Tobin: Mr. Chairman, I would like to pay tribute to the speech that has been given by my colleague, the Hon. Member for Eglinton-Lawrence. He has, in a very articulate and obviously passionate way, restated the kind of appreciation that he has from a human point of view for the anxieties and worries felt by senior citizens who are struggling to meet their commitments resulting from the Government's 3 per cent reduction.

The Hon. Member for Eglinton-Lawrence has perhaps seen more clearly and understands more clearly than most the mentality of the Government. He made a very important point when he said that the Opposition has moved a 3 per cent reduction in the Government's borrowing authority as a very symbolic gesture of the kind of arbitrary manner in which the Government is treating senior citizens. Speaking on behalf of all government Members, what does the Government House Leader say to that?

This motion would reduce the Government's borrowing authority by less than $600 million. In fact, the Government could cancel or limit capital gains exemptions to save that much money. However, what does the Government House Leader say? Does he say that this motion may require the Government to reduce the capital gains give-away? Does he say that this may require the Government to reduce by one-third the amount of money it is giving back to the multinational oil companies? Does he say that this will require the Government to return to the old levels the salaries of chiefs of staffs, of commissars and of Ministers, or to reduce office furniture budgets? Does he ask Ministers not to trade in their cars every six months? No, he does not.

What does the Government House Leader say as an immediate response to the motion to reduce borrowing authority by about half a billion dollars? He says that we will have to cut back on the poor, and he is speaking on behalf of 211 Members of Parliament who wear the Conservative stripe. He says that when there is any discussion of cutting back on government expenditures, we should cut back on the poor.

This 3 per cent reduction represents about a half a billion dollars. Half a billion dollars represents about one-third of the cost of giving $125,000 in cash gifts to the rich of this country. The 3 per cent reduction could be absorbed without cutting any social programs. The 3 per cent reduction could be absorbed, the capital gains provision could be scrapped and there would be a billion dollars left over to give to senior citizens. This could be done if the minds, hearts and souls of government Members were concerned with how the poor people of this country live. This could be done if government Members had any basic respect for the people who built this country. This could be done if government Members were not beholden to the wealthy economic interests as represented by multinational oil companies and banks and the kinds of people who bankrolled their Party in the last federal election campaign.

We have proposed this kind of measures because for the last three weeks, as we debated and asked questions about the Government's deindexation plan and as we listened to senior citizens of the country speak about it, our caucus met—and I am not supposed to tell secrets out of caucus—but there we indicated that we believed that the back-benchers, the rank and file of the Conservative Party, would make their voices heard. We believed that they would make their presence felt. We believed that even if the Cabinet, in some kind of kamikaze mission, saved the so-called honour of the Minister of Finance by not backing away and even if the Cabinet insisted on committing hara-kiri on public television, those back-benchers who had gone to talk to their constituents and to their own mothers, fathers and grandparents would have made their presence felt. We believed that those back-benchers would have made their presence and influence felt. We thought that during the past weekend at the special emergency caucus meeting of the Conservative Party, which was called to keep the caucus from disintegrating over the issue, the voice of the people of Canada as represented by back-benchers would be heard, and that it would not be the voice of Cabinet as represented by the Prime Minister that would carry the day. We thought there would be an announcement on Saturday or Sunday that the Government would move away from deindexing. However, it was not the voice of the back-benchers which carried the day. It was not the voice of those who truly have the power in Parliament—the majority of Members who sit on the back-benches. They were stifled. They were beaten back by the bullies in the Cabinet. They were told, in the name of the honour and prestige of the Minister of Finance, to bite their tongues.

• (1220)

I know Tory back-benchers. I know they are not happy. I do not have to ask them if they are upset. I do not have to ask them whether they agree. I know there are a substantial

number of Tory back-benchers who do not agree with the policy. I know them well enough to know that their voices were heard lound and clear at the caucus meeting. I know them well enough to know that they rose and stated their points of view. I know that they urged the Prime Minister and the Cabinet to do the right thing. Perhaps they are as shocked as I am to realize that not only will Cabinet not listen to the Opposition, organized groups in the country, the Chamber of Commerce, business institutions, social councils, provincial Premiers and provincial Conservative Parties, but that it also will not listen to its own back-benchers.

Reform of the House cannot come quick enough. We have a Prime Minister who ignored the pleas from his back-benchers on Saturday. That is no secret. He cracks the whip and tells them to sit quietly in their seats. There is something wrong. The biggest worry which the people of Canada had on September 5 was that there was too big a majority and that too much power had been placed in the hands of one man and his Cabinet. We have an administration which is a collection of 39 men and women who will not be policed by the voice of their back-benchers. We have a Government which has assumed the arrogance of a dictatorship. We have a Government which is made up of Members who believe that it is more important that they never have to say they are sorry because they are Tories. They will not relieve the senior citizens of the country of the burden of anxiety and the weight of not knowing whether in one, two, three or five years they will have not only Old Age Security payments, but security in their old age.

I find it incredible that the Government is asking for borrowing authority in the amount of $18.2 billion. It would take 18 Canadians spending $1,000 a day for 3,000 years, to spend that amount of money. We have proposed that it should be cut by 3 per cent. The Government has told us that it cannot do that because it has commitments and bills which must be paid. The Government is saying that we cannot arbitrarily cut its spending program by 3 per cent because it has commitments. What a brilliant defence! It sounds familiar. That is what the senior citizens of the country have been saying to the Government. The Government did not consult with them nor did it assess what would be the impact. It arbitrarily cut the budgets of senior citizens by 3 per cent. The senior citizens have told the Government that it cannot do that because they have commitments to meet. The Government responded by saying no. The Government tells them that they are happy to participate. The Government tells us that it has spoken to one or two senior citizens and that they are happy to participate. If that is not hypocrisy, what is?

The Prime Minister visited his riding. His staff spent several weeks trying to orchestrate carefully a good reception. They went into a poll which he had won overwhelmingly in the last election—Le Pionnier. His staff thought that Le Pionnier would be safe turf. The overwhelming majority of people in Le Pionnier, in the Prime Minister's riding, and in senior citizens' complexes, voted for the Prime Minister. His staff thought that it would be a safe media event. They thought it was a safe place for the Prime Minister to bring his presidential podium and his travelling troup in order to show the people of Canada, by way of a media event, that there is no problem with the deindexing measure.

This morning in *The Gazette* and in the French press we read that those senior citizens used very strong language to describe the Prime Minister. In fact, I am upset. I think it is terrible for senior citizens in the Prime Minister's riding to gang up on him. They used language which I would never use. They called the Prime Minister a liar. I do not accept that. Those senior citizens could have found another word to describe what the Prime Minister did to them. When they use that kind of blunt, honest and simple language, we cannot repeat it in the House. An 82-year old man, who voted for the Prime Minister, said that the Prime Minister had lied to him. Is that an indicator? Could we call that putting the finger on the pulse and discovering that people are not happy? The Prime Minister does not. He said that he was pleased with the warm reception which he received.

Tory back-benchers have a rare opportunity to show their constituents that, as well as being members of the Conservative caucus and the Prime Minister's soldiers, they have their ears tuned to what their constituents are saying. Tory back-benchers have the opportunity to show their constituents that they have their fingers on the pulse of life's blood as it beats through their constituencies. They should show their constituents that they are prepared to stand up and be the Members of Parliament for their ridings. They should be prepared once in a while to be the spokesmen to Ottawa and in Ottawa from their districts, rather than just people who spend time apologizing to their constituents on behalf of Ottawa when the Government loses touch.

The Government had better consider that it is being served notice now if its intention is to keep the Prime Minister busy and out of Ottawa, and to send the Minister of Finance on a two or three-week exotic travel excursion in Europe, and not have anyone in the House to answer questions. The Government is trying to bamboozle members of the Opposition. It is treating, with total disregard and disrespect, the senior citizens of the country who are asking for an answer. The Government had better assume that it has been served notice.

• (1230)

We in the Opposition have no intention of allowing this kind of charade and farce to continue. We will not allow this House, the people's House, to be turned into a charade while the Prime Minister totes around his presidential podium doing media events. There are 71 Members of the Opposition and a massive majority of 211 Members of Government. I warn those Members of the Government now that the eyes of the people of this country are upon all of us. They are weighing our actions and measuring our words. We are prepared to see that this place does not work at all before its works as a charade or merely as some kind of propaganda tool for a Government who sadly, after nine months in power, is so out of touch with the realities in this country.

While the senior citizens of this country organize, prepare their position and make their way to Ottawa to come face to face with Members of Parliament and this Government, what is the Government obsessed with? Is it obsessed with doing the right thing? Is it going to dig down deep and screw up its courage and backbone and say "We made a mistake and we'll correct it right away"? No, Mr. Chairman, it is obsessed with having the Solicitor General appoint his fine buddy in the RCMP to a patronage position. It is obsessed with having Mr. Byron, who has been apppointed to the advertising committee, name the firm of which he was vice-president until a few months ago, so it can give it four or five untendered contracts. The Government is behaving like a child too long denied access to the cookie jar and it is using the taxpayers' money in a gluttonous display of greed and petty villainy while it turns a deaf ear to the 2.5 million senior citizens of this country who are demanding not special treatment, but only that the system which gave them some measure of security in their old age be restored.

Members of the Opposition rose in their places last week and told Members of the Government that we would not demand the resignation of the Minister of Finance, that we would not ask for the head of the Prime Minister and we would go quietly into a summer recess if they would but admit what they are doing is wrong and move to immediately correct the situation. There was an unpartisan mood last week. There was a time in this House when no blood was being asked for and no one was measuring the Gallup poll. We were asking for simple justice and for a display of dignity, courage and concern for justice, but that was not forthcoming. This Government is stonewalling. It is determined to make a mockery of this institution until June 30, and then to adjourn this House. Those Members will go away for the summer, leaving seniors with the anxiety of not knowing what their fate will be.

I say through you, Mr. Chairman, to the Government House Leader, who thinks if we have to cut $500 million, we have got to cut it from the poor rather than from Tory friends who are going to benefit from no capital gains tax, that the Government can easily take a few dollars back from the multinational oil companies. The Government can easily police itself and cut its extravagant spending on Ministers' offices, chauffeur-driven cars and high salaried politically appointed staff. It can make cuts to the Government jet aircraft which trounce all across the land carrying Members of the Government who are trying to sell something which is not saleable because it is not just. I warn the Government that if it continues to perpetrate this farce upon this institution, this institution will not be party to it.

It is the first responsibility of any Opposition to be the defender and scrutineer of the public purse when the public purse is being raided to provide $1.4 billion in windfall money to multinational oil companies, and when the public purse is being raided to give $125,000 to every wealthy Canadian, which is a gift from the taxpayers of Canada to those who can afford take advantage of no capital gains tax. That program is going to cost as much as the Government is taking away from senior citizens, and the Opposition cannot sit quietly as Government reaches out and tries to pay for that giveaway by taking it from the group which is the most defenceless and which cannot speak for themselves, the senior citizens. If the Government believes it can roll this group like a mugger in a park and there will no outcry, then the Opposition cannot be silent. This institution will not function as a farce.

Mr. Marchi: Mr. Chairman, I am also pleased to rise in my place and address the motion which was tabled earlier this morning by a Member of our Opposition Party. It is again unfortunate that the Government of the day has missed the opportunity to understand and take with a certain degree of seriousness and sensitivity the message, because it is a clear message. It is a message which is not necessarily coming from this side of the House. It is a message from the millions upon millions of senior citizens across this country who have been trying to communicate by phone, petition, rally, or whatever means they can. It is a message which the senior citizens are trying to articulate with some degree of sensitivity and compassion in order to make this Government understand that what it has done through its Budget measure in taking away three percentage points from the pensions is not only wrong fiscally but wrong morally.

We in the Opposition are trying to be a vehicle for the senior citizens. We are trying to bring to this Government the understanding that its decision is absolutely dead wrong and that it has an opportunity to correct that wrong by admitting it.

Members of this Party have been told by senior citizens, and I was told specifically at a community meeting at my constituency office last Saturday, that the senior citizens are asking "How does the Government feel when it arbitrarily and immediately cuts our pensions and how would it feel if the money which it needs to operate the business of the day was cut just as immediately and arbitrarily". The message is clear. They are saying, "Why can the Government do it so easily to senior citizens?" I suppose they were thought to be a group which was unorganized and it would be easy to make the move. It was a move which was certainly not contemplated, perhaps, against the more elitist and organized groups of this country because as soon as we touch the bankers or the corporate community, they are there the next day, organized, financed and articulate, and the Government responds.

The Government thought, perhaps, that pensions was an area in which it could afford to save some money because our senior citizens are not organized, they are not articulate, and do not have the resources nor the energy to come to Ottawa and tell this Government it is wrong. However, the senior citizens are organized, they are articulate and they do have the moral compassion to stand up and be heard. It is that Government and Party that is wrong. It is that Party that does not have the courage to stand up and say they were wrong. It is a lesson the Government ought to learn.

• (1240)

This motion is another way of informing the Government that it ought to rethink this proposal. Government Members say we are practising the politics of fear. We are not. That fear came from page 17 of the federal Budget which says that we are reducing the indexation of their pensions. That is where the fear started and we are trying to dispel that fear. We are trying to tell the Government to admit it is wrong, do so quickly, and remove the fear so that the senior citizens can go back to living their lives without having to worry about whether the money they rely on will remain intact.

As my colleague indicated earlier, perhaps the Prime Minister and the Government do not see the other side of the tracks. Perhaps the Prime Minister prefers to view this country as a shining city on a hill. Well, that is true; we are a privileged society. We have a good country. But there is another side of the tracks.

There is another city, and perhaps this is *A Tale of Two Cities* which the Prime Minister cannot understand. From where he is standing perhaps he cannot see that other city, he cannot answer the calls we are getting and meet with the groups we are meeting with. He will not take the time to visit the senior citizens who might have $100 of discretionary income. He does not have a sense of what it means to be a senior citizen on a fixed income, an income now endangered by what the Government announced in this Budget. He does not see that other city, yet it is there. You can see it in the long line-ups at food kitchens and food banks. You can see it in the increasing number of shelters.

Mr. Blenkarn: What absolute drivel.

Mr. Marchi: You can see it in the increasing number of people being added to the poverty roll. You can see that other city and it is useless to pretend it does not exist. It is useless to pretend that only the shining city on the hill exists. That city might exist here in Ottawa, but the country is larger than Ottawa. He should visit the senior citizen who is striving to live in some degree of comfort in Sault Ste. Marie. He should come to Toronto and visit the Humber Summit seniors in my constituency whose only luxury is to play cards on a daily basis. They cannot afford much else, but they are asking themselves and this Government: Why do it to us? Why take away $1,500 from us when you can get the money in other ways? What have we done to deserve this? We have worked for 30, 35 or 40 years in the expectation that our pensions would be intact. With the announcement of this federal Budget, we are changing the rules of the game after the game has started.

The message has fallen on the deaf ears of the Government. The first or second Member on that side to get up and respond to this motion talked about fairness, honesty and how the opposition was failing in both areas. I challenge that Member to show me the fairness and honesty of this Budget, specifically the proposal advocating partial deindexation of Old Age Security pensions.

Where is the fairness, honesty and integrity of that proposal? Members opposite have a short memory. They fail to remember that several months ago they all fanned out across this country and said they would not touch the pensions of our senior citizens. They would not ask those people to bear the burden of the economic price we have to pay. A sacred trust, is what the Prime Minister said. After a few months in power, one of the first things in the Budget, one of the first Tory documents to be presented in this House, reneges on that very fundamental and clearly articulated promise to senior citizens. The Minister of National Health and Welfare, in answer to a question I posed, said we have no option, no alternative, but he did and he knows it.

Where is the fairness in a Budget proposal which means that a household with two children earning $15,000 to $20,000 a year will have to pay 36 per cent more in taxes by 1990, but a family earning $200,000 is looking at a 2 per cent increase? Where is the fairness and integrity there? There is none. Where is the fairness in the capital gains tax bonanza? The Government says it will affect everyone, small businesses all across the country, but one only has to look at the 1983 statistics concerning capital gains taxes to see that almost 70 per cent of those claiming capital gains represent only 4 per cent of the Canadian population.

We on this side of the House and seniors of this country ask ourselves: What about the other 96 per cent? The Hon. Member across the way said we have to pay our bills. We have to pay the bankers because they will not wait. That, Mr. Chairman, is the mentality we are attempting to fight, a mentality which suggests we have to pay our bills and let other people suffer. The senior citizens have bills to pay, too. We are trying to send a message to the Government that if it can easily, arbitrarily and regressively undermine the seniors' pensions, then it ought to be prepared to swallow the same pill on the same day, and that day is today, but the Government is not prepared to do so. It is not prepared to make that sacrifice or accept the same punishment it has inflicted on the senior citizens.

The first reaction of the Government was that this motion would further hurt the poor and disadvantaged of this country because it assumes that if the Government was to reduce its spending by 3 per cent, that is the constituency it would cut the 3 per cent of spending from. Well, that perhaps says more than does our motion. That message to senior citizens is perhaps even stronger than our message to the Government. We understand the message we are getting from the Government, we understand the mind-set of Members opposite. We understand their philosophical bent and it is unfortunate, but it clearly delineates their side from this side.

We are having a rally next Tuesday in Toronto at 12 noon in Nathan Phillips Square. Once again we are getting a magnificent response from senior citizens' organizations. We have invited members of the Government, the Prime Minister and the Minister of National Health and Welfare to attend because it is important to speak to those seniors who will be affected by this clause. This rally is not being organized on a

political partisan basis because no one in the House has a monopoly on concerns facing senior citizens or concerns facing the poor and disabled. We have the responsibility to speak for those groups and bring their concerns to the attention of the Government.

• (1250)

We want the Prime Minister to come to that rally because he will see something very different than what he saw in Quebec yesterday. This event will be much more spontaneous and real than what happened in Quebec because he will see the look of desperation on the faces of those individuals who come to him. It will be difficult for him to defend the indefensible in front of those individuals. If he takes the time to listen to those concerns and anxieties facing those senior citizens, he will not hesitate to reverse this regressive move he instigated several weeks ago in the Budget.

We are trying to speak for the aspirations of those people. Another Member opposite talked about democracy and how we were somehow undemocratic. He suggested that we are being obstructionist and overreacting to this concern. He ought not to teach us about democracy and profess to be democratic.

The senior citizens of this country have rallied daily for the last two weeks in an attempt to send the message to Government that it is wrong. The business community and business organizations of this country have also rallied and tried to send that message to the Government. The municipal Governments throughout the country are passing resolutions in their council chambers, regardless of the fact that this is a federal issue, in order to send a message to the Government that its measure is wrong. The provincial Governments are doing the same thing. We have witnessed Tory premiers and Tory Governments, and provincial governments in Manitoba and Quebec sending that message, despite the fact that it is a federal issue.

The Official Opposition and the NDP are raising this matter daily in Question Period and in debate, as we are this morning. If the Hon. Member wants to talk about democracy, he should not ignore the message that has been coming from the legislative groups in the last two weeks.

Members opposite cannot spend the summer in the belief that this issue will have disappeared by September 15. This issue will not die, not because the Opposition Parties will not let it die, but because Canadians from one coast to the other will not let it die. Canadians, particularly elderly Canadians, are saying that this issue is fundamental to their existence—to the social contract that they have with this state. As Canadians, they are entitled to Old Age Security pensions and to the full indexation of those pensions. This social contract is part of being Canadian. It is not acceptable to change the rules after someone has paid into that pension in order to plan their future after the age of 65 and collect a certain amount of money.

The Government argues that this measure will help future generations and provide money for future pensioners. What about those people who are 65, 75 and 85 today? Who is speaking for those individuals? Who is speaking for today's pensioners who want the obligations of that social contract to be respected and honoured? We on this side are fighting for that obligation and we are not afraid to speak for those individuals because they need representation.

We are sending a message, through this simple motion, that the Government has not listened and has not reacted well. Once again, we call upon its sense of compassion, fair play and morality to come clean and admit that this regressive policy to deindex is wrong and unfair. We call upon the Government to show leadership by saying it is prepared to restore full indexing as a commitment to our senior citizens.

Mr. Dingwall: Mr. Chairman, I join this debate because of the importance I associate with its substance and that I believe the effects of these regressive measures that were contained in the Budget will have a long lasting effect on many Canadians.

It should be noted that the debate was touched off by the Honourable—I use the word with great care—House leader for the Government. He made some very uncomplimentary remarks with regard to Opposition Members. I do not believe that he was questioning their motive, however it could be argued that perhaps he was. I believe that the House Leader said some very unfair and uncomplimentary things about Members of the Opposition relating to this particular debate.

What that Hon. Member has failed to recognize is that the Liberal Party of Canada is standing behind this issue in an attempt to have full indexation restored to our senior citizens. However, along with the Liberal Party of Canada are other individuals, groups and organizations who believe that our cause is just, fair and equitable on behalf of senior citizens in Canada.

I would be remiss if I did not take this opportunity to share with the House what some of those other individuals have said and who they are. There is no secret that the Premier of the Province of Prince Edward Island is against the deindexation of Old Age Security. Is the House Leader of the Conservative Party suggesting to Members of the House and Canadians that because some object so vigorously that somehow they are undemocratic, appalling, unfair and not carrying out their tasks as elected representatives?

The Premier of Newfoundland is also on the record publicly and within his own province as being opposed to this very regressive measure. Of course, the Premier of the Province of Nova Scotia has said very clearly in Nova Scotia and elsewhere in Atlantic Canada that he and his Party are against the deindexation of Old Age Security.

However, the list does not stop with political leaders. It includes the business community. The list includes senior citizens' organizations and non-profit organizations which have issued news releases and held press conferences to cast shame upon the Government of Canada for introducing such regressive measures. We all know that the government caucus meeting held on Saturday—

• (1300)

Mr. Blenkarn: What do you know about it?

Mr. Dingwall: I know exactly what went on, and I know exactly what will take place. We know that the Government will change this measure and restore full indexation. However, the question becomes: "When will the Government do it?" The issue which senior citizens find so distasteful is that the Prime Minister has not lived up to his clear and unequivocal commitment in the Province of Quebec in July, 1984. That commitment has been replayed time and time again and showed very clearly that the Prime Minister would restore, according to his own words, full indexation.

However, several months later, we found that the Minister of Finance went against his Prime Minister and introduced a budget measure which flew in the face of that commitment. Senior citizens find that to be particularly distasteful. They believed their Prime Minister, rightly or wrongly, depending upon one's political persuasion. They believed that their Prime Minister would restore full indexation, only to discover, as was suggested by one of his own constituents—and I use the words of that constituent—that they have been "lied" to. It is unparliamentary for me to use that word, and I will not use it, but that is what was said by a Canadian residing in the riding of the Right Hon. Prime Minister. That comment ought to be taken seriously, not only for the tone in which the constituent said it, but for the substance of what he was saying.

It is fine and dandy for Members of Parliament, regardless of their political association, who earn in excess of $70,000—and some earn substantially more—to say that that may not be so devastating. However, senior citizens on a fixed income have to make plans, have to budget for their expenditures and revenues. When they are faced, out of the clear blue sky, with cut-backs in the money anticipated to meet their expenditures, that is devastating. Perhaps it is not so for Members of Parliament, but to senior citizens, after working hard for 35 years or 40 years raising their families, it can be a devastating and appalling feature of their economic viability as citizens. The principle is rooted deeply. I appeal to the sense of fairness of Hon. Members opposite. It may mean that a senior citizen will be overdue in paying the telephone bill. It may mean that a taxi cannot be taken to go to the hospital to visit a loved one. It may be that extra little bit which a senior citizen gives to a neighbourhood boy to go to the store to buy a few groceries during inclement weather. Surely those of us who sit in this awesome Chamber, the distinction that it is, realize that the Minister of Finance cannot stand in his place and say to Canadians: "Bravo, I have done the right thing".

What toughness is there in taking money from senior citizens? I say to the Hon. Member from Halifax and to the Minister of Indian Affairs and Northern Development that the Minister should have been tough on those who could afford it, and I refer to the capital gains provisions in the Budget. In my view, that would have been cause for Hon. Members on all sides of the House to stand in their places and say: "Yes, the Minister of Finance is standing up to those who can most afford to sacrifice". However, what has happened has been the complete opposite. The Minister of Finance and the Prime Minister have broken their commitments to the elderly of Canada.

Mr. Chairman, you know, as a distinguished Member of the House, that 1.7 million Canadian senior citizens live below the poverty line. I ask Hon. Members on all sides: Where is the toughness in saying to senior citizens living below the poverty line that they will receive less? In my view, the Minister of Finance has committed a major political blunder. Of course that happens, but it is important what one does to recover from a political blunder. I suggest to the Minister of Finance and Hon. Members who support him and believe in his sincerity and his policies, that they have to stand and be counted to have this regressive measure changed, changed to honour the commitment of the Prime Minister in July 1984.

In terms of the capital gains provisions, is it tough to say to the wealthy of the country that they will be given $300 million this year and $600 million in the next fiscal year? Is it tough to say to them that Canadian taxpayers will give them $1.2 billion by 1990? Is that toughness or, as some senior citizens have said, is that copping out?

This measure calls upon the most vulnerable segment of Canadian society. It calls upon them, after years of sacrifice, whether it was during the First World War or the Second World War. It calls upon them after years of productive life, trying to build their communities, to strengthen the educational system and to build churches so that Canadians would have an opportunity to worship the God of their choice. Now, in their years of retirement and reflection, this regressive measure is calling upon them to make a financial contribution. That is not fair in anyone's eyes.

• (1310)

Members of Parliament, particularly Members of the Government, must accept that this was a political blunder. They have an obligation today to end the uncertainty with which senior citizens have been confronted since the announcement of the Budget on May 23, 1985. For the edification of all Canadians, I must emphasize that uncertainty of Canadians on a fixed income is a major reason for frustration and worry.

The fairness of this Budget does not lie with the senior citizens of Canada. They have been treated unfairly. When will this unfairness stop? The Government will have an opportunity today or tomorrow to end the unfairness of this regressive tax measure. Some political commentators would say that it would not show toughness if the Government backed down and that it should stick to its guns. However, that is not what Governments are elected to do. Governments are not elected to appease those who sit in the press gallery. Governments are elected to serve the best interests of the people. Government Members can take satisfaction in changing this regressive tax measure in that they will be doing the right thing on behalf of all Canadians. So what if there are a few editorials in the newspapers condemning the Government for backtracking? In my view it must.

I sincerely ask Government Members to stand in their places and right this wrong. If the wrong continues to affect

senior citizens in any province of Canada, the issue will become so great that it will become virtually impossible for the Government of Canada to back down. To continue with this unfair measure will cause strife and worry for a population which deserves much better. This ought not to be a political issue and it ought not be debated on the floor of the House of Commons because it is a wrong. Each of us should stand in our place and vote today to right this wrong for the benefit of the senior citizens of our country. Every Member of Parliament has an obligation to put aside this political blunder by speaking of fairness, equity, and dignity for the senior citizens of Canada.

Mr. Axworthy: Mr. Chairman, in participating in the debate on this amendment, I would like to give the most visible message possible. This pile of paper contains over 2,000 names of senior citizens from the City of Winnipeg. That is only a small percentage of the number of people in that city who are deeply protesting the action of the Government.

Over the weekend I read the statements of the Hon. Member for St. Boniface who said he did not think this was much of an issue because he had only had four or five phone calls on it. I looked at the addresses on these petitions and saw Provencher Boulevard, Dumoulin Street, Goulet Street and Marion Street. Hundreds of people from that Member's riding have signed these petitions. I bring that to the attention of the House because it highlights what is very much at stake in this debate. What is important is not only the substance of the action taken by the Government, but the way it has handled this matter and broken its trust with the Canadian people.

The Prime Minister has more gyrations than a run-away corkscrew. We do not know from one day to the next what turn, twist, zig, or zag he will be taking. Let us look at the record on old age pensions and support. During the election campaign we heard the famous declaration of the sacred trust with strong hints that support to senior citizens would be improved. That was good during the election campaign, but after the election we began to hear some murmurings from the Minister of Finance that the Government was going to re-examine the universality of the pension scheme. It was no longer sacred, they were beginning to review the matter.

When questions were raised in the House of Commons and elsewhere in the country, the Prime Minister jumped back on the bandwagon saying that the incomes of senior citizens would not be touched because they were essential. In the dark of the night, the Minister of National Health and Welfare redrafted his Green Paper or White Paper in order to change the matter. That paper said that in the re-examination of social programs there would be no reduction in the income support for senior citizens. That was another turn in the road.

Then it was Budget time and we saw a whole series of actions that have substantially undermined the income position of older people in the country. We have heard the argument for deindexation many times. In the next four years, individual senior citizens will have a decreased buying power of $1,500 in today's dollars. Furthermore, the problem is compounded by the substantial increase in sales taxes on basic commodities, a regressive form of taxation which is to be applied to detergent supplies, candy and pet food. An old saying by W. C. Fields goes that anyone who hates children and dogs can't be all bad. The Conservative Government is making that particular axiom real. I suppose W. C. Fields helped to write the Budget. There must have been some source for that.

• (1320)

The fact of the matter is that the Government has substantially reduced in a regressive way the purchasing power of senior citizens. Not only has their direct income support been taken away, but their purchasing power has been taken away. As if that were not enough, a third whammy is added through reductions in transfer payments to the provinces by $2 billion between now and 1990. This can only mean that there will be either a substantial reduction in health services or increased taxation or user-fees at the provincial level. Compounding that, the municipalities that also supply specialized services for senior citizens like day care centres and transportation will also have to raise taxes or cut back on programs. The Budget is clearly a multifaceted attack on the income base of senior citizens.

When the Budget was first brought down, we rose in the House to ask the Government why it was doing this. Let us think of the interesting sequence of arguments that have been used since that time. First, government Members said that senior citizens wanted them to do that and were all supporting them. The Minister of National Health and Welfare said that he talked to all kinds of senior citizens who wanted the Government to reduce the deficit and take away their incomes. However, when challenged, he could not name one individual or group that had said that to him. That argument did not fly very well.

Mr. Dick: We've got two right here.

Mr. Axworthy: Sure, they are sitting in the Commons where they have their own benches.

Government Members felt that that argument was not going too well, so they moved to the next defence. Then government Members began saying that this really was not a Budget but a set of proposals and speculations. The Prime Minister who rewrote the textbook on public finances inside of a week said that the Budget is not a Budget but is a series of proposals that they may consider and change. He has totally ripped apart and cast asunder the financial projections of the Minister of Finance. He has completely eviscerated any sense of fiscal security or stability.

Then that argument did not seem to fly too well. We are now dealing with the argument which consists of the Prime Minister saying that he is going to change his mind, take a new look at the situation and revise it when economic conditions get somewhat better. What does "when economic conditions get somewhat better" mean in terms of indexation?

We want to know for what government Members are waiting. What is the stall about? Why has the Conservative caucus, in all its multiple numbers, not been able to convey to

the Ministry the serious mistake it has made? Are we once again being treated to another form of the Prime Minister's manipulations and machinations? Is he telling us to wait until Parliament has adjourned for the summer so that they can finagle and manipulate the mechanisms of Government while the Opposition is not around?

What was it that the Prime Minister said the other week after he had been leader of the Party for two years? Oh, yes, he said that the press has been hurtful to him. The poor, delicate, sensitive psyche of the Prime Minister does not take well to opposition. Therefore, he is going to wait until Parliament adjourns for the summer. Then he is going to jack up the payments on the Guaranteed Income Supplement but leave the OAS alone. That seems to be the indication, but it still does not solve the problem and that is that this Budget says that senior citizens must bear the brunt of the fiscal reordering of the country.

If members of the Tory caucus think that the Prime Minister can get away with his little bag of tricks by simply playing around with the GIS while leaving alone the OAS, they have another thing coming. This Parliament will be back in session on September 15 and we will take the fight up from that point on. Government Members will then change their minds whether they want to or not. Conservative Members had better have another special emergency caucus meeting to tell the Prime Minister that his little bag of tricks will not get him by this time.

People are wising up to the Prime Minister. They know what he is about. They know that he cannot be trusted and this his word is not one that can be taken seriously. How many times can he go up and down, round about, left to right? He has no sense of direction and no sense of purpose. He is allowing himself to be dictated by what his Decima polls tell him as he waves them at caucus meetings as opposed to dealing with the rightness and goodness of the issue.

Mr. Dick: More honest than you.

Mr. Axworthy: That remains to be seen.

Mr. Dick: How about the million dollars you spent on your own office?

Mr. Axworthy: The fact of the matter is that that is far less than what the Prime Minister is spending on his office. This issue carries with it not only the serious and incredible damage being done to millions upon millions of Canadians, but also brings into clear focus the incredible and almost unbelieveable way in which the Conservative Government has acquired divine right in a matter of nine months. It does not have to listen to the people. All those protestations about consultations, building consensus and working with the public are being totally disregarded.

What is the purpose? What are government Members trying to achieve with this? It would be different if they said that this Budget would somehow achieve something worth while. We would not agree with them, but their argument now is that somehow this sacrifice that only the senior citizens and lower income families are going to have to make will result in some great economic millennium. However, the Government's own Budget denies that in its descriptions.

Government Members are talking about a growth rate that is less than 50 per cent of the growth rate over the past two years. The fallacy in their economic thinking is that somehow the Government can withdraw close to $40 billion worth of purchasing power from the economy over the next four years, yet they assume that the demand for consumer goods, housing and services will continue. Regardless of how many tax give-aways and breaks are given to the investor community and regardless of how happy the friends of the Minister of Finance on the Toronto Stock Exchange are, if there is not a basic economic demand, business will not expand to meet it. Businesses expand to meet consumer demand. However, if people do not have money because it has been taken away from them by enormous tax grabs, business will not expand.

The Wall Street Journal has said that this is economic suicide. The Government is not putting money back into the economy. It is not stimulating consumer demand. Instead, it is reducing and withdrawing money from circulation and there will, therefore, be far less stimulus and far less incentive.

Since this does not make economic sense, we have to ask what government Members are doing. It has become very clear that the close to $3.5 billion that is being taken away from senior citizens and the billions of dollars that are being taken away from low-income families have nothing to do with reducing the deficit. The sales taxes and deindexation can be matched up with the give-aways through the capital gains program, the cancellation of the PGRT and the other forms of tax offerings to a very select, privileged group in this country. Because of that, this is a Government that is prepared to have millions of Canadians pay for the benefits that will go to less than 4 per cent of the population.

● (1330)

The only economic sense which one could draw from that is that it is the Government's fundamental belief that economic growth and stimulus will come from the privileged elite. It will come from catering and servicing that particular restricted, hothouse group of Canadians. The Government believes that if there are a few crumbs which trickle off the table to ordinary Canadians, then that is fine. The old trickle-down theory was discounted back in the 1920s when we put social Darwinism to bed. It was the rule of the economic jungle, which had been the prevailing notions up to that period, which was placed in the storehouse of worn-out ideas forever. It took 1985 and the Prime Minister to bring back the time-worn idea that aid to the privileged would result in benefits to all.

I think Canadian people are wising up to what has taken place in the Budget. They are beginning to realize that the net impact will not be for the benefit of young families who want to buy homes, workers who want to be retrained, or older people who want to maintain their income security. The Government is helping a small circle of individuals. The rest is

based on some faith that those individuals will generate a massive wave of growth and that we will all rise the tide.

It is a very precarious and dangerous economic theory. It is no wonder the Minister of Finance is leaving the country today and not returning until Parliament recesses. It is no wonder he thinks that the best refuge is about 5,000 miles away. He is recognizing that the underlying foundations of the Budget are built on shifting sands which are being badly eroded day by day. The only way in which he can save face is to get out of the country. He is once again, as we have seen since the Government took office, evading responsibility for taking the tough and right decisions. He and the Prime Minister think they can get by with fancy tricks, public opinion polls and public relations gimmicks. Once again they are trying to replace solid and tough economic decisions with coloured lights and cosmetics.

This Government does not like to govern. It does not know how to govern and it does not want to govern. It does not want to make the kind of decisions which are necessary. The Government has now been abandoned by all of its friends and allies. The business community has said: "Don't do it". Provincial Premiers, many of whom are Tories, have said: "Don't do it". Many articulate and well-informed social organizations have said: "Don't do it". Can the Government name one organization, aside from the Riverdale Conservative Association, which thinks that the Government should do it? Is it able to provide any evidence that there is overwhelming support for the budget measures? It says that it has the Decima poll. I am sorry, I will correct my remarks. Allan Gregg says that the Government should do it. If that is the basis on which policy is being decided and consensus is being formed, I wish the Government would tell us that.

With seer wisdom and the prophet of forecasting, the Conservative Party has decreed that it is okay. All the protest of individual senior groups and the abandonment of the Government's business allies does not convince the Government and the caucus. We have brought forward the amendment for that very reason. We believe there are Conservative Members of Parliament who understand their constituencies and who are not prepared to buy the blarney of the Prime Minister. We believe they are willing to represent what they know is of deep, abiding and crucial concern to their constituents.

The amendment will give the Government time to convene and examine its actions. Obviously the weekend was a flop. However, it is not too late as there are still two weeks left in the session. We are asking the Government to take a look at what it is doing. It should honestly examine what kind of impact it will have on people. The Government should ask itself if this is really what it wants to achieve. Does it really want to tell seniors and young families that it is prepared to withdraw their incomes for the sake of a small boom on the Toronto Stock Exchange? Is that the trade-off which the Government is presenting to Canadians?

We hope that the wisdom and the judgment which exists in the caucus will ultimately prevail and that the Prime Minister, in his last zig and zag, will make the right decision, which all Canadians want him to make.

Mr. Deans: Mr. Chairman, I listened with a great deal of interest to the comments which were made by my colleague from Winnipeg-Fort Garry. His comments prompt me to raise a couple of issues which have come to mind during the last two or three days when I have listened to the exchanges which have taken place in the House over the deindexing issue.

Last Sunday morning I spent some time wandering around my constituency talking to people, as I do almost every Sunday morning. I went to the local doughnut shop and chatted with people who like to bring me up to date on the events, as they see them, in Parliament and in the area. The question which was raised most often was the question of the Government's action with respect to the deindexing of pensions. It struck me as passing strange, because many of those people were not on pensions.

The same morning I read in *The Saturday Star* or *The Sunday Star* about a number of Conservative back-benchers who had indicated that they had not received an overwhelming amount of representation on that particular issue. Many Conservative Members seemed to feel that it was not an issue of great importance in the minds of their constituents. They were not receiving large volumes of letters and they were not being stopped on the street. Their telephones in their offices were not being rung off the hook by those who were desirous of expressing their individual concerns. I was puzzled about that. I wondered why it was that everyone whom I met on the streets of Hamilton, on the Sparks Street Mall, or walking out of my apartment building in Ottawa asked me about the question of deindexing, or at least made reference to it. Why was it that I was receiving those kind of representations? Why were my colleagues in the New Democratic Party receiving those kind of representations? Why were Members of the Liberal Party receiving these representations? Yet apparently the Tory back-benchers were not.

• (1340)

I say this in all kindness, but for some Tory back-benchers it may be simply because of inexperience. They perhaps have not been involved in politics for very long and do not have a routine established for allowing people access to them. Those Members of the Conservative Party who are here at the moment and who have gone through a number of election campaigns could perhaps cast their minds back to election campaigns when they did not receive the kind of support they had anticipated. Perhaps they noticed that people did not talk to them in anger, that some people, particularly elderly people, did not talk to them at all. I find that as a rule when people are upset with their Member of Parliament during an election campaign—except for the few who know you reasonably well—they do not tell you how angry they are. They simply leave you alone. They talk to each other, but they do not confront you because they have decided they are not going to support what you are doing. So for those Members of the Government who perhaps wonder why they are not getting the

kind of response we in the Opposition are getting, that may well be part of the answer.

Perhaps in the past people would have raised an issue with their Member of Parliament in passing because they were not directly involved and, therefore, did not feel embarrassed about making their case. They may not feel comfortable making a case on their own behalf on an issue such as this. I would urge Members of the Government to not assume automatically that because they are not inundated with phone calls and correspondence, it is indicative of complacency. I suspect it could well be indicative of a sense of frustration and acute embarrassment that many old people feel over an issue which touches them directly, which affects their very day to day lives and which will undermine their income capacity.

I ask Members of the Liberal Party if they found during the last election campaign that people simply did not talk to them on the doorsteps because they were not voting for the Liberal Party this time? I found in past elections that they simply say, thank you very much, take the leaflet and walk away. They don't really want to confront you. I think that could well be the reason why Members of the Government are not receiving the kind of response which the rest of us in the House of Commons are receiving over this issue.

In addition to that, quite clearly those who are most affected align themselves with those who are raising these concerns. It is not unnatural that people who feel their future undermined by the proposal of the Government would, out of necessity, align themselves with Members of Parliament who are raising the issue. Given the fact that there is no indication as yet, other than a few individual instances, that any Members of the Government are about to stand up and be counted in opposition to this rather harsh measure, I would think that that would be a good reason why a large number of people are not yet making contact with them in an effort to try to get this matter reviewed by the Government.

Having said that, I want to now turn to what I consider to be the nub of the issue. It really goes to the heart of the beliefs of the present Minister of Finance. For years the Minister of Finance has believed that universality is a bad thing. He has for years believed that there could be some way devised to, as he puts it, get more money to the poor while not providing so much for the rich. He has spoken frequently about the need to reconsider universality as an integral part of social programs in Canada.

This is the first substantive assault on universality. The Minister of Finance raised the matter last November, perhaps foolishly, and the Prime Minister, after having suffered some abuse as a result of the Minister of Finance having raised the question of universality, beat him over the head and forced him to withdraw. That was the first step since the Government took office in September toward achieving what the Minister of Finance has been saying he believes in for many years. That was, of course, followed by this measure which the Government tells us is intended to reduce the deficit. It is the seniors' contribution to the deficit reduction program of the Government and it will raise some $250 million.

Given that we know the income levels of the overwhelming majority of senior citizens in Canada are barely above the poverty line, it does not make much sense to ask those who have so little to make such a contribution. It makes even less sense when we view it in the context of all of the Government's expenditures and all of the other areas where Government might turn in order to find an alternative way of raising $250 million.

Rather than be simply critical, the NDP Party sat down and looked at the various ways in which Government might raise the $250 million it requires. We offered, as you will recall, Mr. Chairman, five ways. I am prepared to concede that they are not the only ways and it is entirely possible to come up with an additional 15 or 20 ways, and perhaps even more. These five ways may not, in the minds of the Conservative Party, be the most appropriate ways, but they are concrete ways which could be used by the Government to raise the $250 million which it proposes to raise from the partial deindexing of the pensions of our senior citizens.

When we think about senior citizens, without going any farther, we have to think that these are the very people who built the society we are now enjoying. These are the people who worked the long torturous hours, who worked under unsafe working conditions, who worked in plants which paid little in way of remuneration, who worked without adequate vacations and who had very little opportunity to save for their retirement. These people in many cases went through the Depression and may have lost everything they owned in the 1930s. They went to war on behalf of Canada and, in the final analysis, they put together for us this society we enjoy. We are now saying to them, "While you did make those sacrifices and they were important, and, by God, we are grateful, we are not grateful enough to index your pension to the cost of living". We are grateful enough to index it to anything over 3 per cent of the cost of living. We have to raise $250 million and notwithstanding our gratitude, that $250 million is more important than our sense of what we owe to our senior citizens for what they have done for us.

• (1350)

We said, let's take a look at the options. We offered a number, and I do not intend to go back over them again, but I want to suggest that there is one which appeals to me and I do not quite understand, even yet, why it does not make sense. I would love to hear someone on the Conservative front benches attempt to explain to me why we should go out and borrow money in order to offset the money we do not now collect from the corporate sector, money which they owe. Why should we ask seniors and others to increase their tax burden in order to say to a very lucrative corporate sector that they can defer paying their taxes indefinitely? Why do we not require from those who are allowed to defer their taxes that at the very least they pay to the Government of Canada the interest charges that the Government incurs in borrowing the money they would be required to pay if they were not allowed to defer it?

I say to my. hon. friend from Bow River: does that not make sense when you think about it? If I have to go out and borrow money in order to replenish the coffers because I do not collect from the corporate sector the money they owe, then the very least I could expect from them would be that they pay the interest on the money I borrowed. Do you agree with that? Surely you have to think that makes a little bit of sense.

Do you know that if we simply charge a rate of 10 per cent, which is below the rate they could borrow in the market-place, we could collect on an annual basis some $3 billion. Why should they not be prepared to make that kind of contribution rather than ask the senior citizens to do without the indexing provision for pensions which are already woefully inadequate? I look around and I ask if there is anyone on either side of the House, even you, Mr. Chairman, who will stand up and tell me why. I mean, is there something wrong with the logic I am offering? Can anyone tell me that there is something wrong with suggesting that it is better that the corporate sector pay interest on the money it owes rather than collect $250 million from the senior citizens? That is the question. Does the Hon. Minister of Indian Affairs and Northern Development want to rise and answer? I would be pleased to sit and listen. No, I see him shrinking back into his seat again and I can understand why. He is a sensitive man. He is the kind of individual I anticipate would be fighting in caucus and Cabinet to advance the kind of suggestion we have put forward.

I say to you, Mr. Chairman, that with that one measure alone we would collect $3 billion and it would more than offset the $250 million we intend to take from the seniors. That would leave us with $2.75 billion to do with whatever we pleased. If you really only need the $250 million, instead of charging 10 per cent, charge 3 per cent or 2.5 per cent if that would make you happy. By doing that you will raise exactly what you need. I say to my colleague from Hamilton East, who is no doubt about to rise and support the position I am putting forward, that quite clearly any person sitting here or watching or reading or hearing about it later on will come to the inevitable conclusion that what we are asking for is eminently sensible. It is irrefutable in its logic. It will work absolutely no hardship on the corporate sector. It will relieve us of the necessity, if there is indeed a necessity, of turning to the seniors for that money. It will enable us to act responsibly toward the people on whose backs this country was built.

I could go on, Mr. Chairman. I could outline the other four proposals which, when added together, would make for many billions of dollars which could be used to offset the deficit and provide better programs. We could debate the later. However, quite clearly, the Government seems to have become deaf not only to the logic of my argument but also to the pleas of senior citizens and young people, as well as deaf to the pleas of the Premiers of the Provinces.

It seems the Government does not want to lose face. I want to tell you, Mr. Chairman, that if it were me, if I were the Minister of Finance or if I were the Prime Minister and I had inadvertently allowed a proposal like this to come forward in my name and had then the benefit of reviewing it and seeing the consequences of my action, I would rise in my place and say I have made a mistake and I am going to change it. That is what we are asking the Prime Minister to do.

Ms. Copps: Mr. Chairman, indeed I would like to join my voice to that of the Hon. Member for Hamilton Mountain who has spoken to the very heart of the issue we are discussing today. I happened to be here in the House this morning when the Hon. Member for Gander-Twillingate moved an amemdnent which said that the Government was asking the Parliament of Canada to approve a motion which would allow it to borrow billions of dollars at the same time it is putting a 3 per cent squeeze on senior citizens' pensions, the very people in our society who can least afford to pay. Given that, we then say to the Government we want to reduce its borrowing authority by a corresponding 3 per cent. The Minister of Finance tells the senior citizens to cut back on their bus fare, food and hydro bills by 3 per cent. Well, we called upon the Government to cut back by 3 per cent, and what was the response of Government spokesmen? The Government House Leader, upon hearing the Liberal amendment, immediately rose in his place and said that means we are going to cut back further on the senior citizens. That means we are going to decrease senior citizens' pensions by another 3 per cent. That seems to me to be indicative of the kind of knee-jerk reaction of this Government. The Government House Leader, confronted with the amendment put by the Liberal opposition, stands in his place and says we will carry out those cuts on the backs of the seniors. That is the mentality of this Government.

I hope I will have a chance to carry on after Question Period on this very important issue, Mr. Chairman.

• (1400)

The Chairman: It being two o'clock p.m., it is my duty to rise, report progress, and request leave to consider the Bill again later this day.

Progress reported.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

GOVERNMENT EXPENDITURES

EFFECT OF CUT-BACKS ON JOB CREATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Canadian people have heard the claim that the Governments goal is jobs because it attempts to justify its actions on that basis. For example, cuts in research and development will create jobs; family allowances deindexation will create jobs; pension deindexation will create jobs; heavy cuts to the Ministry of Environment will create jobs; taxes on insulation material will create jobs. The list is endless, and the claim is always the same.

In May, 1984, jobs created represented a 0.50 per cent increase in the total workforce. In May, 1985, jobs created represented a 0.55 per cent increases in the total workforce. There is no real difference between the two.

Having established this fact, why is it that the Government, in its drive to create jobs, insists on contributing to unemployment through the cuts affecting valuable people in places like the Canadian Wildlife Service? Furthermore, if the Government believes in the heritage values of the environment to ourselves and future generations of Canadians, why reduce the management of wildlife and habitat? Is the protection of our natural heritage not worth the investment of the 84 jobs cut last November?

Mr. Speaker: I must advise the Hon. Member that his time has expired.

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EXTERNAL AFFAIRS

SOUTH AFRICA—DEMAND FOR RECALL OF CANADIAN AMBASSADOR

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, last week South Africa's stormtroopers swooped into Botswana under cover of darkness, shooting 16 men, women, and children, and blowing up the houses of black refugees.

Sunday, the fury of reincarnated Nazism was again unleashed, this time upon 5,000 churchgoers in Soweto whose singular crime was to have gathered in commemoration of the victims of the Soweto massacre nine years ago.

In response to the Botswana raid, the Secretary of State for External Affairs (Mr. Clark) said Canada deplores violence from any quarter, thus implying that the victims share an equivalent measure of guilt, while politely requesting South Africa to respect the sovereignty and independence of its neighbours.

Even the U.S. administration, which regards South Africa somewhat sympathetically as a bulwark against Communism, has recalled its ambassador to South Africa.

Will the Government again turn a blind eye even while a member of its own diplomatic corps is gassed in church, or will it immediately recall its ambassador as a sign of the revulsion of the Canadian people at this racist, outlaw regime, and act immediately to implement economic sanctions against South Africa?

* * *

NATURAL RESOURCES

PROTECTION SOUGHT FOR NIAGARA GRAPE LANDS

Mr. Joe Reid (St. Catharines): Mr. Speaker, the 44,000 acres of tender fruit and grape lands left in Niagara is a resource under attack. They are unique. There is no other combination of quality soils and climate like them anywhere else in Canada. There are few lands of this quality anywhere else in the world. Still, the growers must have a reasonable return in keeping with their investment and cost of operations.

Peach growing declined when the processing end of the industry was hit by offshore competition. The home market was flooded and subjected to a deliberate attack to put that industry out of business. Those peach orchards were converted to grape vineyards.

High quality grapes are being grown for quality wine. But, unhappily, those grape growers and wine producers are caught in the same type of squeeze that forced the peach growers out of business. Unless the problem of dumping of offshore import wines is resolved soon, the wine industry will be placed in jeopardy. We can make trade a two-way street, providing an export market for our wines, or we can protect the domestic market from dumping.

If those growers cannot make a reasonable return, cannot make a living from the sweat of their labour, then these acres will go the way of so many others—urban development. The fate of these lands is in the hands of the Government.

* * *

MINES AND MINING

BENEFITS ACCRUING TO NORTHERN ONTARIO FROM FEDERAL-PROVINCIAL AGREEMENT

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, on Friday, June 14, a very significant event took place in the town of Kirkland Lake in my riding of Timiskaming. The federal Minister of State for Mines (Mr. Layton) and the provincial Minister of Natural Resources jointly announced a five-year, $30 million federal-provincial mineral development agreement. The signing of this agreement is truly symbolic of the co-operation that now exists between the federal and provincial Governments.

Under this subagreement to the Canada-Ontario Economic and Regional Development Agreement, a road which was proposed for construction back in 1928 has finally come about, and I congratulate the pioneers—the prospectors and the developers—who fought so long and hard for this access road. Once again it shows that the Government that was elected last September 4 knows and understands Canadians.

The construction of this access road to mining areas in northern Ontario will bring great prosperity to my riding. Employment opportunities will flourish in the forestry, tourism, and mining sectors of Timiskaming.

The signing of this agreement demonstrates once again my Government's commitment to creating jobs for Canadians.

S.O. 21

MULTICULTURALISM

AWARDING OF GRANT TO WINNIPEG INTERNATIONAL CENTRE

Mr. Sergio Marchi (York West): Mr. Speaker, I want to bring to the attention of the Chamber a storm that is brewing in Winnipeg over the awarding of a $29,900 grant by the Minister of State for Multiculturalism (Mr. Murta) to the International Centre.

Members of the Centre and of the ethno cultural community are outraged over the circumstances surrounding the grant. First, Mr. Tom Denton, the sponsor of the application and a former PC candidate, signed as the treasurer of the Centre's multicultural committee. In truth, though, the committee was unaware of his application, and there is no position of treasurer. Second, four individuals listed as sponsors on the form did not know or approve of their names being used to obtain the federal moneys. Third, the grant application was for $28,400, but was approved in the amount of $29,900. Fourth, the application was not dated and, finally, while the public is being told it will support a one-year project, the grant indicated the period was only from January to May. Therefore, has the money been spent and, if not, will it be returned since the deadline has already come and gone?

Members of the Centre and the community have written to the Auditor General and the Minister of State for Multiculturalism asking for an immediate investigation into these improprieties and the appearance of a quick grab for some patronage dollars. I, too, call on the Minister to investigate these serious shortcomings and urge him to clear the air quickly.

* * *

NUCLEAR ARMAMENTS

VISITS BY UNITED STATES SUBMARINES TO WEST COAST PORTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Los Angeles and Sturgeon class submarines, which are being equipped with sea launched Cruise missiles known as Tomahawks, have visited Nanoose Bay and Esquimalt Harbour in the last few days.

Nuclear equipped Tomahawks have a range of 1,500 miles, and a 200 kilotonne warhead. The American Navy Director of Strategic and Theatre Nuclear Warfare said:

> The increased strike range of a large number of surface platforms operating under carrier air cover and independent, covert, forward deployed submarines presents the Soviets a formidable threat.

Not only are the Soviets threatened by these Tomahawk missiles, our entire world is threatened.

Were the Los Angeles and Sturgeon submarines that came into Nanoose and Esquimalt nuclear armed? We do not know. The United States will neither confirm nor deny, and the Canadian Government is afraid to ask. In the absence of such information, New Zealand had enough gumption to refuse access to all American warships. Canada should take the same step.

The Canada-U.S. Agreement for the submarine base at Nanoose expires in April, 1986. This agreement has not contributed to world peace or to Canadian security. It should not be renewed.

* * *

THE BUDGET

SUPPORT FOR CONTENTS

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, following the Budget of the Minister of Finance (Mr. Wilson), there have been many words uttered in criticism.

None have been so vocal as those who oppose the plan to deindex partially Old Age Security and Family Allowances. The Opposition has, in its pursuit of criticism, often created and promoted fear in the hearts of the elderly.

Perhaps the Opposition would like to talk to Canadians about some measures that are being ignored by Liberals and New Democrats. How does the $500,000 capital gains exemption affect farmers? What does it do for the thousands of small neighbourhood businesses? The Opposition failed to mention changes to RRSPs, a more equitable tax system, assistance for disabled Canadians, and much desired tax changes for charities and artists.

Canadians wanted a new and better approach to the country's economic affairs. That is what they received on May 23.

* * *

● (1410)

RESEARCH

CONSTRUCTION OF TOXICOLOGY RESEARCH CENTRE AT UNIVERSITY OF SASKATCHEWAN

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I am pleased to advise the House of a major development concerning environmental research in Canada. Since October I have worked with the Minister of the Environment (Mrs. Blais-Grenier), the Minister of Agriculture (Mr. Wise), the Secretary of State (Mr. McLean), and the Minister of National Health and Welfare (Mr. Epp), to promote the much needed Toxicology Research Centre at the University of Saskatchewan. This university was identified by the National Research Council as one of three centres to undertake toxicological research in Canada.

I am also pleased to advise the House that, through a $2 million grant from the Centres of Specialization of the Secretary of State, Phase I of construction of the Toxicology Research Centre will commence this year. This Centre will be supported by the faculties of Health Sciences, Veterinary Medicine, Pharmacy, Chemistry, Biology, and Agriculture. In addition, the Wildlife Services Division of the Department of the Environment and the private sector will utilize the facility.

The Toxicology Research Centre will serve all of western Canada and conduct environmental research of critical importance to all of Canada. Adequate funding for the entire Centre is not in place. It is hoped that the remainder of the funding will be made available as resources from the federal and provincial Governments, the university, and the private sector, permit.

All Hon. Members of the House should applaud the federal Government and the University of Saskatchewan for recognizing the importance of toxicological research and making a strong commitment which will ensure a safer environment for our children and generations to come.

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[*Translation*]

REGIONAL DEVELOPMENT

FEDERAL AID—CUT-BACKS—CONSEQUENCES FOR NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, since the Budget was brought down, the Canadian people have risen up to protest against the Progressive Conservative Government's plan to de-index Old Age Security pensions.

An Hon. Member: And rightly so!

Mr. Robichaud: But Canadians, and especially the people from New Brunswick, are also very concerned and are protesting against another Government policy proposed on the same date.

Mr. Speaker, the Progressive Conservative Government has decided to cut federal aid to regional development by $100 million this year and $150 million next year. These cuts represent a tremendous loss for New Brunswick's economy. They will be reflected in the loss of many jobs and a slowdown in regional development. The cuts also mean that the number of jobs New Brunswick's industry will be able to create will get smaller and smaller, and it will therefore become increasingly difficult to deal with the province's high rate of unemployment.

The Economic Council of New Brunswick, is a very important agency in the Atlantic Region, said that the philosophy according to which we should reward success rather than effort is paving the way to more difficult times for the disadvantaged regions of this country, regions which have not been successful despite their efforts.

Mr. Speaker, the cuts in regional development are a matter of grave concern and provide tangible proof for the people of New Brunswick that the Government ignored them completely when it brought down this Budget on May 23 of this year.

S.O. 21

[*English*]

THE CHARTER OF RIGHTS

VIEWS OF REAL WOMEN OF CANADA

Mr. Jim Jepson (London East): Mr. Speaker, one of the goals of the Charter of Rights and Freedoms is to enshrine equality between the sexes as a fundamental value of Canadian society. It will be many years before Canadians, through both Parliament and the courts, begin to have a rough idea of what their society will be like with the inception of the new Charter.

The adoption of a Charter of Rights and Freedoms was a move conceived with the hope of making our society more just through the clarification of the mutual obligations and entitlements connecting the individual and the state. Equality will eventually be defined in a way which reflects the values, beliefs, and convictions of individual Canadians.

Toward this goal the Secretary of State (Mr. McLean) provides grants for women's organizations attempting to bring meaning, in different ways, to the concept of equality in the Canadian context.

In implementing the Charter, it is not for the Government to prejudge what the proper role of women in Canada should be. But, unfortunately, arbitrary program guidelines have not granted certain groups access to this support, specifically REAL Women of Canada. This group supports a definition of equality different from the views of other women's groups, but equally legitimate. It is a wholesale violation of the principles of the Charter if a specific feminist view is imposed and encouraged to the exclusion of alternatives from thousands of other Canadian women.

I appeal to the House to support the funding of REAL Women of Canada, representing over 20,000 Canadians. It is vital that the process of achieving equality through the Charter be legitimate—

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

* * *

REFUGEES

PLAUT REPORT PROPOSAL

Mr. Dan Heap (Spadina): Mr. Speaker, Rabbi Plaut has given a just, quick, and inexpensive proposal for 13,800 people in Canada who are claiming refugee status according to our laws. I call upon the Minister of Employment and Immigration (Miss MacDonald) to use Rabbi Plaut's proposal which he gave yesterday in his report entitled: *Refugee Determination in Canada*. The Supreme Court said that none of the 13,800 people claiming refugee status in Canada should be deported without first having a chance to meet face to face, in an oral hearing, with those who decide their fate. However, Rabbi Plaut pointed out that there were many, in fact the

majority, who deserve to be allowed to stay even without a hearing.

Many come from countries such as Afghanistan, Iran, El Salvador or Sri Lanka, countries to which Canada does not force people to return. "These could all be issued Minister's Permits to stay", he said, "except those already under deportation order. They could be allowed to go briefly to the United States to be readmitted to Canada."

Many have come from countries torn by war, civil war, or racial violence, but have families here to help them settle. "It would be in Canada's humanitarian tradition", Rabbi Plaut said, "to let them stay, and the Minister has the power to do so."

Those concerned for refugees in Canada warmly welcome Rabbi Plaut's report as a whole. I particularly urge the Minister to follow his suggestion for wiping out the backlog of 13,800 claims—

Mr. Speaker: I regret to advise the Hon. Member that his 90 seconds have expired.

ORAL QUESTION PERIOD

[*English*]

PENSIONS

IMPACT OF BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Last week in Vancouver I met with groups of senior citizens in my riding of Vancouver Quadra, and indeed with representatives of senior citizens' organizations from all over the Province of British Columbia. They repeated, over and over again, that older Canadians felt betrayed by the Prime Minister and the Minister of Finance, and that the Government had broken its word to them.

Why on earth would the Minister of Finance continue to hold to his commitment in the Budget to take money away from our older citizens, in approximately the same amount over the next five years as the money he has given to wealthy investors by way of the capital gains tax exemption? Why on earth does he not stop this absolute nonsense and restore now the full value of the old age pension, before the House rises?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has been away for a while. He may forget—

Some Hon. Members: So were you.

Mr. Wilson (Etobicoke Centre): —the original thrust of the Budget, that we are trying to create jobs and, as the Hon. Member is very well aware, we are trying to get the enormous deficit under control. We are making some good headway on producing those jobs; 271,000 have been created since September 4. As we are able to create those jobs, as we are able to generate more government revenues from less people being unemployed, we will be able to look more positively at the reinstatement of some of the programs about which the Hon. Member has been talking. We have said in the Budget that we are monitoring this closely, and we will continue to monitor it.

[*Translation*]

INQUIRY WHY GOVERNMENT WILL NOT RESTORE FULL INDEXATION IMMEDIATELY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister, who is the chief salesman of the Progressive Conservative Party, failed to sell the Minister's reply to his own constituents of Manicouagan at Sept-Îles yesterday. In the press we read this morning: "Mulroney is unable to convince the elderly in his own riding". They do not believe the Prime Minister in Manicouagan. They do not believe him anywhere else either.

I therefore repeat my question: Two and a half million elderly Canadians are fed up. In their opinion, the Government should reverse its decision and reassess and reinstate full indexation of Old Age Security pensions. Why does the Minister not act now before the House adjourns for the summer?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I watched the reports of the visit of the Right Hon. Prime Minister to his riding. I think he demonstrated a great degree of sensitivity at the meeting where he addressed senior citizens. I think the people who were in attendance at that meeting responded quite positively, and appreciated the Prime Minister's attendance and also the comments which he made.

Let me indicate to the Hon. Member that what we are trying to do here, in a broad way, is to address the problem which has given rise to this decision, that is, the deficit. He knows—and I will remind him again, because he sometimes tends to forget it—that the debt of the country has been growing three times faster than the economy has been growing. In 1979 we were spending $8 billion on interest costs for that debt. Six years later we are spending $25.5 billion. We have reached the point where the federal Government is spending more on interest than it spends in total on medicare—

• (1420)

Mr. Speaker: With great respect, Order. Supplementary question.

REQUEST FOR EARLY DECISION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister misses the point. We are not disputing his efforts to get the public debt of the country under control. However, we ask him not to do it on the backs of the elderly

who can no longer protect themselves because they have retired and have no more income.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister is saying that the Prime Minister was sensitive in Manicouagan. The Minister said earlier that he is monitoring the situation. How much more evidence does he need? What evidence will convince him? He knows that 2.5 million Canadian citizens over the age of 65 are outraged. They feel betrayed, and want an answer now. Do it now. Do not prolong the anguish and sleepless nights of many Canadians who are very disturbed.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure that the Right Hon. Leader of the Opposition told the senior citizens with whom he met that their cheques were going to go up the normal amount as of July 1. They will continue at that level on August 1 and September 1. They will go up again on October 1 according to the formula that is presently in place.

I would suggest that he not foster and encourage the anxiety that he is so concerned about. By fanning these flames he is causing the problems that he is trying to get changed. We are concerned about those elderly Canadians who are receiving both the GIS and the OAS. We will be monitoring very closely the impact of this and our ability to reinstate that amount.

REQUEST FOR RESTORATION OF FULL INDEXATION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance. In a speech in Sept-Îles yesterday the Prime Minister said that there is no panic amongst senior citizens with respect to deindexation. In fact he said that there is a degree of serenity and comprehension. The Prime Minister has not only lost touch with his constituents, he has lost touch with reality. Those statements fly in the face of all of the evidence that I gathered from senior citizens in Vancouver, Saskatoon, Toronto, and Sudbury last week. I know that those senior citizens are worried and apprehensive about their loss of purchasing power.

Will the Minister of Finance now admit that he and the Prime Minister are wrong? Will he restore full indexation before the summer break, and give some relief to the worries of senior citizens?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me ask that Hon. Member the same question. Did he tell the senior citizens that they should not be concerned, that their cheques will not be going down but in fact will be going up?

Ms. Copps: They're not that stupid.

Mr. Wilson (Etobicoke Centre): Did he also say that the Guaranteed Income Supplement would be fully indexed and no changes will be made as a result of the Budget? Did he caution the senior citizens not to be concerned about that?

Did he go on to say that, as this Budget produces the jobs that will provide the revenues to support these programs, the Government of Canada will continue to monitor them and as soon as possible reinstate the programs? Those are the sorts of things that he should be saying to senior citizens if he is truly concerned about their anxiety.

BUDGET STATISTICS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, on May 23 did the Minister of Finance tell the Canadian public the truth? Did he tell them that not only our senior citizens, but our working poor, were going to lose 20 per cent of their purchasing power? Did he tell the senior citizens of the country that a 55-year old, who is expecting his OAS to maintain 25 per cent of his retirement income, is going to lose 50 per cent of his purchasing power over the next 10 years?

Some Hon. Members: Oh, oh!

Mr. Frith: In a sneaky, back-door way the Government has attempted to fool the Canadian public which has awoken to the fact. Will the Minister of Finance do the only honourable and compassionate thing, and restore full indexation?

Mr. Gauthier: Never mind that—resign.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is playing with numbers as he normally does. I can play with numbers too.

Mr. Turner (Vancouver Quadra): They are your numbers.

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition says they are my numbers. Is the budget deficit of $38 billion with which we were presented this year my numbers?

Mr. Turner (Vancouver Quadra): It was $32 billion, and you blew it up to $38 billion.

Mr. Wilson (Etobicoke Centre): Whose numbers point to the fact that the deficit is growing by 25 per cent per annum for three years running? That is the reason why we must make some changes to the programs. If we do not make some changes, at 25 per cent per annum the debt will swallow the whole country.

Mr. Broadbent: Mr. Speaker, the Minister of Finance had the same numbers in January when he promised all of Canada, including the pensioners, that they would not have to pay for the debt. That is when the government made the promise.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister met with groups representing five major sections of pensioners in Nova Scotia yesterday. As we sit in this assembly today a meeting in Courtenay, British Columbia, attended by representatives of all the pensioners of British Columbia, is

debating a motion calling for the full restoration of indexation for all pensions.

Through his answer earlier in Question Period was the Minister implying that the Government does not intend to make a decision before we recess to re-establish indexation for Canadian pensioners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I caution the Hon. Member not to draw conclusions. If there is a statement to be made, it will be made. He will have to be patient.

REQUEST FOR EARLY STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I understand that the Minister of Finance will not be back in the House until next September since he is taking a trip elsewhere. I understand that he has other obligations. However, since the Government has an obligation to deal with the anxiety of Canadian pensioners now, will he not undertake to make a statement, either this week or next week, which will clear up the anxiety of Canada's pensioners on this matter?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, courtesy of the office of the Hon. Member I finally managed to find out who he and his colleague wanted me to meet with yesterday. It was a good meeting. We discussed a range of things. We talked about the problems of elderly Canadians on the GIS and OAS. We talked about the impact of inflation, and their concern about government policies that lead to inflation. We also talked of their concern about government waste which was prevalent in the years of Liberal Government, which we are trying to come to grips with, under the auspices of the Nielson task force report. I think elderly Canadians are pleased with the efforts that we are making to try to come to grips with the problems we are facing.

TIMING OF DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope the Minister listened more closely to the group with whom he met yesterday than he listened to the question I asked, because he certainly did not answer it.

Will the Minister be fair to Canadian pensioners and make a statement before we recess for the summer, or at least tell Canadian pensioners when the Government will make a definitive decision on this? Surely Canada's pensioners have a right to know.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have responded to that question. I responded to it initially in the Budget itself. I said that we would be continuing to monitor the impact and the circumstances relating to the decision and, as resources permit, would be making some changes. The Prime Minister and the Minister of National Health and Welfare have responded to this question, as I did earlier in Question Period.

I tell the senior citizens of the country that their cheques will not be changed on July 1. They will increase by the normal indexation amount, and this will continue for the balance of the year.

• (1430)

There is no cause for the anxiety and concern that the Hon. Member and his colleagues are trying to fan. We will monitor the situation and will be making any announcement, if appropriate, in due course.

MINISTER'S POSITION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, with every day that passes this matter becomes more and more confusing. It seems that today the senior citizens are being told that they are paying the price of the vanity and ego of the Minister of Finance who will not agree, despite pressures from his own back-benchers, and despite a very heated debate in caucus last weekend, to do the right thing now because he personally does not want to be seen as being forced to back down. Is the Minister of Finance telling the senior citizens of Canada, Members of the House, and all Canadians, that there will be no remedial action taken on the proposed deindexation of OAS until another Budget is brought down, possibly in 1986?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am repeating what I said a minute ago. We are monitoring this matter on a regular basis, and are listening to the senior citizens to whom we are speaking on a regular basis. All my colleagues are advising me of what they are hearing. I should say to the Hon. Member that there are two messages that are coming to us. A lot of people say that they like the Budget and the way the Budget is going to create more jobs. A lot of people are saying that they can see that, as the Budget creates more jobs, we are going to be able to deal with the problem about which the Hon. Member expresses so much concern. I would suggest to the Hon. Member that, rather than fan the flames as he has been doing, he should be explaining to the senior citizens that 271,000 jobs have been created and that, as more are created, there will be good changes made.

VISIT TO PARLIAMENT HILL BY SENIOR CITIZENS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Minister of Finance reminds me of a wind-up toy soldier. One winds him up and gets the expected reaction each time. His answers do not change.

The Minister of Finance keeps on asking members of the Opposition to explain certain things to senior citizens. Let me ask the Minister a question. Tomorrow many of the country's senior citizens, particularly from the Province of Quebec, will congregate on the front lawns of Parliament Hill, in an open, public forum. Will you go outside tomorrow before those senior citizens to address them and listen to them? You take the time yourself to explain to them this policy that cannot be

explained because it is brutal, heartless, foolish, and the price of your vanity.

Some Hon. Members: Order.

Mr. Tobin: You won't back down. In the name of—

Mr. Speaker: Order, please.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member's rhetoric does not fool anyone. I have talked to many senior citizens, and I talked to senior citizens yesterday while in Halifax. I am not backing away from the senior citizens. I am happy to talk to any group of senior citizens. I would just suggest that the Hon. Member cool the rhetoric. You're not impressing anyone.

ONTARIO SENIOR CITIZENS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. The Minister of Finance has often referred in the House to the need to monitor the effect of the Budget on senior citizens. I am sure he noticed in the press this morning a report from Ontario which indicated that 42 per cent of the seniors of that province live in poverty, that is to say, 42 per cent of the seniors in the richest province in the country live in poverty. Since the Government already had access to this kind of information when it drafted the Budget, why in heaven's name did it decide to hammer senior citizens through partial deindexation of pensions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I caution the Hon. Member against drawing the conclusion that he is trying to draw. This Budget attempts to get a degree of job creation and economic wealth established so that we can support the programs about which the Hon. Member speaks so strongly. As we are able to generate that wealth for the Government of Canada, we can make some changes if they are appropriate.

REQUEST FOR ANNOUNCEMENT RESTORING FULL INDEXATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, that was a very interesting answer.

[*Translation*]

But the irony of it is that the Minister is leaving for China tomorrow, a country where respect for the elderly is traditional.

Here is my question, Mr. Speaker. Before leaving, can the Minister announce to the coalition of senior citizens who will be here in Ottawa tomorrow for a gathering on Parliament Hill that they can expect full indexation of old age security pensions, not just half measures? It is an important question.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have heard the same question three times. All I will do is suggest to the Hon. Member that he read *Hansard* later today to get the answer.

REQUEST THAT MINISTER WITHDRAW PROPOSAL

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. A five-year study of senior citizens in Ontario reveals that 42 per cent of seniors are already living in poverty. Obviously the Minister's plan to deindex pensions will make the situation much worse for many seniors, and not just those who receive the Guaranteed Income Supplement. Will the Minister not now agree to withdraw the harsh proposal which should never have been put forward in the first place?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear to the Hon. Member that I am as concerned as she is about the plight of senior citizens, not just in Ontario but right across the country. However, we also know that when we have a Government that has been wallowing in waste for the past 15 years, we have to take leadership to try to come to grips with the problems. We are trying to come to grips with the problems, and if the Hon. Member, who is an active member on the finance and other committees, has some ideas on how we can make further savings in spending programs, I could welcome her suggestions. I will meet with her any time, any place, to hear from her.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

TRANSFER PAYMENTS TO PROVINCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, indeed one can think of many ways to reduce the deficit other than attacking senior citizens. In addition to the direct assault on the pocketbooks of senior citizens, the Budget proposals include a $2 billion reduction in transfer payments to the provinces. On May 27 the Minister of Finance said—

Mr. Speaker: With great respect, this is becoming another preamble. Is there a question, please?

Miss Nicholson: Yes, my question is about inconsistent statements, Mr. Speaker. On May 27 the Minister of Finance said that these payments will be increased—

Mr. Speaker: I am sorry, but this is supposed to be a supplementary question. Preambles are not allowed. Is there a question?

Miss Nicholson: Yes, I have asked the question.

Some Hon. Members: Oh, oh!

Miss Nicholson: Will the Minister of Finance tell senior citizens what to believe, his statement of May 27 indicating that transfer payments to the provinces are being increased, or

the statement made by the Minister of State for Finance on June 12 indicating that they are being reduced?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure I understand the substance of the question.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): If the Hon. Member would ask a straightforward question, she might be able to get an answer. What I think I heard her say was that there have been some inconsistencies regarding what we are about to do with—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I suggest that there is a very major inconsistency between the Leader of the Opposition, who says that we should cut the deficit, and all of the members of the Liberal Party who say that we should jack up the spending.

Let me answer the question quite specifically. We have proposed an increase in the EPF over the next six years but it will not be quite as high as the formula stated originally. However, the result of that will be that the amount of post-secondary education and health spending by the federal Government will be the same per cent of program of expenditures now as was the case then.

* * *

PENSIONS

SUGGESTED USE OF CAPITAL GAINS TAXES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of Finance. The Minister is aware, I am sure, that studies have been done, both here and in the United States, indicating conclusively that the elimination of capital gains taxes produces few, if any, productive jobs. Keeping that in mind, and recognizing the need to exempt farms and homes from capital gains—

Some Hon. Members: Oh, oh!

Mr. Deans: —will the Minister reconsider his proposal to eliminate capital gains taxes, and use the money that that would generate to offset what he now proposes to raise from deindexing pensions, so he can put back in place the indexation provisions for the old age pensioners?

● (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, maybe the Hon. Member should settle down and think a little about what he said. Why does he distinguish between a small business, into which a family puts its heart and soul over a lifetime, and a farm? There is a very clear inconsistency in the Member's thinking.

The other point which I would like to make is that he and his Party have never shown any confidence in the ability and the desire of individual Canadians to build something for themselves, to create wealth, and something for their families which is important to them. As it is important to them, it is important to the whole country. That is what we are trying to generate with the capital gains exemption. It will create jobs in the country. It will create the wealth which will provide revenue for the Government so that we will be able to afford those programs. Surely the Hon. Member can recognize that.

Mr. Speaker: With great respect, the answer is too long.

REQUEST FOR BUDGET REVIEW

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not recognize, given that close to 40 per cent of seniors in the Province of Ontario live at or below the poverty line, that the deindexing of old age pensions will result in an even larger number of senior citizens—who built this country, who took chances and who put their lives on the line—who will have to live at levels far below what they ought to be able to live at? Will the Minister reconsider all the measures in the Budget to find within them ways of raising the $250 million which is necessary to allow seniors to have indexed pensions, as they deserve?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have yet to hear the Hon. Member compliment the Government on its economic policies. I would suggest that he look at the record. Before he jumps up and down and gets red in the face, he should look at the fact that 271,000 jobs have been created.

Mr. Deans: Look at the 1.7 million people who are still unemployed.

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): He should look at the fact that mortgage rates have dropped by 3 per cent. In the first quarter of this year, economic growth was 50 per cent higher than people were forecasting. I know the Hon. Member does not like to hear that, because it undercuts his argument. It takes away from the force of the things which he is trying to say. Canadians are not fooled by that. Canadians are very pleased and confident. Individual confidence, consumer confidence, and business confidence are increasing. That is what will create jobs.

Some Hon. Members: Hear, hear!

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SMALL BUSINESS

FEDERAL-PROVINCIAL POLICIES

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, in the absence of the Minister of State for Small Businesses I would like to direct my question to the Minister of Regional Industrial Expansion. The intergovernmental position paper on the principles and framework for regional economic development

which was signed by the Government of Canada, all ten provinces, the Yukon and Northwest Territories, has just been released.

In the concluding pages of the document reference is made to the Government's pledge to develop more effective policies for small and medium-sized businesses. I would like to raise a question in connection with a statement which was made that both orders of Government—

Mr. Speaker: Order, please. The question will come now, please.

Mr. James: My question to the Minister is: Who will be overseeing these policy changes, and if this joint effort—

Mr. Speaker: Order. The Hon. Member for Laval-des-Rapides.

* * *

[*Translation*]

OLD AGE SECURITY

SUGGESTIONS CONCERNING FULL INDEXATION OF PENSIONS

Mr. Raymond Garneau (Laval-des-Rapides): Quite obviously, Mr. Speaker, the kind of answers we are getting today from the Minister of Finance show that he is not faring well under pressure. Here is what I would like to ask him, keeping in mind the fact that he did ask the Opposition for suggestions concerning full old age pension indexation.

On several occasions I referred to the capital gains tax and the benefits given to people—

Some Hon. Members: Question!

Mr. Garneau: Would the Minister of Finance agree to consider the possibility of reducing by half the benefits he is giving wealthier Canadians through the capital gains tax exemption? Would the Minister be prepared to entertain the suggestion that such benefits be cut by half and that the funds so recouped be used to restore full old age security pension indexation? There would be enough—$150 million the first year and $300 million the second year.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it tests the patience of a person to hear that sort of question coming from that particular Member. I can understand it coming from some other Members, but that particular Member has been against indexation and universality. Those things have not been attributed to him, but they are things about which he has written in the past. An Hon. Member from his side of the House talked about inconsistency. Maybe the Hon. Member should try to develop a little more consistency in the questions which he puts.

[*Translation*]

Mr. Garneau: Mr. Speaker, if the Minister of Finance can find one single document I wrote about deindexation of old age security pensions, I would ask him to table it in the House. The Minister of Finance is complaining about being broke yet he did find $8.5 billion for the oil multinationals and nothing at all for the elderly—

Mr. Speaker: Order, please. The Hon. Member ought to ask his supplementary question.

UTILIZATION OF PUBLIC FUNDS TO ASSIST ELDERLY—REQUEST FOR RECONSIDERATION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my supplementary question to the Minister of Finance is this: Is he prepared to consider—I will repeat my question since he did not answer the first—is he prepared to consider setting a limit on benefits related to capital gains made in Canada and using the money thus saved to maintain full indexation of old age security pensions for senior citizens?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I guess more articles will be retracted by the Hon. Member.

He cannot have it both ways. On the one hand he says that we have to create jobs. On the other hand he is telling me that he wants me to cut the deficit. He has made positive comments in that regard since he has become a Member of the House. If he wants to have jobs created, particularly in the oil and gas industry, then he has to recognize that the National Energy Program which was put in place by the previous Government, the Party of which he is a member, killed jobs in the oil and gas industry and that it spread right across Canada. He must recognize the disaster of that policy. If not, he is talking in another manner which is very inconsistent.

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EMPLOYMENT

CHALLENGE '85 PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister wrote to me recently to say that the private sector would create thousands of summer jobs without wage subsidies because private enterprise has been "challenged by the new atmosphere of co-operation and harmony between Canada's economic partners". If that is the case, why does the Minister find it necessary to bribe her business friends with an opportunity to win ten cases of Coke if they hire a student? Do jobs go better with Coke?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member has been critical of the Challenge '85 Program since it was announced. I

want to tell him that today the figures show that some 78,000 young people have jobs because of that program.

Some Hon. Members: Hear, hear!

• (1450)

Miss MacDonald: That is 78,000 jobs as against 50,000 jobs this time last year. In fact the progam is so good that the Hon. Member's colleague, the Hon. Member for Ottawa Centre, put out a press release to say just how good it really is.

Some Hon. Members: Oh, oh!

Miss MacDonald: Perhaps he ought to get together with that Hon. Member.

I do want to tell the Hon. Member for Windsor-Walkerville that last month alone 34,000 more jobs had been created for young people, in one single month, and that is because of a combination of the efforts of the private sector and the Government working together.

Mr. McCurdy: Mr. Speaker, we had better lock the lavatories of the nation because an awful lot of coke has been drunk. Last week it was old coke. Next week, perhaps, it will be new coke. Maybe we will have the Pepsi Challenge '85 for the Pepsi generation.

PRIZES FOR JOBS

Mr. Howard McCurdy (Windsor-Walkerville): If the Minister has so much confidence in her summer employment program and the private sector, why has she resorted to such bush league tactics as advertising prizes for jobs in newspapers, as she did in Hamilton?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, one thing the Hon. Member will never recognize is that there is such a thing as incentive in this society.

Some Hon. Members: Hear, hear!

Miss MacDonald: I want to give the Hon. Member an example of the kind of program which he is downcrying. The program last year had a young student working at painting park benches. This year, under this program, that same engineering student is working in a biomedical engineering project in a research hospital. That is the difference between last-year and the kinds of jobs which are being created now.

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EXTERNAL AFFAIRS

LEBANON—SAFETY OF CANADIANS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. All Canadians have joined the rest of the world in concern over the turbulence in the Middle East. Our concern is for the safety of Canadians. I wonder if the Secretary of State for External Affairs could give us an estimate or update on the situation which Canadians face there?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House knows the action the Government has taken with regard to our representatives in Lebanon and would share my concern that the consular, visitor visa, and immigration services of Canada remain available to people in Lebanon who would normally avail themselves of the services. We intend to make those services available through Damascus and Syria, and our ambassador accredited to Syria is now in the process of discussing the putting in place of those arrangements with the officials of Syria.

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[*Translation*]

THE ADMINISTRATION

RESTORATION OF CLIMATE OF CONFIDENCE AND BALANCE BETWEEN ELDERLY AND GOVERNMENT—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Finance. On September 4 last year, Canadians voted for the present Government. They voted for the Mulroney Government—

Some Hon. Members: Hear, hear!

Mrs. Pépin: They voted for the Mulroney Government because they felt they would have security.

Some Hon. Members: Hear, hear!

Mrs. Pépin: Since the Budget, their attitude has changed considerably, because they cannot understand the Government's shift in policy.

Recently, I visited a number of towns in Quebec, and the elderly—

Mr. Speaker: Order, please. This is a very long preamble. Is there a question?

Mrs. Pépin: Mr. Speaker, I wish the Minister of Finance would inform the House what he intends to do to restore the climate of confidence and trust that existed between the elderly and the Government, so that elderly Canadians will no longer feel threatened and will no longer be afraid of this Government and of what the future holds.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first, I would thank the Hon. Member for her ringing endorsement of the events of September 4. I would also remind her that there has been a considerable improvement in confidence in a broad way right across the country.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): The Hon. Member is telling her colleagues to keep quiet and let me answer her question. I thank her for that also.

What I would say to the Hon. Member is that we are also concerned about the position of elderly Canadians, particularly those who are receiving both the GIS and the OAS. As I have said on a number of occasions in answer to questions today, we are monitoring this situation very closely. We are talking to people on a regular basis. I think that we should be able to respond to the concerns she has expressed.

* * *

[*Translation*]

THE BUDGET

FIGHT FOR INDEXATION OF PENSIONS—PRINCIPLE OF SOCIAL JUSTICE AT STAKE

Mrs. Lucie Pépin (Outremont): I have a supplementary, Mr. Speaker.

I simply want to add that Canadians voted for the present Government because they thought it was offering them security, something you are not giving them today.

Some Hon. Members: Hear, hear!

Mrs. Pépin: Mr. Speaker, I would like to know on the basis of what principles of social justice the Minister of Finance is requiring the elderly to fight once again to have their pensions indexed?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member talks about the need for greater security. Surely she understands that if the debt of the country is growing 25 per cent per annum, no one, not a senior citizen, nor any person who is benefiting from any type of program of the Government of Canada, can feel secure that that program will be in existence in five years time.

Some Hon. Members: We want Crosbie.

Mr. Wilson (Etobicoke Centre): It astounds me, Mr. Speaker, when I hear the chirping over there, that those people do not understand that 25 per cent growth per annum means that the debt will double every three years. It will double in three years' time, it will double again in six years' time, and it will quadruple in nine years' time. That is the fundamental nature of the problem we are facing.

Some Hon. Members: Order.

Mr. Wilson (Etobicoke Centre): If we cannot get control of that, there will be no security for anyone.

Some Hon. Members: Hear, hear!

HUMAN RIGHTS

CHILE—ABUSES PERPETRATED BY PINOCHET REGIME

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who, in the foreword to the Government's Green Paper on Foreign Policy, makes the following statement:

> We are determined to help eradicate human rights abuses that deny our fellow human beings the freedom and dignity to which they are all entitled.

Is the Minister prepared to join with Amnesty International and other groups, and express his revulsion over the murder, torture, and other human rights abuses perpetrated by the Pinochet regime in Chile?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada on several occasions has made known to authorities in Chile our revulsion at the practices of that regime. We intend to continue to do so. I think it entirely helpful that Hon. Members of the House will, as the Hon. Member has, indicate that that is not simply an attitude of the Government but it is an attitude widely held by citizens across the country.

REPORTED EXPORT OF PARA-MILITARY EQUIPMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in light of the Minister's response I would like to ask him why his Department granted an export permit to Med-Eng Systems Incorporated of Ottawa, on November 5 last year, to export para-military equipment to the Chilean National Police who, according to Amnesty International, participated in the murder and torture of hundreds of Chilean civilians last year? Does this not make a mockery of what the Minister just said?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will have to take that question of detail as notice. I will look into the situation and reply to the Hon. Member, and to the House, as soon as I have information.

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SPORTS

BASEBALL DECISION UNFAIR TO CANADIAN UMPIRES

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. While we are all waiting for the day when the World Series will be held in Canada between the Expos and the Blue Jays, will the Minister ascertain why Canadians, who have graduated from recognized umpire schools in the United States, are not permitted to umpire in the minor or major leagues in the United States, while American umpires in baseball, and American referees in hockey, work in Canada? Should this not be a two-way street?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for that very serious question. We are looking into it seriously. We have had discussions with officials of the United States. We are not completely satisfied as yet with the response—

Mr. Blaikie: Give them a fast ball, Joe.

Mr. Clark (Yellowhead): —but it is the bottom of the seventh inning, and we expect that we will win that particular game before the end of the ninth.

Some Hon. Members: Hear, hear!

● (1500)

Mr. Speaker: The Hon. Member for Cape Breton-East Richmond for one question.

* * *

PENSIONS

STATEMENT BY NOVA SCOTIA MINISTER

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. I want to read to him what the Nova Scotia Development Minister said regarding deindexation:

> Our obligation to our elders is not to be taken lightly, nor rejected out of hand. To ask them to make this sacrifice . . . is to go too far. The fear exists that such callous disregard for a pre-election commitment may be only the first step in reducing benefits to the elderly.

How much evidence does the Minister of Finance need to change this regressive, callous, ruthless, and vicious legislation? How much evidence does he need?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will remind the hon. gentleman of answers I have given previously in the House. It is not a very original question that he poses. But I will say to him that the thrust of the Budget is to create jobs and generate the wealth which will give us the funds whereby we can get the deficit down and enable us to afford these programs. There is nothing fair about everyone watching our debt go up 25 per cent—the Hon. Member shakes his head and waves his hand. He is going to have to understand the basic rule of compound interest. When debt grows 25 per cent per annum, year in and year out—the Hon. Member from Newfoundland is indicating he does not understand it either. It is simple mathematics. Growth of 25 per cent will double the debt in three years from $200 billion to $400 billion. Three years later it will have gone from $400 billion to $800 billion, and so on. You cannot go on forever, and people better get used to that.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of four, presented by Hon. Members on Monday, June 17, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley), the Hon. Member for York South-Weston (Mr. Nunziata), the Hon. Member for Winnipeg North Centre (Mr. Keeper) and the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) do not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

Mr. Speaker: Presenting reports from standing and special committees. The Hon. Member for St. John's East (Mr. McGrath).

Some Hon. Members: Hear, hear!

* * *

COMMITTEES OF THE HOUSE

REFORM OF THE HOUSE OF COMMONS—THIRD REPORT OF SPECIAL COMMITTEE

Hon. James A. McGrath (St. John's East): Mr. Speaker, the rules will not even permit me to say thank you to the House.

I have the honour to present the third report of the Special Committee on Reform of the House of Commons, in both official languages, to which a comprehensive response is sought pursuant to Standing Order 69(13).

May I add that copies are available to Hon. Members in the lobbies. May I further add, with your permission, that this report is presented on the seventy-seventh birthday of the Hon. Stanley Knowles, a great parliamentarian.

Some Hon. Members: Hear, hear!

Mr. Speaker: The rules also do not allow me to say thank you to the Hon. Member and his committee on behalf of the House, but I am sure the House would want me to.

FISHERIES AND FORESTRY—FIFTH REPORT OF STANDING COMMITTEE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee of Fisheries and Forestry in both official languages.

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

* * *

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a number of petitions. One is signed by some Canadians who are protesting the measures in the federal Budget which severely affect the economic situation of senior citizens and call upon Parliament not to deindex old age pensions.

I have another petition from another group of senior Canadian citizens complaining about the effect of Bill C-26 on widows and widowers between the ages of 60 and 64. They ask that the benefits of the Bill be applied to all citizens in need between the ages of 60 and 64.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition from Halifax signed by over 1,000 people, many of whom met the Minister of Finance (Mr. Wilson) in Halifax. They simply ask that the Government change the deindexing provisions of the May 23 Budget, those provisions placing an undue and unfair hardship on pensioners.

[*Translation*]

REQUEST FOR READJUSTMENT IN PRICE OF GASOLINE

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, on behalf of the residents of the municipality of Chartierville, I want to present a petition asking for an adjustment in the price of oil, which is too expensive, especially in view of the proximity of this municipality to the United States.

[*English*]

CHANGES TO OLD AGE SECURITY ACT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present a petition asking the Government to reconsider its budgetary measure to deindex OAS pensions partially. The petition is presented by several constituents of mine who live in a senior citizens' home.

[*Translation*]

I also have a second petition, Mr. Speaker, from about 50 of my constituents of Ottawa-Vanier who ask the Government to reconsider its position and to keep its promise of indexing senior citizens' pensions.

[*English*]

I also have a petition from another area of my riding dealing with the Conservative Government's failure to keep its promise of January, 1985 when it declared that any savings which may result from programs changed will not be applied to deficit reduction. They ask the Government to change its position on its proposal and not deindex old age pensions in January, 1986.

Point of Order—Mr. McCurdy

[*Translation*]

I also have a petition, Mr. Speaker, sent to me and signed by many residents of the Gatineau riding, who ask the Government to change its policy and to respect the promise made to senior citizens not to remove the full indexation of old age security pensions in January 1986.

* * *

[*English*]

POINT OF ORDER

STATEMENT OF MISS MACDONALD DURING QUESTION PERIOD

Mr. Speaker: I understand the Hon. Member for Windsor-Walkerville (Mr. McCurdy) has a point of order.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, during Question Period the Minister of Employment and Immigration (Miss MacDonald) indicated that a press release had been issued by the Hon. Member for Ottawa Centre (Mr. Cassidy) praising Challenge '85. Reading the contents of the communiqué to which she referred one can only conclude that the Minister lied.

Some Hon. Members: Oh, oh!

Mr. McCurdy: I am sorry, Mr. Speaker,—

Mr. Speaker: Order. Will the Hon. Member resume his seat, please? Will the Hon. Member now please rise and withdraw the statement?

Mr. McCurdy: Mr. Speaker, I am pleased to withdraw the term "lie", but I know of no other way of indicating that the Minister did not tell the truth.

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member is relatively new here so I will simply indicate to him our practice. The Hon. Member will please rise in his place and simply withdraw the statement.

Mr. McCurdy: Mr. Speaker, I am pleased to follow the directions of the Chair, but again I must say that the statement—

Some Hon. Members: Order.

Mr. McCurdy: I withdraw the statement as I previously described it. Nevertheless, I have to say that the Minister did not accurately portray the contents of the press release issued by the Hon. Member for Ottawa Centre.

Mr. Speaker: I take it that we now have a withdrawal. I am now in a position to indicate that the Hon. Member has not raised a point of order.

Petitions

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am honoured to present a petition to the House today on behalf of several hundred people from the Province of Nova Scotia who protest the draconian move to deindex pensions of senior citizens. They say that the losers will be the poor people of Canada, the unemployed and women.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I am very happy and honoured to present a petition from senior citizens in the Bourassa riding, who ask the Prime Minister to respect the commitment he made last summer during the 1984 election campaign and to restore full indexation of old age security pensions.

● (1510)

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the honour to present a petition from some 100 people of Halifax. The undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of the Old Age Security Program in Canada.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have the honour to present a number of petitions containing many signatures of citizens from the metropolitan Toronto area who are asking the Prime Minister (Mr. Mulroney) to maintain full indexation of the old age pension.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a number of petitions from the communities of Dundurn, Viscount, Allan, Aberdeen Leroy, Spalding, Englefeld, Jansen, Semans and Leastock in my riding. They urge the Government to reinstate full indexation of the Old Age Security Program in Canada.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and privilege to present a petition signed by all the senior residents of Skead, Ontario, in my riding. This petition calls upon the House of Commons to withdraw the partial deindexation of the old age pension which, as they point out in their covering letter, would make them pay again as they have paid all their lives in contributing to the growth of Canada.

I also have a petition signed by many residents of St. Vincent's Guest House in Halifax, in which they too call upon the Government and Parliament to withdraw the partial deindexation of the old age pension.

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a petition signed mainly by the people from the communities of Amherst and Springhill, Nova Scotia, beseeching Parliament and the Government not to proceed with the deindexing of the Old Age Security Program.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition on behalf of several dozen constituents in Elliot Lake, Ontario, calling on the Government to reinstate the full indexation of old age pensions and deploring the fact that they are being unfairly penalized in order to benefit large multinational oil companies and high income groups.

Mr. Speaker, I also have a petition from a dozen constituents in Gore Bay, Manitoulin Islands, calling on the Government to reinstate full indexation of old age pension.

I also have a petition from some 25 constituents from Espanola, calling on the Government to reinstate the old age pension with full indexation starting next January.

I also have a petition from a dozen constituents in Whitefish Falls, Ontario, calling on the Government to reinstate old age pensions with full indexation.

I have a petition from the Town of Little Current, signed by several dozen constituents there, calling on the Government to reinstate the old age pension with full indexation rights and calling upon the Prime Minister (Mr. Mulroney) to keep his campaign commitment of the 1984 general election.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour to present to this House a petition from residents of Saint-Louis-de-Kent, Richibucto and Kouchibouguac, in my constituency, who are very concerned about certain Budget announcements and who recommend through this House to the Government that full indexing of old age security pensions be re-established.

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from Halifax calling upon the Government to fully index pensions and live up to its campaign promises.

I have a more extensive petition from my riding in Winnipeg calling on the Government to live up to its promise and fully index Old Age Security pensions.

CF MARITIME EXPERIMENTAL TEST RANGE IN NANOOSE BAY, B.C.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have a petition from a number of people from Vernon, British Columbia, who are concerned about the Canadian Forces Maritime Experimental Test Range in Nanoose Bay, British Columbia. Among their concerns are the procedures for and results of radiation monitoring tests of waters that are adjacent to the area, that Section 1 of the agreement between Canada and the United States authorizing the test range is ambiguous, and that the naval policy of the United States, in neither confirming nor denying the presence of nuclear weapons in the area, is unacceptable.

They urge the House to hold a full public inquiry before the present agreement is negotiated, with power to investigate the above concerns.

CHANGES TO OLD AGE SECURITY ACT

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour again to present petitions from pensioners who are protesting the intent of the Government to deindex the Old Age Security and demanding that the Government not proceed with that proposal.

As well, to the already considerable list of names submitted from the City of Windsor, I add a thousand on behalf of pensioners who petition the Government not to proceed with the deindexation.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present petitions from constituents in my riding protesting that the deindexing proposals of the Government represent a massive withdrawal from our collective commitment to public pensions and that the losers will be the poor, the unemployed and women. They pray that the House of Commons reinstate full indexation of the Old Age Security Program in Canada.

These petitions come from the City of Thunder Bay, from Nipigon and Red Rock. I note that on one of these petitions is the signature of Mr. Edward Lauzon who recently had the honour of receiving the lifestyle award from the Minister of National Health and Welfare (Mr. Epp).

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my honour to present petitions on behalf of my constituents who object to the decision by the Government of Canada to deindex Old Age Security. I have a petition from the residents of Vickers Heights, the residents of the community of Shebandowan, and 158 more from the city of Thunder Bay.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have a petition, organized by the Northwest Territories Seniors Society. It contains some 90 signatures, mainly of old age pensioners from the City of Yellowknife. The petition points out that living costs in the North are considerably higher than in the South and any lowering of benefits to the elderly in the North will cause undue hardship, and therefore urges the Government to reconsider its proposal partially to deindex old age pensions.

* * *

LABOUR, EMPLOYMENT AND IMMIGRATION

REFERENCE TO STANDING COMMITTEE OF REPORT ON REFUGEE DETERMINATION IN CANADA

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, you may recall that yesterday I alluded to the draft order that consultations had to be carried on with the Liberal Party. These consultations have now been concluded and I think you will find that there is disposition to receive, by unanimous consent, and to pass without debate, the following order:

Borrowing Authority Act

That the document entitled *Refugee Determination in Canada* laid upon the table on Monday, June 17, 1985, be permanently referred to the Standing Committee on Labour, Employment and Immigration.

Mr. Speaker: Is there unanimous consent to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed consideration in committee of Bill C-51, an Act to provide borrowing authority—Miss MacDonald (for the Minister of State (Finance))—Mr. Danis in the chair.

The Chairman: When the committee adjourned at two o'clock, Clause 2 of the Bill and the amendment of the Hon. Member for Gander-Twillingate (Mr. Baker) were under consideration.

• (1520)

Ms. Copps: Mr. Chairman, it is indeed a great week, not only for the City of Ottawa and for Parliament, but also for the whole of Canada in that two distinguished parliamentarians are celebrating their birthdays, the Hon. Stanley Knowles, who was honoured in the House today on his seventh-seventh birthday, and the Hon. Jack Pickersgill, who is eighty. In fact, both these gentlemen gave much to Canada in Parliament and outside. It seems to me that when we are discussing the punitive measures which have been put forward by the Government toward senior citizens, we should start looking at the work and the contribution of people like Stanley Knowles and Jack Pickersgill. Many people in Canada did not have the opportunity to sit in Parliament. Many people in Canada did not have the same opportunity as Members of Parliament who now sit in the House to accrue pension benefits. There are

many senior citizens in the Province of Ontario, and we know that 40 per cent of our senior citizens are living below the poverty line.

What has been the response of the Minister of Finance? Day after day, hour after hour, he talks about deficit reduction and job creation in the House of Commons. I do not think we are asking Stanley Knowles to get out on the job market again. I do not think that Jack Pickersgill should be forced into the employment sector to pay for his costs of living. In fact, for the Minister of Finance to suggest that somehow job creation will be the salvation of the pensions of senior citizens is absolutely absurd and ridiculous. In fact, it is an insult to seniors that he could stand in his place in Question Period today and say that the Government would not be cutting their pensions in August, September, October or November. Does the Minister of Finance really think that the senior citizens are so stupid as not to realize that the provisions of this Budget will be the New Year's gift of the Conservative Party to the people of Canada in 1986? The New Year's bonus will be a 3 per cent annual reduction in the pensions they would have received, if the Minister of Finance had not delivered this heinous document in the House.

I can understand why the Minister was somewhat riled today during Question Period. We have a tradition in this Parliament that as does the Budget so does the Minister. The Minister is on the run. In the first political act of this Government, we have seen the true colour of the Conservative Party and the true colour of the Minister of Finance. We saw it in the committee this morning when the Hon. Member for Gander-Twillingate moved an amendment which said to the Government: "If you want to cut the pensions of senior citizens by 3 per cent every year over the next five years, we will cut your budget".

What did the Government House Leader say, in a knee-jerk reaction which was so typical of the Government's approach to senior citizens? He said that if we cut their pensions, they would cut the pensions of the poor. He cannot look at any other solutions. Again the Minister of Finance asked us in the House today to introduce some creative solutions or some suggestions. We have introduced suggestion after suggestion after suggestion.

[*Translation*]

Today, the Hon. Member for Laval-des-Rapides (Mr. Garneau) proposed another solution which would be to have the capital gains tax exemption available to 4 per cent of the population, the wealthiest in Canada. The money saved could then be spent on the Old Age Security pensions.

Mr. Chairman, the Minister of Finance (Mr. Wilson) is unable to understand our proposals because he does not understand the poverty of elderly Canadians. He only understands Bay Street politics. He only wants to give his Bay Street friends jobs and benefits. He knows he can give a $500,000 capital gains tax exemption, Mr. Chairman. Capital gains with no strings attached, a present for the 4 per cent of the Canadian people who can take advantage of the exemption.

Mr. Chairman, most elderly Canadians have never been able to earn $400,000 or $500,000. If he does not believe us, perhaps he will believe the letters coming in from across Canada. I have been getting letters from Newfoundland and Britsh Columbia, from elderly Canadians across the country who are asking us... There are not many of us in the Opposition. There are 40 in the Liberal Party and 30 in the New Democratic Party. However, we are fighting for the elderly because your so-called Conservative Members are saying nothing.

At least the Hon. Member for Western Arctic (Mr. Nickerson) had the courage today to table a petition concerning the problems of people in the North. But where are the other voices? Where are the voices of the Conservatives, the Members from Quebec who have remained silent, who have not said a word to protect our Canadian elderly? Where are they? We have a Conservative majority that made any number of promises to Canadians, but now, when the neediest in our society are being attacked, who is going to protect them? We are, the Liberal Party is. The Liberal Party fought to make the Prime Minister (Mr. Mulroney) face up to the fact that he broke his word, that he did not keep the promise he made in Sherbrooke, that he actually lied or failed to tell Canadians the truth.

Mr. Chairman—

[*English*]

Perhaps I cannot say it as well as a constituent from Newfoundland who wrote to me. This particular constituent expressed well the message which would best go out, not only to Members and Ministers on the government side of the House, but to all those back-benchers over there who have not yet had the courage to rise in the House and speak out on this issue.

The letter reads:

Dear Prime Minister:

I write on behalf of myself and the other 22 old age pensioners of my small community who depend on our wee pensions as our sole income. Though I am 73 years of age now and disabled because of Parkinson's disease, 40 years ago I was like Mila; a young wife and mother, busily engaged in the war effort and raising a young family at the same time. We never had to go to Government for any hand-out... but believed we would enjoy our lives particularly those of us in an extended period of widowhood; drawing our earned pensions from a very grateful country's bounty and without fear of our meagre incomes being gnawed down in buying power every year through inflation. Now, we are below the poverty line. We have all done our share. Senior citizens should not be expected to pay off the deficit which has grown about 10 per cent—

I am sorry the Minister of Finance is not here to hear the facts which he should be laying on the Canadian table.

The letter continues:

—during the short period your administration has been in power—

The writer was referring to the Conservative administration.

—while the fat oil industry—personified to us by the television cameras shooting the soap opera, *Dallas*—are let off the hook in the blind hope that these rich mandarins and petromerchants... buy up more real estate in Florida and throughout the sunbelt states... The history of mankind and even true Conservative philosophy... corroborates that man is greedy and that the oil company billionaires whenever possible, will be takers rather than givers—

Please reconsider your decision to make us pay the piper . . . in the so-called sunset days of our lives? We did our share when our bodies were strong, our minds acute, our pockets almost empty but our spirits and optimism high.

We simply cannot be collectively nor individually expected to pay again and again. It is simply not fair, and if your Mr. Wilson is not brought to heel by you, fired or ordered to amend this ghastly Budget to offer us reasonable indexing relief we can never believe your word again. We, senior citizens, can only meet together and talk about the wrong you are seen by us to be intended to do commencing next January. Many of us may not even be around to vote against you when the next national election is called, but some of us shall be and others will have "aged" into our non-chosen slots in society. Please do not add insult to injury by having your Ministers and your back-bencher apologists state that senior citizens who need their pensions to exist, will ever truly support this dastardly act? I think we can write enough letters in the coming months to offset that claim and to place such statements in the same trash can as "your campaign one relating to "sacred trusts" ".

● (1530)

I have discussed this letter amongst my peers and all degree I should send it to you having supported my stand wholeheartedly.

This particular letter was written by Bridget Laurie from St. Thomas, Newfoundland. I have received letters from across Canada. This is another letter from Newfoundland from another senior citizen who believed the Conservative Government when the Prime Minister said that pensions would not be touched.

The back-bencher who does not have the courage to get up and speak against this Budget asks whether my interventions are in order. They are in order because the amendment moved by the Member for Gander-Twillingate is telling the Government quite clearly that if it wants to penalize the senior citizens of the country by 3 per cent, it will have to cut its spending by 3 per cent. We are prepared to support a borrowing Bill to give the Government billions and billions of dollars at the same time as that self-same hypocritical Conservative Government is telling the senior citizens of the country that they will be cut, cut and cut.

Is this the New Year's present for which the senior citizens voted when last September they joined with Canadians from coast to coast to give the Conservative Government an overwhelming mandate? No, they were tricked and hoodwinked. They were fooled by a Government and a Prime Minister who, day after day, made promises which he never intended to keep. They were fooled by a Finance Minister who has now shown the Canadian people quite clearly that he is more interested in lining the pockets of his rich friends than he is in helping those in society who can least afford to pay.

I believe there are a number of Members on the government side of the House who do not support this measure. I believe that the caucus meeting of the Conservative Party last week was a heated one. Young people from coast to coast have shown their courage and said that they will pay the deficit, that they do not want their grandparents to bear the burden of that deficit. Mr. Chairman, I believe the Government wants to reverse its position. It realizes that the power of senior citizens across the country is not to be tampered with and that the support which put this Government in office came, in large measure, from the very senior citizens whom the Government is now seeking to destroy and cut back.

[*Translation*]

Mr. Chairman, it is quite obvious that many Members—and not only in the Liberal Party—expect the Prime Minister to take action. Last night in Manicouagan they were expecting the Prime Minister to be true to his word, if that is possible. He even stated in his own book that if he were to make a mistake he would not be ashamed to change his mind. Judging from letters received from across the country, from Newfoundland, from British Columbia, from Ontario, from my own riding, from Hamilton with a petition bearing more than 1,000 signatures, and Friday there will be a gathering where 200, 300, 400, 500 elderly people will come from my constituency to tell this Government what they think of this measure against old age pensioners. We are waiting from some kind of response from the Prime Minister. Before the adjournment, Mr. Chairman, why can he not do something in the House this week by offering an anniversary present to all elderly Canadians who are impatiently waiting for an answer from the Government? There is political unrest throughout the country right now. Mr. Chairman, such unrest means that elderly people are speaking up in most cities to tell their Members, be they Conservatives, Liberals or New Democrats: We do not want our pensions reduced. We do not want to have to pay again and again. We cannot afford to pay more because we already live below the poverty line.

[*English*]

While the Minister of Finance is seeking borrowing authority for these billions of dollars and telling the people of Canada that they are supposed to cut back and that seniors of the country will have to bear the burden, what can he say to Mr. Gabriele in my riding? Mr. Guiseppe Gabriele has to support a family. There are some seniors who have children who are still at home. He has to support a wife and a child on a combined monthly income of $904.68. His combined expenses are $953.67. Therefore, he is a net loser every month of approximately $49. He has reached the point where he is even seeking help to be able to afford to pay the taxes on his home.

Can the Minister of Finance tell Mr. Gabriele where he is going to get the extra $30 a month that he will lose as a result of these punitive measures in the old age pension and the family allowance? The deindexation of the family allowance is another insidious tax on families which can least afford to pay. That is another example of the distorted priorities of a Government which will give oil companies $1 billion or $2 billion. It will give people who can afford to have capital gains $.5 million. Yet, with regard to the senior citizens and families of the country, the Government says, "Let them eat cake".

I urge all Members on the government side of the House who feel the same as I do to prevail upon the Minister of Finance to retract and to prevail upon the Prime Minister to keep his word. People believed him. Government Members have a responsibility to force the Prime Minister to uphold his promise to the Canadian people because, by forgoing that promise, he has shown the Canadian people what the Conservative Party and the Conservative Government are really all

about. It is a blue-blooded Party for the rich. We knew that before September 4, and now the Party is exposing itself in all its hideousness to the people of Canada.

Mr. Epp (Thunder Bay-Nipigon): Mr. Chairman, I am pleased to take part in this debate on a motion which proposes a 3 per cent reduction in the borrowing authority sought by the Government. I would be overjoyed to be able to join in a debate on a motion for an increase in the amount of borrowing authority if it would ensure the capacity of the Government to cancel deindexation. However, since the rules of the House do not allow us to move in that direction, I shall take part in the present debate.

It is obvious that the actions of the Government have aroused the anger and outrage of many Canadians. That is certainly true in the City of Thunder Bay and in other parts of northwestern Ontario with which I am in touch. I find it astonishing that government Members do not have the same experience. I would like them to hear from some of my constituents regarding their feelings about the Government's actions. I received a copy of a letter which was addressed to the Minister of Finance and was sent by two senior citizens of my riding, Elsie and Wilfred Harrison. They write as follows:

● (1540)

My wife and I are recipients of O.A.S. Pensions, we are also in that category where we do not qualify to receive any portion of the G.I. Supplement, and to continue in this avenue may I say that as of the last return we made to "Internal Revenue" we did not qualify to pay any Income Tax. That, sir, will tell you what our financial level is.

During your Budget Speech, and on several occasions since, I have heard you say that if and when the indexing of O.A.S. Pensions is introduced—that is, when the increase will cover only the amount over 3 per cent—the recipient of the pension will not be hurt.

Sir, you have said it once too often for my liking, so I am writing this letter to tell you that if this miserly item is introduced in 1986, my wife and I will be poorer, and in subsequent years, we shall be yet poorer. We, my wife and I, together with our friends cannot understand in what circles you move where "many" people say that this item will not hurt them. Most emphatically will we be hurt, together with thousands of others.

Writing in a similar vein is another senior constituent of mine named Miss K. R. Escott, who writes as follows in a letter that was addressed to me personally:

I wish to add my name to the large number of voters who are unhappy with the 1985 budget as presented by Mr. Wilson and approved by Mr. Mulroney.

They definitely have taken from those who have not to benefit those who have.

I would suggest that both Mr. Wilson and Mr. Mulroney "tighten their belts" for the next five years to the degree where each of these men are compelled to live on the basic old age pension for the remainder of their elected term.

That suggestion would certainly drive the lesson home for Ministers of the Crown who think that this particular sacrifice can be borne with equanimity by our seniors.

Next I have a letter from another constituent, one who has the good fortune to be employed by the grain elevators of Thunder Bay. In another area, he experienced the cancellation of the home ownership savings plan to which he had been contributing for six years. He feels very strongly about that. In reference to the cancellation of the home ownership savings plan, he begins a paragraph by stating:

Also while I'm on the subject of cheating I would like to state that I do not like the way this Government has treated my Grandmother and the senior citizens of this country. You would think that in the 80's the government would stop picking on the people who made this country.

Is there no law against this dictatorship and to what depth will this new Government sink to? In the election the people have trusted the Conservative Party with the affairs of this country . . . and it seems that the people will have to suffer because of the lies that we have been fed.

I hope that you, Ian Angus and Ed Broadbent, will keep reminding the Canadian people of the mistake that was made in 1984. Make sure that the people know that the Conservatives are for the rich. And that they don't forget it.

He concludes with the following observation:

—I feel that these fat cat Conservatives should be put on the budget and earnings of an "Ordinary Canadian" and then made to tighten their belts.

This letter was sent to me by Jim Fiorito, one of my constituents who is employed in the elevator industry. He was recently married and has a daughter. He is concerned about his grandmother and other seniors.

I have a fourth letter which was sent to me from another working man although he is closer to retirement age than the previous writer and has a wife who is already receiving a pension. Mr. Ewald Dombrowsky writes as follows:

—the Budget is very unfair not only for pensioners but also for ordinary Canadians. Where are the Jobs, Jobs, Jobs!!?? . . . Our son is unemployed already 2½ years, he has a family (3 boys) and nothing is coming up here. It is a hard situation.

We hope, you and the New Democratic Party will continue working to ensure fairness for all Canadians.

That last sentence, of course, relates very nicely to the question to which I referred in passing, which is, why is it that members of the Opposition receive letters of this sort and see constituents coming into their offices in large numbers signing petitions to protest the action of the Government while government Members claim not to be seeing that? They may of course be refusing to pass on that information.

The Minister of National Health and Welfare did not appreciate the suggestion that his riding office in southeastern Manitoba was putting constituents on hold when they called in to complain about the pensions, and I can well imagine that he did not appreciate that suggestion. I take it, though, that government Members are not encouraging their constituents in any way to protest the actions the Government has taken and are trying to enforce that regime of silence, which was surely the Government's hope when the Budget was brought down on May 23, a regime of silence in which people in the various quarters would swallow their medicine or run off with the gains that the Budget would give them, each mourning or rejoicing in solitude and silence that which the Budget did.

Surely if members of the Government were to seek the honest opinions of their constituents, there would not be much doubt about what those constituents think. I would suggest to people all across the country, and in fact to all those who are watching us this afternoon, enjoying what we are debating and hoping that it will have an effect on the Government, to make sure that the Prime Minister, who is ultimately responsible for these things, hears from them.

The Minister of Finance does what the Prime Minister tells him to do. Quite clearly, he was on about a six-inch leash yesterday while the Prime Minister mulled over how to get out of the terrible hole he has got himself into regarding this monumental political mistake. I would like to be sure that the Prime Minister at least is aware of what Canadians think, so I urge people all across the country to write to the Prime Minister at Room 309-S here in the House of Commons Ottawa, Ontario, K1A 0A2, and be very sure to get those letters in because the Prime Minister's Office certainly wants to know what Canadians think about the actions of Government, good and ill.

In this case, we have an ill action by the Government and constituents ought to let the Prime Minister know that they do not approve. They ought to urge him on this process of cogitation in which he is clearly involved these days as he determines how he can cancel this particular proposal of the Budget without at the same time cancelling the career of the Minister of Finance.

Canadians do want to keep putting on the pressure so that the Government keeps the promises it made during the election campaign of last summer and remains faithful to the expectations that were aroused in the minds of Canadians from coast to coast as more and more extravagant promises were made, even though the Conservative Leader and his Party were well aware of the financial position of the country and well aware of the need that existed for the Government to deal with all those challenges that will get us back toward the full employment that we all seek. I thank you, Mr. Chairman, for giving me the opportunity this afternoon to put some of my constituents' comments on the record and to urge Canadians to put the pressure on this Government that it deserves regarding this very unfortunate feature of the Budget.

[*Translation*]

Mr. Rossi: From the outset of the debate on this amendment, Mr. Chairman, it is obvious that we want to establish clearly the intentions of the Official Opposition and the reason why we moved it. Quite simply, Mr. Chairman, ever since the Budget was tabled we find it unfair and inequitable. We on this side of the House, Mr. Chairman, have tried every means to make Government Members, more particularly the Prime Minister (Mr. Mulroney) and his Minister of Finance (Mr. Wilson), understand that it is unacceptable in a modern society like ours in 1985 that the deficit be reduced by favouring the rich and attacking the poorest people in our society, Mr. Chairman. Those are poor people who have only their old age security pension, and more particularly others who get nothing more than the pension and the guaranteed income supplement. Mr. Chairman, all Canadians know very well that when we talk about the guaranteed income supplement we are referring to very old and very poor people.

I would invite the Prime Minister to visit my riding of Bourassa. I would also invite the Minister of Finance to visit my beautiful riding of Bourassa and face the elderly residents of Manoir Aimée-Léonard, face the elderly residents of Manoir Gouin, every one of them aged 65 or more, face the senior citizens of Angelica and Cascade homes for the aged, face the senior citizens of Tours Gouin, Sainte-Rita home for the aged, Manoir de Montréal, Manoir l'Escapade, Résidence du Confort—it may be called Résidence du Confort, but they are elderly people—Résidence Manoir Tremblay, Montreal North, and the 15 Golden Age Clubs.

One thing for sure, Mr. Chairman, is that if the Prime Minister and the Minister of Finance were to agree to meet with people in my riding and ask them whether they are prepared to accept the 3 per cent deindexation, they would be told: Mr. Prime Minister, what about your election promises, particularly your sacred promise to maintain full indexation? Mr. Prime Minister, you may rest assured that Canadians will remember, and let me tell you something I like to repeat often—you have fooled Canadians on September 4. As the saying goes in English:

• (1550)

[*English*]

"You can fool some of the people some of the time, but you can't fool all of the people all of the time, Mr. Prime Minister".

[*Translation*]

That bears repeating and as the saying goes, you can fool some Canadians some of the time, but you certainly cannot fool them all the time, Mr. Prime Minister. Once again to the Prime Minister and the Minister of Finance, through you, Mr. Chairman: Do you have enough heart, audacity and guts to meet with elderly people and tell them that deindextion will cost them $1,500 within five years? Do you have that kind of courage, Mr. Prime Minister? And now to Conservative Members, Members on the Government side, this is a humane not a partisan issue, we are not trying to defeat the Government and, as I said, we are not trying to score political points. We are simply asking for very humanitarian treatment. All we are asking is that you urge the Prime Minister and the Minister of Finance to reconsider their decision, urge them not to go ahead with deindexation of old age security pensions, and not think it over month after month and thus keep elderly people in a state of anxiety for six, seven or eight months. And I would ask the Hon. Members opposite to ensure this is done as soon as possible.

Mr. Chairman, thousands and thousands of people from coast to coast in this country are protesting against the unfairness and inadequacy of this measure. The Quebec National Assembly has also passed a unanimous resolution condemning the measure and urging the Government of Canada to reverse a decision it considers to be a demonstration of flagrant injustice towards senior citizens who are among the neediest in our society.

Mr. Chairman, I want to extend my sincere congratulations to the Conservative Member, the Member on the Government side who showed some realism and rose today in the House to present a petition—

Mr. Lewis: This was a first.

Mr. Rossi: —it is a first, but he had guts just the same, something you do not have. You will never have guts. Go and hide behind the curtains. You will never have the guts your colleague had when he rose—

The Chairman: Order, please! Order!

Mr. Rossi: You do not have the courage to be human. You do not have the courage to speak to the elderly. You do not have the courage because you are afraid to say what you think. The Members opposite know this. They are all hiding, and they do not have the guts to talk to the elderly in their senior citizens' homes. You all have senior citizens' homes. The Hon. Member from Chicoutimi . . . I see the Minister thinks this is funny—

Mrs. Vézina: Rimouski!

Mr. Rossi: Pardon? Rimouski. Even better. Rimouski. With due respect, I do not want to know about the Hon. Minister's political antecedents, and I certainly will not reveal them to the House.

Mr. Chairman, I hope that the Hon. Member's Conservative colleagues will do likewise, that is, become realists, and I would urge them to go to the senior citizens' homes, Mr. Chairman. The Members here from Quebec all have senior citizens' homes in their ridings. Go and visit them. Do not be partisan. Approach them with an open mind. Ask them what they think about this. I can assure you that when you come back to the House and you want to say what they were thinking, you too will rise in the House, like your colleague, and you too will present a petition, because petitions are being made across Quebec, and I know what I am talking about.

Mr. Chairman, I said that I hoped his Conservative colleagues would do likewise when faced with reality, that they would forget their political partisanship and would consult objectively and realistically with senior citizens.

Mr. Chairman, I would urge Government Members on both sides of the House, especially the Prime Minister and the Minister of Finance and above all the Members from Quebec . . . Because tomorrow, the elderly from Quebec are going to march past the Parliament Buildings, and they will want to see you. I would urge all the Ministers from Quebec to go and see their senior citizens, and there will be no faked or pre-arranged interviews. They will speak openly.

Mr. Chairman, in concluding, I want to renew my request to Members on both sides of the House: be human. Once again, we are not out to make the Government fall. This is not a matter of political partisanship. Tomorrow, we will see our senior citizens in front of the Parliament Buildings, on Parliament Hill, and we will be able to listen to their claims, their complaints and to what they have to say, and I would urge all Hon. Members to meet tomorrow and to take action.

• (1600)

[*English*]

Mr. Benjamin: Mr. Chairman, I have been here for some 17 or 18 Budgets speeches, Budget Bills and borrowing authority Bills, and this is the first time I can recall that neither the Minister of Finance, nor the Minister of State for Finance or their Parliamentary Secretaries are in the House.

Some Hon. Members: Order!

Mr. Benjamin: I have never seen it happen before. When the Government of Canada is borrowing $18 billion, one would think that this would have some kind of high priority. I hope we are not being left to the tender mercies of the Secretary of State for External Affairs, but I see he is sitting in front of the officials from the Department of Finance. If we are being left to his tender mercies, then we are doomed again.

There is a myth being circulated in this country, Mr. Chairman, about the amounts which Governments borrow and their fantastic deficits. In fact, this Government and its predecessors, both Liberal and Tory, have been hypnotized by the deficit. I would hope that there is an Hon. Member in the Cabinet who can answer some questions about the deficit.

Deficits are accrued because we borrow money to pay off previous borrowings and to pay current bills. We also borrow money to invest in the future of the country. What I do not understand as an innocent prairie boy, Mr. Chairman, is that the deficit in 1945 was much higher than it is now and if you put it in 1985 dollars, the deficit at the end of the Second World War was about two or three times as high as it is now. I recall, as an innocent prairie boy, hearing the experts, the financial columnists, the Tories and the Grits all screaming about the deficit. I would like to direct some questions if, as and when the Minister of Finance, the Minister of State for Finance or one of their Parliamentary Secretaries arrive.

In the first place, if we put this money for which borrowing authority is sought into housing, into cleaning up our air and water, into reforestation and a whole host of other projects, that would not be a deficit expenditure. It would be an investment.

Mr. McDermid: We are doing that.

Mr. Benjamin: That would reduce unemployment. Is there anyone around on the government side who can tell me, Mr. Chairman, if it is not correct that if we reduce unemployment now from the 11 per cent to the 12 per cent range down to 7 per cent or 7.5 per cent, we will wipe out the deficit within three years?

There is another area I would like to touch on, and I hope the Secretary of State for External Affairs will pay attention.

Last year the federal Government paid $21 billion in interest on the national debt. Of course, the financial experts emphasized the enormity of that amount. It was at least 5 per cent of the Gross National Product. It required one-third of the Government's revenue, which amounted to $2,500 per taxpayer, to pay the interest on the national debt. That is in 1984. There is a notable oversight there. Ninety per cent of that $21 billion in interest was paid to Canadians. That is the proportion of the federal government bonds held in Canada. The average Canadian taxpayer, if you averaged out the $21 billion, received almost $2,500 in interest. So that all that happened was that we were lending money out and paying ourselves back. In fact, the Government received almost the same amount back as it paid out in interest charges on this mythical deficit.

There is another angle, Mr. Chairman, and I hope the Secretary of State for External Affairs will think about this as well. The Bank of Canada, our central bank, responsible for regulating the national money supply, held government bonds in 1984 to the tune of $17 billion. That is about 10 per cent of the total outstanding debt. The Bank of Canada is wholly owned by the federal Government and the people of Canada. At the end of each calendar year it turns over its net revenue to the Government of Canada. So in 1984, the Bank of Canada received $1.981 billion in interest on the federal bonds it held. It had an operating cost of $129 million. Therefore, the Bank of Canada returned to the Government of Canada $1,832,000,000. Thus the Government of Canada received back 93 per cent of the money it paid as bond interest to the Bank of Canada in 1984. So what is the reason for all this terror and hypnotism on the government side about the deficit?

In 1939, the federal Government paid out only $135 million on a $21 billion debt compared to the $21 billion it paid out in 1984. That is nearly 200 times more last year than in 1939. But the average Canadian lived pretty poorly in 1939. The unemployment level across the country was at 15 per cent. People were on welfare and some joined the Army in order to receive a dollar a day. If what applied then were to apply now, according to the financial exports and the Minister of Finance when he talks about his deficit, I suppose Canadians would be running around eating scraps and wearing rags. The whole mythology of the deficit is not how much the deficit is, but what the deficit is for. The fact is that in all its domestic borrowings, the Government takes back almost as much as it borrows. What it pays out in interest charges it takes back in taxes. That has always been the case and there is nothing new about it.

• (1610)

This might sound like sacrilege around here, but why not add about three billion bucks to this borrowing authority to be put into housing, reforestation and cleaning up our air and water? It will put people to work earning income, paying taxes, and reducing the deficit.

Mr. Dick: And increase inflation.

Mr. Benjamin: It has been done a number of times before by various and sundry Liberal and Tory Governments. They did not buy the Proposition 13 syndrome imported from California. How much of this borrowing is going to go into job creation and reducing the deficit? Not a nickel. It is all going to go off into the same vicious circle. You borrow the money from the taxpayers and collect it back in almost equal amounts. That is where the mythology is in this nonsense about deficits. One thing my friends opposite forget is that you cannot compare an individual living above his means and borrowing beyond his capacity to repay his debt with a Government which has done the same thing because the essential difference is that governments can tax people from whom they borrow the money.

Mr. de Cotret: That is what you want to do.

Mr. Benjamin: That is exactly what you are doing. You tax them to pay for the money you borrowed from them. No little storekeeper, farmer or fisherman can do that. If he runs a deficit, he has to rake it up all by himself. But Governments are different, municipal, provincial and federal. They tax the people they borrow money from and that is how they pay off the borrowings. If I, an innocent prairie boy, am wrong, I hope someone will get up and correct me. I would like to know from someone over there or from the Department of Finance whether it was correct that 90 per cent of the $21 billion in interest payments last year on our debt was paid to Canadians, and that the average Canadian bond holder got about $2,500 from the Government. In turn, the Government taxed them for slightly over $2,400 on those interest earnings. If I am not correct, I hope someone will get up and tell me so and show me so.

We all appreciate the fact that the Government needs to have revenue, and much has been said by some of my colleagues about the options available to a Government of any party, and I want to return to a matter I have raised in every budget debate since 1968. At that time, deferred corporate taxes amounted to a little under $20 billion. They now amount to around $35 billion. No other citizen, individual farmer, fisherman, small storekeeper or anyone else, can defer his taxes. Just try it and you will have Revenue Canada on your neck. But there is in excess of $35 billion in deferred corporate taxes on the books of this country, and if the Government would care to charge the bank rate or 1 per cent over prime as interest on those deferred corporate taxes, you would have about $3.5 billion to put people to work and reduce the deficit. In fact, you would be surprised at how many corporations would be rushing forward to reduce their deferred corporate taxes. You would be amazed, because they would not want to face that interest bill every year. How about that? That is not some socialist dogma. If you lend someone money, you charge him interest, pure and simple. So let us give him a reasonable break; 9 per cent interest on the deferred corporate taxes.

Mr. Chairman, the tragedy is that every year we go through a borrowing authority exercise and we get the free enterprise Governments hypnotized by the size of the deficit, but they do

not tell us the whole story. They never have. They do not tell us that most of the borrowings are held by Canadians and it is Canadians who collect the interest. It is Canadians who pay back most of the interest in income taxes. They would pay back more if we had a fair tax system. Well, I would be inclined, if the Government were to come in with an amendment to the borrowing authority Bill, to put $1 billion into housing. Every city in this country has a waiting list as long as your arm for chronic care beds and rooms in senior citizens' homes. I would put $1 billion into cleaning up our air and water. You could put 200,000 young people to work there. Then another $1 billion should go into transportation and reforestation or whatever else. We did it during the war, and we ran a deficit that in 1985 dollars is three times a high as the one we have now. We only had a population of 10 million people then. So do not give me that nonsense about reducing the deficit at the expense of old age pensioners, farmers, fishermen and little storekeepers. It sure as heck is not going to bother Imperial Oil, not at all, not a nickel's worth. Who are we representing here? Make up your minds.

I think it is a travesty, Mr. Chairman, when we are talking about the financing of this country, that we do not have in attendance the Minister of Finance or the Minister of State for Finance. Neither are their Parliamentary Secretaries here.

Mr. Lanthier: Right here.

Mr. Nickerson: And only two NDP Members.

Mr. Benjamin: That has nothing to do with it. You are the guys who have the job, but when are you going to start doing it? When are you going to start showing up for debate on a Bill for $18 billion worth of borrowing? I do not think this House should sit any longer without the presence—

Mr. Clark (Yellowhead): Mr. Chairman, I would not want the record to show any inaccuracy, nor I am sure would the Hon. Member who has just spoken. The Parliamentary Secretary to the Minister of Finance is here beside me. I have been sitting here for an hour and 15 minutes listening, during the latter part, to the rather exotic views of the Hon. Member on economic questions. I would not want him to leave the impression that the Government was not represented here by senior Ministers.

Mr. Benjamin: I am glad the Hon. Member joined the Secretary of State for External Affairs in the last few minutes. This debate started an hour and 15 minutes ago.

[*Translation*]

The Chairman: The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) on a point of order.

Mr. Lanthier: Please, Mr. Chairman. I have been here since nine o'clock this morning and I heard the trifles of the Hon. Member on television as if I had been present. I give you my word that I have been here since this morning. So, nobody should suggest that I have come in.

• (1620)

[*English*]

Mr. Benjamin: Mr. Chairman, we have all been around somewhere since this morning. If you have a Bill for which you are responsible, you are here for it. That applies both to government and to opposition Members. If you are not going to be here, why should the House sit? Why should the Chairman remain in the chair?

I want answers from the Parliamentary Secretary. Is it not correct that the Government of Canada paid to Canadians $1.9 billion in interest charges on borrowings and received back roughly $1.8 billion in income tax? Earnings of the Bank of Canada amounted then to $1.9 billion, and $1.8 billion of it was returned to the Government of Canada, all on government borrowings through the Bank of Canada. Is that not correct?

[*Translation*]

Mr. Lanthier: I am told that such a statement is correct in the broad sense, but not necessarily as far as the figures mentioned are concerned.

[*English*]

Mr. Benjamin: I said, give or take $100 million. When we are talking about $1.9 billion or $1.8 billion, is the Hon. Member agreeing that what I have just said is correct?

[*Translation*]

Mr. Lanthier: Mr. Chairman, I did not say that it was correct. I said that generally, large sums are granted to Canadians under the terms and conditions outlined but the accuracy of the figures is questioned by my advisers.

The Chairman: Is the House ready for the question?

The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: As you know, Bill C-51 would give borrowing authority to the Canadian Government and if it is adopted the Minister of Finance and the Progressive Conservative Government would be authorized to borrow $18.2 billion between now and the end of the current fiscal year. It is therefore an extremely important measure within a rather special context, namely the debate over deindexation of old age security pensions.

Mr. Chairman, I consider the debate quite inappropriate in the present context, when we read newspapers and particularly when we hear the Prime Minister answer questions put to him. For instance, I refer to *The Globe and Mail* of today, June 18, where I can read under the byline of Mr. Richard Cléroux a report from Sept-Îles whose first paragraph is rather significant:

[*English*]

"Prime Minister Brian Mulroney said last night that the part in Finance Minister Michael Wilson's Budget dealing with pensions for the elderly "deserves to be reviewed" ".

[*Translation*]

And further on, still in quotation marks, the article reports the Prime Minister as saying this:

[*English*]

"Mr. Mulroney described the section of the Budget that eliminates part of the protection against inflation for pensioners as troubling".

[*Translation*]

So said the Prime Minister of the country, Mr. Chairman, and his Minister of Finance (Mr. Wilson) has just tabled a Budget in which he proposes partial deindexation of old age security pensions beginning January 1, 1986. All Members who sit in this House must be rather embarrassed to read remarks such as those quoted in today's *Globe and Mail.*

Where the Prime Minister (Mr. Mulroney) indicated that the Budget of the Minister of Finance (Mr. Wilson) "deserves to be reviewed", and further on, where he used the word "troubling" in referring to the section of the Budget dealing with partial deindexation of Old Age Security pensions, Mr. Chairman, we are entitled to ask ourselves today whether this is not just a big public relations scenario to prepare the public for a political about-face. And if that is the case, I wish the Secretary of State for External Affairs (Mr. Clark) and the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) would advise this House immediately so that we can stop talking about a question that could be settled without debate. But if that is not the Government's intention, and there is no indication from the Government benches that what the Prime Minister said yesterday in Sept-Îles is to be taken seriously, we will have to continue this debate, because there is no other way for the Official Opposition to bring to the attention of the Government benches and public opinion the fact that we are in total disagreement with this political decision. Mr. Chairman, a Budget is an expression of certain choices. When a Minister of Finance starts preparing his Budget, he has a series of options. And this afternoon when I heard the Minister of Finance informing the House, with dramatic emphasis, that he could not say right away whether the Government was going to maintain full indexation because the financial situation was so terrible, because they had to reduce the deficit, because of the terrible legacy they were left by the Liberals—

Mr. Chairman, the Minister of Finance had a choice. He had options. He had the option of maintaining full indexation of Old Age Security pensions, and in 1985-86, according to the figures we were given, that would cost him $15 million more, which is not particularly earthshaking as the Parliamentary Secretary would agree, and in 1986-87 it would cost $250 million.

Mr. Chairman, so everyone will understand that the Minister of Finance had an alternative, and his officials here facing his Parliamentary Secretary know as well as I do that he had an option: the option of deciding where he was going to put his money. Take the capital gains tax exemption, for instance. This was an option the Minister of Finance had, and he decided to forego $300 million in tax revenue in 1985-86, by granting this exemption to the wealthy in our society.

If we take the $300 million and add to that another option the Minister had ad which he exercised, namely, to forego $240 million in 1985-86 by removing the Oil Export Charge, and if we add that amount to the previous amount, we get a total of $540 million.

It seems Old Age Security pensions cost the Government $8.5 billion, and 3 per cent of $8.5 billion for one-third of the year adds up to approximately the same figure. So the Minister of Finance—

An Hon. Member: That is where the money went!

Mr. Garneau: The Minister of Finance had an option, and I remember what the Prime Minister said in that televised debate: "Sir, you had an option." That is what the present Prime Minister told the former Prime Minister. I say to the Prime Minister today: "Sir, you had an option, and you decided to give the money to the rich and take it away from some of the elderly of this country."

You had an option and you exercised that option. And do not tell the House today that by exercising that option, by giving more money in the form of tax exemptions to the oil multinationals, and tax exemptions on capital gains, do not tell the House that now that you have exercised that option, you have no money left for the elderly. There can be no double standard, and I say to the Minister of Finance: "Sir, you had an option. You had an option." Basically, Mr. Chairman, when we analyze the issue of deindexing pensions for senior citizens, we find that it is all a matter of budgetary options. What I want to do in the next few minutes is to analyse the economic philosophy and general orientation of the Budget.

● (1630)

I should immediately point out that, when I look at this Bill asking for a borrowing authority of $18 billion, which is directly related to the budgetary options, I am not concerned only with the deindexing, or partial deindexing of old age security pensions and family allowances. I disagree with the basic philosophy behind this Bill, with the choices made by this Government and the Minister of Finance (Mr. Wilson). The figures which I made public and which have yet to be questioned show that, contrary to what the Prime Minister said before the Budget was brought down and contrary to what the Minister of Finance said during his speech, the Budget is not fair and equitable to the taxpayers. For my part, I would say, and I shall try to prove it, that this Budget is unfair and inequitable to the middle income group in our society which is the group most affected. In addition, the borrowings author-

ized by this Bill will affect this group by giving them a heavier tax burden.

In accordance with its philosophy, the Government talks a lot about the private sector. The Government wants the private sector to invest and to create jobs, and at the same time, by massive tax increases, it reduces the purchasing power of those who make up the market for Canadian businesses. These massive tax increases made Mr. Reynold of the *Wall Street Journal* say that the Government wanted to tax the economy to prosperity.

[*English*]

The Government wants to tax the economy to prosperity.

[*Translation*]

Mr. Chairman, I have prepared a few government budgets in my life time, I have read some others, I have had an opportunity as severale other Members in this House to monitor the economic situation in Canada and other provinces, but it is the first time I see any government maintain it has made the right choice when deciding to promote economic growth by way of massive tax increases. This is the first time this would be done.

Those additional taxes which the Government does not like to be told about, that shower of taxes, will take $12 billion worth of purchasing power away from middle-income Canadians in 1990-91 alone. By the end of this decade, with those tax increases imposed on middle-income groups, not to mention other sectors, but looking only at middle-income groups, those tax increases combined with the de-indexing of old age pensions and family allowances will result in the most significant part of our society which represents the market box, our businesses, being rabbed of $37 billion in purchasing power. In terms of dollars, this is twice as much as the Bill now before us.

The general thrust of the budget, the general thrust of the policy behind the budget is basically wrong is my view. De-indexing old age pensions is not the only thing that is unfair and unjust—the whole budget thrust is slashing so many billions of dollars, $37 billion in purchasing power from middle-income groups and senior citizens, this Government is reducing the ability of those consumers to buy goods and services from Canadian businesses.

On the one hand, the Government is reducing purchasing power, our businesses' market, and on the other hand it is asking those same businesses to create jobs. Moreover, the Government has taken a most dangerous road by putting all its eggs in two main baskets, the first being energy, especially oil energy, and the second being Canadian exports to the United States. From the first basket, oil corporations will be getting a tax break that will total $8.5 billion by the end of the decade.

And I say to the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier): This is a clear-cut and specific example of a choice. The Minister of Finance had a choice, he had two or three options. He chose to give money to the oil multinationals. Thereafter he should not be telling us he has no more money for senior citizens because the deficit must be reduced. He should tell us candidly, honestly that they had a choice to make and they chose one area rather than the other. So he had a choice, and his option means $8.5 billion in tax benefits to oil multinationals. Even considering that eventually certain grants will not be allowed, that is a net cost of between $4.5 and $5 billion in revenue lost to the multinationals by the end of the decade. They are hoping that those multinational corporations will invest, and that this will create jobs in Canada. So much for the first level, the second being exports.

Because the purchasing power of the Canadian people is being considerably eroded, we have to rely on our exports as a means to support our economy. If I am coming back to the subject of the oil companies, it is because their decision whether or not to invest will be determined by the extent of the market as well as the prices. Those, as it is well known, are dictated by OPEC, the Organization of Oil Exporting Countries. As to the market, it will be influenced by the value of the Canadian dollar and the over all growth of the Canadian economy. Well, these variables are quite uncertain, and insisting on putting all our eggs in the same basket would prove very risky indeed for the future of our economy and especially for our young people who are looking for jobs.

Mr. Chairman, recently I read in *Business Week* an analysis which had been prepared as the result of consultations with many experts and which indicated that the price of oil could go down as low as $20 a barrel. Norway has already lowered its price to $26 a barrel, and OPEC has decided to hold its July meeting in June to deal with this emergency situation and to take remedial action in an effort to prevent an excessive drop in price. When I see the Government of Canada investing so much money in one single industry and being forced to burden Canadian taxpayers with such a heavy tax load to pay for the tax breaks given to multinational companies, I very seriously question the crucial choice it has made in this area, because I am not sure at all that it will yield the dividends so often mentioned by hon. members on the Government side.

In another basket are our exports: 75 per cent of our exports are directed towards the United States. Already, Mr. Chairman, the American Congress takes a critical view at foreign exports. Figures for the first three or four months indicate a trade deficit of $11.5 billion. For April, and since the beginning of the year, the trade deficit has reached $45 billion.

Mr. Chairman, when we consider a number of products, we realie how unsound was the choice made by the Minister of Finance. As far as steel, timber, hogs, beef and sugar are concerned—we will certainly have a potato war later on this year—we can expect that as long as the value of the U.S. dollar remain high, very strong lobbies in the Congress will pressure the American administration into imposing quotas. That is why I say that pushing our exports so overwhelmingly is quite a risky proposition and I submit that making this choice so

aggressively that the government had to cut the Canadian people's purchasing power is a huge mistake in terms of economic direction.

You are aware that members on the Government side love to blame the Liberals for the deficit. However, the turning point of this deficit was the 1981-82 crisis, and it occurred not only in Canada, but also in the United States and in most Western countries. When I have discussions with Tory members not only on party matters but also on economic policy, I often ask them: What would you have done at the time to deal with the crisis? Would you have reduced unemployment insurance payments to avoid increasing the deficit? Would you have refused to implement job creation programs during the winter and to provide employment for students? Would you have been content to sit still while people lost their jobs without giving them any assistance? I think that to ask this question is also to answer it. I note that, with a real growth of 4.7 per cent in the Gross National Product, the Conservative Government has maintained the Winter Works program as well as the summer employment program for students. We are witnessing a growth in the Gross National Product. What would you have done during the depression? Would you have said: We have nothing to give; we have to reduce the deficit. I believe that this is unrealistic and this is the cause of our present problem.

As a matter of fact, with a Gross National Product of between $350 billion and $400 billion, I do not think that the President of the Treasury Board (Mr. de Cotret) found a deficit of $7 billion or $8 billion completely unreasonable or disastrous. If that is what he thinks today, Mr. Chairman, if the President of the Treasury Board finds a deficit of $11 billion disastrous, I would like to ask him how come, after being in power since September 4 and saying all those things about it, his Government has come out with a Budget of $105 billion, which represents a larger increase than the increase in the consumer price index. This is all he could do for a Party which has based its whole political ideology on reducing the deficit. They do not even have the courage the limit the increase in expenditures to the increase in the cost of living.

Mr. Chairman, I can see that the time allotted to me has nearly expired, but I understand that our rules will allow me to come back to this matter later on and I shall continue my comments for the information of the President of the Treasury Board.

● (1640)

[*English*]

The Chairman: Pursuant to Standing Order 40(6) shall I rise, report progress, and request leave to consider the Bill later this day in order to announce the late show?

Some Hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Patents—Request for details concerning closing of Patent Office; the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Energy—Closure of Cape Breton heavy water plants—Creation of employment. (b) Request for government action; the Hon. Member for Trinity (Miss Nicholson)—Finance—Investment of pension funds—Budget proposal. (b) Minister's position.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed consideration in Committee of Bill C-51, an Act to provide borrowing authority—Miss MacDonald (for the Minister of State (Finance))—Mr. Danis in the chair.

[*Translation*]

Mr. Tardif: Mr. Chairman, I am also very pleased to take part in this debate. With your permission, I would like to tell this House that before getting into politics, I had the honour of serving as president of a community centre for about 10 years. Thanks to this experience, I have been able to learn about some of the concerns of our senior citizens and to understand them. I think that we would be burying our heads in the sand if we failed to recognize that most of our senior citizens, who are now retired, are from very large families or have many children themselves. Contrary to the present generation and young people today, they have unfortunately not enjoyed the same benefits from society as we have throughout the years. They are people who, in many cases, earned $10, $12, $15 a week and who, with such miserable and dreadful salaries, did not have the same opportunities as our young people today who are covered by all kinds of insurance. Fathers and mothers who then had the bad luck to have sick children, and as I said, families were much larger in those days, had to assume those responsibilities, pay those bills, and were often in debt for ten years or more because of the illness of a couple of children.

They are also people who have experienced something that, of course, we did not know, that is the 1929 depression. Those people have also gone through two major conflicts and have suffered numerous hardships and problems during their lifetime. I think that today, in 1985, those people have reached retirement age and God knows that it is a well-deserved retirement. If anyone ever deserved a happy retirement, it is our senior citizens of 65 and over. They are the ones who, after facing so many hardships and problems, have become apprehensive and suffer from some kind of trauma, and unfortunately those people are more often than not traumatized if their medicine is changed by a simple letter. In a word, they are easily traumatized. They have to plan and prepare their budget months in advance in order to buy not treats but the necessities of life. They realize that the economic situation in our country is difficult and painful. They understand that. But they are not ready to accept sole responsibility. Those people do not agree with the kind of policy often stated since the beginning of this debate, a policy stated by the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) when she said last week: "Our senior citizens can make a sacrifice! After all, they are only asked to give up as little as $1 per day. A dollar a day is not much when one earns $30,000, $35,000, $40,000 or $45,000 per year. It is a trifling sum. However, when $1 a day represents a purchase planned for three, four, five or six months, it is a huge sum. And I think that senior citizens are badly underrated when—

The Chairman: The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) on a point of order.

Mr. Lanthier: Yes, Mr. Chairman. I question the figure just mentioned. I would have liked the Hon. Member for Richmond-Wolfe (Mr. Tardif) to quote the Parliamentary Secretary verbatim instead of quoting a figure. I question the figure he quoted.

The Chairman: I think this is a point of debate but, unfortunately, not a point of order. The Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: For the Hon. Member's information, I suggest he read *Hansard* where the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) states, after talking to senior citizens, that most, if not all, had told her they were quite willing to give up what she estimated would be a dollar a day. I am sorry but that is not the right way to look at this problem, because a dollar a day means a lot more to a person who has to live on what he or she gets from the State than it does to someone who is still on the labour market.

Last week, Mr. Chairman, my colleagues, that is, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) and the Hon. Member for Shefford (Mr. Lapierre), and I had the privilege of attending a meeting organized on the spur of the moment, where senior citizens were asked to come and express their views and their reactions to what the Conservative Government was proposing to do. People came to see us from all over, from the ridings of Mégantic-Compton-Stanstead, Brome-Missisquoi, Sherbrooke, from my own riding and from Shefford. In some cases, these people travelled 75 or 80 miles to come give us their comments, which they did quite spontaneously. In the circumstances, and I am sorry to have to say so, it is very significant, since the elderly are usually quite passive and more inclined to accept a situation. It really takes something very serious to make them react, and in this case over 200 people came to see us to talk about all sorts of things such as: The younger generation today can thank us for all the advantages and prosperity they have and they should remember that we helped to build the Canada they have today.

There were people who told us: Well, this is the month of June and I have already started to save enough to buy myself a dress for Christmas. Some senior citizens told us they had been saving for two months to buy themselves a radio. Others were saving to be able to pay for cablevision. Well, there was a whole series of statements like that in which people made the point that they had to save for months to pay for what we consider to be the basics of our daily lives. They have to save for months to pay for things that to me are absolutely essential, things we take for granted.

Senior citizens told us they would be very hard-pressed to meet the increasing number of obligations society imposes on them.

In spite of all that, Mr. Chairman, the elderly realize the Government has a deficit, that it has commitments and that it wants to create jobs. They realize all that. What they do not understand, however, and I think they have a perfect right not to understand, is when they are asked to make a small sacrifice after the Government decides to change the military's uniforms and increase our arm contingents in Europe, the oil companies get huge exemptions, and the capital gains tax is removed. Well, Mr. Chairman, you will agree that it does not take a Ph.D. or a seasoned politician to understand that there is a double standard here and that the injustice is absolutely flagrant. And the elderly are certainly not prepared to make a sacrifice and tighten their belts in that case, as the Government would have them do.

● (1650)

There is another aspect I think is important and which I think demonstrates the utter meanness of this proposal. Just imagine, someone who is let us say 75 years old and who is told: Listen, tighten your belt, in a few years everything will be o.k. and you will get full indexation. Just imagine, this person is 75. In a few years, that person may no longer be alive, after spending the last two or three or four years of his or her life in a terrible state of mind, paralyzed at the thought of not being able to pay for his or her very basic needs, not luxuries but

basics to which they are certainly entitled because these people certainly have deserved to have a decent life.

In concluding, I may say that the riding I have represented since 1979 has been plagued by many, many problems.

I represent the riding where the major city is Asbestos and no one can talk about Asbestos without thinking about a significant slowdown in mining, particularly asbestos mining. There was a time when the company had 3,000 people on the payroll, but barely 800 are still there now.

I also represent the riding which has been and still is the victim of problems inherent in today's footwear markets. I also represent the riding where many pork producers live. I also represent the riding which experienced a rather serious problem not so very long ago, as Members may recall, the possible shutdown of Domtar operations. As you may have noted there are quite a few problems in my riding but, over the past six years, notwithstanding all those problems, obstacles and economic woes, I have to say that never did a single issue raise such interest in my riding. Never did such a problem prompt so many people to come to my office and tell me: It is unacceptable, it does not make sense, do something about the terrible measure the Government wants to take.

All those problems no matter how crucial never generated as much energy and efforts as people are showing and making in connection with the old age security pensions deindexation.

In conclusion, it seems to me that if we were to stop and consider the issue for a moment, as my colleagues so eloquently suggested, we could identify, image or invent a mechanism which would enable the Government to look elsewhere for the money it wants to take away from the elderly, to get the money from wealthy and well-to-do people so as to protect senior citizens and give them the security they so richly deserve, senior citizens who are entitled to get what appears to me under the circumstances to be the vital minimum, something which is basic and quite essential.

[*English*]

Mr. Boudria: Mr. Chairman, I would like to speak briefly to this amendment to the borrowing Bill that was moved this morning. We are now discussing the Government's budgetary measures and its ability to administer the funds that it is asking the House to give it.

The people of Glengarry-Prescott-Russell are not at all satisfied with the way the Government is managing the funds given to Parliament. The western region of the riding that I represent lies near the National Capital of our country and, therefore, a large number of federal public servants live there. During the last election campaign, many promises were made by government Members. In this document to which I have referred on several occasions, I have outlined 338 promises which had been made to the people of Canada and many of them to the people of the National Capital area, the people who work for the Government.

We saw in the recent Budget cut-backs in federal employment. I do not seem to recall during the last election campaign hearing Conservative Members stating, "Vote for us and you will be fired". I do not recall the Hon. Member for Ottawa-Carleton, the Hon. Member for Ottawa West and other Hon. Members who represent the National Capital Region ever having stood up to the Minister of Finance, the Minister of State for Finance or the Parliamentary Secretary to the Minister of State for Finance to say that that is not right and that the people of the ridings that they represent did not vote for those measures. They voted for a specific group of promises which were made. However, the Government is not delivering. Why is it that Conservative Members who have ridings in the National Capital Region are not speaking on behalf of the people who voted for them in the last election?

• (1700)

As we move farther away toward the eastern end of the National Capital Region, in the constituency which I represent, the standard of living decreases considerably. There is higher unemployment, which is not uncommon in other constituencies, and the people have very little money to spare. Those people have to live with a Government which has increased the price of gasoline and decreased the purchasing power of senior citizens' pensions. At the same time, the Government is squandering money on all kinds of other things, for itself, its friends and its relatives.

There is a capital gains exemption which a parliamentary committee had requested for the farmers of the country. The Government has now extended that exemption to people who own yachts and condominiums in Florida. Why is it that the Government has enough money to give a break to the people who own a condominium in Florida, when it has no money to assist the senior citizens?

The priorities of the Government are wrong. The people of my riding do not agree with the measures which this Government has taken. I am sure the majority of people in every riding of the country feel the same way. If Conservative Members were not muzzled, they would want to speak on this issue. That is okay. Those Members cannot stand and speak on the issue, so opposition Members will have to repeat it more often. We will do it on their behalf. Perhaps we could call them proxy speeches.

The Right Hon. Leader of the Opposition stated on Budget night:

> It is a Budget of broken promises. It breaks the trust Mr. Mulroney said he was going to have with the Canadian people. It hits the average Canadian very hard.
>
> It doesn't come right out and hit him, it does it in a sneaky and gutless way. The Budget lacks courage.
>
> A Budget is not just a bunch of numbers. A Budget has to do with people and jobs, with human careers and with meaningful life.

When I look at the priorities of the Government, I can easily understand why Disraeli once said that a Tory Government was organized hypocrisy. The Government made many promises to the people of the country and it has failed to deliver on those promises.

I would like to quote the first promise which was made to senior citizens by the Conservative Party during the last election campaign. It reads:

> Reinstate complete indexing of Old Age Pensions to the actual cost of living, as of January 1st, 1985.

That was a specific promise which was made by the Leader of the Conservative Party of Canada last August. The Prime Minister is now breaking that solemn promise. He is breaking that promise along with hundreds of other promises. The Government has no money for senior citizens, yet it has money to squander on other measures.

The debate today is about fairness. That is the issue about which we are talking. The Government wants to reduce the pensions of our seniors by 3 per cent. Opposition Members are saying that if that is the case, the Government can cut its expenditures by 3 per cent. We know that the people of Canada who are receiving Old Age Security in the amount of $276.34 a month cannot afford to give up any part of that cheque.

The Government is telling us that it will create jobs. As interesting as that may be, what is the policy? Is it a policy which tells our senior citizens to go out and work? If not, why are we asking senior citizens to contribute toward job creation? Most grandparents whom I know are beyond age 65 or age 70. They are not looking for jobs. Most of them are unable to work. As a society, we accepted long ago that those people should receive their pension and that the pension should be universal. That universality should not be destroyed at the rate of 3 per cent a year by the Conservative Government.

Why does the Government want the money? Yesterday I spoke about some of the squandering which is going on, the abuses and the appointments of relatives and friends. Today we discovered, through the media, that the secretary of State for External Affairs has published a book. The book is entitled: *The Right Honourable Brian Mulroney, Canada's eighteenth Prime Minister.* It is rather unusual that the book was printed by the Secretary of State for External Affairs, for reasons which we all know. The book has many pictures of the Prime Minister. I am sure that hundreds of thousands of dollars were spent on it. In order to restore every senior citizen's pension in my riding, it would cost only $60,000 for one year. The Government should scrap the book, take the funds and give back the pensions to the senior citizens. I would like to quote from the book. It reads:

> The work of raising living standards, creating opportunity and recognizing the equality of human beings is one to which we are committed—

The Prime Minister said that. What happened to the Prime Minister who was committed to equality? This book was written very recently. The ink is probably still wet. The same Prime Minister and his Minister of Finance, who were committed to equality and improving the standards of human beings, are now reducing the pensions of seniors. On page 2 of the book there is a lovely picture of the Prime Minister in his office. On the third page, the Prime Minister is quoted as saying:

> There is no obligation more compelling, no duty more irresistible in Canada and around the world than to ensure that our minorities, linguistic and otherwise, live at all times in conditions of fairness and justice.

● (1710)

Of course, we know that that was seconded by the Hon. Member for Winnipeg-Assiniboine, the whole view about linguistic minorities and otherwise.

This document talks about equality. It talks about protecting people. However, this Government acts in a completely opposite way. There are pages and pages in this document about money which was spent by the taxpayers of Canada to pay for the extravagance of this Government. The Government says we should give it some money. My constituents think otherwise, Mr. Chairman.

I tabled in this House yesterday a petition signed by many people from my riding. I have another petition here which I will be introducing in the House tomorrow. This petition was signed by the senior citizens of L'Orignal, Ontario. These people, like many other people across this country, object to the cut in the purchasing power of their Old Age Security cheque which the Minister of Finance and the Prime Minister want to perpetrate on them. The Minister of National Health and Welfare has said in this House that no one wants to cut anything.

What the Minister of National Health and Welfare is doing in this House and elsewhere is trying to convince the people that the Government is not cutting their cheque. He is saying that the cheque will not be less, it is just going to be increased less. In other words, if the cost of living increases by 5 per cent, the pension cheque will be increased by 2 per cent.

I see the Parliamentary Secretary to the Minister of Finance sitting across from me and I know that he will want to set the record straight, so let me do it for him, Mr. Chairman. I am sure he will agree with me, being an economist, that if inflation increases by 5 per cent and the pension cheque is only increased by 2 per cent, no matter how you cut it, the purchasing power of that cheque is decreased. There is no other way of looking at it. For the Minister of National Health and Welfare and the Minister of Finance to try to somehow get the senior citizens to believe that this is not so is not being perfectly honest. They know that our senior citizens know better. They know that if the cost of living increases by 5 per cent and their cheque is increased by 2 per cent, then a step backward of 3 per cent has been taken. That is easy for senior citizens to understand and just maybe this Government should give our senior citizens a little bit more credit. They have been around far longer than myself, the Minister and his Parliamentary Secretary.

Of course, our senior citizens are quite aware of what is going on and that is why they are protesting this measure so vehemently. The Minister of Finance and others are saying that the Opposition Parties are prompting the senior citizens of this country to rebel agains this budgetary measure. I ask you again, Mr. Chairman, is the Government giving the credit due to our senior citizens when it thinks that anyone can stand anywhere and say anything and that the senior citizens will

believe it? Is that all the credit and respect the Government has for the seniors of this country? It seems so, Mr. Chairman.

This Government refuses to believe that if the senior citizens are asking for something, it is a legitimate request. The Government refuses to believe it. It thinks it is the fault of the Opposition, but it is not the Opposition who wrote that Budget. It was the Conservative Government and those Hon. Members opposite who right now are hiding their heads in shame over this Budget. I don't blame the Members of the Government I see seated in the back rows on the Government side, almost with tears in their eyes over this Budget. If I were a Tory right now, I would be embarrassed as well. Heaven forbid that would ever happen, Mr. Chairman, and I am sure it won't. It is said that happiness is never having to say you're Tory, and I intend to remain happy.

Mr. Côté (Lac-Saint-Jean): You were born to be in Opposition.

Mr. Boudria: The Hon. Member opposite says that I was born to be in Opposition. The Tories accused the previous Government of being arrogant when it was in power. Their Government, after nine months, has lost total respect for democracy and for this House when that Member makes statements like that. If that Member does not even know that one gets to be in Opposition by a situation which happens in other ridings other than one's own, then he has failed to understand how this Parliament works. I was not elected to be in Opposition. I was not elected to be in Government. I was elected to represent the people of my riding, and that is what I am doing in this House. I am speaking on their behalf and perhaps the Hon. Member opposite who just made that remark should take the same initiative. He should rise and put his money where his mouth is and say whether he thinks the people of his riding are in favour of that Budget or against it.

[*Translation*]

Mr. Chairman, then and only then will the electors of his riding know and understand the position of the Hon. Member opposite.

Mr. Chairman, I am waiting impatiently to listen to the speeches and comments of all Conservative Members of the House. I am afraid however there will not be many because we know they are ashamed of their Minister of Finance (Mr. Wilson) who produced such a terrible Budget.

Mr. Robichaud: Mr. Chairman, I suggest all those speeches are very interesting, but I feel sad when I listen to them. What is basic to all those speeches is the will to stop the Government for a few moments, perhaps a few hours, while trying at the same time to make Government Members realize the seriousness of what they are doing about de-indexation.

This Government's intention to limit the indexing of Old Age Security pensions is irresponsible for all practical purposes. Admittedly, Mr. Chairman, a new government, an inexperienced government can make mistakes. But that kind of mistake is unforgivable. So much so that senior citizens across the land are launching campaigns against a Government that should be defending them, in order to have it back down.

In my own Province of New Brunswick, the movement is gathering speed. The New Brunswick Federation of Senior Citizens last week sent a very clear message to the Progressive Conservative Government. In a press release issued on behalf of its 30,000 members, the Chairperson of the Federation, Mrs. Edna Bourque, stated that recent changes announced by the Federal Minister of Finance are seriously disturbing the peaceful life and severely affecting the quality of life of senior citizens.

Mr. Chairman, the New Brunswick Federation of Senior Citizens is a very important association. As I said, it has a membership of 30,000, and speaks for 265 senior citizens' clubs who have joined the Federation to date. In other words, this Federation is representative of all senior citizens in the Province of New Brunswick.

There is no doubt that the members of the Federation feel that this Government's proposal is cruel, insensitive, and even immoral as it was said. If this Government would listen or had listened to what senior citizens in Canada had to say, certainly it would be ashamed of ever having proposed to de-index old age pensions. Senior citizens have come to me, saying the Government had no right to ask senior citizens to make sacrifices. I was told: "Who do they think they are to decide that senior citizens must make sacrifices?" Mr. Chairman, history tells us that the people being asked once again to make sacrifices are the very same people who have lived through the Great Depression of the late 20's and early 30's. They have also been through World War II. When I think of all the sacrifices which those people have had to make, I do not feel we should or can force them to live through more years of poverty, because a very large number of our senior citizens already live below the poverty line. In New Brunswick, to be more specific, more than 73 per cent of our senior citizens live below the poverty line. How can we, how can a Government dare reduce the income of people who already do not have enough? In terms of dollars, de-indexing old age pensions means that within five years, by 1990, a person living alone will lose something like 15 times $100, and of course married couples will lose twice as much. Now, Mr. Chairman, I do not think that our elders who worked stubbornly to build this country deserve to get so little consideration from their own Government, a Government they would have preferred to trust but in which they can have no confidence of any kind any more. Senior citizens now realize that they have been literally betrayed by the Progressive Conservative Government. That Government was committed to fully index old age pensions to the cost of living effective January 1st, 1985. The Government also made the commitment that no saving from program cuts would be used to reduce the deficit. That was the commitment this Government made to all Canadians. But with their plans to limit old age pension indexing, Canadians have realized that

this Government has taken them for a ride, that it did not tell the truth. They have realized that this Government has no concern for us Canadians, especially senior citizens.

• (1720)

Mr. Chairman, this simply cannot be allowed to go on unchallenged. We cannot accept that a government should make fun of us and of Canadians in such a way. Our elders are very much aware of this Government's scheme, they knew they were betrayed. In an interview with the *Times-Transcript* in Moncton, the Chairperson of the Federation of Senior Citizens has stated, and I quote:

[*English*]

The organization will start making waves from the Atlantic Ocean to the Pacific Ocean as it launches a campaign against a move which broke sacred trusts and sacred promises. We draw the line at sacred promises as internal peace and tranquility are very important at our age. We cannot understand how a political party could dare do such a thing.

[*Translation*]

What is worse, Mr. Chairman, how can the Minister of Finance and the government claim that our senior citizens are fully backing their proposal when in New Brunswick alone, 76,000 of them are against it. In fact, they object so strongly to the Government's proposal that they are ready to start a campaign against it.

Therefore it is wrong to claim that our senior citizens are in favour of such a change. Over the past weekend, Mr. Chairman, all hon. members representing New Brunswick ridings were invited to attend a meeting. I must say that all those who showed up were against the measures which the Government is contemplating. It goes without saying, therefore, that nobody in New Brunswick is in favour of this proposal.

Finally, Mr. Chairman, I must confess that I am somewhat perplexed when I see what is going on. To me no one can tamper with the indexing of Old Age Security Pensions. That is something Hon. Members opposite know as well as I do. Yet, I wonder why they took a chance with a proposal which they know would prove extremely unpopular with the Canadian people? Tell me why?

I could suggest a somewhat simple and obvious answer. One might be inclined to believe that the Government was setting a trap for us and the Canadian people in general. And we almost fell into that trap. On May 23rd, the Minister of Finance announced a series of unacceptable measures. One of the most unfair was of course the proposed desindexing of Old Age Security pensions. It was not long before people reacted, and rightly so. But while we are debating an issue on which the Government will have no choice but to back down, this session of Parliament is coming to an end, something for which the Government is delighted, because all the other pieces of legislation which are dangerous for us as Canadians and for our economy, will be quickly passed without any time left to discuss them.

In New Brunswick, beside the pension problem, there is a $100 million cut in regional development, a $75 million cut at least in the transport sector which for us is of the utmost importance. Also a $25 million cut in the area of fisheries. Gas price increase will result in additional costs for all our small and medium sized businesses.

The reduction in provincial transfer payment, the freeze of unemployment insurance benefits, the imposition of a surtax, all these measures are just as important and just as unacceptable as the deindexing of pensions.

Mr. Chairman, judging from the breadth and scope of the debate on old age security pensions, it would seem that the Progressive Conservative Government will be busy this summer and will have to beg forgiveness from the Canadian public for having had the audacity to propose policies which go against the interests of Canadian citizens. The pension issue shows that the Canadian people know what they want, and what they want Mr. Chairman, is to have fair and equitable policies.

• (1730)

[*English*]

Mr. Manly: Mr. Chairman, I welcome this opportunity to make a few comments on the $18.2 billion borrowing authority requested by the Government. We have not received any satisfactory answers about what use will be made of this money.

At the same time that the Government is asking for $18.2 billion, it is coming forward with some very repressive measures. It is implementing cut-backs to senior citizens while it continues the pattern of Government waste. Cabinet Ministers are still using the private government jets to go to different parts of the country when they could use Air Canada.

It is reported in the newspaper that the Government will distribute a glossy External Affairs brochure featuring the Prime Minister in 18 pages of colour photography. The presidential style of the Prime Minister, the patronage appointments and this kind of Government waste contrasts rather sadly with the shabby way in which it is treating the senior citizens of this country. The mean spirited approach of the Government contrasts to some of the genuine improvements previous Parliaments have made to the living conditions of the seniors.

The Government's proposed 3 per cent cut-back in indexing of the Old Age Security program means that next year seniors will be receiving $100 less than they should have received if that indexing had continued. By 1990 they will have lost some $1,500 if deindexing continues.

A debate on this subject is taking place within the Conservative Party. Perhaps it is best typified by my friend, the Hon. Member for Victoria, who is a representative of many seniors in that community. He has had the courage to speak up within his Party and say that he believes that what the Government is doing is wrong. I presume that he does this from a convergence

of two factors. First, he naturally is a man of compassion who can see what this measure will do to his constituents. Second, he is a man of reasonable intelligence who can read the political writing on the wall. The combination of these two factors, compassion and the ability to see what is happening politically, lead him to stand up and say that this is a proposal that is absolutely contrary to the wishes and best interests of his constituents and indeed all of Canada.

There is a saying in the scriptures that the fear of the Lord is the beginning of wisdom. Perhaps Members opposite should begin to realize that a healthy respect for the wishes and views of the electorate might be the beginning of political wisdom.

It has only recently become clear that Members such as the Member for Victoria have lost this debate. It seems that the Minister of Finance is taking a hardened position and will not rescind the unpopular and regressive proposal to partially deindex Old Age Security. There might be a possibility of double indexing the Guaranteed Income Supplement. The Conservatives might try to pretend that this will solve the situation, but that is not the case. It may help those who are most adversely impacted at the very bottom of the scale—a great many Canadians are living in poverty—but it will not help those who are just above the poverty line and do not receive the Guaranteed Income Supplement. They have planned for their retirement, perhaps put some money aside and have another pension income to keep them slightly above that Guaranteed Income Supplement. The Government is mistaken if it believes it can solve this problem and get out of its political dilemma while retaining the cut-backs to the Old Age Security. Those Canadians who are just above receiving the Guaranteed Income Supplement will not be assisted and will be pushed further into poverty.

Our Party is making the case very strongly that the Government should not take a half step in retreat but should do the honourable thing, recognize that it has made a mistake and back right off. I am reminded of a song about Big Muddy. An American platoon sergeant who was leading his platoon down a path suddenly found himself in the middle of a swamp. Rather than having the intelligence to turn around, as the song depicts the historical example, "The big fool just kept right on marching". Similarly, rather than marching the Canadian people deeper into big muddy, the Conservative Government should have enough intelligence to recognize that it is taking us deeper into the swamp and it is time to turn around.

During last summer's campaign, the Prime Minister recognized and promised indexation of Old Age Security. The Minister of National Health and Welfare recognized that as a necessity last January. He said there was no need to make any alterations to our Old Age Security provision.

The Prime Minister, the Minister of National Health and Welfare and the Minister of Finance have given different explanations for this measure. First, they came up with the rather preposterous suggestion that seniors themselves favoured this move. They said that seniors recognized that there was a need for some sacrifice in order to cut the deficit and the country moving again and they were rushing forward in support of this budgetary measure. Of course, when the Government was challenged to name one organization of senior citizens who supported this move, it was unable to do so.

The fact is that seniors from one end of Canada to the other are solidly opposed to this proposal, with good reason. It is doing them damage. It is undercutting their standard of living. When the Minister of Finance saw that this explanation would not be accepted, he made the statement that the Government had no option because it had to reduce the deficit and find funds to create jobs. He said that the only way they could do that was to cut back on the Old Age Security to senior citizens.

• (1740)

Mr. Malone: Where would you cut?

Mr. Manly: The New Democratic Party gave five options. We indicated that there was not only one area but other areas from which the Government could raise revenues and cut the deficit. We suggested, for example, that the Government could begin to charge interest on some of the deferred taxes.

Mr. Malone: At what rate?

Mr. Manly: We will be glad to hear from the Hon. Member later on if he wants to speak on Bill C-51. I have not heard too many Conservatives speaking on it. They seem to feel a need to heckle, but they have not been willing to rise and speak. They are all a little microphone shy when it comes to standing and defending the Minister of Finance and his proposals.

We also suggested that there could be a minimum tax levied on the rich. Instead of waiting until 1986, the Government could have brought it in now, as was promised last year. The Government could have eliminated the capital gains exemption, or at least tightened it up. This will allow some people to get away with $125,000 in taxes which they might have otherwise paid. In fact, the Government could have cancelled the windfalls to some of the oil companies.

Mr. Malone: What windfalls?

Mr. Manly: There are many areas in which the Government could have taken action to reduce the deficit. Instead, it is prepared to take 3 per cent from Old Age Security recipients next year. I do not think that is the way the Government should be operating if it is interested in justice, as it said it was before it was elected.

Today we heard the Hon. Minister of Finance say that the Government requires a growing percentage of its budget to make interest payments on the deficit. The Government emphasizes that it does not have any options, but we want to emphasize that it has options.

We seem to have returned to a situation which existed in some rather primitive economies—when there was trouble they looked for human sacrifices. For examples, people were buried under London Bridge, and our senior citizens will be buried under the fiscal policy of the Government. They will be sacrificed for the Government's fiscal needs, as it sees them.

Rather than taking a realistic look at the total economy, seeing what needs to be done and what action it could take that would result in justice for everyone, the Government singled out senior citizens as a group which it thought would quietly and passively accept cuts. Indeed, the Government has announced that seniors were in favour of it.

I should like to read a letter from one of my constituents which was directed to the Hon. Minister of National Health and Welfare. We have heard Hon. Members refer to very similar letters today. This letter is not an untypical one. I am sure Hon. Members on all sides of the House have been receiving such letters, although I have not heard any Conservatives reading from such letters, or even reading from letters expressing the opposite point of view. They have been very quiet. The letter reads:

Dear Sir:

My wife and I watched and listened (CBC *The Journal*), June 5, 1985) to your response to the criticism being levelled at you and the PC Government for your inconsiderate, ill-conceived action regarding pension indexing for old age pensioners.

You are apparently assured that you have the support of the majority of the old age pensioners? Then, Sir, you are either naive or you have been grossly misled. Are we to sit back idly and watch our standard of living decline year by year? Do you really believe in the welfare of the elderly? Your actions clearly suggest otherwise!

Please allow me to quote some examples of how our standard of living is being steadily eroded. We will quote personally.

A number of areas were outlined in which senior citizens are facing very difficult situations because of increased costs. I should like to list them. Income tax in British Columbia is up 8 per cent in 1985 to raise funds to replace extra billing on medicare. The letter indicates:

Please note we are still being extra billed. We pay twice. This wiped out our supplementary allowance.

British Columbia medical premiums were $204 in 1981 and are up almost 100 per cent to $384 in 1985. The British Columbia hydro rate is up from $40 monthly in 1982 to $53 monthly in 1985. The British Columbia telephone rate is up 4 per cent, as of May, 1985, in addition to the 6 per cent raise in 1984. Property taxes are up $73 for 1985.

Mr. Malone: Who increased those?

Mr. Manly: The letter continues:

Then of course you can consider food costs which continue to rise.

I heard the Hon. Member ask who was responsible for raising property taxes. I presume they were raised by the municipalities. The point being made in this letter is that all costs are rising and senior citizens are having a difficult time making ends meet with the present pension system and with continuing inflation. A cut in the indexation of the OAS is cruel and will make it even more difficult for them. In conclusion the letter reads:

Your present indexing fails to keep abreast of costs. Should you remove it? You do not require us to describe the hardship you are prepared to inflict upon seniors.

We suggest, tactfully, that you and your colleagues stand by and honour your election promises. We trusted you. Are your promises nothing but political rhetoric? We sincerely hope not.

This letter typified the answer of seniors to whether or not they are willing to sacrifice their pensions. The point which needs to be understood by Hon. Members on all sides of the House and by all Canadians is that seniors have already sacrificed. They are the people who lived through the depression. They are the people who were active in the Second World War. They are the people who built and sustained our nation's wealth following the Second World War. They have already made their sacrifices. Now they should be able to live decent lives with decent incomes.

Before my father died he often remarked that his life was easier when he was on pension than at any previous time. That says two things about my father and about his generation generally. First, it says that they did not have an easy time of it. They had to struggle and put up with the depression. They had to enlist in the Canadian Armed Forces. They had the responsibility of raising families in the difficult days following the war. Second, it says that at some point in the past Canada made a commitment to these people and kept it, that they should have a decent pension scheme.

We can always find ways in which to improve it. We owe a great debt of honour to the man who celebrated his seventy-seventh birthday today, the Hon. Stanley Knowles. He was always talking about the need for improvement in the pension plan. Mr. Knowles still sees a number of areas in which improvements are required, as do Hon. Members of my Party. However, right now we are fighting to maintain what has been built, up to this point. Instead of looking for ways in which to improve the system, the Government is undercutting, cutting back and eroding the basic standard of the Old Age Security. Canadians do not agree with that. They say that we should continue to provide a decent income for our seniors. They have been getting that message across to the people on the Treasury benches, yet there seems to be an unwillingness opposite to hear what is being said, or at least to act on it.

The Liberal amendment moved this morning indicated that we should show the Government what it means to be cut back by 3 per cent, by cutting back the borrowing authority for $18.2 billion by 3 per cent. I agree with that kind of symbolic action which might make the Government realize how serious a 3 per cent cut-back is for the seniors of the country.

● (1750)

In the 1960s when the Americans invaded Cambodia they said that they had only gone 20 miles into their territory, that it was only a symbolic thing. Then a bunch of yippies from around Vancouver decided to have a symbolic invasion of the United States south of Blaine. The Americans reacted quite differently in that circumstance. The Government reacts quite differently when it is proposed that its borrowing authority be cut back by 3 per cent as compared to how it acts in response to a proposal that the Old Age Security of seniors be cut by 3 per cent.

The Government has not given adequate reasons for the borrowing of $18.2 billion. I believe that the borrowing author-

ity should be cut back by 3 per cent, just as the Government is trying to cut back on seniors.

[*Translation*]

Mr. Isabelle: Mr. Chairman, I am very happy to say a few words on Bill C-51 on the borrowing authority of the Government. I rise to speak today because I was quite surprised to realize that, if the Government now finds itself in such a situation, which represents an important political impasse in my opinion, it may be because it has forgotten the basic facts of politics. However, I do not want to make a political speech. I simply want to point out to the Government that, in deciding to give a new direction to our economy, it might have wanted to operate like a private business. I know that many of my honourable colleagues on the other side come from the private sector and I give them credit for having tried to improve the economic situation in Canada. However, what I do not understand, Mr. Chairman, is that they would have used all kinds of tricks to suggest to all Canadian men and women that they were going to create another garden of Eden where everyone would be content, both the rich and the poor, where we would all be one happy family, the economy would prosper and everyone would be happy. This is why the Canadian voters placed their confidence in this Government and elected the party now in power with a large majority last September 4. I know that, on the hustings, people often say, without making formal promises, that they will implement programs with which the voters will be happy and which will make them feel better about living in this country, and this is often why the Canadian public votes as it does. The public made a choice, but unfortunately, as soon as this choice had been made, the Government brought down its first Budget and seemed to discredit itself in the eyes of the population and harmed its own credibility.

The present problem is a political impasse about the deindexing of old age security pensions. I think that the Government made a mistake. The reason is simple. During the campaign, the Members opposite said that everything would stay the same as before, but everything did not stay the same. This has eroded the confidence of people who have no other means to provide for themselves then the pension they have earned after many years and which has been adjusted to the cost of living as the consumer price index has increased.

I would like to say that the indexation to cost of living is a choice that was made by the Canadian society. It was a choice because had it not been . . . And that may be the reason why we have such a huge deficit in Canada, because we have decided to compensate some members of the Canadian society who were retired, who could not earn any income any more and who were powerless in the face of inflation, we have decided to grant them this surplus in order for them to share the life enjoyed by all other Canadians.

So, in effect, Mr. Chairman, it is a choice that was made by the Canadian society as a whole. Obviously, the consumer price index has varied widely from one year to the other. Presently, it is perhaps 5, 6 or 4 per cent. It may climb to 5 per cent at the end of this year. In any event, what is important, the bottom line is that we wanted to give some measure of protection to those whose sole income is their retirement income, to add a little supplement so that they can have perhaps a certain measure of comfort in the final stage of their life.

We are dealing here with people who are absolutely powerless, and that probably explains why, the other day, when I went to the Maison du Citoyen in Hull, where 300 or 400 old age people were celebrating with a banquet the closing of their annual Old Age Week, there was such an outcry against the government's attitude and the measures that have been taken in the Budget concerning the deindexing of the Old Age Security Pensions.

Mr. Chairman, I believe we do not have any right to hit members of the society who cannot defend themselves, and yet this is a political mistake because these people represent 20 per cent of the population. They are a political force we could use. I am sure these 20 per cent will remember for a long time to come the attitude of this government, whatever that attitude may be, toward older people. I believe they will not forget easily and they will pass along to the future generations the memory of that injustsice that was perpetrated to them in this Budget.

It is a matter of basic, fundamental principle for the Canadian society.

I would like to deal briefly with the Public Service, Mr. Chairman. I am familiar with this issue since I live in this area. I have always dealt with people working in the Public Service and you can rest assured . . . There are 102,000 public servants here in the Ottawa-Hull area, peple who work for the Federal Government, and it can be stated that the Federal Government is practically the engine of economic growth in the National Capital area, what with 102,000 direct jobs and all the spin-offs that are created in the whole economy of the region. If my memory serves me right, already in 1979, when the Progressive Conservative government was elected, it was stated that 60,000 jobs would be cut from the Public Service as a whole—and some are saying today: "We should never have said that, that is why we were beaten in 1980". They said then that it would be done by attrition, that nobody would be fired. However, public servants are human beings, they are very vulnerable, very sensitive persons and they are people who must be able to count on something sure when they want to start a family, to establish a home and to plan for their future. So they were told that 60,000 jobs would be cut-off. This 60,000 cut was never done for the simple reason that that government was not reelected at that time. But it seems the philosophy has not been forgotten. A lot of anxiety was created within the Public Service and it seems it is starting all over again. So they said it will be 15,000, but it actually works out

to 30,000, because in the normal course of events, 15,000 would have to be hired, but this number will be cut as well as the 15,000 that will be cut right away, so for all practical purposes, Mr. Chairman, this means that about 30,000 jobs are being cut in the Public Service. How they are going to do that? A number of approaches have been tried. They started by saying they were going to get rid of the Patent Office. That worked for a few weeks, but when there was a general protest, the Minister told everyone not to get upset, everything would go on as usual, only a few changes would be made and the planned cuts of 250 or 300 jobs would not be implemented.

• (1800)

Once again, the Government was forced to retreat as a result of general protest, in an area as important as the Canadian Patent Office. So now the Government has reversed its position on the Patent Office and on the universality of pensions. At one time they were strongly in favour of abandoning universality. But here again, they said: Since we are governing by consensus, well it seems Canadians do not want to de-universalize, so we are going to maintain universality.

Now they have another problem, and this afternoon in my riding I was told that at the Queen's Printer at the Department of Supply and Services, they were cutting 325 jobs. Another general upheaval, people crying, others getting angry and others again completely at a loss what to do. Some employees want to leave, others want to drop their careers entirely and are on the brink of a nervous breakdown. I remember when back in 1979, the Government at the time had decided—

An Hon. Member: The Conservative—

Mr. Isabelle: —the Conservative Government, of course, . . . had decided to cut 60,000 jobs, I remember—

An Hon. Member: Who suggested that?

Mr. Isabelle: The Conservative Government, 60,000 jobs. And that reminds me of the years under R. B. Bennett, during the Depression, when people from as far away as Vancouver and Halifax and Newfoundland although Newfoundland was not in Confederation at the time people came from all over Canada to go on a hunger march—

The Assistant Deputy Chairman: Order. The 20-minute period has now expired. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Chairman, the Parliamentary Secretary . . . The subject matter of the Bill before the House is Government borrowing, and obviously, the $18 billion is going to be used in many ways. We cannot really give a breakdown and say that the amount borrowed is going to be used for a given type of expenditures or a given type of financing. It is much broader than that.

I would like to ask him: Since the proposal to de-index Old Age Security pensions was included in the Budget and, unless the Government changes its mind, is to become effective on January 1, assuming that inflation rises above 3 per cent—and I think that is a very reasonable assumption, because the projections we were given by the Department of Finance indicate a rate of inflation of more than 3 per cent— what is, according to the Department of Finance, the projected savings to the Government for the years 1985-86 and 1986-87? In other words, if the Old Age Security pension is not indexed for the first 3 per cent, how much does the Government stand to save during the months of January, February and March 1986, which is the end of the current fiscal year and how much over fiscal 1986-87?

Mr. Lanthier: From the outset, Mr. Chairman, I should like to correct immediately one aspect of this issue. Since the debate began this morning God knows how many times we heard the word deindexation, which is not mine.

What we in the Department of Finance came up with is indeed guaranteed indexation. It is a guarantee that anything over 3 per cent will be indexed. So please let the record show that what we are now advocating is a long-term measure which will guarantee that anything over 3 per cent will be compensated by the Government, and this is nothing like what happened in the past when people were worried about soaring inflation and had to stand the impact of an inflation increase of nearly 6 per cent in single year.

Secondly, in direct answer to the question: How much would the Government save in the fiscal year 1985-86? According to our advisers here it must be pointed out the savings would be for a three-month period only since the measure would be in force as of January 1. Once in force we would have to include the 3 per cent in absolute figures while keeping in mind as well this statement taken from the Budget speech: "The Government will review the adequancy of payments in light of future circumstances and will increase them as resources permit". So we are going to give the basic 3 per cent, but there is more than that because our policy will be to help those who need most rather than try to help everybody. In answer to the question then, savings during the fiscal year 1985-86 would not amount to much more than $15 million, but they would rise to some $245 million for the fiscal year 1986-87.

Mr. Garneau: Is the Parliamentary Secretary trying to tell me that we are shifting the whole parliamentary machinery into gear and that senior citizens throughout Canada are joining the debates, yet we will save only $15 million in 1985-86?

An Hon. Member: A threat against their security!

Mr. Garneau: A threat against their security . . . Let me finish, I will get back to that.

Mr. Chairman, that is the figure I wanted to have from Department officials. We had our own figures but were unable to have them confirmed. Now they are confirmed. The Parliamentary Secretary may very well claim that the purpose of this measure announced in the Budget is to index anything over 3 per cent. What is at stake here, Mr. Chairman, is a lot more than the 3 per cent, for what it is in fact is an attack through the back door against the universality of social programs.

However, I do not want to go into that again today. The Parliamentary Secretary knows full well that a limited program was implemented because inflation had been rampant for three, four or five years. Under a rationalization program, workers were asked to restrict their salary increases to 6 and 5 per cent, while the indexation of tax tables were restricted to 6 and 5 per cent and a ceiling of 6 and 5 per cent was put on everything. Everyone was on the same footing for a specific number of years. It was two-year program. Another legislation would have had to be passed by another Parliament in order to extend it, whereas the deindexation bill now under consideration is introduced as a long-term measure—

It is all very well for the Minister or the Parliamentary Secretary to say that if conditions improve, old age security pensions will be increased and more money will be paid. But that is not what we are being told at present. We are told that the first 3 per cent of the OAS indexing will be lost. And if inflation exceeds 3 per cent, of course, only that part will be covered. I do not want to complicate matters and try to suggest that pensions are cut by 3 per cent, but future indexing will be restricted. Instead if things are left as they are, senior citizens will be protected and there is no problem.

• (1810)

An Hon. Member: Those are only promises.

Mr. Garneau: This is not a mere promise, it is in the legislation. If nothing is done, they are protected. They are taking some action and then would have us believe that they will be better protected. But I am flabbergasted when I find, for example, tax measures, on pages 18 and 19 of the government's Fiscal Plan. When they were told that the deficit must be reduced in 1985-86, they removed the indexation which would cost $15 million, and then the Minister of Finance during the oral question period this afternoon was almost crying when he said that the deficit was substantial, that steps had to be taken to control the $15 million deficit in 1985-86. They have no money left for seniors. On page 19 of the government Fiscal Plan, with regard to the tax exemption on capital gains, do you know how much the government is losing by granting that exemption? Three hundred million dollars in 1985-86 and $600 million in 1986-87.

And that is precisely the point I tried to make during the question period. And then the Parliamentary Secretary gives us another opportunity to prove once again that if instead of granting exemptions to individuals who made capital gains . . . As far as I am concerned I don't want to fight tooth and nail over this, but if we were to plug . . . and mind you, we would not have to plug too many loopholes to find $15 million out of $300 million. If the government at least took a positive step stating its intention to limit the tax exemption on capital gains to those made in Canada. If the government wants to create jobs this way, it should create them in Canada and not the United States. If it could at least limit the benefits to capital gains made in Canada, the Parliamentary Secretary might consider other solutions. Let us suppose, just for argument's sake that the Parliamentary Secretary has a boat or a yacht riding at anchor on Lake Champlain which is registered in the United States. Having paid $100,000 for it, let us say he sells it for $150,000, something which is quite common with this kind of thing. If the government has its way, the tax exemption on capital gains would be $50,000. For the time being, it is only $10,000. There is not one single Progressive Conservative member who will make me believe that these $50,000 in capital gains made by a Canadian selling his boat at anchor South of the border in Lake Champlain, will create jobs in Canada!

That is why I am saying that if we could partially plug this capital gains tax loophole on productive activities, we could easily find the $15 million we need this year. Why create so much anxiety among our senior citizens because of these $15 million, when we have the money, $300 million in 1985-86 under the capital gains tax exemption, and $600 million next year?

If we look for other ways to do it . . . I can think of the Petroleum and Gas Revenue Tax: $125 million. We are not asking the government not to abolish this tax, but to maintain part of it; this way, we would have the money to finance the full indexation of the Old Age Security pensions for 1985-86 and 1986-87. If, then, the government found itself again in a spot. Well then they could try again, saying: Listen, in 1985-86, $15 million, in 1986-87 it is $245 million, this is what they just gave us. Well, if that does not deal with the deficit, and there is not other means, I am not saying we are not going to tell them off again because it is not normal that they should cut old age pensions. But if they can find . . . Listen, we are talking about $260 million, it is not even the total amount of the capital gains savings. I submit, Mr. Chairman, that it does not make sense to create such anxiety among our senior citizens, to create such difficulty, to force our senior citizens to come here in Ottawa to demonstrate, to force senior citizens to phone, to write their MPs, to hold meetings, to live in fear of having their income affected and not being about to meet their needs. And for the sake of what, I ask you? For the sake of $15 million, when the Minister of Finance had $300 million to give away in capital gains breaks. And this of course does not include the $125 million for gas and handouts to oil multinationals, which will increase to $920 million next year. And it

does not include at all the fact that looking at page 19 of the Fiscal Plan submitted by the Government, personal income taxes in 1985-87 will go up $1 billion while corporate income taxes will go down $450 million, the exact opposite of what is being done in the United States. This is being said on Page 19 of your book, and I am not even including sales and excise taxes with which I will be dealing later. But solely on the issue of old age pensions, Mr. Chairman, I cannot get it into my head that the Prime Minister of my country is willing to disturb senior citizens to such a degree, claiming that this is to control the deficit, when the amount involved is $15 million, a third of the money used to change the Armed Forces' uniforms, $56 million; those $15 million are only about one fourth of that. And I find it simply unacceptable that they should take all the time of the House, forcing us to fight that battle because we are going to fight it to the end, whether they like it or not. We are going to use all the tricks, all the Standing Orders that will enable us to do it because this is the only means we have, in our position, to defend senior citizens. For the sake of $15 million, I do not understand that the Prime Minister of my country could go to all that trouble, to halfway imply that he may review the situation, that he may change his approach, and certainly as far as I am concerned, Mr. Chairman, I have serious questions concerning the appropriateness of that de-indexing measure, and the way the Minister of Finance has exercized his political judgement, his financial judgment. For the sake of saving $15 million on the backs of our senior citizens in 1985-86, $245 million in 1986-87, when they have $900 million available during those two years to give in capital gains breaks. Even if they cut that in half, there would still be money left over to reduce their deficit. I say to myself that this does not make sense, but if the Members opposite will not understand, we will have to go on fighting and opposing that. Obviously, I would not like to be a prophet of evil, but if on the Government side they go on making such political blunders, what has just happened in the Ontario Legislature—

An Hon. Member: Two minutes ago!

Mr. Garneau: To minutes ago, another Conservative Government has gone down.

Some Hon. Members: Hear, hear!

The Assistant Deputy Chairman: The Parliamentary Secretary to the Minister of Finance.

Mr. Lanthier: Mr. Chairman, I do not know whether these comments were really a question, but I have a few things to add.

First, I would like to point out, Mr. Chairman, that the Progressive Conservative party or this Government were not the ones to create the whole debate over this issue. I therefore want to say to the Hon. Member for Laval-des-Rapides (Mr. Garneau) that, while we have our share of responsibility as the Government, we were not the ones who tried to create this anxiety, and I did say "tried to create", because I am not sure that it has succeeded. The Opposition has invited me to visit the senior citizens in my constituency. I have seen senior citizens in homes for needy people and in homes for people who are well off, and I also visited senior citizens who are independent. I can assure you that this anxiety was created by a cliche, by a misused term which has been well publicized, namely the term "deindexing", rather than by the facts. If anyone is to be blamed today and criticized for making a political mistake in creating all this concern, you can be assured that only one Party is responsible.

Second, I wonder why the Hon. Member for Laval-des-Rapides should be so surprised at what he is told, and I would like to refer him to the same report he quoted earlier. On page 12 in item B, which lists the measures taken since November 1984, in other words the budgetary measures, at the line "Transfers to persons", we find only a dash for the year 1985-86 to show that the impact in billions of dollars was insignificant. In fact, this is what I said when I quoted a figure of $15 million. We see that the total savings really amount to $300 million, which would include the $245 million saved in the possible and eventual indexing of old age pensions, and naturally, family allowances. These figures are therefore included in this document, with a margin of error of about 16 per cent, as we have just figured out.

Second, I was suprised at something I heard earlier. I can understand what were the feelings of the Minister of Finance this afternoon. I think that there must be some language barrier between two people, one of whom now is and one of whom used to be Minister of Finance, and like the present Minister of Finance, I find it difficult to understand that someone as familiar with business financing as the Hon. Member for Laval-des-Rapides (Mr. Garneau), a former bank president, would tell the Government: You extend benefits to some people by granting them capital gains exemptions. I wish to remind him that the Minister of Finance does not call that a gift but an investment. Investing is not necessarily spending. On the contrary! Therefore, bearing that in mind, I would like to put things in their true perspective, namely that capital gains exemptions have been extended in order to create jobs and were not, of course, intended as gifts to the rich like some are trying to imply. Believe me, small businesses are strongly convinced that these capital gains exemptions will contribute to job creation.

The Assistant Deputy Chairman: Order! The 20-minute period has now expired, under the rules.

● (1820)

[*English*]

Mr. Foster: Mr. Chairman, I am just delighted to have a chance to speak to Bill C-51, the Borrowing Authority, and to the amendment which proposes a 3 per cent reduction in the borrowing authority. Surely, the Government would want to

support that amendment. If it has seen fit to reduce the benefits to our senior citizens by 3 per cent in January, it should in fairness cut its own expenditures in a similar way.

As I was walking into the House of Commons tonight from a committee meeting in the West Block I saw the fleet of brand new vehicles lined up, with their engines idling, waiting for their $100,000 people to arrive. Surely, if this Government and the Cabinet have seen fit to reduce the purchasing power of the senior citizens by 3 per cent in January, they would not mind tightening up their belts a little and reducing Government expenditures.

The Prime Minister increased his office operation by, I believe, 54 per cent in this fiscal year. I am sure he would not mind cutting back that extra $2 million by 3 per cent. I am sure he would not mind cutting back by 3 per cent his staff which already has been increased by 33 per cent. He is asking the senior citizens to do that. I am sure he wants to be fair and equitable. He promised to do all these things. I am surprised that the Government is holding up the vote on this amendment because I am sure it wants to be fair to our senior citizens.

I believe as we look down the pipe over a period of four years or five years, we see exactly how this Government proposes to operate; that is by stealth, misrepresentation, and by not levelling with the Canadian people. When the Government put out the Estimates of Government revenues and expenditures it was only for 1985-86. But if we project those costs over a long period of time, taking 3 per cent less this year, 3 per cent less next year, and so on, not only to the indexation of the income tax levels but to the standard personal exemptions, and we do that as well to senior citizens pensions, we sort of get them both coming and going.

For instance, let us look at the benefits to the rich, the powerful and the mighty in this country. We see that the surtax only applies for 1985-86 and 1986-87. That is just a little over 18 months. Let us look at the special tax on the banks. It likewise only applies over a very short period of time, amounting to something like $10 million this year in surtax and $100 million next year. We see that the rich and the powerful pay a surtax, but for perhaps only 18 months.

If we look at the low and moderate income groups we see their benefits cut off year after year. Let us look at the modification to the personal income tax scale. It only amounts to $80 million this year, but by 1990-1991 the low and moderate income families will be paying $4.360 billion a year more in personal income tax. I know that Hon. Members opposite do not like to hear this because when they put out the Budget they did not bother showing what the long-term impact would be of the deindexation of the personal levels of income tax.

Let us look at the impact on the Registered Home Ownership Savings Program. It hits at young families and young couples. I met with a young couple in Toronto two weeks ago who told me they were paying $650 a month for rent. They said if they could get the down payment, such as the RHOSP would provide, they would be able to purchase a home by paying only another $150 a month. But this Budget does away with that program, which means that thousands of young couples who might have been able to put aside the down payment for a home using the RHOSP Program will not now be able to do so.

I cannot, for the life of me, understand why when the Minister of Finance was releasing those funds which are held in the RHOSP Program, he did not allow them to be taken out this year and invested in a home, in furnishings or in major appliances. The people I have talked to have told me that they would just roll it over into another fund. So even if those funds are released without taxation this year, they will not be generating any jobs related to major consumer goods, and they will not be providing the down payments for a home.

• (1830)

If we look at the rest of the projections over a five-year period we see that the loss, because of the capital gains tax exemption, jumps from $300 million this year to $1.25 billion by 1990-91. The Minister has portrayed this as a job creation scheme. If he really wanted it to be that, rather than a valentine to his friends on Bay Street in high income brackets, it seems to me that he would have made a provision whereby the capital gains would be invested in Canadian business and farms rather than in anything from a condo in Florida to art and all kinds of things. Clearly what will happen is that people who have a capital gain of $500,000, because most of them will be in a high income bracket, will save themselves $125,000 with no benefit to the country. Surely what we want is a fair tax regime to encourage development and provide jobs.

The elimination of the PGRT will save the multinational oil companies $124 million this year, and $2.449 billion by 1990. That is rather interesting because the Minister of Energy, Mines and Resources outlined several weeks ago about seven major projects which she saw going ahead. I have forgotten the exact number of jobs created in the development stage of projects like Venture and Hibernia, but the total number of permanent jobs for those seven major projects was something like 31. We hear of small Canadian owned companies who are afraid of being taken over by these rich multinationals. Not only have they had the PGRT removed with no effective monitoring system to see that those funds are reinvested, but they gain as well because the value of the oil they have in the ground will increase by some $800 million this year. We are seeing a massive transfer from the poor, the middle-income earners, and senior citizens to the rich, the powerful, and the multinationals. How can the Government justify that?

Last fall in his Economic Statement the Minister of Finance made a great thing of the Government's campaign promise to reduce the excise tax on gasoline for farmers and primary producers. It was reduced by some 20 cents a gallon, but in the Budget it was increased by 9 cents a gallon. The Government realized that excise tax would be harmful to the tourist industry so it does not take effect until early September, but that is the time when the harvest in western Canada is getting into full swing. The people in the West are appalled. They cannot understand the duplicity of the Government in remov-

ing the tax last fall and then reimposing it when the harvest is really beginning. In western Canada it is being described as the harvest tax. Add to that the fact that the Government, with no exemption that I have been able to find for farmers and primary producers, will reimpose a sales tax January 1 on energy costs, indeed on all farm input costs. So we see a number of items in the Budget which are very harmful to Canadian agriculture.

The tobacco industry is suffering tremendously and the Government has imposed an additional tax of 25 cents on a package of cigarettes. The tobacco farmers say that will be very harmful. A tax levy of some 2 per cent on alcohol has drawn a violent reaction from the grape and wine industry in the Niagara area and other parts of our country. As well, the Government has said it will be reducing the budget of the Department of Agriculture by $50 million a year over the next five years. Given a budget of about $1.25 billion, a cut of $250 million is very significant.

The Budget does not say specifically where those cuts will be. They may be in crop insurance. The Government may ask the provinces to put up half the crop insurance premiums, or a third, along with the federal Government and producers. The cuts may be in transportation assistance or agricultural research. That is not clear, but if you look at the Budget papers it is clear there will be a cut of $50 million a year. Perhaps the cut will be in the milk stabilization program, a program which not only provides assistance to our agricultural producers, but also acts as a unifying or cohesive force to help keep them in business.

• (1840)

Will the Parliamentary Secretary indicate if the budget of the Department of Agriculture will be frozen at its present level, less the $50 million, or will it increase 3 per cent or 4 per cent, less the $50 million? What effect will reducing the borrowing authority in line with the reduction being applied to senior citizens have on the budget of the Department of Agriculture?

The Ontario Federation of Agriculture met on June 6 at a special directors meeting in Toronto. Not only did the regular table officers of the federation attend, but the county directors and county presidents were there as well. It was one of the largest emergent meetings they had at which to consider exactly what to do in response to the Budget.

They passed a resolution at that meeting which Hon. Members should read because I know they are very concerned about the plight of farmers in the country. Tomorrow they will hold a special emergency meeting to plan the strategy for coping with the cut-backs which the Government has made in the agricultural budget and how to deal with the disincentives and lack of action in the Budget presented by the Government.

During the election campaign, the Government promised to introduce an agri-bond program. Obviously the Minister of Finance did not support that program because he was demonstrably against an agri-bond program in his special White Paper on taxation issues in agriculture. He was also against any concessions on Section 31 of the Income Tax Act and changes in the capital gains tax. While he recognized the capital gains provision for farmers in his Budget, he took no action with respect to the agri-bond program. That is regrettable because the Finance committee made a strong presentation for a long term agri-bond program with low interest rates.

The Assistant Deputy Chairman: I am sorry to interrupt the Hon. Member.

Mr. Gray (Windsor West): Mr. Chairman, I am delighted to be able to speak on this amendment. Frankly, it has been presented in order to send a strong message to the Government because, in spite of strong protests, representations and pleadings from millions of senior citizens and Canadians generally as well as Members of the Official Opposition and the other Opposition Party in the House, the Government has refused to listen. It has acted in an arrogant and stubborn manner by insisting that it will proceed with the Budget measure to deindex senior citizens pensions and not allow any adjustment for inflation below 3 per cent.

From time to time, Government spokesmen hint that something may be done at some future date to respond to the quite justified concerns over the deindexing proposal in the Budget. However, the Government does not take a consistent line. The Prime Minister speaks in a soft, cajoling, conciliatory manner, suggesting that he understands the concerns of seniors and there is nothing to worry about because action will be taken to respond to those concerns. However, when the Minister of Finance speaks about the same subject, his tone is very different. It is harsh and stubborn, indicating a closed and arrogant mind when it comes to this crucial subject of such great concern to millions of senior citizens and millions of Canadians generally.

All we had to do to confirm this point was listen to the Minister of Finance during Question Period today when he talked about the need to reduce the deficit above all. He talked about the need for senior citizens to bear what we consider to be an unfair and unnecessary share of the burden to reduce that deficit.

It was as if nothing had been said and nothing had happened since the night the Budget had been presented. Anybody who had been listening at all and had not been away on another planet, in his mind if not in reality, would have known that there had been a growing feeling of outrage on the part of Canada's senior citizens and Canadians generally when they recognized what that cold, arrogant and unfeeling Government was fully intending to do in its Budget of May 23 when it talked about removing the indexing of senior citizens' pensions for all inflationary increases in the cost of living below 3 per cent.

How can anyone take anything the Government says seriously about the Budget in general, or about this provision to cut the indexing of senior citizens' pensions in particular, when it is talking out of both sides of its collective mouth? On the one hand there is the soft cajoling, honeyed, yet not credible words of the Prime Minister and, on the other, the tough,

arrogant, unfeeling words of the Minister of Finance in the House today. I suggest that those latter words represent the real views, opinions and decisions of that cold and unfeeling Government. That is why the Budget not only deserves to be rejected but that the amendment before the committee deserves to be strongly supported.

The Minister of Finance continues to claim, as he did in the House during Question Period today, that there is no change being made to the Old Age Security pension. He says that if the Budget is adopted in the form in which it has been presented to the House, senior citizens will continue to receive cheques at face value, in amounts that will not be in any way less than face value amounts of those cheques now. No one is denying or debating that point. We are saying on behalf of millions of senior citizens and senior citizens are saying themselves that the sneaky, unfair provision to cut indexing in the Budget will cut the purchasing power—

Mr. Dick: You cut it back by 6 per cent with your six and five.

Mr. Gray (Windsor West): —of those cheques, not for a time period of two years but on and on in perpetuity.

Mr. Dick: Not necessarily.

Mr. Gray (Windsor West): On and on in perpetuity. We must stand up for the Canadian people and send a message to this arrogant and unfeeling Government through the amendment before the committee and through fighting as hard as we can against an arrogant and unfeeling Budget presented by an arrogant and unfeeling Government.

• (1850)

Frankly, even the Minister of Finance, when he is not in the House, is willing to admit that the provision in the Budget to cut the indexation of the pensions of senior citizens will in fact harm seniors by cutting their purchasing power. In fact, the following was reported today in *The Toronto Star* about the Minister of Finance when he was in Halifax:

> And Wilson later agreed with reporters' suggestions that there will be a decrease in the "real dollar value" of pensions.

No matter what the Minister of Finance tries to say in the House to defend his indefensible Budget, deep down he knows what is wrong with that part of the Budget dealing with the pensions of senior citizens. While he is not yet ready to admit it to the House, where he should admit it first, he admitted it when faced with this reality from reporters in Halifax yesterday.

The Minister of Finance and other government spokesmen keep saying that the only reason senior citizens are protesting the deindexing provision of the Budget is because of the scare tactics of the Opposition, that the seniors have been stirred up by the scare tactics of the Opposition.

The Government is insulting the intelligence and common sense of our senior citizens. They are able to analyse proposals in this Budget as well as anyone. They are able to make up their own minds about what is wrong with the Budget in general and about what it says when it comes to pensions of senior citizens in particular. Whether it is the Minister of Finance, the Deputy Prime Minister, the Prime Minister or anyone on the government side of the House, when it comes to them saying that senior citizens are only upset about the Budget because of the scare tactics of the Opposition, all they are saying is that they do not attribute enough intelligence and common sense to our senior citizens to think for themselves and make up their own minds. That is an insult to our senior citizens which should be placed on the record. I am sure it will be held against this arrogant and unfeeling Government for a long time to come.

To demonstrate that senior citizens are quite capable of thinking for themselves and making up their own minds about what is wrong with the Budget, I refer the Committee to a press release dated June 13 and issued by Mrs. Yhetta Gold, President of the National Advisory Council on Aging. According to the press release, Mrs. Gold sent a letter to the Minister of National Health and Welfare, from which I want to quote some relevant extracts as set forth in the press release. In her letter she said:

> The May 23 Budget . . . has stimulated seniors to joint together to lobby and advocate on their own behalf. Seniors are saying "Listen to me" to Government.

The tragedy is that the Government is refusing to listen. This is why we have to send a message, on behalf of seniors, to this arrogant and unfeeling Government through the amendment which we presented to the Committee on this Borrowing Authority Bill. In part the press release goes on to state:

> Commenting on her letter, Mrs. Gold indicated that "deindexing has not only brought seniors together but also many other Canadians including youth and business groups".

The press release continues by referring to the response of seniors to the May 23 Budget and "their belief that they should not be penalized any more than the general public". Also it states:

> NACA is encouraged by the response of seniors and their associations and is sure that seniors will continue their efforts—

Another part of the press release reads:

> The letter to Mr. Epp refers to other effects of deindexing. According to the Council "it will provide a short-term saving in exchange for a long-term loss. The stress associated with a tighter and tighter budget will take its toll. More and more senior Canadians will find it difficult to cope with a deteriorating physical, mental and social condition. In time, expenditures for other types of care will limit the savings due to deindexing", according to the Council.

I have quoted from a letter which was sent to the Minister of National Health and Welfare by the President of NACA, the official body established by government to advise government on the needs and concerns of the aging. This demonstrates that what government spokesmen are saying, to the effect that it is only the scare tactics of the Opposition which are stirring up senior citizens, is absolutely wrong, inaccurate and downright false. The letter sent by Mrs. Gold to the Minister shows very clearly that the National Advisory Council on Aging, the senior advisory body speaking for senior citizens, has analysed the government Budget and what it said about pensions. It has figured out for itself, on behalf of senior

citizens, that the Budget will reduce the purchasing powers of old age pensioners in ways which will be very harmful to senior citizens, not only now but for a long time to come.

I also draw to the attention of the Committee another very important point which was made in this June 13 press release by NACA. It reads:

> NACA also believes that pre-retirees, the 60 to 64 age group (1.1 million Canadians with an average income of less than $17,000) will be hurt by deindexing OAS. "Many will have to modify drastically their retirement plans and save more to compensate for their loss of income, or delay their retirement", said Mrs. Gold. "The first is not conducive to economic growth and the latter will have Canadians even more anxious about jobs."

These are the words of the President of the non-political and non-partisan National Advisory Council on Aging.

If the Government is not yet ready to listen to what the Official Opposition says about this, surely it will listen to the National Advisory Council on Aging. If it is not ready to listen to NACA, then it is clear why, as I have already said, we have to send a message to the Government on behalf of senior citizens and all Canadians through the amendment before the Committee, that the Budget in general is wrong and in particular it is wrong when it wants to cut the purchasing power of pensions for older Canadians.

There are many other reasons to send a message to the Government through this amendment. The Minister of Finance continues to say that no changes will be made to the Old Age Security pension. If that is correct, why do the budget documents attribute hundreds of millions of dollars in savings from what the Budget says about deindexing Old Age Security pensions, savings which the Government intends to use to reduce the deficit? If everything remains the same, from where will the savings come which the Government says it will get from the Old Age Security system to reduce the deficit?

The truth of the matter is that the Government is changing the Old Age Security system. If that were not the case, it would not have those savings to reduce the deficit. What is even more shameful about what the Government is trying to do in this Budget, in a sneaky and surreptitious fashion, is that in its official Blue Paper of last January, it said that it would not make any changes to the present Old Age Security system. In that Blue Paper, the Government said that the present system was working well and did not require any changes. Let us not let the Government get away with trying to explain the unexplainable, when it tries to justify its Budget and the drop in purchasing power as a result of the deindexation it wants to make to Old Age Security pensions, by saying that it has suddenly discovered that the deficit is so large that it had to do something, that it had to put an extra burden on older Canadians.

• (1900)

The fact is that when that Blue Paper came out, the Government had already been in office for many months. It already had full access to the books of the Government and knew what the financial position of the Government was then and what it was going to be. In its Blue Paper it said that the present system of Old Age Security pensions was working well, that if there were to be any changes, they would be only to improve pensions and the social security system, and that any savings would never, never be used to reduce the deficit.

This Budget shows us how much we can believe what the Government says.

Mr. Boudria: Never believe a Tory.

Mr. Gray (Windsor West): The Government ought to be ashamed of itself for pressing ahead with this Budget and for having this borrowing authority Bill before the House. Through the amendment before this Committee we must send a message to this cold, arrogant and unfeeling Government.

In order to try to defend the indefensible and justify the unjustifiable, the Minister of Finance and government spokespersons say that this Budget is going to create jobs.

Mr. Malone: Hear, hear! Good idea.

Mr. Gray (Windsor West): Members on the other side of the House say "Hear, hear. Good idea". Yes, it is a good idea, but will someone explain to me why there are no forecasts whatsoever in this Budget of the number of jobs it is supposed to create? Where are the forecasts of jobs? There are no forecasts, but there is something else in the Budget which shows what the Government really thinks the Budget is going to do with regard to jobs. The Budget has forecasts about economic growth. The Budget says that while economic growth in the last year of Liberal government was 4.7 per cent, the results of Tory economics would be that in two years that level of growth would be cut in half.

How can hundreds of thousands of jobs be created as a result of this indefensible Budget if, at the same time, that Budget is going to cut economic growth in half? That is Tory economics. That is not job creation. That is not a Budget which helps Canada. In their indefensible budget documents, the Conservatives themselves are admitting that this Budget will hurt the economy and cut jobs. If I am wrong in this, Mr. Chairman, let the Minister of Finance, who is cowering in the back row, come forward and produce the figures of his Department, which he did not have the courage to put in his Budget, which show how many jobs his Budget is going to create and explain how his Budget is going to create any jobs if its result is to cut economic growth in half.

He cannot do that because he knows that even Tory economics will not create hundreds of thousands of jobs with a rate of growth which is less than half of what it was in the last year of Liberal Government.

On behalf of senior citizens and all Canadians, I say that this arrogant, unfeeling Government needs to get the message that it is wrong, wrong, wrong. It is unfair, cruel, and heartless in what it is trying to do through its Budget to senior citizens and middle and lower income Canadians generally. If the Government does not receive the message through this amendment, we will continue to fight long and hard on behalf of Canadians because the Government is not going to do it and Canadians have already started to catch on.

Mr. Riis: Mr. Chairman, I do not want to say a great deal at this point.

Mr. Dick: That's what you said yesterday.

Mr. Riis: The reason I feel motivated to say a few words is that I have been waiting for nearly two days for a single Member of the government Party to rise and answer some of the questions that are being posed by Opposition Members. Why are no Members opposite rising to say that they do not understand why the Government is going to take $1,500 out of the wallets of senior citizens over the next five years?

Mr. Hnatyshyn: Because it is wrong. Why should we say that when it is wrong? I gave a great speech today. You didn't listen.

Mr. Riis: I must have missed that speech, Mr. Chairman. Every calculation that I have seen done by our Party researchers and by various financial and economic analysts all show essentially the same thing.

An Hon. Member: They are all socialists.

Mr. Riis: All socialists, my goodness, Mr. Chairman. I will not give a long list of columnists who have been saying the same thing. However, I will quote from Mr. Jeffrey Simpson who writes regularly in *The Globe and Mail.*

Mr. Orlikow: Which is quite a radical paper.

Mr. Riis: That is quite a radical paper, as my hon. friend from Winnipeg North says. In *The Globe and Mail,* our effort at a national newspaper, Mr. Simpson, who is a reputed columnist, said the following:

> In Sherbrooke, Quebec, on July 26, 1984, Brian Mulroney promised unequivocally to "reinstate complete indexing of Old Age Pensions to the actual cost of living, as of January 1, 1985.

People who heard those comments would have believed that the Prime Minister was saying that when the Conservatives became the Government they would reindex pensions to their full level. That is what he said and I suspect that is what people would believe. The Prime Minister said:

> Senior citizens are often isolated, poor and in a crippling state of dependence. Recent statistics indicate that more than 60 per cent of women and 40 per cent of men over the age of 65 who live alone have incomes that are below the poverty line.

The Prime Minister was pointing out, as he should, the plight in which the elderly of Canada find themselves. The Prime Minister went on to say:

> The position of senior citizens in our society has slipped drastically in recent years.

That means that the purchasing power and disposable income of senior citizens had eroded over the years and that conditions were worsening for them. The article goes on:

> Allan McKinnon, a former Tory defence minister . . . says there is anger and concern about deindexing of pensions. Alan Redway, whose York East riding is full of seniors, believes the Government must "review the issue".

We have heard from a number of Conservative Members who, when caught by a reporter at a weak moment, said that they were getting mail on this matter and wanted to register their deep concern. We have been debating this issue for two days trying to find ways and means of approving this $18 billion borrowing authority. We have been asking questions and I do not think it is unreasonable to expect somebody from the government benches to stand and say that they really think that hammering senior citizens and slashing their pensions is a good idea.

I am reminded of a Question Period not long ago when the Minister of National Health and Welfare was asked if he could name a single individual who supported the Government's position, let alone a single group. He hummed and hawed and said that he thought he could, then went on to talk his way out of that question.

• (1910)

The Prime Minister of Canada has said that senior citizens are isolated poor who are in a crippling state of dependence. He has also said that their situation in society has slipped drastically in recent years and is slipping even further. Then the first chance the Government gets to provide leadership—and I am pleased to see that the Minister of Finance is here—the Government indicates that the problems of senior citizens, the problems with deindexation and the problems it had identified in the election campaign are going to be ignored.

The Government decided that it was going to ignore the critical problems. Since it wanted to give tax breaks to the 4 per cent of tax filers who file capital gains on the first $500,000 of income from capital gains, it needed to come up with the money some place, so it decided to hammer the 10 per cent of Canadians who are senior citizens. This is not my analysis but is the point that is made by Jeffrey Simpson. He has said that if the 4 per cent is put against the 10 per cent of the population, there is a political problem.

Every single Member opposite knows that there is a political problem in his or her constituency. I would like to think that there is a great deal of pressure within the Conservative caucus to change the mind of the Minister of Finance on this particular issue.

The Minister of Finance and his caucus colleagues were saying that we all have to suffer a little bit and that it is reasonable to ask senior citizens, most of whom live below the poverty line, to take a 3 per cent cut in their disposable income over the next number of years. To be more accurate, that means that by the year 1990-91, senior citizens will have $1.6 billion taken from their pockets in one year. Between now and then, that adds up to $6.6 billion that we will take away from senior citizens.

Jeffrey Simpson goes on to describe an interesting balance. After all, the Minister of Finance said that there was justice and that he had weighed the situation very carefully. However, 1990, the year the $1.6 billion will be taken from the pockets of seniors, is also the year when that 4 per cent of the people who file capital gains will receive $1.25 billion. In other words,

we are taking from the poorest citizens of Canada to give to the most wealthy citizens of Canada. At least that is the analysis as I see it, and I trust some of my colleagues opposite will correct me if I am wrong.

The Government is requesting that we cut the income of seniors by 3 per cent, so it is not unreasonable to ask the Government to cut 3 per cent from its borrowing authority. That is the motion we are debating at the moment. The Minister of Finance has said that we should be passing this $18 billion borrowing authority quickly so that the Government can get on with doing the job. Doing the job means a number of things. As the Minister of Finance has indicated time and time again, doing the job means creating jobs. He has said that the Budget he introduced on May 23 will create jobs. Let us take a look a what some analysts have to say about that. Again, I am not referring to a good NDP source but to a post-Budget survey done by the Canada Permanent Trust Company.

The Canada Permanent Trust Company contacted a wide variety of business economists. I would point out that these are business economists and not academic economists. They are people who make their living examining the Canadian economy and advising their clients on what is happening in terms of future economic development.

Interestingly enough, Canada Permanent found that none of the forecasters agree that the Minister of Finance's promise of greater job creation will succeed. Not one single business economist that was commissioned by the Canada Permanent Trust Company could find anyone who felt that the Minister of Finance's promise of greater job creation would succeed. As a matter of fact, 20 per cent of those business economists expected that the jobless rate would be higher than it had been before the Budget. That is a very telling comment because one of the reasons for the Government asking senior citizens to bleed a little bit and one of the reasons for the Government to slap user-fees on a whole variety of things and to raise sales taxes and taxes on confectioneries is because it will create jobs. Yet business economists, people who make their living by predicting the implications of the Budget, say that this will not take place and that as a matter of fact the situation will worsen.

Let us take a look at what else the economists have had to say. Seventy-six per cent of those business economists who were surveyed said that they are unlikely to alter their projections of real growth this year because of the Budget. In other words, 76 per cent of them felt that they had no reason to change the projections of growth or lack of it as a result of the Budget. That is very interesting, Mr. Chairman.

As well, the economists felt that the new tax measures will drastically reduce the spending power of the average Canadian. I think that this is rather important because the Government has asked us to give enhusiastic endorsement to its request to borrow $18.2 billion while we are being told that the small and medium-sized business sectors are falling all over themselves in their enthusiasm to create jobs. Probably everyone in this House believes that the small and medium-sized business sectors would like to expand operations, but to do that, they require one thing: they require a population that has the confidence and the wherewithal to purchase whatever it is that is being produced, whether it be a good or a service.

The Budget that was introduced on May 23, along with the November statement made by the Minister of Finance, takes away from every family in Canada $1,000 of disposable income. As well, over the next five years, every single senior citizen in Canada will lose $1,500 from his or her disposable income. It does not take much imagination to figure this out. I hope that Members opposite will understand what I am about to say.

When so much disposable income is taken away at the same time as people are being asked to buy more in order to assist small business, the logic breaks down somewhere in that process. One cannot expect businesses to expand if people are not prepared to purchase goods or services, yet that is what the Government expects will happen. I suspect that is why the business economists to which I referred a moment ago did not agree that the Minister of Finance's promise of greater job creation will succeed.

I ask Hon. Members opposite who feel that the incentive of capital gains tax avoidance will encourage job creation and expansion to tell me about any Government in the world that has introduced a similar policy that has resulted in net economic expansion and job creation. I do not think Hon. Members could find a successful example of that. It is good in theory but in actual fact, I do not think that it has ever occurred. I challenge Hon. Members opposite to correct me on that assumption if I am wrong.

I would like to end my comments today by indicating why we as New Democrats are less than enthusiastic about giving carte blanche approval to the Government so that it may borrow $18.2 billion and why we are less than enthusiastic about the Budget that was introduced by the Minister of Finance.

• (1920)

A few days ago my colleague from Essex-Windsor gave the House a history lesson. For Members who were not present on that day, I would like to repeat that lesson. He recalled an election campaign which was waged against an arrogant Liberal Government. At the time there was a decline in productivity, a decline in the country's production and a dramatic increase in unemployment. People said that the situation had to change and that the arrogant Liberal Government had to go.

The Tories spoke of optimism, hope, a better Canada and a new era. In Regina, the Leader of the Conservative Party said: "This is a new country. There is no excuse for unemployment in Canada if the Government does its duty." In Moncton, New Brunswick, he said: "The Conservative Party is going to find work for all who are willing to work or perish in the attempt, and take such steps as will end the tragic conditions of unemployment and bring prosperity to the country as a whole." During that election campaign the Conservative

Leader said: "I promise to end unemployment in Canada." The Tories were swept into power. The Tories were elected on those promises, with an overwhelming majority.

A Budget was brought down shortly thereafter. The Minister of Trade and Commerce, Mr. Stevens, said that the Budget was wise and courageous. The Budget included major cutbacks in government services. It included reductions in agricultural services to western, central and eastern Canada. It imposed additional taxation on all people of Canada. It imposed new taxes through increases in the sales tax, increases on import duties and what were then called nuisance taxes. Those whose incomes were $10,000 a year saw their taxes increase by 53 per cent as a result of the Budget. However, if a person's income was $1 million, their taxes only increased by 31 per cent. At that time, Social Democrats stood up in the House and said that the millionaires had been very gently dealt with by the Minister of Finance.

That was the election campaign of 1930. The promise of tens of thousands of jobs was made by R. B. Bennett. The Budget was brought down by the Hon. Henry Stevens in 1932. Canadian people got a shot at that Conservative Government in 1935. They realized the disastrous results of the Budget. They knew that the promises which had been made in the 1930 election campaign were empty promises. That Government did not deliver.

The point is that it is nothing new. The rhetoric is the same. The Budget is the same. It is R. B. Bennett all over again. We know how successful those practices were at that time. Mr. Chairman, I see my colleagues opposite questioning some of the comments I have made. Will one Member opposite stand and explain how this Budget is different from the one brought in by R. B. Bennett in 1932? Can they explain how this Budget was different from the major thrust of the 1932 Budget? Can they explain how the promises which were made by the Conservatives in 1932 were any different in principle, thrust, or even words, from the Budget of 1985?

I suspect that is the reason why people today cannot take these people too seriously. They have seen it before. I would encourage people to read what happened during the election campaign of 1930 and the subsequent years until the next election in 1935. They will find that the times and approaches of the Conservative Government then were no different from the times and approaches of the Conservative Government today. That is why we find this Bill inappropriate. This is not the kind of borrowing authority which results in enthusiastic endorsement by members of the New Democratic Party.

[*Translation*]

Mr. Rossi: Mr. Chairman, I would like to address a question to my colleague, the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

A moment ago, to a question from the Hon. Member from Laval-des-Rapides (Mr. Garneau) who was talking about indexation, you answered that indexation to the cost of living would not be lost. If inflation were 4 or 5 per cent, pensioners would get 2 per cent.

Now here is my question: Can you tell us whether or not senior citizens will lose the 3 per cent basic OAS indexation, and I said basic, if the Government does not change its position or its mind? Is that 3 per cent indexation of the basic pension going to be lost from the start, regardless of the cost of living and so on? From the start, will senior citizens lose the 3 per cent indexation of their basic pension? That is my first question.

As well, you mentioned in your answer that you had visited many senior citizens homes in your riding. Could you give us the name of these residences so that we could check and find out what comments people have made to you, since you said that they were worried and anxious . . . Indeed, that is exactly what you said, even though you are shaking your head, because we will see what is reported in *Hansard*. You actually said that these senior citizens were worried and anxious because of assertions made by the Liberals. Now, if they are concerned and anxious, give us the names of the residences where they live and we'll check if they have asked you to rise and to present a petition on their behalf in Parliament.

Mr. Lanthier: To begin with, Mr. Chairman, I will answer the Hon. Member for Bourassa (Mr. Rossi) and then, I would like to have the opportunity to reply to the Hon. Member for Kamloops-Shuswap (Mr. Riis). First of all, it is true that earlier perhaps did not make myself clear. I want to make you understand that I did not say that they were anxious, on the contrary, I said that the old people I visited in old folks homes in my riding felt that some people were trying to make them anxious. And if I gave the impression, earlier, that they were anxious, I was wrong. I am sorry, I did not make myself clear.

Mr. Rossi: I am sorry, but you created anxiety.

Mr. Lanthier: No, you tried to create anxiety and I repeat "tried". I did not say that you succeeded. Alright? Certainly, it is well understood that, the Budget clearly states two things: as of 1986 the Old Age Security payments will be indexed on the cost of living above 3 per cent. Everything above 3 per cent will automatically be indexed—Everything above 3 per cent would be indexed. First of all, because I believe that the thrust of the measures "contained" in the Budget is to assure a maximum indexation and to remove the anxiety of elderly people who are afraid of what happened to them two years ago when they lost 6 per cent in indexation and they could have been lost even more when the order in council was passed. We now offer them the possibility of making long term plans, since anything above 3 per cent will be indexed.

Secondly, and I repeat it again because the Opposite Members are asking about it and they should at least listen to me, regardless of what people tried to say or make others say, that we should namely perhaps reconsider our position or to back

down, whatever you want to call it, it is clear that it is more with a political purpose remind than for the good of the elderly. That the Opposition carries on as it was. With your permission I should like to repeat once more what is contained in the Budget, what has been clearly stated and repeated that I quote: "The government will review the adequacy of payments in light of future circumstances and will increase them as resources permit".

• (1930)

I would not want to isolate one part of a sentence and use it for a political strategy campaign. This is really what I wanted to say, and if the record says something else, regretfully, I have to admit that I must have used the wrong expression.

Secondly, I would like to have the opportunity to reply to the Hon. Member—

Mr. Rossi: On a point of order, Mr. Chairman.

The Assistant Deputy Chairman: The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Chairman, he will have this opportunity, before going any further, to reply to the other Hon. Member. I think I can ask him the question again because he has not fully answered the one I first asked him.

The Assistant Deputy Chairman: I am sorry. The Hon. Member for Bourassa (Mr. Rossi) knows that on this particular point it is a matter of opinion. I am sure the Hon. Member will have another opportunity during this debate to ask his question again. I am sorry, but this is a matter of opinion.

Mr. Rossi: I want to repeat my question!

The Assistant Deputy Chairman: The Hon. Parliamentary Secretary has actually given you an answer. Later on, if you are not satisfied with the answer he gave you or if you claim that he did not answer your question, you will have the chance to rise and ask your question again. The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) has the floor.

Mr. Lanthier: With your permission, I would like to reply to the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Earlier he challenged the members opposite, not the Opposition but the Government Members, to uncover whatever figures might be inaccurate. Most of the figures he quoted were accurate. We checked them. But there is one which is not accurate, when he suggested that needy senior citizens will have their income reduced by 3 per cent. That is not true. First of all, their income will not be reduced by 3 per cent; true, starting in 1986, the indexation of the basic old age security pensions will be limited to the increase in the consumer price index exceeding 3 per cent; so I grant you that they will lose 3 per cent of their buying power. However, the needy will not be losing 3 per cent on their total income, because it has been clearly stated that the guaranteed income supplement will be fully indexed; if we compare the case of the neediest those who receive the OAS, and GIS benefits and of those not quite so poor and who only receive the OAS benefits, as in the case for example of the former prime minister of Canada who will eventually lose 3 per cent of his buying power, starting next year. First of all, the neediest, those who benefit from the fully indexed guaranteed income supplement, will eventually lose about only 1.5 per cent of their income, that is without the additional condition. It is therefore unfair to maintain that the neediest will suffer a net loss of 3 per cent on their total income. I wanted to correct those figures.

Secondly, let us take a look at the forecasts mentioned by the member who is only doing his job as an opposition member; according to some business economists apparently the budget proposals of our Minister of Finances will not create jobs. I have some reservations about the forecasts made by those economists. Remember those about the draconian measures we were forced to take in November; they were supposed to create unemployment, however, since then, some 70,000 jobs have been created and the unemployment rate is the lowest in the last three years, which totally contradicts the economists, forecasts. That is why I have the greatest reservations about the figures which were quoted.

Thirdly, the Hon. Member challenged us to give him some examples of areas where capital gains will create jobs. I will tell you where; the Hon. Member even referred to history and spoke of the time before I was born; I am very flattered that he would go back so far in our history—

An Hon. Member: It has been quite a long time.

Mr. Lanthier: Indeed. But let me describe one in my wonderful riding of LaSalle and more particularly in Ville Emard. Businessmen wanted to transfer their assets to their children but they did not know how to do it, and the children were not really interested. To then, it was that kind of gift that costs more to take than to turn down. The children have now been able to take over those businesses and they will invest money in them, which they have already started to do. The parents are investing too because eventually they will be able in the next 5 years to plan ahead because, we will not change the rules on investments every year by decree. So, each year, they will be in a position to declare capital gains and not have to hand the government their hard earned money. I know three businesses where direct investments are being made either in buildings or equipment thanks to the capital gains tax exemption. Those are the three elements on which I have been challenged and that is my answer.

Now, concerning the Hon. Member for Bourassa (Mr. Rossi), the main thrust of the Budget is to assure the elderly . . . Mr. Chairman, I repeat that we want to make sure the elderly will not be faced with the same anxiety to which they were subjected two years ago. I am sorry, but I cannot accept the answer the Hon. Member for Bourassa would give. That is fundamentally what the Budget is all about. People are told that five years from now, they will not have to take a terrible 6 per cent loss in one year. That is what is implied in the Budget. As to the deindexation proposal, the senior citizens I have

talked to told me two things. First, they understand very well the indexation guarantee we are proposing. Secondly, they understand—and that is what I was told in the letter homes for the aged—that people most in need should receive more. And third, there is something they have told us and which I would like to put on the record. We have a French Canadian expression and I am anxious to see how it will be translated in English in *Hansard*. They told us—and I am going to tell you exactly where I heard this, it was in a senior citizens club in Ville Emard, you can go and see them if you like, following in my footsteps. Anyway, they told us: "It is about time you stop drawing on our savings". They do not fully understand that notion of capital, but the savings, that means something for the French Canadian. And they fully realized that we had to push the country into debt in order to pay for the social programs. And they told us: We have enough pride not to force upon our children a debt load they will have to pass on to the future generations. We heard this morning that outrageous suggestion that all we have to do in order to come up with $15 million or $180 million more is to force yet an additional load on our country's debt burden.

Mr. Chairman, I believe we must credit our elderly with some intelligence, as the Opposition Leader was saying a while ago. They are worried when first, we create unemployment, and second, we draw on their long-standing earnings.

Mr. Rossi: Mr. Chairman, the question is quite simple. You said that anything above 3 per cent will be indexed. I agree with that. I simply ask: the 3 per cent they now have, the 3 per cent that are presently indexed regarding the basic Old Age Security Pension—you said in your speech that anything over and above 3 per cent would be indexed, and I grant you that. This deindexing of this 3 per cent of the basic pension, assuming you do not change your mind by January 1, 1986, will this deindexing measure be implemented, yes or no? That is what I want to know: Yes or no? Will you go ahead with the deindexing of this 3 per cent? I agree with you about the amount above 3 per cent. But I ask you: What about the 3 per cent they now have? That is all. Yes or no?

Mr. Lanthier: Listen, this was called skating earlier, because I did not answer yes or no. Listen well. I have my pride. I am going to choose the answer I am going to give, according to what I understand, and not according to a strategy which seems to be imposed on me. First, it is understood that during the whole year until December 31, nobody loses anything.

• (1940)

Mr. Rossi: Agreed.

Mr. Lanthier: We agree on this. What may happen on January 1, 1986? What may happen? Everything was provided for in the Budget. In the Budget we said by 1990, and if it is by 1990 we can begin now or on January 1. The first 3 per cent will be the share we ask from senior citizens—

Mr. Rossi: This is what I want to know.

Mr. Lanthier: —to make them aware of the fact that we are now in an extremely difficult situation and that social program payments have increased. However, we say this to those who are most in need: Do not worry, as we have more money, we are going to study the situation and it is clearly said, we will see what is going to happen by that time. Of course, it is guaranteed above 3 per cent, it will not be guaranteed under 3 per cent, in as much as we are not going to implement this phase; La Palice would not have said it better.

Let me tell you then that we should not apply the 3 per cent suddenly; it should be related to all the conditions. I did not invent what I said now, it is in the Budget Speech.

Mr. Rossi: That's just like you!

Mr. Robichaud: Mr. Chairman, when the Parliamentary Secretary says that they will closely monitor the situation and make appropriate adjustments, it is but another promise and I simply want to ask him this: Is the government going to take this promise as seriously as the one made on July 26, when it stated: "We are committed to proceed to a complete reform of the pension system in order to eliminate poverty among retired Canadians and to improve their standard of living."

Mr. Lanthier: Listen, I do not want to elaborate on this statement of policy but I heard what you said, and I think we can isolate it and give you the assurance that it will be fully implemented not as a promise but as a statement of policy of this Government.

I have said and repeated it many times, but I do not know if I am getting through. I said that this policy remains as a leitmotiv or *modus vivendi*, whatever words you want to use. You can be assured that this Government's policy is not only to deal with financial and economic matters but as well to direct our resources as much as possible to those who need help the most. To this end, we will not mortgage our children's future but we will conduct pubic business in a rational way, which will of course lead us to a deficit, while creating new jobs. Our primary goal is still job creation.

Mr. Boudria: Mr. Chairman, I am pleased to rise in this debate. I have not had the opportunity for a long time to comment on these budgetary measures, Mr. Chairman, and particularly on the cuts to be made to the Old Age Security pensions. I would therefore take this opportunity to try once more to get Ministers and Government Members to understand how important it is for them to immediately cancel the measures they have taken in the past. And I want to say to the Conservative Member opposite that this time, I will deliver my speech slowly so that he too can understand.

Here we go again. First of all, Mr. Chairman, I think it would be appropriate tonight, in this House, to raise the matter—

[*English*]

—that after 42 years we should indeed bring to the attention of this House officially that there is finally an end to the tyranny of the Tories in the Province of Ontario. At 6.19

tonight the Tories were put to rest in the Province of Ontario and they will be resting for a very long time. I can see that is generating some excitement on the opposite side. Undoubtedly the electoral success of the Tories in Ontario was due to the help of "Brian Wonderful" who went to Toronto to help Premier Miller.

Mr. Dick: No, it was because you left.

Mr. Boudria: The wheels fell off the Tory machine. Undoubtedly they will fall off of Mr. Hatfield's machine and all the other Tory machines. As a matter of fact, I hear he lost a few wheels off his golf cart lately. He will probably lose a few more.

I see we have the Tories somewhat excited. They are an excitable bunch and, frankly, given this Budget, that is understandable.

I want to talk about the effect of this Budget on the agricultural industry.

Mr. Malone: You could not figure out a budget for your piggy bank.

Mr. Boudria: We know that some Conservative Members—

Mr. Tobin: Speak slowly.

Mr. Boudria: Yes, I will speak slowly to make sure that Members on the opposite side understand. Let me repeat that the farmers of this country are not at all pleased with the Budget. Let me emphasize: not at all pleased with the Budget. I see one prominent farmer sitting over there, the Minister of State for Small Businesses. I know he would be very—

Mr. Mayer: You don't have a farmer sitting on your side.

Mr. Boudria: —very interested in the livelihood of the agricultural industry. Some Conservative Members have claimed that the capital gains exemption provision is everything that farmers wanted. Let me read to you what some farmers said. This is a resolution from an emergency board of directors meeting held on June 6, 1985. They say:

Whereas the federal Government has betrayed the farmers of Canada by presenting a budget which totally ignored the results of its own consultative process and the commitments of the Government of Canada, and

Whereas the Government has not only ignored its own promises, it has ignored the legitimate needs of our farmers

Therefore be it resolved that we are demanding that the Government live up to its own commitments made during and after the election campaign and that in order to get this message across to our Government, we recommend the following action steps:

1. That every MP in the province be talked to over the next week and that this be done by a substantial group of farmers in the MPs own area and that we demand that our MP represent our frustration and anger and demand for action to their respective caucuses and Ministers, and

2. That the Executive of OFA and CFA be charged with the responsibility of determining a national plan of action and to bring this back to our June 19 Board meeting, and—

The resolution goes on and on and on. The Hon. Member who is heckling—

Mr. Forrestall: I am not heckling, I am asking you a question.

Mr. Boudria: —will be interested to know, I am sure, that this is a resolution of the Ontario Federation of Agriculture. That is the implication of that Budget for agriculture. That was not said by an opposition member of this House, but it was said by objective, non-partisan and concerned citizens of our country, farmers of the Province of Ontario, who collectively and unanimously passed this resolution to send the message to Members across the way. Surely, given the statements made by our seniors and farmers across this country—

Mr. Dick: How would you know?

Mr. Boudria: —surely it is starting to sink in, or it should, that this Budget is just not all it was cracked up to be. Can Government Members not see that this Budget is a disaster? Its orientation is wrong.

• (1950)

Mr. Dick: Mr. Chairman, the Hon. Member to whom I have been listening for the last ten minutes keeps referring to the Budget. The Budget debate took place a couple of weeks ago. This is a borrowing Bill. Perhaps he does not understand the difference.

Mr. Boudria: Mr. Chairman, I guess I was not going slow enough. Obviously the Member opposite was not able to understand that the reason we did not give the Government money is that it has proven in the recent Budget that it cannot administer it. Surely even he can understand that.

Mr. Dick: It is the first time you have mentioned it.

Mr. Boudria: Let me try it again. I am sure I will convince him this time. This is not the first attack upon the farmers of the country which the Government has perpetrated. It is actually the second major assault on the farmers of this country. The first one took place in this booklet called "Expenditure and Program Review" which was introduced on November 8, now know as black Thursday.

Mr. Kempling: You are silly.

Mr. Boudria: The Hon. Member opposite says that this is silly.

Mr. Kempling: You're silly.

Mr. Boudria: It is silly to cut $6.2 million from the dairy program. Maybe that is what he thinks of the importance of agriculture.

Mr. Prud'homme: Mr. Chairman, I rise on a point of order. I believe you are close enough to hear, Mr. Chairman, so I will not name the Hon. Member directly. However, you are close enough to hear what he said to the Hon. Member. I am sure that it is not language that should be used in the House. I would not ask you to call him to order except to remind Members that we may differ in opinion, have a profound

difference of opinion, but I suggest that to call a Member silly is absolutely unparliamentary.

Mr. Tobin: And childish besides.

Mr. Malone: Let's take a vote on it.

The Assistant Deputy Chairman: Order, please. Let's not be silly. I say that in gest, but for the information of all Members of the House, the word "silly", as far as this Speaker can draw from his vast parliamentary experience, is not unparliamentary.

If Members will permit me to add, there is a certain question of order that I think the Hon. Member for Saint Denis is also raising.

Mr. Boudria: As I was saying before the Hon. Member opposite, who is obviously not interested in agriculture, made those remarks, is that on black Thursday the Government of Canada perpetrated its first of two major assaults on the farming industry. Then it cut $50 million from agriculture in the Budget. Let me ask the Member opposite if he knows of farmers who can dispense with $50 million.

Mr. Malone: Yes.

Mr. Boudria: Who can give it back to the Government because they do not need it. If that is his opinion of the farming industry in this country, let me tell him that that is not the farming industry of my riding. The farmers of my riding need assistance and every penny they can get. They have difficulty making ends meet. It is small wonder that farming has been getting into greater difficulties since the Government took office with an attitude like that.

Let me elaborate on those savage cuts perpetrated by the Minister of Finance on the farming industry. For instance, $9.4 million was cut from the departmental operations of the Ministry of Agriculture. Under the heading of "Elimination of Programs", there was a $6.6 million cut in the abolition of Canagrex.

Mr. Malone: That's good stuff.

Some Hon. Members: Hear, hear!

Mr. Boudria: It is rather unusual to hear members say that. Obviously he was not present at the agricultural committee meetings when we heard witnesses and their statements. Perhaps they were speaking too quickly, Mr. Chairman.

In another section of the document entitled "Expenditure in Program Review", under the heading "Cost Recovery"—a euphemism for increasing taxes—there is another $32.3 million in cost recovery, or tax increases, to our farmers. This document continues with these policies against the farm sector.

The Government made a series of promises, not only to the farmers of Canada but to everyone else. I have that list here in which there are 338 Tory promises. Let me read a few of them.

An Hon. Member: What does this have to do with the borrowing Bill?

Mr. Boudria: Mr. Chairman, I will have to repeat it again.

Mr. Cook: Mr. Chairman, there used to be a rule of relevancy in the House. I have not heard much relevance lately. With all due respect to the Hon. Member, I am having great difficulty in determining whether he wants us to borrow more money or less money. It is a borrowing Bill, and even by convoluted reasoning one should connect one's remarks. I hope he will at least relate his points rather than refight a six-day Budget debate, as he has been doing for the last fifteen minutes. I would urge you to please be aware of the rule of relevance and I, for one, would like to see it applied a little more thoroughly.

The Assistant Deputy Chairman: Order. The debate is on the amendment, that Clause 2 of Bill C-51 be amended by deleting the words "eighteen billion, two hundred million", and substituting therefore "17 billion, 654 million". That motion is by the Hon. Member for Gander-Twillingate. It is a borrowing authority Bill. The Hon. Member for Glengarry-Prescott-Russell.

Mr. Boudria: Mr. Chairman, as I indicated earlier, and will repeat again since it seems to take time to sink in, we have decided as a caucus that whereby the Government has decided to cut senior citizens' pensions by 3 per cent, we have proposed—

Mr. Gormley: It is not a cut.

Mr. Boudria: —an amendment to cut the Government's borrowing authority by 3 per cent.

Mr. Gormley: It is not a cut.

Mr. Boudria: Because of the Government's inability to manage the funds—

Mr. Gormley: Don't lie.

Mr. Boudria: —that the House has given to it in the past—

Mr. Gormley: Don't lie. Come on, stand up.

Mr. Boudria: We are explaining to the Government again why its budgetary actions are inadequate and why we do not want to give it money through this borrowing Bill. I hope I will not have to repeat that again in five minutes. Perhaps the Member from The Battlefords-Meadow Lake would like to withdraw some of the remarks he has made in the last few minutes, which I am sure *Hansard* has picked up by now. Can I draw that to your attention on a point of order?

The Assistant Deputy Chairman: The Hon. Member wishes to draw some matter to the attention of the Chair.

Mr. Boudria: Mr. Chairman, I had been led to believe that it is unparliamentary to call other Members liars in the House. However—

Mr. Gormley: Mr. Chairman, I rise on a point of order. I would like to know exactly to what the Hon. Member is referring. He has named me in his remarks. I want to find out exactly what he may be naming me for, and be more specific, to see if a point of order is established.

• (2000)

The Assistant Deputy Chairman: I believe the Hon. Member for Glengarry-Prescott-Russell asked the Chairman to take note of the fact that the Hon. Member for The Battlefords-Meadow Lake may have called him a liar, something I regret to say I did not hear, for many good reasons, one of them being that there was a great deal of noise around the chair.

Mr. Boudria: Thank you, Mr. Chairman. I really did not expect him to withdraw it. I was about to start describing some of the promises which the Government made to the farming community, how the Government had not delivered and why it should not be getting any more money in this borrowing Bill. The Government has not sufficiently and properly administered the funds which the House has already given it.

An Hon. Member: That is because the Liberals put us in a hole.

Mr. Boudria: Mr. Chairman, I am glad the Hon. Member opposite raises the topic of government waste. He says that the Liberals wasted money in the past and that this is why his Government is in trouble.

If the Government would cut back the 57 per cent increase in the budget of the Office of the Prime Minister, perhaps we could restore indexation to senior citizens in a few ridings. If the Government had not given Roy McMurtry and Lawrence Hanigan salary increases totalling $50,000 or $60,000 per year, perhaps we could restore it in one or two more ridings. If the Government had not spent $1 million on the Shamrock Summit, perhaps we could restore indexation for one year to many ridings.

I will continue. Perhaps the Government should not have wasted $1,000 flying video clips to the Prime Minister when he was in Florida at Christmas, another cost to the taxpayers of Canada. Perhaps the Minister of Communications should not have spent $57,000 flying across the world to the Middle East with his staff and family. Perhaps the Minister of Energy, Mines and Resources, who is supposed to tell us how to save energy, should not have flown on a jet to Vancouver, only to arrive three minutes ahead of an Air Canada flight, at a cost of $17,000. That amounts to a cost of over $5,000 per minute for the Minister to arrive in Vancouver ahead of time.

The Hon. Member is right. The Government should not waste money. Perhaps the Government should not have wasted $36 million by buying new uniforms for the military. Perhaps it should have thought about not wasting that money before deindexing pensions of seniors. Maybe its priority was wrong.

At an appropriate time later, Mr. Chairman, perhaps I will bring more to your attention about government waste. I thank the Hon. Member across the way for reminding me of that.

[*Translation*]

Mrs. Pépin: Mr. Chairman, I welcome this opportunity to speak to the amendment to Bill C-51, because the Budget brought down on May 23 of this year was supposed to emphasize employment, according to the slogans used by the Progressive Conservative Party during the election campaign last summer: 'Job, jobs, jobs.'

Although the Conservative Government stated that its first priority was employment, it has failed to come up with a real strategy. It hopes that tax deductions, including the tax exemption on $500,000 in capital gains, will be an incentive for people to invest and for businesses to create jobs. This is speculative, to say the least.

The most controversial proposal in the Budget is of course de-indexation of Old Age Security pensions. Mr. Chairman, this is a generation that lived through the Depression and World War II, a generation that raised large families and worked at a time when there was no such thing as retirement plan. I think it is obscene to ask a generation that has suffered so much to make even more sacrifices, when the Government gives the wealthy in our society over half a million dollars in tax exemptions.

I would like to say a few words about this tax measure. The proposition that jobs can be created by offering a tax exemption worth $500,000 is very speculative indeed, and I am not alone in holding this view. A number of independent observers think so too. The day after the Budget, one of our economic experts wrote in the press that the Government had failed both to reduce the deficit and reduce unemployment. Mr. Alain Dubuc, whose political objectivity and professional integrity are without question, said in his article that the measures introduced to benefit business would not necessarily bring about an increase in the number of jobs. For instance, eliminating the tax on $500,000 in capital gains may also encourage the purchase and sale of stocks and real estate, without creating a single job. The Government assumes that the Budget will create jobs after creating a climate of confidence. However, this is still speculative rather than a sure thing. That being said, until those jobs are created, if they ever are, the middle class is seeing the erosion of its purchasing power.

Mr. Chairman, yesterday in Baie Comeau, the Prime Minister accused the Liberal Party of scaring senior citizens. Mr. Chairman, the Prime Minister is trying to put the blame on the Liberal Party for causing anxiety among the elderly. The Liberals are not the only ones who are worried about our senior citizens. Read the papers, Mr. Chairman, listen to what senior citizens' organizations are saying and look at the cartoons in the papers. Did you see the cartoon in the *Telegraph Journal* on June 4? It shows the Prime Minister pushing a couple of senior citizens, while he is saying: "Sure the budget is tough enough on some citizens, but we must concern ourselves with those voters who will be around next election."

The cartoon in the *Toronto Star* of June 10 shows a senior citizen being tripped. These are not figments of the Liberal Party's imagination, Mr. Chairman. The Conservative Government is following a right-wing policy and is putting all its money on private enterprise. It is determined to reduce the size of Government. It is true that everywhere in the Western world people are questioning the influence of the welfare state and what the degree of Government involvement should be in the economy, but more and more people are starting to think that a mixed economy where the state still has a substantial involvement remains the ideal solution for a country like Canada. The Conservative Government has decided to abdicate its responsibilities in this respect.

Totally oblivious to the fact that we are in a democracy, the Minister of Finance stated in his Budget presentation that for too long, and I am quoting, Mr. Chairman, the Government decided what was good for Canadians. It set priorities, steered activities and subsidized efforts.

Well, Mr. Chairman, was it not the role of a democratically elected Government? I should like to recall a few facts concerning senior citizens, women and poverty. Poverty is the lot of women, particularly elderly women. Being both a woman and elderly is a ticket to poverty in Canada. The odds that an elderly woman will have a low income are about 66 per cent and she has the dubious honour of being poor for a longer time since, on average, she lives seven years longer than her husband.

If being both a woman and elderly is a ticket to poverty, being an elderly woman and a widow is a sure guarantee. More than 50 per cent of married women expect to be widows some day, and 70 per cent of widows and single women aged 70 or more live in poverty. As a rule, a widow does not get anything out of the retirement plan of her husband's employer and is entitled only to limited benefits under the Canada Pension Plan and the Quebec Pension Plan. The situation is not the same for her husband—he continues to get the same pension even after his wife has died.

• (2010)

The income to which a widow is entitled after the death of her husband is less than 30 per cent of their previous income as a couple, and should a widow remarry she almost invariably loses the benefits she might have otherwise. Three out of five women over 65 and four out of five women over 75 are single, widows or divorced.

Mr. Chairman, these few facts are a reminder that women make up most of the elderly group and that they are more directly affected by deindexation. Women have long since been waiting for the day when Canadian society will put them on the same footing as men. Elderly women have long since been waiting for the day when they will be able to live in complete dignity rather than live off social assistance. In my opinion, therefore, pension deindexation is unacceptable to an elderly person since it flies in the face of the most basic principles of social justice. Indeed, Mr. Chairman, what justice is there in reducing from one year to the next the purchasing power of a group of people who are among the most needy in our society? In my opinion, this is an inhumane measure which denies the fine principles contained in the speeches made by the Prime Minister during his election campaign.

I remember the solemn promises made by the Hon. Member for Baie Comeau (Mr. Mulroney) last summer. First, he was to re-establish full cost of living indexing of old age security pensions from January 1, 1985, and he also said that, as soon as its financial position would allow it, the government would provide greater financial assistance to single senior citizens still living below the poverty line, that the New Horizons program would be maintained and that it would be adequately funded. In his usual low and solemn voice, which he uses to try to show how serious his comments are, the Right Hon. Prime Minister therefore made specific promises to senior citizens. From now on, Mr. Chairman, we should perhaps become suspicious when the Prime Minister lowers his voice and speaks slowly. The solemnity of his voice is not proportional to the priority he gives an issue, contrary to what he is always trying to make Canadians believe.

The deindexing of senior citizens' pensions is unacceptable. Even the Prime Minister heard this yesterday evening in Baie Comeau, and he did not succeed in convincing anyone. I therefore believe that it is more than time for him to retreat. It is time to reassure senior citizens and tell them that deindexing will not happen.

Mr. Lanthier: Please! I do not want to discuss the value of the solemn voice of the Prime Minister or of the caricatures, but I would like to comment a few points. First, I completely agree that the situation of some women, especially older women, is deplorable. What was said earlier is quite right. They stay old longer and poor longer. This is a deplorable situation of which the Government is well aware. However, I can tell the Hon. Member for Outremont (Mrs. Pepin) that our Government did something about it. We were criticized for acting with too much haste, but we were conscious of the difficulties faced by a certain group in our society and we took action to provide pensions for single people, most of whom were women between the ages of 60 and 65. Without waiting for a comprehensive economic study, we immediately took action to alleviate somewhat this obvious inequity of which one group in our society was the victim. Indeed, there remains a lot to be done, but the measures introduced by the Minister of Finance (Mr. Wilson) are aimed at creating jobs, putting the affairs of the state in order, and bring our national debt under control. But it means bringing down the social programs to what they used to be and developing them progressively, instead of increasing outright our national debt.

I can tell the Hon. Member for Outremont that the government is fully aware of these problems and that we are trying,

within the limits of our available resources, to meet the most pressing needs of the less favoured Canadians.

That was my second point. My third point is that Hon. Members have mentioned on several occasions that the 3 per cent cut in purchasing power would affect, as of next year, the income of our senior citizens who receive the Old Age Security pensions and the Guaranteed Income Supplement.

I brought this figure to its proper level a moment ago when I said that it represented slightly less than 1.5 per cent of the total income of the OAS and GIS recipients. It certainly represents 3 per cent of the total income of OAS recipients. But let us turn to the former, those needy senior citizens, for they are those whom I sincerely believe the opposition is trying to help. I am reminded that actually I am lucky there are experts present who can answer this kind of questions—

Mr. Prud'homme: How lucky you are!

Mr. Lanthier: —and make up for my limited competence which I confess, and that is the difference!

So I am told here that this was less than 1.5 per cent of the total income of the people who were in need of it, but this should not be considered directly as a decrease in purchasing power. I would, therefore, like to submit a figure which is based on economic studies and which indicates that the 1.5 per cent indexing loss on total income amounts to a purchasing power decrease of approximately one half of that, because where the food basket is increasing in price, there can be substitute products and the result is only one half of that. Therefore, they should not broadcast figures like 3 per cent as they are now doing, as they were trying to push on earlier. They were trying to equate the 3 per cent possible de-indexing loss to a 3 per cent loss in purchasing power.

On the basis of our studies, we feel that for those who are most in need, the decrease will amount to only 0.7 per cent, according to those economic studies.

Third, I would like to raise another point the Hon. Member for Outrement (Mrs. Pépin) made, and this makes me a little nervous, when it was suggested that we were in—

[*English*]

Mr. Tobin: Mr. Chairman, I rise on a point of order. Some time ago my colleague, the Member for Glengarry-Prescott-Russell, asked that a ruling be made on comments made by the Member for The Battlefords-Meadow Lake who used the word "lie" in association with the Member's comments. Since the previous Chairman claimed not to have heard those comments, and since I know that you heard them, I wonder whether you could rule on whether it was appropriate for the Member for The Battlefords-Meadow Lake to call the Member for Glengarry-Prescott-Russel a liar in the House. I am quite sure you heard the comments, Mr. Chairman.

The Acting Chairman (Mr. Gormley): I would like to advise the Member—

Mr. Malone: On the same point of order, Mr. Chairman.

The Acting Chairman (Mr. Gormley): Order, I would like to advise the Member that the Chair has already ruled on that matter. It is not a point of order.

Mr. Tobin: The Chair claimed it had not heard the comments. I know that you heard them and that is why I asked you.

The Acting Chairman (Mr. Gormley): It is not a point of order.

[*Translation*]

Mr. Lanthier: I was interrupted on the third point. What scares me terribly bad is the reference to a mixed economy, coming from a member of a party that is so near those who would rather nationalize and operate the economy by means of state measures. Recently we have been seeing direct or indirect Government involvements. We have seen how successful that has been in dealing with unemployment and job creation. I think that all Canadians now feel, as they clearly showed on September 4, that Government must get out of our business. The Government is not qualified to manage business. This is acknowledged by all Canadians, and it has been proven. The results are there to see. So, what scares me is when they refer to a mixed economy. I submit that we are now contending with a multitude of Crown Corporations, and it is very difficult to get out of that situation.

● (2020)

I must now show this Government's colours. We are for private enterprise and we are convinced that the numerous permanent jobs we need to create will only be created through the private sector.

[*English*]

Mr. Orlikow: Mr. Chairman, I would like to speak on this debate because I have heard so much nonsense from the government benches that I cannot remain silent. Our Party is not opposed to borrowing. Our Party is not as frightened of the deficit as the Conservative Party which now forms the Government. We support deficits and we support borrowing if they are required for reasons which make sense, if they are required to help people who need help and if they provide jobs. We cannot support a borrowing Bill which takes from those who are poor and old and gives to those who already have more than anyone else.

The Government is proposing to take $1.6 billion from the retired people of Canada to give almost all of it, $1.4 billion, to those in the top income levels of the country. That we cannot support. There is nothing which has made me more angry than to hear Conservative Members of Parliament here in the House of Commons and outside say that there is no real concern among the retired people of this country, that they understand what the Government is doing and are prepared to take their share of the burden in getting the country moving in

the right direction. They say that all the fuss we hear is caused by the misinformation given to senior citizens by members of the Opposition. That tells me that Conservative Members of Parliament, beginning with the Prime Minister and the Minister of Finance, have contempt for senior citizens. They believe that senior citizens are stupid.

Government Members believe that even though what the Government is proposing is good and necessary, somehow those terrible people in the Opposition have fooled and befuddled senior citizens so that they are expressing opposition to what the Government proposes even though what the Government proposes is good and should really be supported. They are really saying about senior citizens that not only are they old and poor but they are stupid. They are not stupid. They understand what is going on and they have reacted in a way which I have not seen before in almost 40 years of political life. I have never seen such unanimous opposition to a proposal made by any Government, federal or provincial, as I have seen expressed in the last few days and weeks to the proposal in the Budget designed to reduce the income of senior citizens by 3 per cent per year beginning in January 1986.

I do not know how the Parliamentary Secretary to the Minister of Finance came up with the figure of 1.5 per cent. It is quite clear in the Budget that the Old Age Security benefits will not be automatically indexed quarterly, as they have been since 1972 or 1973, by whatever the increase in the cost of living has been in that quarter, but that in each year beginning January 1, 1986, there will be no indexation of the Old Age Security pensions for the first 3 per cent of the increase in the cost of living.

The increase in the cost of living is down right now. This year it is down dramatically from what it was a few years ago, but it is only down to 4 per cent. If it stays at 4 per cent next year, something which is doubtful, then people receiving Old Age Security benefits will have a reduction in their real purchasing power of 3 per cent. The Parliamentary Secretary tried to rationalize his position by saying that the reduction of 1.5 per cent would not be so serious because somehow senior citizens could purchase alternatives.

I would like to bring to the attention of the Parliamentary Secretary an article which appeared in the Montreal *Gazette*, a newspaper which is neither radical nor revolutionary. This article appeared on May 24 of this year and the headline reads:

> Budget hurts poor, consumer groups say.

Let me read to the Hon. Parliamentary Secretary a couple of paragraphs from that article, because they point directly to what he has said and show how wrong he is. The article reads:

> To illustrate the effect of the budget's new taxes on consumers, The Gazette bought the Paré-Julien family a pre-budget sample of consumer goods—including food, vermouth, cigarettes and health-care products—that appear to be affected by the budget increases. The goods came from a nearby Provigo.
>
> The total bill came to $46.72, including $1.37 worth of Quebec tax on certain items.
>
> If the Quebec tax stayed the same, the new taxes would raise the bill to $50.66—
>
> But based on the budget indications, the new taxes would add $3.94 to the shopping basket.

It seems to me that $3.94 on $46.72 is not less than 1.5 per cent. According to my calculations, it is over 6 per cent of that amount. The Parliamentary Secretary is wrong on that score.

● (2030)

Let me put on the record some of the things which Members of Parliament are hearing from senior citizens across the country. Let me begin with a communication which came from the New Brunswick Senior Citizens' Federation dated June 14, 1985, addressed to all Members of Parliament of Canada of all political Parties, all Members of the Senate of Canada, all provincial premiers and all senior citizens' associations across Canada. I am sure the Parliamentary Secretary knows that we terrible New Democrats do not have very much support in New Brunswick, so we cannot be accused of having fomented that. After all, the Conservatives won most of the seats in New Brunswick, so I do not know how the Liberals could have produced it. Someone must have done it. Maybe it was the senior citizens themselves. Despite the arguments of Conservative members, maybe the senior citizens of New Brunswick are not so stupid. Maybe they know what is happening.

I would like to read into the record what the senior citizens in New Brunswick wrote in a circular which was sent to all Members of Parliament. I presume the Parliamentary Secretary received a copy. The circular is from the New Brunswick Senior Citizens' Inc. It reads:

> On June 5th, we held a media conference in Moncton to announce our plans to make everyone aware of the immorality and dishonesty of tampering with Canada's (already inadequate) pension system for the elderly.
>
> We indicated that we would make waves from the Atlantic to the Pacific. This has indeed happened.

The circular continues:

> New Brunswick senior citizens are a rare breed. There are 76,800 of them. Five hundred new retirees are added to statistics monthly.
>
> Seventy-three per cent of them are below the poverty level (GIS). Tremendous numbers of these are single ladies and/or widows of lumbermen, fishermen or farmers.

An Hon. Member: Is that relevant to the borrowing Bill?

Mr. Orlikow: Of course, it is relevant. Part of the reason for which the Government must borrow the money is that it has refused to tax those who can afford to pay the money. If that money was collected, the Government would not need to borrow as much. It is taking the money from those who do not have it—old age pensioners. I presume that the Hon. Member who interjected did so because he does not want me to put on the record what the senior citizens of New Brunswick have said.

The circular continues:

> We will go to any limits to stop these troublesome vibrations coming out of Ottawa, upsetting the quality of life of so many.
>
> You should know that the "social", "physical" and "medical" aspects of a senior citizen's life are extremely interwoven.
>
> Anything that is done or caused to be done to affect any one or more of these three important aspects . . . will have a nefarious effect on the elderly!

Anything that is done to improve any one or more of these three will have a marked beneficial effect upon the elderly.

That is what the senior citizens in New Brunswick have said.

I have a copy of a telegram which was sent to the Minister of National Health and Welfare and to the Minister of Finance a few days ago. The telegram was sent by the National Council of Jewish Women of Canada. That is a very hard-working group which has been in the forefront in urging improvements in the social security system of Canada for many years. The telegram reads:

National Council of Jewish Women of Canada representing 4,000 women presently meeting in Ottawa at its 23rd biennial convention urges the Government of Canada to continue the indexing of old age pensions. We oppose any measure which threatens the financial security of senior citizens in order to reduce the deficit.

We are beginning to hear from seniors. I received a telephone call in my office last week from the management of a large shopping mall in my constituency. They invited my assistant to go to the mall in order to obtain signatures for a petition which would oppose the deindexing of pensions. They told us that they would be quite happy to set up tables and chairs. They said that the only thing we could not do was put up a sign indicating that we were from the New Democratic Party.

I would like to read into the record the wording of the petition. I would like a Conservative Member of Parliament, who has been saying that we have been misrepresenting the facts to the seniors, to get up after I have finished and tell Members of the House how we are misrepresenting the facts and the situation as it will affect our senior citizens. The petition reads:

That in the opinion of your petitioners, the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security (OAS) program, and

That the annual cut to each and every OAS pensioner in Canada will be $100 in 1986, $205 in 1987, $315 in 1988, $431 in 1989, $553 in 1990 and $680 in 1991 and

That cuts in the OAS fly in the face of a Progressive Conservative campaign promise that "a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis", and

That deindexing represents a massive withdrawal from our collective commitment to public pensions, indicating the Government favours shifting to a system of tax-subsidized private savings for retirement and

That the losers will be the poor, the unemployed and women

Wherefore, the undersigned your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of the Old Age Security program in Canada.

I would urge any Conservative Member of Parliament who believes that any statement of fact in that petition is not true to get up and tell the Members of the House why it is not true.

I was at the shopping mall with a few friends and workers last Friday afternoon from 4 p.m. to 8 p.m. We collected 1,500 signatures. The people not only signed their names, they also gave their addresses. Naturally, most of the people who signed the petition live in my constituency. However, people from the ridings of Winnipeg North Centre and Winnipeg-Birds Hill, which are represented by my colleagues, signed the petition. As well, people from the riding of Winnipeg-Fort Garry, which is represented by a Liberal member, signed the petition. People from the ridings of Winnipeg-St. James, St. Boniface and Selkirk-Interlake, which are Conservative ridings, signed the petition. 'Lo and behold, people from the riding of Provencher, which is represented by the Minister of National Health and Welfare, signed the petition.

Conservative members from Manitoba issued a press statement which said that they were not hearing from their constituents. Mr. Chairman, they are hearing from their constituents. They ought not to try to kid their constituents or anyone else that the senior citizens are not upset. I told the Hon. Member for Portage-Marquette, the Minister of State for the Canadian Wheat Board, that unless the Government changed its policy before Parliament recesses on June 28, that I would take a day or two in early July to visit some of the seniors in the towns of Portage la Prairie and Neepawa which are in his riding. I said that I would take the petition with me to see how many of those seniors would sign it. The Minister of State for the Canadian Wheat Board knows that many seniors will sign that petition. They are not foolish, nor are they stupid. They know that deindexation of old age pensions will have a very adverse effect on their lives.

● (2040)

Let me just quote from two letters, Mr. Chairman—

The Assistant Deputy Chairman: Order. I regret to inform the Hon. Member that his 20 minute period has now expired.

[*Translation*]

Mr. Prud'homme: Mr. Chairman, I am quite pleased to see . . . I have the floor . . . My colleague seems somewhat surprised—

[*English*]

I do not argue with Mr. Chairman. He recognized the Hon. Member for Saint-Denis and I am the Hon. Member for Saint-Denis. I must say that I am very pleased to see so many Hon. Members coming into the House at this time.

[*Translation*]

The Assistant Deputy Chairman: Order. The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) on a point of order.

Mr. Lanthier: Mr. Chairman, the rules do not allow me to answer allegations. I was challenged a while ago and I had no opportunity to answer.

Mr. Gauthier: There were no allegations. You had nothing to say.

The Assistant Deputy Chairman: Order. I have already given the floor to the Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: I am also pleased to note that the Government House Leader and the Government whip are here.

[*English*]

But I will say what I was going to say. Since the beginning of this debate I have been very silent. I have listened very politely to all the arguments which were put forward. It is also well known that I do not participate in debate too often. I do it when I think there are people I should defend, such as those in the arts community who are going to be facing greater problems and difficulty. Then I feel I should participate in the debate. The reason I do so tonight is very simple.

I represent a district in Montreal which is know to have the greatest number of older citizens in the Province of Quebec because it is the oldest centre of Montreal. It is called the Quartier Villeray. I have been asked questions and I must be fair—as I try to be all the time to the Prime Minister and to the Minister of Finance—but I must admit that after listening to their arguments I was under a lot of strain to make sure that the kind of answer I have to the senior citizens in my district was the kind of answer that was fair and honest, and one which no one could hold against me.

[*Translation*]

I met with senior citizens at various locations. Their financial circumstances are slightly different. In the western section, at the Résidence Saint-Laurent, the people mostly do not get the GIS. They are people who have managed their assets, who have been lucky, who worked differently, who perhaps held positions in the community which enabled them to save money more than others who were not as lucky. However, those people at the Résidence Saint-Laurent asked me the following question: Why should we pay 3 per cent when the further announcement is made, granted, in 1986? I visited some people at the Résidence Berri-Lajeunesse. It is another class of citizens who had a hard time finding a place to live either at the Résidence Berri-Lajeunesse, at the Résidence Jarry, at the Résidence Hélène-Boullé or at the Résidence Louvain.

They had problems members of all parties should know about because we all have to deal with them. They had problems finding a place to live. They finally did, but they need both the OAS and the GIS to make ends meet. That is the only way.

An Hon. Member: Right on!

Mr. Prud'homme: I went a bit further and met residents of the Tournesol, Jean-Valets and Jean-Talon homes. This is another group of citizens I represent in Montreal. They are senior citizens and former residents of the Vieux-Montreal. They are not all from the downtown area. Some are from the center-north of Montreal. My colleagues know that I represent also new Canadian citizens who came to settle here in Canada for all kinds of economic reasons. You know, Mr. Chairman, that these people worked really hard. They saved a little bit of money to send the second generation of young Canadians to the best schools. They made real sacrifices. They have not been able to make provisions for themselves, but they have been good Canadian citizens, raising great children to whom they were totally devoted. All those who know some of those newcomers realize how important children are to them... They will make any sacrifice to give their children a good education and the best training available. Their life achievement is to see their children go to college and then lead a successful life. But all they have for themselves is a meagre pension for which I admit they are very grateful. They know that this is a new country for them, a country that welcomed them and gave them the opportunity to express themselves, to raise children who have become good Canadian citizens, and a country that gives them some protection in their old age. What can I tell these people? I for one am prepared tonight—I read carefully all the statements made by the Prime Minister and his Minister of Finance, and I am prepared to bet that by the end of this session, everything is being put into place in order for the Old Security Pension and GIS recipients to receive full indexation of these benefits. If that is what is coming—I would think that is what is coming, because my colleagues from the other side have constituents as I do, they share the concern I have for our senior citizens, starting with my colleague from Hochelaga-Maisonneuve (Mr. Desrosiers) who also represents an awful lot of senior citizens in his riding, as compared with other ridings, and who was most eager to sign the petition. Everybody knows the respect I have for the former Minister of National Defence of Canada, the Hon. Member for Victoria (Mr. McKinnon), who was an excellent Minister of National Defence. I pay tribute to him, for it is not easy to go against one's party and rise to the occasion. I can tell my hon. colleagues and, hopefully, friends, that I have experienced how hard it is to stand for one's convictions and to vote against one's party. My Whip has also experienced the same situation. We should talk to each other and we should not fear saying it aloud, it is not easy to step out from the ranks. I can tell you that I have known this situation during 22 years. Once in a while, one should not be afraid to stand and be counted. Personally, when I saw what the former Minister of Defence, the Hon. Member for Victoria, has done, I recognized a man who said to himself: "I have listened, now the time has come for me to speak up". And he did so. As I said, the newly elected member for Hochelaga-Maisonneuve had the same impulse, as did several others. I look at my colleagues tonight and I wish that if it were possible—but as usual I will not get my wish—we could rise above party politics when dealing with this issue, which would make our elderly people really happy!

• (2050)

Listen, last night, you watched television as I did—

An Hon. Member: Saturday night.

Mr. Prud'homme: Yes, Saturday night, I was on CBC. I thank my hon. friend for repeating it in case some of my colleagues did not know about it. I tried not to blow my own horn.

An Hon. Member: You did not succeed!

Mr. Prud'homme: So, if you want to use that tone, I will follow suit.

An Hon. Member: He does not understand anything that goes on in this debate.

Mr. Prud'homme: But, one should always know how to resist provocation. However, in order to make the debate a little livelier and to please my colleague, I accept to raise my voice a little, without shouting of course. I remember what happened during the last election campaign. That was my eighth and I can tell you one thing, that is that it was one of the easiest for me for reasons I cannot understand. However, I can tell you that when a candidate from another riding came in mine to meet with the elderly at their residences: Tournesol, Jean-Valets, Jean-Talon, Louvain, Berri-Lajeunesse, Jarry, Hélène Boullé, and said: Your MP tries to instill fear in the elderly, they almost loated him out because they felt it was not the way I was addressing them. I simply warned them to listen to everyone but to make sure to place their confidence in the right person. Anyway, our job is not to look at the candidate they chose. I would prefer to convince them, dear colleague who interrupted me, than to rush them. With my sensitivity, it is not like me to—oh you do not like what I am saying, but I can tell you openly that I am not ashamed to speak about what I can do. So it would be a shame for me to go and see these people, our elderly, and try to foster anxiety in them. If some people do that, they do not come from the Saint-Denis riding, I can guarantee you that. However, I can tell you that these people know how to listen. They still remember hearing our Right Hon. Prime Minister then, Mr. Turner, telling them to be aware of the secret agenda. It is policy, and he told them frankly. I do not want to be rude to the Right Hon. Prime Minister (Mr. Mulroney), his Minister of National Health and Welfare (Mr. Epp) or his Minister of Finance (Mr. Wilson). However, faced with a general outcry in every part of the country they should reconsider because I never thought that in politics, it was humiliating to reconsider his position. I can guarantee you one thing; I will not be one of those to shout: "We won, we won", like kids. I suggest that the Prime Minister, a man who is willing to listen to sound representations from members of his own party and from other people, will feel free to back track on this now that he knows Canadians do not want deindexation, not only old people but also their children and their grand-children as well as those who are currently 50, 55 and 60. It does not seem much for young Members of Parliament, but think of those people who planned all their life to build up a pension fund, who will say to themselves: "I did not save enough because I was sure that I would get a pension and the GIS". All of a sudden they do not have that anymore money. I would not want to be charged with being prejudiced but one Member said "What is $100 a year?". Face facts and try to say that to someone to whom $100 means a lot. I would not want to play cheap political games by saying that that represents the breakfast of one single person everyday of his life. But that is what it means actually. One has to figure out what $100 is for those people. It might not mean much for some but $200, $500 and $1,200 for a five years period does make a difference to old people. One must think about that. Although I do not understand the government's position, I still hope that from now until June 28, the Right Hon. Prime Minister, and I should add that I did not consult with my party before taking that stand, but—

An Hon. Member: That is not true!

Mr. Prud'homme: No, I do not do it. I did not do it either in this case. You can laugh as much as you like Mr. Chairman of the national caucus of the government, but I did not consult my party because when I rise, and I do not rise in this place very often, I know what has been said and I have heard a lot so far on that matter. I think it is time to remove the political aspect of it, to understand that elder people are helpless.

My father was an old doctor who looked after those people and I learned from him that one of the saddest things about old people is their helplessness, their fear of the future. They always ask themselves if they will have enough for tomorrow. We all have parents and we can understand their concerns. The Hon.—

Mr. Lanthier: Why do you use these scare tactics? What you say is outrageous.

Mr. Prud'homme: I am sorry. The Hon. Parliamentary Secretary has an excellent question. He is asking why I am using scare tactics. Well, I am not. Would the Hon. Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) not agree that it is logical, because the announcement is made, and if nobody spoke up, people would say, of course: You see, nobody is protesting, therefore we will do it. The announcement has not been made by us. It is in the Budget. It is clear. It is absolutely clear. Granted, there will be some "monitoring". I say to the Prime Minister and I ask you, Mr. Chairman, to let us say directly to the Right Hon. Prime Minister (Mr. Mulroney) and to his Cabinet, that nobody should be ashamed to reverse a decision when it is clear that it is not achieving its purpose. There would be no shame—

Some Hon. Members: Hear, hear!

Mr. Prud'homme: —he should not be ashamed, for instance, to tell us before the end of the session, that he is prepared to reconsider and split this major decision; it was hard to make for him since he was quoted so much as saying the opposite during the election campaign. It is even harder to hear everyday that you have not kept your word. It is hard for a politician to hear that, even harder if he is the Prime Minister of Canada.

We could make an agreement and believe that tomorrow or the day after tomorrow, the Prime Minister will announce that, because of all these representations, he is going to split his decision, that the people who how receive the OAS and the GIS will get the full indexation. It is over, we do not talk about it any more, do not worry, and have a wonderful summer. First part of the decision.

As far as the others are concerned, those who do not receive the OAS, he could go ahead with everything he said, as reported on page 5772, as he has said so often:

So he could go on for those people who are not as worried about their future. These people are less concerned, those who have only their old age pension, because there are always people who are more worried than others.

We will continue to fight so that the people who are not as worried can keep their indexing.

An Hon. Member: He is doing great, is he not!

Mr. Prud'homme: We will keep on fighting so that they can keep their indexing, but the Prime Minister could still say . . . Listen. Last night, he was told off. Mr. Bélanger, if I am not mistaken, asked him in the senior citizens' home: Why not cut the pension paid to Mr. Trudeau, Mr. Desmarais or Mr. Bronfman. You could study that during the summer. I said "study". I repeat for the Hon. Parliamentary Secretary to the Minister of Finance, I said "study", monitor, but do not come up suddenly with a surprise at the end of the session, saying: Yes, we are going to play politics, or no, you are going to get half—

I believe my colleagues from the Official Opposition and others would be pleased if the Prime Minister came to us and said: Listen. It is going to be the end of it. I think we received enough representations, because, you know, I do not want and I will never reveal a private conservation I had with my colleagues from other parties, because that is the proper way to behave for any civilized Member of this House. We must have discussions with our colleagues from the other parties, listen to them and get some results. This is what I have done this afternoon with the Hon. President of the Privy Council (Mr. Hnatyshyn) when he argued for a Bill which I find very reasonable.

Thus, I decided to behave sensibly with him. Anyway, I do not see why the Prime Minister, after listening to Members of his party . . . I am looking at you and I could . . . I will not do it, but you know him, we are looking at each other. Be serious. You all have senior citizens in your riding and you have received representations.

An Hon. Member: Of course!

Mr. Prud'homme: Why should we get more than the others? Why should my colleague from northwestern Ontario not get any? Why should the Hon. Member who is pointing at me not get any either? We do not have a monopoly on representations. We are not by monopoly or by virtue the best and you, the bad ones. I think all of us have enough sensitivity to understand that we have brought about a huge problem. You will remember a previous budget that the other Government brought down a few years ago and was then forced to change because of some of its measures were unpopular. I therefore do not see why, Mr. Chairman, and I shall conclude my remarks presently, if you would allow me a few more minutes. But, Mr. Chairman, I think that—

• (2100)

The Assistant Deputy Chairman: Order. The Hon. Member's time has now expired.

It being nine o'clock, shall I rise, report progress, and request leave to sit again at the next sitting of the House?

Some Hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

PATENTS—REQUEST FOR DETAILS CONCERNING CLOSING OF PATENT OFFICE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on May 29, I addressed a question to the Minister of Consumer and Corporate Affairs (Mr. Côté) on the dismantling of the Patent Office. It will be remembered that in the working paper tabled with the Budget and entitled 'New Management Initiatives', on page 21—this is the famous paper of the Hon. Deputy Minister of Canada (Mr. Nielsen), the following suggestion is made: The Government will suggest that the review of patents no longer be carried out by the federal administration and that the examination of patents originally filed in Canada should be contracted out to international research bodies.

Mr. Speaker, I was just paraphrasing an excerpt of that document, and I ask for your indulgence for reading through it a little hastily.

On May 29, I asked the Minister about the proposal made by the Nielsen Task Force. He told me at that time, and I quote:

—the Government is anxious to provide the best possible service at the lowest possible cost . . . and I can assure him that there are quite a few patent applications that must be examined before any employees can be laid off—

In French he used the word "débauchage", but I assume this is correctly translated by "laid off".

—and we must proceed with these applications before any final steps are taken.

Mr. Speaker, this answer suggests that he is in agreement with the recommendation made in that famous document issued by the Deputy Prime Minister of Canada (Mr. Nielsen). The question, then, is why is the Government seeking to dismantle the Canadian Patent Office and to have its work done by a foreign agency, which would do the research required to grant Canadian patents at the same time as research for other countries?

You will recall, Mr. Speaker, that in 1984-85, for example, 26,947 patent applications were received. More than 90 per cent of them were from abroad. How many people does the Patent Office employ? The jobs of 200 public servants are threatened by this measure. In 1983-84, revenues of the Patent Office amounted to $13,411,000, whereas expenses were only $9,266,000. So, profits for that year reached $4,145,000. These are public figures, Mr. Speaker, I did not make them up. They prove that it is a money making service, a profitable operation serving all Canadians.

• (2105)

[*English*]

The Patent Co-operation Treaty, which the Minister indicated would have to be signed following amendment in the House to the present legislation, was intended, in the words of the Minister, "to overcome the need for the examination of patents in those countries that adhered to the Treaty".

The signatories to the Treaty recognize that domestic laws vary from nation to nation and that each country must have ultimate control over its domestic patent laws and the patents granted thereunder.

The Patent Co-operation Treaty exists for the benefit of inventors who wish to file patent applications in a number of countries throughout the world. However, experience has shown that it is not economically viable for inventors to take advantage of the terms of the Treaty, unless protection is sought in more than five countries. In 1984, WIPO or the World Intellectual Property Organization office examined only 271 applications under the relevant section of the Treaty.

There would be consequences of the "Nielsen" recommendation concerning the abolishment or withdrawal of the service to Canadians. First, Canada would abdicate its sovereignty over its patent system and would become the only industrialized country in the world which grants patents without domestic examination. On the assumption that 25,000 persons per year still want patent protection in Canada, the staff of the Geneva-based organization will obviously have to be substantially increased, resulting in an export of jobs from Canada to Geneva, Switzerland. Trained professionals in Canada who are knowledgeable in patent law will disappear from the public sector and will substantially be reduced in number in the private sector. The quality and availability of advice to small business will be substantially reduced. That would go against what I consider to be a promise of the Government to encourage small and medium-sized businesses.

What made this question very important was that the Minister of Consumer and Corporate Affairs (Mr. Côté) said in a speech in Montreal that there was never any question of him abolishing this service. He said:

Let me state categorically that we have no intention whatsoever of closing the patent office. Nor have we the intention of letting go that substantial body of people whose technical and scientific expertise underpins one of the finest patent services in the world.

I say "hurrah" to the Minister. We have finally received an answer after several weeks of the Minister unknowingly leading people to think that he would close it down following the report entitled *New Management Initiatives*, by the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen).

What will the Minister do? Will he close it down or leave it open? Are we to take the Minister's word in Montreal, or are we to take the word of the Deputy Prime Minister?

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome the opportunity to deal with the matter of the Canadian Patent Office, because the Hon. Member who brought the subject forward discussed a possibility that was studied and a possibility indicated in a report. Again the Opposition is jumping to conclusions when it assumes, if someone studies something or takes something under consideration, that all things are final.

There has been a great deal of confusion about the future of the Canadian Patent Office in the Department of Consumer and Corporate Affairs since budget night. I want to clarify the situation. To begin with, let me make it perfectly clear that the Government has no intention of doing away with the patent office, nor does it have any intention of letting go, as has already been stated by the Hon. Member who is once again using the old policy of scare tactics, that substantial body of people.

This issue appears to have become magnified out of proportion. The Government intends to reduce our costs by accepting foreign examination results wherever possible. Indeed, this will, as indicated in the budget paper entitled *New Management Initiatives*, "terminate departmental examinations". However, this does not mean that it will close up the shop.

The confusion probably lies in the fact that the substantive patent examination process consists of three distinct phases, and the Hon. Member is referring to only one of them. One phase is the search, which is to identify earlier, similar inventions. The second stage is the preliminary examination, which is to decide if the invention merits a patent under Canadian law. It is steps one and two of this process which we intend to streamline, although a lot has been done in this regard in the last few years. By acceding to the Patent Co-operation Treaty the Government hopes to be even more efficient. Step three, on the other hand, is not something we can contract out to

foreigners and we have no intention of discontinuing that activity.

• (2110)

All of this means that the Patent Office will remain very much in business, doing those things that depend most on its Canadian scientific and technical expertise. There will certainly not be any wholesale dismissal of professional or support staff, nor will there be any reduction in the service offered to the business and scientific community. Indeed, as the Budget points out, we intend to improve our levels of service. Work has already started to find ways to best carry out another important announcement about patents made on budget night; the strengthening of the patent information dissemination through expanded use of the established network of the National Research Council's Canada Institute for Scientific and Technical Information.

We want to be certain that the Canadian patent system is as efficient and effective as possible in meeting our needs as a modern industrial nation. It must enhance transfer of technology between ourselves and the rest of the world, and it must continue to contribute to a strengthening of the climate for investment in Canada.

ENERGY—CLOSURE OF CAPE BRETON HEAVY WATER PLANTS—CREATION OF EMPLOYMENT. (B) REQUEST FOR GOVERNMENT ACTION

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, on May 29, 1985, I directed a question to the Right Hon. Prime Minister (Mr. Mulroney) regarding the closure of the two Cape Breton heavy water plants. I requested that specific action be taken to create jobs in eastern Nova Scotia. As usual, the Government has failed to take any concrete action when, in fact, the Conservative Member of Parliament for Cape Breton Highlands-Canso (Mr. O'Neil) stated unequivocally that it is the responsibility of the Government of Canada to create the jobs and resolve the high unemployment problem in the area.

On two specific occasions the Minister of Energy, Mines and Resources (Miss Carney) made two commitments. She made a commitment to the workers and the people of Nova Scotia that those two heavy water plants would remain open until such time as new jobs were available and in place. As a result of the Budget the Minister of Energy, Mines and Resources has reneged on her commitment. It would not be appropriate for me to use the word used by some workers describing the Minister as a "liar". I would not use that word, Mr. Speaker, but that is what they call the Minister. That is what she is doing to the people of Nova Scotia and the workers at those two plants.

There has been no consultation on the closure of those two heavy water plants, not withstanding the fact that the Minister promised the union responsible that there would be meaningful consultation. There has been no impact study of the effects that that will have in Glace Bay and Port Hawkesbury. I find it appalling that the Government of Canada would cut 700 jobs, affecting approximately 300 people, without doing an impact study.

What has the Government done with regard to the closure of the two heavy water plants? The Hon. Member for Halifax West (Mr. Crosby) said that the closure of those plants would affect 3,000 jobs. The Minister of Regional Industrial Expansion (Mr. Stevens) arrived in Cape Breton on his private jet. Before leaving Ottawa he said that thousands of new jobs will be created for the people who reside in eastern Nova Scotia. This jellyfish of a Minister said that the Government is going to upgrade a highway and build an industrial park in Antigonish. He said there would be a study with regard to Carbogel. That will create a lot of jobs, Mr. Speaker.

He then went a little further in making another announcement that same day. He talked about having Magna International expand into Cape Breton. That will create another study, Mr. Speaker. There will be another study done on Sydney Steel. He is also going to have another study done of another private company with regard to having a sock manufacturer enter industrial Cape Breton. However, the big announcement of thousands of jobs that the Minister and the Government had promised, and to which they had alluded in the national media, amount to a mere 30 jobs. I suggest that those jobs may be in conflict with an already existing company which operate in industrial Cape Breton.

• (2115)

I say shame on the Government, shame on the Minister of Energy, Mines and Resources, and shame on the jellyfish of a Minister of Regional Industrial Expansion. I say shame on the Prime Minister who has been referred to both by his own constituents and by workers in my riding as a liar. I say that this is hogwash. The Government ought to take specific action with moneys for Sydney Steel Corporation, the coal industry and a joint venture for the synfuels project. We do not need all government money but we need joint ventures.

The Government ought to conclude a federal-provincial subsidiary agreement on development in eastern Nova Scotia, to include research and development, tourism, fisheries, forestry, municipal infrastructures, small business entrepreneurs and training and education funds. That is what the Government ought to be doing rather than deceiving and, as the workers have said, lying to the people of Nova Scotia.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Hon. Member is surely not a novice in politics. He has known for a long time about the crucial problems experienced by the heavy water plant of Atomic Energy of Canada in Cape Breton.

[*English*]

While federal Governments have been as supportive as possible to this industry which has historically been plagued with marketing problems linked to international conditions, the Government has taken decisive action in announcing the closure of these plants. The fact is that there exists a very

major over-capacity in Canada's heavy water industry and no immediate solution to marketing difficulties is in view.

In these circumstances, the Government could no longer justify continuing operations at the plants. We found it unconscionable to maintain the *status quo* at a cost to taxpayers of $100 million per year. We believe that such action would not only have been unfair to the Canadian taxpayer but to heavy water plant workers. They knew that these closures were inevitable and that the indefinite perpetuation of operations would only delay the time when these plants could be replaced with viable long-term industrial activity in Cape Breton.

The Government decided to take the political risk and announce these closures in the May 1985 federal Budget. However, we have not abandoned the people of Cape Breton. As outlined in the Budget, workers will be provided with generous severance benefits, retraining and relocation assistance and financial and career counselling, together with measures designed to facilitate re-employment. In addition, the impact on the affected communities' property tax revenues will be offset for a specific period of time. Another Budget measure is the introduction of a special tax credit which will be instituted to enhance private-sector investment and productive employment in Cape Breton. This will result in no federal income tax being payable by investors for 10 to 15 years.

The unemployment triggered by the plant closures has been significantly offset by announcements made by the Minister of Regional Industrial Expansion (Mr. Stevens). The Minister has announced that $1.5 million in federal funding has been designated to rebuild a burned out fish plant, $4.1 million has been committed for improvements to the Point Tupper pulp and paper mill, and $16 million has been earmarked for improved facilities in the coal mines. In addition, the Minister of Regional Industrial Expansion has appointed an advisory committee on economic development measures for Cape Breton Island, a committee which will start work immediately and submit its first report in September. The Minister of Energy, Mines and Resources (Miss Carney) has indicated that she is ready to assist in bringing economic renewal to Cape Breton through reliable, sound employment creation.

In conclusion, I would like to say that the Government does not enjoy playing the villain. However, when a very difficult problem exist we try to ameliorate it. Since 1982, AECL has been recommending the closure of the heavy water plants of Cape Breton. Since we came into power, we have studied the problem and the acceptable options considerably. We feel that we have made a responsible decision and put into place responsible measures which will put Cape Breton back on the road to economic renewal.

• (2120)

FINANCE—INVESTMENT OF PENSION FUNDS—BUDGET PROPOSAL. (B) MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, on June 5, I asked the Minister of State for Finance (Mrs. McDougall) two questions about the budget proposal which will allow Canadian pension funds to invest $3 abroad for every $1 invested in Canadian small business. I asked the Minister what consultation there had been with Canadians to establish that they were willing to have one-third of their retirement savings invested outside the Canadian economy. The only answer I received was that the people who administered the pension funds wanted this because it would enable them to earn a higher rate. That seemed like a strange answer.

My supplementary question concerned the possible impact, if the Government's three-to-one offer was taken up on a large scale, of an amount leaving Canada which could be as high as $28 billion.

Canadians have at least $90 billion in pension funds. The budget proposal would let pension funds invest up to 7 per cent of their assets in a new small business program, and three times as much, or 21 per cent, in foreign investments. Prior to this, pension funds could invest a maximum of 10 per cent of their assets in foreign investments. With the addition of 21 per cent, there is now a maximum of 31 per cent. The House has just passed the Government's Investment Canada Bill, which throws the country wide open to unfettered foreign ownership, allegedly to create jobs. Nevertheless, apparently the Government is prepared to accept, with equanimity, a flow of capital out of Canada to create jobs elsewhere.

The Minister of State for Finance answered my question about the impact on the Canadian economy of a massive capital outflow, if the program was taken up. She said:

> Mr. Speaker, I assume that the Hon. Member is suggesting that $10 billion invested in Canadian small business is a bad thing.

It is getting increasingly hard to take this Government's dismissive attitude toward serious questions which are asked by the Official Opposition. This is a serious matter and it should be dealt with seriously.

Companies are now being set up. It is happening. Pension funds have generally invested in very traditional kinds of investments. The new companies, which will act as a channel for investment in Canadian small business, will, we trust, bring expertise to entrepreneurial and higher risk investments. We have no guarantee that there will be any limits, other than the percentages which I previously quoted.

I do not understand the Minister's answer that pension funds want this because they can get a higher rate of interest outside Canada. That is a terrible admission of failure. If the Minister is saying that pension funds do not believe they can get a satisfactory rate within Canada, are we to understand that the Government is completely abdicating any improvement in the Canadian economy?

The other point to which I believe we are entitled to an answer is, will the Government be doing any monitoring? Will there be any kind of sensible limits placed on the program? Are we to assume that we again have the kind of open-ended measure which will be demand-driven, which will take on an impetus of its own, and which will leave us possibly facing undesirable consequences down the road?

• (2125)

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the government is worried because pension funds have been slow to invest in Canadian small businesses. However, pension fund assets in Canada now total about $100 billion. Acording to some estimates, only $200 to $300 million, that is one quarter of one per cent, have been invested in limited partnerships. The government has therefore committeed itself to guarantee that a larger part of those funds will be made available to small businesses.

The Budget tries to overcome the lack of interest shown by pension funds by proposing three measures. The first two involve the creation of new institutions, small business investment corporations and small business investment limited partnerships, to facilitate investments. Pension funds will then be allowed to use those vehicles to co-ordinate the research and administration of their investments in small business and thus provide them with limited responsibility.

The third measure would encourage pension funds to make good investments in the small business sector. For each dollar invested in a Canadian small business, these funds will be allowed to invest $3 abroad.

It is true pension funds can invest 7 per cent of their assets in so-called basket investments which, of course, can include investments in small businesses. It is also true that in so doing, another 21 per cent of the assets of these funds could theoretically go to foreign investments.

It is not presently possible to determine how much of this theoretical limit will in fact be used if all basket-type funds are invested in small businesses. However, if pension funds take full advantage of this opportunity, if they invest up to the theoretical limit, they would provide a tremendous economic stimulus to Canadian small business.

The Government will closely monitor the impact of foreign investments by pension funds as well as their direct effects on the economy. If any problems arise, corrective measures will be taken immediately.

Because these measures will encourage investment in the more productive businesses and in high growth firms, we are confident they will contribute to increase productivity and create more jobs for Canadians.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted.

Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 9.28 p.m.

HOUSE OF COMMONS

Wednesday, June 19, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

IMPACT OF BUDGET

Mr. Maurice Foster (Algoma): Mr. Speaker, today, in Toronto, the Ontario Federation of Agriculture is meeting to prepare an action plan in response to the Mulroney-Wilson Budget which has betrayed Canadian farmers. In a statement made on June 6, the OFA said:

The Government has not only ignored its own promises, it has ignored the legitimate needs of our farmers.

Ontario farmers are angry because the Budget did nothing to ease the debt burden hanging over many farmers which, in counties like Bruce, has reached epidemic proportions so that one in three farmers is in serious financial difficulty.

At the same time the Government is increasing farm input costs. For example, it will impose a nine-cent per gallon excise tax on farm fuels on the first of September, just in time for the fall harvest. Imagine a Government so arrogant, so insensitive, so uncaring of the plight of farmers, that it imposes a harvest tax on Canadian agriculture.

In January the Government will impose an additional 1 per cent sales tax on all farm input costs of equipment and supplies. It will also reduce Department of Agriculture programs by $50 million a year.

No wonder the OFA is considering plans today for drastic action, like mass demonstrations, withholding FCC payments, and rotating food strikes. Only strong measures such as these will make the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) understand the serious plight of Canadian farmers.

* * *

DISASTERS

WORKERS' MEMORIAL DAY—ANNIVERSARY OF SUDBURY MINING TRAGEDY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, on June 20, 1984, a rockburst occurred at the No. 5 shaft of the Falconbridge mine. This rockburst cost four men—Sulo Korpela, Daniel Lavalle, Wayne St. Michel, and Richard Chénier—their lives, and was the largest mining disaster in Sudbury's recent history. These workers were members of Local 598 of the Mine Mill and Smelter Workers' Union.

I am informing the House that tomorrow, June 20, is the first Workers' Memorial Day, organized by the trade union movement in the Sudbury Basin. It is being held one year to the day after the tragic rockburst which claimed the lives of these four miners. However, this Memorial Day goes beyond that tragic incident and remembers all workers in Canada who have lost their lives on the job. Moreover, tomorrow's remembrance is a tribute to workers everywhere who are the foundation upon which our society is built.

Statistics show that one Canadian worker is injured on the job every 16 seconds, and that occupational accidents and diseases are the third leading cause of death. Indeed, workplace and work related diseases kill more than 900 Canadian workers every year.

It is time to pause and reflect upon the valued contribution workers make to our society. We must never forget the risks inherent in this contribution.

* * *

PROVINCIAL AFFAIRS

ONTARIO—END OF 42 YEARS OF CONSERVATIVE PARTY GOVERNMENT

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, June 18, 1985, will always be remembered as a sad day in the history of Ontario. That is the day when one of the finest Governments in the western world was brought to an end by the socialists and their Liberal friends.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nicholson: To suggest, as has Mr. Rae, that Ontario has not had good government for the past 42 years is an insult to two generations of Ontario voters. Under the Conservatives we have seen a health care program second to none, one of the world's finest educational systems, a superb transportation network, and compassionate social programs combined with sound fiscal management.

Mark my words, Bob Rae and the socialists will live to regret their mistake of yesterday, because they will go the same route as the Social Credit Party which voted against the Conservatives in 1963 and 1979. However, that will be a good thing for Ontario, and a good thing for Canada.

S.O. 21

POLITICAL PARTIES

PENSIONS—POSITION TAKEN BY LIBERAL PARTY AND NEW DEMOCRATIC PARTY

Mr. Gordon Taylor (Bow River): Mr. Speaker, during the last two weeks the Liberal Party and the NDP have been acting out a political farce on the floor of the House of Commons. That would be bad enough at any time, but these two Parties have made the old age pensioners of Canada the goats in their performance, and that is inexcusable.

It is fair ball to argue facts, but opposition Members have been using their imagination in arriving at figures far into the future which are actually ridiculous, as well as words that are false. Day after day they have been asking the Government to restore and reinstate the indexing of old age pensions. They know that we cannot restore something that has not been taken away. Then, to frighten the aged further, they move their strawman calculations into the nineties, and weep crocodile tears over the millions which they kid themselves will be taken from the pockets of pensioners in 1991.

There is no Bill before the House to take away any of the indexing from pensioners. There has not been one cent taken off their cheques or their pensions.

Why are the socialists and their spouse, the Liberals, acting like intoxicated drug addicts? I will tell the House why. The Liberal Party and the NDP do not like the proper plan of the Government to remove the indexing from the pay-cheques of MPs and Senators, and they are using the pensioners as a back-door way to save their own indexing. Worse than that, the Liberal Party and the NDP are trying to build their political machines on the backs of the aged, and I say: "Shame".

* * *

[*Translation*]

OLD AGE SECURITY

REQUEST THAT GOVERNMENT RESPECT ITS PLEDGES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Last week and again yesterday, Mr. Speaker, my colleague from Shefford (Mr. Lapierre) and I toured Quebec ridings represented by Progressive Conservative Members to find out whether there is any truth in what the Prime Minister and his colleagues have been saying. As you may recall, they claim that senior citizens are quite prepared to make sacrifices and make do with 3 per cent less.

Mr. Speaker, I want to report to the House that in the regions of Quebec City and Sherbrooke, on the Island of Montreal and in the beautiful riding of Baie-Comeau where the Prime Minister, now a lifetime citizen of Westmount, was born, 2,000 people signed a petition against the Prime Minister's decision. In the riding of the Prime Minister, in the City of Baie-Comeau, the Prime Minister's Office tried to influence people but could not prevent 200 elderly residents of Baie-Comeau from defending their rights and signing the petition. The executive of the Baie-Comeau Golden Age Club spoke up in defence of the rights of their 500 members, again in spite of underhanded pressure from PMO officials. All those people urged me to tell the Progressive Conservative Members to stand up on their own two feet and respect the Prime Minister's pledges to maintain full old age pension indexation.

* * *

• (1410)

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Les Benjamin (Regina West): Mr. Speaker, very recently the mother of the Chief of Staff for the Minister of Justice and Attorney General of Canada (Mr. Crosbie) was appointed to the Saint John's Harbour Commission, which led me to conclude that this would be a method of helping a lot of mothers in Canada, including mine. I understand that these appointments are made on the recommendation of the local Member of Parliament.

I will not complain about the appointment of the mother of the Chief of Staff for the Minister of Justice, but since the Minister is not here I will ask the Parliamentary Secretary to advise me later this day whom I should get to recommend my mother for an appointment to any board or commission, so she can make a few extra dollars to cover her loss in income because of the deindexation of her old age pension.

With all the boards and commissions that we have in Canada, how many thousands more mothers who receive the Old Age Security pension could get appointed to a board or a commission? I hope that the Parliamentary Secretary will advise me as to whom I should get to recommend these mothers for these appointments.

* * *

CANADIAN EGG MARKETING AGENCY

DENIAL OF PRODUCTION QUOTA TO NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Canadian Egg Marketing Agency is best known to Canadians as that organization which has destroyed millions of eggs in order to keep consumer prices high. Now CEMA has hit a new low. It has denied the Northwest Territories access and a requested minimum quota of 200,000 layers.

Apparently the colonialist mentality of CEMA is such that it would oblige the Territories to import vast quantities of food from the south, but will not allow them to export one of the few agricultural commodities which might be competitively produced in the north, in return. At the same time as it sanctions the importation of millions of dollars worth of eggs into Canada from the United States, CEMA refuses the

creation of jobs in the Northwest Territories and the employment of Canadians to produce eggs needed by Canadian families.

If this is to be the attitude of CEMA, then I say let us get rid of it and let us have a fair, open, and competitive marketplace from which both producers and consumers can benefit.

* * *

SMALL BUSINESS

FEDERAL-PROVINCIAL COMMITMENT TO HELP DEVELOP SMALL BUSINESSES

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, for those of us who have been small-businessmen, and those of us who are concerned with such entrepreneurs, we recognize full well the onerous regulations and paper burdens which in the past have been placed on our small-businessmen. These burdens have not been without cost to a large number of small businesses which are struggling to develop a lucrative Canadian business.

I am pleased to see that this problem has been recognized and corrective measures have been initiated with the *Intergovernmental Position Paper on The Principles and Framework for Regional Economic Development*. This document, which was fully endorsed by all Governments, reflects a commitment to develop more effective policies for small and medium sized businesses. A reduction in the regulatory and paper burdens placed on small businesses is a positive step which will undoubtedly benefit all of the 750,000 Canadian small businesses.

* * *

PENSIONS

BUDGET EFFECT ON INDEXATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to tell the Prime Minister (Mr. Mulroney) about a constituent from Scarborough Centre. She is a widow. In August she will be 75 years old. She is a Canadian by choice, and fiercely proud of it. During the Depression she and her husband worked to build a life. He went to war and was severely wounded, and she still receives a small pension from the Department of Veterans Affairs. They worked hard to obtain their dream, a home. However, in 1967 her husband died suddenly. Working as a mail clerk she paid off her small mortgage, and continued to do volunteer work in the community.

This 74-year old lady pays for food for herself and her two companions, cats. She pays property taxes, electricity and water bills, and telephone bills.

● (1415)

The Minister of Finance (Mr. Wilson) talks about deficits. Yet he gives billions of dollars to rich investors, speculators, and oil companies. The 74-year old lady in Scarborough Centre talks about nickels and dimes and how the deindexation of her pension will hurt. The deindexation of her basic pension will mean the difference between macaroni and bologna. I ask the Prime Minister (Mr. Mulroney) to prevail upon the Minister of Finance and ask him to rise today to admit that he has made a mistake, and that he will reintroduce in the Chamber today full pensions for all senior citizens from coast to coast.

ORAL QUESTION PERIOD

[*Translation*]

OLD AGE SECURITY

FULL INDEXATION OF PENSIONS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a few questions for the Prime Minister on behalf of our senior citizens, but first of all, I would like to congratulate our fellow citizens for standing up for their rights, and I want to greet their representatives who came to Ottawa today to protect those basic rights.

Mr. Speaker, yesterday and the day before, the Prime Minister was in Manicouagan. Last week I was in Vancouver Quadra, and I am sure we both listened to what pensioners had to say. My question to the Prime Minister is therefore as follows: Is he finally going to let himself be swayed by public opinion and reinstate full indexation of Old Age Security benefits? Is he going to do so right now, not later on, not after the House adjourns but now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I also wish to congratulate the leaders of senior citizens' groups, who, as always, are behaving with great dignity and for whom we have nothing but admiration. I have met with representatives of senior citizens, both in the riding of Manicouagan and today on Parliament Hill. There are a number of differences of opinion, but there are two elements that keeping coming back. First of all, a serious concern about the future of social programs as a result of our national debt. Senior citizens are aware that social programs could be seriously affected by this appalling situation. Second, there is a particular emphasis on the circumstances of senior citizens who are among the neediest in our society. I have noted their comments and suggestions, and as I said before, we will be making a statement at the appropriate time.

[*English*]

ELECTION CAMPAIGN STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in recent remarks that the Prime Minister has made,

both in the House and outside the House, he has virtually diluted the Budget of the Minister of Finance into a series of proposals. We all know that he is going to reverse this measure. We all know that he feels that we cannot control the public debt of the country on the backs of those who can no longer protect themselves, the senior citizens.

The Prime Minister used the French word "inquiétude", which means anxiety. There is a lot of anxiety out there and, more than that, the word of the Prime Minister is on the line. Will he fulfil the promise he made to the people of Canada while he was in Sherbrooke last July, by restoring the full protection against inflation that indexation brings? Will he do that now?

Some Hon. Members: Hear, hear!

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the problem we inherited was very well described yesterday by one of the great Ministers of Finance this country has known, the Hon. Jacques Parizeau, who does not share my political views but is a most distinguished and competent gentleman. This is what he said: "In my view, the first federal Budget shows remarkable wisdom in its approach to the Budget deficit. The point is made that the cost of servicing the national debt is gradually eliminating the Government's room to manoeuver and forcing it to cut the costs of other programs and finally eliminate some programs altogether."

That, Mr. Speaker, is the tragic legacy we have inherited here in Canada.

Like Mr. Parizeau, senior citizens realize that the national debt and interest payments on the debt are causing people to doubt this country's ability to support social programs. We will not renege on our responsibilities at the national level nor on our responsibility to senior citizens. We are going to rebuild a strong and prosperous economy in Canada, and that is how we will be able to maintain social programs in this country.

• (1420)

[*English*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has brought into his camp a former Minister of Finance from Quebec.

I want to remind him, and the House, that I had the honour, as Minister of Finance, to bring indexation into the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I did it with the support of Mr. Stanfield and the entire Conservative Party. The House of Commons agreed that it was the only way to protect our senior citizens against the ravages of inflation.

Why will the Prime Minister not admit that he cannot control the public debt on the backs of those who cannot protect themselves? The only way which our senior citizens have of protecting themselves is through the full indexation of their pensions.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition has, indeed, given us half the story. He brought in indexation, but he also brought in deficit financing which has crippled the country and crippled its ability to maintain social programs.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That's what you did. That is exactly what the Leader of the Opposition did. He inherited a country which was debt free. He inherited a financial statement which was balanced. He transformed that into a great deficit which has crippled the nation and has now placed in peril our obligation to senior citizens.

Some Hon. Members: Hear, hear!

Mr. Mulroney: You should be ashamed of what you did. You have sown the seeds for the destruction of social programs. We are going to correct it, and maintain those social programs for our senior citizens.

Some Hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHY GOVERNMENT USES ELDERLY TO REDUCE DEFICIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to inform the Prime Minister that the people of Baie-Comeau were expecting a better performance today. Yesterday I was in Baie-Comeau and he was here, and you know Mr. Lord, the President of the Baie-Comeau Senior Citizens' Club. Today, these people from Baie-Comeau and Mr. Lord, the president who represents 500 residents of Baie-Comeau, want to know why the Prime Minister is using the elderly, the neediest in our society, to reduce the deficit, and they have asked me to ask the Prime Minister: Why didn't you pick on the rich to reduce the deficit?

Right Hon. Brian Mulroney (Prime Minister): Yes, I was in Baie-Comeau, and I heard about the Member for Montreal-Sainte-Marie. They told me: Mr. Mulroney, this is the same guy who made a six percent cut in our pensions two years ago. The Liberal Government . . . they made such an impression, there were ten of them in a senior citizens' home, two Members, eight Liberal organizers and eleven residents. People on the North Shore are sick and tired of hearing you trumpet these half-truths among the senior citizens here.

Mr. Malépart: I am sure the people from Baie-Comeau, who said they would be listening to question period yesterday and told me that they were starting to feel disappointed, must feel really disappointed today after hearing the Prime Minister's answer. Yesterday, the Prime Minister . . . his office tried to manipulate senior citizens in his riding to keep us from meeting them, and you know what his office said? The Prime Minister is against de-indexation but his caucus made him do it, Mr. Speaker. That is the kind of manipulation we are getting from the Prime Minister's Office.

• (1425)

INQUIRY WHY PRIME MINISTER DOES NOT MAKE ANNOUNCEMENT TODAY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary. It does not do any good to keep playing games. Pretty soon you are going to say you made a mistake. Why not do the gentlemanly thing while the senior citizens who built this country are here? Why not tell them today, right now, that you are going to protect their Old Age Security pensions? Why not tell them now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there are senior citizens, here in the House of Commons, as there were in Baie-Comeau and Sept-Îles the day before yesterday, when the only question they kept asking and which concerned not the New Democrats but the Hon. Member for Montreal-Sainte-Marie, was: How come a Liberal Member who cut 6 per cent from our pensions has the guts to visit us here on the North Shore? You got a cold reception because the people on the North Shore know what you are like and are sick and tired of you and your half-truths about this issue.

[*English*]

Mr. Speaker: May I remind Hon. Members that any reference to anyone in the gallery, by any Hon. Member of the House, is out of order.

[*Translation*]

REQUEST FOR INDEXATION AND DECISION BEFORE SUMMER

Hon. Edward Broadbent (Oshawa): My question is directed to the Right Hon. Prime Minister. In Sherbrooke, during the election campaign, the Prime Minister promised to index all pensions. Today, outside Parliament, the very same Quebecers and other Canadians discussed the situation once again. They simply want two things: first, indexation of all pensions and second, a decision before the summer.

My question to the Prime Minister is very simple. Do you agree, and if not, why not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, at this very moment, there is not a single elderly person in Quebec or Canada who has suffered the slightest reduction in benefits, not one. In the months to come, the only thing that will happen is that benefits for the elderly will be increased, and that is a fact. There is not a single person in Canada who has suffered any reduction in benefits whatsoever, and that is the truth.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Second, in the Budget we made a commitment to monitor the situation very closely, while at the same time trying to create new wealth in Canada and thus be able to help the elderly even more. We have made a commitment to monitor the situation and to improve our assistance to the elderly as soon as feasible.

[*English*]

Mr. Broadbent: Mr. Speaker, I say quite simply to the Prime Minister that it is quite true that no pensions have yet been reduced—

Some Hon. Members: Hear, hear!

Mr. Broadbent: —but it is also true, Mr. Speaker, that no one on this side of the House has said as of this moment that pensions are reduced.

Some Hon. Members: Oh, oh!

Mr. Broadbent: We have said what the pensioners understand, that it is in the Prime Minister's Budget that pensions will be cut if the Government doesn't change its policy. That's for sure.

Some Hon. Members: Oh, oh!

• (1430)

Mr. Broadbent: A reduction in an increase is a cut, and pensioners understand that very well.

ANXIETY OF PENSIONERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has noted that pensioners are in a state of anxiety. He observed that himself, and Members on all sides of the House are aware of that. Why is it too much for the Prime Minister, before Parliament recesses, to reduce that anxiety by clarifying the situation and stating that, yes, indexed pensions will be fully restored, and to do it before the end of this month?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member has just made an important statement, and if he wants to be fair, he will acknowledge first of all that there has been no reduction of any kind in the pension system. Second, the measure in question will not become effective until next January, so we have six or seven months to monitor the situation, as indicated in the Budget, and to take appropriate action as soon as feasible.

I think the Hon. Member, who shares at least the economic philosophy of Mr. Parizeau, would have no objection to my quoting Mr. Parizeau: "The point is that the cost of servicing the national debt is gradually eliminating the Government's room to manoeuvre, thus obliging it to reduce the cost of other programs and finally eliminate programs altogether."

We want equity and justice for the elderly, and the best guarantee that this will be achieved is to have a growing economy, to have a solid basis on which the economy can be rebuilt.

[*English*]

REQUEST FOR EARLY ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister says he has six months to monitor the situation. We on this side of the House do not believe we should put our pensioners through six months of continuing anxiety. That is the difference.

Mr. Dick: You are the cause of the anxiety.

Mr. Broadbent: The Prime Minister made the promise in Sherbrooke in July. His Minister of Health made it at the end of January when the Government knew the debt situation. We learned this morning that the Parliamentary Secretary to that Minister made a public commitment on April 23 that there would be no cut in pensions, no removal in indexation. Considering all that, why does the Prime Minister not do the decent thing, live up to his promise, give back their indexation to the pensioners, and do it this week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have indicated quite clearly in the Budget Papers our concern about this particular provision, especially as it applies to the elderly poor. That is why we specifically indicated that we would be monitoring the matter very, very carefully so at the earliest possible moment we would be able to take appropriate and helpful action for the senior citizens.

I think it must be mentioned again, in fairness to everyone, that not a single senior citizen has had a benefit cut in any way, nor shall there be. We are in the process of giving ourselves the time to take a look at it, and, as soon as we can, we will take remedial action.

REQUEST BY PENSIONERS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. I might say that seniors understand they are going to lose 20 per cent of their purchasing power if his Government's plans are adopted. That is the point.

Every senior citizen whom I have talked to in the last two weeks has asked me to ask the Prime Minister this question. Canadian seniors have suffered through wars and an economic depression and, I suppose, through the betrayal and lies of the Conservatives in last summer's election campaign. What more do they have to do to convince him and his Government that they have no support for deindexation? Their Budget is not viewed as fair by any one of those senior citizens, and all they ask is: will the Government restore full indexation now?

Right Hon. Brian Mulroney (Prime Minister): First of all my hon. friend, for whom I have a great regard, has made a profoundly inaccurate statement that there will be a reduction of 20 per cent in their purchasing power. That is absolutely untrue. I know him to be an honourable man and he will want to withdraw that forthwith.

Without any hesitation, Mr. Speaker, I readily acknowledge that this country owes so much to its senior citizens. It strikes me that we owe them, most of all, an economy which will guarantee these programs can be maintained. They know that you cannot borrow, and borrow, and borrow, and spend borrowed money, because that will result in the breakdown of the social programs to which they are entitled. That is why we are trying to be prudent, and realistic, and fair, by rebuilding the economy so we can give more to the senior citizens.

REQUEST FOR COMMITMENT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, what the Prime Minister owes the elderly in our society is a Government which will not lay the burden of deficit reduction on the backs of the poor. I ask him again, does every senior citizen have to go through another six months of worrying about whether or not they should renew leases—believe me, there is confusion and apprehension in this land—

Mr. Andre: Spread by your Party.

Mr. Dick: You distort the truth.

Mr. Frith: It is being spread by this Government's indecision.

Mr. Andre: Tell the truth and they won't worry.

Mr. Frith: All they ask is one simple thing. Please, before this House rises for the summer break, make the commitment to restore full indexation?

Right Hon. Brian Mulroney (Prime Minister): I do not say this about the NDP, but I say to my Liberal friends, having proceeded to cut old age pensions by 6 per cent in 1982, you now have the temerity to go around the country trying to frighten senior citizens. Well, they have got your number. They had your number on September 4. They tossed you out, and they are going to keep you out because of that attitude.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S ELECTION STATEMENT

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. Seniors across Canada have never asked for much.

Ms. Copps: Some honesty from the Prime Minister.

Mr. Nystrom: Shut up, Sheila.

Mr. Young: My question is directed to the Prime Minister, Mr. Speaker. Seniors across Canada are saying to me they have never demanded much of Canada. They are not demanding very much of Canada now. They are simply saying that they expect the Prime Minister to implement fully the promise he made to them during the last election campaign. Will he not now stand in his place and give the assurance, not only to the House but to the seniors of Canada, that that commitment will be carried through by the end of next week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as he has throughout this debate, my hon. friend again puts forward a thoughtful point of view. He raises the question of demands. I believe that what the senior citizens of this country are entitled to demand of Canada is a degree of sagacity in the administration of public finances so that their pensions are not gravely and irretrievably imperilled. What we are trying to do is restore a degree of sanity to the public finances so that we can do more for the senior citizens of this country. What they need most of all, in my judgment, is a sound and growing economy so we can do precisely that, a lot more for senior citizens.

REQUEST FOR CONTINUANCE OF FULL INDEXATION

Mr. Neil Young (Beaches): Mr. Speaker, I simply ask the Prime Minister how many sacrifices does he expect the seniors to make? Does he not think they made enough, because they feel they have? Again, will he not stand in his place and do the honourable thing, and tell the seniors of this country that he intends to follow through on the promise he made to them in the election campaign, and continue to index old age pensions fully?

● (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no senior citizen has been cut in any way at any time. All senior citizens are going to get more, rather than less, from the Government.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is the truth. As we have indicated, and I know my hon. friend understands this, as soon as we a can we will be making an announcement which I hope will be appropriate and helpful in the long term.

STATEMENT ATTRIBUTED TO CONSTITUENCY OFFICIAL

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In the June 17 edition of the Winnipeg *Free Press* Mr. Frank Klassen, a staff member of the Minister's constituency office, is quoted as saying:

> I think most people don't quite understand how little it is in dollar terms.

He is speaking about the money the Government is taking through its deindexation program. He continued:

> It means three packs of cigarettes a month that I shouldn't smoke anyway, or half a bottle of liquor that I shouldn't drink.
>
> So where's the hardship?

That is one of the most appallingly insensitive statements made by a member of the Minister's staff, relating to the condition of senior citizens.

Does this statement by a member of the Minister's staff reflect the view of the Minister? Does he believe that there is no hardship to be experienced by tens of thousands of senior citizens, or does he agree with the National Advisory Council on Aging, which should know its business, and counters the silly propositions of the Prime Minister? It says that there will be a major loss of income and a deterioration of the social and economic condition of seniors. If he agrees with that, will he tell the Prime Minister that now is the appropriate time to make a change in the pension program for senior citizens?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is statements such as the one made by the member for Sudbury, in which he indicated that 20 per cent of the purchasing power of senior citizens will be eroded, which he knows is not the case, that create the fear that the Opposition accuses the Government of creating. They have done that for many reasons, one of which is political. I remind the Member for Winnipeg-Fort Garry of the words he used in the House on June 29, 1982. He said:

> They are saying we are changing the tax system, that we are deindexing down to 5 per cent or 6 per cent for certain tax brackets and changing the pensions and some of the allowances. Yes, we are doing that. We are doing it because we believe there are enough Canadians who feel compassion and concern for their fellow Canadians who are out of work.

I could continue the quotation. That is what the Member for Winnipeg-Fort Garry said. He can say what he wants.

The point of the matter is that we are trying to protect senior citizens, but, as we have said many times, we can only do that if we get the economy turned around.

EFFECT OF PARTIAL DEINDEXATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Hon. Minister persists in developing the myth that there was a cut-back in the pensions of senior citizens under the Liberal Government. Seniors did not lose one cent because we double indexed the GIS, which this Government refuses to do. We protected the senior citizens.

I am not talking about history; I am talking about the present. Does the Minister repudiate the statement of his staff member, or does the Minister of National Health and Welfare believe that no hardship will be inflicted upon senior citizens, even though his own advisory council, which is not a political body, repudiates that?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is interesting that the Member for Winnipeg-Fort Garry does not want to talk about the past, and does not

want to admit that there was a cut for senior citizens for those two years. He will not admit that. I think he should admit what in fact happened.

I met with representatives of senior citizens today. They put their case forward very forcefully, decently, and properly. I have listened and conveyed that to the Prime Minister, as is my job. We will take our counsel from that.

[*Translation*]

FULL INDEXATION OF PENSIONS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister since the credibility and the value of the word of a Prime Minister are at stake with respect to senior citizens.

During the election campaign, Mr. Speaker, the Prime Minister promised full indexation of old age pensions, he repeated the same promise in January, and again in April the promise was echoed before senior citizens by the Hon. Member for Brome-Missisquoi, who happens to be the Parliamentary Secretary to the Minister of National Health and Welfare.

Will the Prime Minister keep his word before the adjournment of the House next week, yes or no? Will the full indexation promise made by the Prime Minister be honoured before the end of next week?

Right Hon. Brian Mulroney (Prime Minister): You are still trying to confuse elderly people over this issue. There has not been any cut-back whatsoever and the next pension cheque sent to senior citizens will be bigger than the last one. And again the following cheque will be bigger than the previous one. So there is no reason to panic and be worried. Elderly Canadians readily understand that we cannot send them rubber cheques. Those cheques must be drawn on a solvent account, which is why we are trying to bolster the economy and made that one of the Budget's feature. I know it has been accepted, I know there is a problem.

Mr. Malépart: You are paid to solve problems!

Mr. Mulroney: We want to be fair and equitable. We want to be fair and equitable, particularly to our senior citizens. We have always been and will continue to be fair.

INQUIRY IF GOVERNMENT WILL RESPECT ITS PROMISE ON FULL INDEXATION OF PENSIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the pensioners who came from Quebec and who are here on Parliament Hill today did not hesitate to say that the only was the Government can be fair to the elderly is to honour its election campaign promises and others made since then. Again I repeat my question: Will the Government keep its word concerning the full indexation of old age security pensions, and will that be announced before the end of next week when the House will adjourn?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have answered that question from my friend and his colleagues at least half a dozen times here in the House. It has been indicated quite clearly in the Budget that we will monitor the evolution of this case. We are fully aware of our commitments to the senior citizens in our society.

Mr. Cassidy: You ignore them!

Mr. Mulroney: We know we have commitments to those people throughout the country. Indeed one of the leaders of the elderly told me at 11.30 this morning: We know that a cheque from Ottawa is of no use if there are not sufficient funds. That is why the Canadian people want to help us and support our economic recovery programs.

* * *

[*English*]

STATUS OF WOMEN

REQUEST FOR FUNDING FOR REAL WOMEN ORGANIZATION

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Secretary of State of Canada. REAL Women is an organization that represents over 20,000 women of Canada. Like other women's groups, it has requested funding to promote its feelings on women's rights in Canada.

When can REAL Women expect funding for what many feel is every bit as legitimate a request as that of the National Action Committee and the Advisory Council on Status of Women?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I wish to thank the Hon. Member for giving me notice of his question. I have met with representatives of REAL Women who have been seeking assistance through the women's program in the Department of the Secretary of State. In the process of discussing with them their application for funds and why that application was refused in the first instance, they indicated that the statements in their own presentation were not according to their principles. I have, therefore, asked them to meet with my officials to clarify their own documents, and have indicated that I will meet with them again.

* * *

● (1450)

PENSIONS

ELECTION CAMPAIGN COMMITMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister has said repeatedly today that there is not a senior citizen in the country who has yet suffered

from deindexation. That kind of defence is like the hangman telling the condemned that he should not complain until after he has been hanged.

The Prime Minister should know, if he had the temerity—one of his favourite words—to go out to the lawn in front of Parliament Hill, that senior citizens will not go quietly to the noose. They want some action.

There seems to be some confusion. Everyone else in the country has a clear understanding of what the Prime Minister promised senior citizens last summer during an election campaign when he was looking for votes. We are not so sure that the Prime Minister knows what he promised. Will the Prime Minister tell the House what commitment he made in Sherbrooke last July to the senior citizens of Canada? Tell us now, because we are not sure you understand any more.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member wonders whether I had the temerity to go on to the lawn of Parliament to meet the senior citizens. That is exactly where I was, and I did not see the Hon. Member there.

Some Hon. Members: Hear, hear!

Mr. Malépart: No.

Mr. Rossi: We were there. You weren't there.

Ms. Copps: Wrong again.

Mr. Mulroney: I acknowledge that I may have missed the Member. He may have been hiding behind the Member for Sainte-Marie.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Or any other Hon. Member.

Our obligation to the senior citizens is one that we take very seriously. We owe them a great deal. Most of all, we owe them a sound and growing economy so we can ensure that these cheques do not bounce on them in the future.

When the senior citizens see 10 per cent, 20 per cent, 40 per cent and 50 per cent of our national income going to pay the interest on the debt, as Mr. Parizeau said yesterday it places in peril the capacity of the country to send these cheques. We have an obligation to make sure that the cheques of the Government of Canada to our senior citizens don't bounce, and that is what would have resulted from the policy of the Liberal Party.

Some Hon. Members: Hear, hear!

Mr. Tobin: The Prime Minister's sarcasm and smart-alec tone, and slick answers, in referring to a Member who has won a place of distinction in the hearts of senior citizens of Quebec and of Canada in general really shows that this man is not in touch. He has been spending his time with pollsters and not on the front lawn. I was there. You drove by in your car and ran through the door.

CONTENT OF BUDGET

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, how does the Prime Minister expect us to believe his poor mouth story that pensions for senior citizens are being deindexed in order to salvage the program for the future, when in the same Budget he is giving away billions in capital gains, and billions—

Some Hon. Members: Oh, oh!

Mr. Tobin: —back to the multinational oil companies? If you are really worried about preserving the economy and social programs, take back the $125,000 gift you have given in capital gains and give senior citizens what they are due, that is, old age security, not insecurity, or anxiety, and not anger that the Prime Minister has lied.

Some Hon. Members: Out! Out!

An Hon. Member: Throw him out.

Mr. Speaker: I invite the Hon. Member to please do what he knows he must, and withdraw that phrase, without explanation. I invite the Hon. Member simply to withdraw the phrase.

Some Hon. Members: Withdraw!

Mr. Tobin: Shut up.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I invite the Hon. Member to withdraw the phrase.

Mr. Tobin: Mr. Speaker, I assume the words of senior citizens of this country are not appropriate in this House. That is what you are telling me, because those are the words they used on the front lawn.

Mr. Speaker: The Hon. Member knows that certain things may not be said in this House and may not be said indirectly either. The Hon. Member knows that.

It is being a difficult day. I simply ask the Member to withdraw his statement.

Mr. Tobin: Mr. Speaker, in the interest of allowing my colleagues who have very good questions a chance to ask them, I withdraw the word for now.

Some Hon. Members: Oh, oh! Out.

Mr. Speaker: For the last time, I ask the Member to please withdraw the phrase unreservedly and simply.

Mr. Tobin: Mr. Speaker, I would abandon the senior citizens, as the Prime Minister has, if I withdrew that word. They asked me this morning to fight for them.

Some Hon. Members: Out! Out!

Mr. Speaker: In the interest of order, I will ask the Member one last time—

Some Hon. Members: No.

Mr. Speaker: I will. It is being a difficult day, and for one last time I will ask the Hon. Member to rise in his place and unreservedly withdraw the phrase.

Mr. Tobin: Mr. Speaker, 2.5 million people will not allow me to unreservedly withdraw the truth.

Mr. Speaker: I am given no option but to name the Member for disregarding a request from the Chair—

Mr. Nunziata: For telling the truth.

An Hon. Member: Kick him out too.

Mr. Nunziata: Throw me out too. He is a liar. He lied to the senior citizens.

Some Hon. Members: Oh, oh!

Mr. Speaker: I must indicate to the House that I must name the Hon. Member for Humber-Port au Port-St. Barbe for refusing to obey a request from the Chair to come to order.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, it is with some deep sense of regret, because of the respect that most Members have for this institution of the House of Commons, that I must move the following motion:

That the Hon. Member for Humber-Port au Port-St. Barbe be suspended from the service of this House for the balance of this day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Hnatyshyn), which was agreed to on the following division:

(*Division No. 103*)

YEAS

Messrs.

Andre
Attewell
Beatty
Belsher
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blenkarn
Blouin (Mrs.)
Bouchard
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Caldwell
Champagne (Champlain)
Charest
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Danis
Darling
Daubney
de Cotret
Della Noce
Desjardins
Domm
Dorin
Duguay
Duplessis (Mrs.)
Epp (Provencher)
Fennell
Ferland
Forrestall
Fretz
Friesen
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Hamelin
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Howie
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
King
Landry (Mrs.)
Lanthier
Lawrence
Layton
Leblanc
Lopez
MacDonald (Miss) (Kingston and the Islands)
MacKay
Malone
Mantha
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McKnight
McLean
Minaker
Mitges
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
O'Neil
Oostrom
Peterson
Pietz
Plamondon
Ravis
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Scott (Victoria-Haliburton)
Scowen
Siddon
Sparrow (Mrs.)
Stevens
Suluk
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Weiner
White
Wilson (Etobicoke Centre)
Witer—129.

NAYS

Messrs.

Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Broadbent
Caccia
Cassidy
Chrétien
Copps (Ms.)
Deans
de Corneille
de Jong
Dingwall
Epp (Thunder Bay-Nipigon)
Finestone (Mrs.)
Foster
Frith
Gagliano
Gauthier
Gray (Windsor West)
Heap
Henderson
Hopkins
Isabelle
Jewett (Ms.)
Keeper
Killens (Mrs.)
Lapierre
MacLellan
Malépart
Manly
Marchi
McCurdy
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Pépin (Mrs.)
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rossi
Tardif (Richmond-Wolfe)
Turner (Vancouver Quadra)
Young—50.

Mr. Speaker: I declare the motion carried. I must ask the Hon. Member to withdraw.

And Mr. Tobin having withdrawn:

Mr. Dick: Mr. Speaker, I rise on a point of order. Regrettably, perhaps in the heat of what went on at an earlier stage, another Hon. Member, the Hon. Member for York South-Weston (Mr. Nunziata), said very clearly in this House that a

person was a liar. I think he should have the opportunity of withdrawing.

An Hon. Member: Check the "blues".

Mr. Speaker: An Hon. Member is indicating I should check the "blues". Unfortunately, I have the "blues". I am afraid the point the Parliamentary Secretary is making is correct. I must therefore ask the Hon. Member for York South-Weston (Mr. Nunziata) to withdraw his intervention.

• (1600)

Mr. Nunziata: Mr. Speaker, my colleague from Humber-Port au Port-St. Barbe (Mr. Tobin) was repeating what a senior citizen said earlier today and what a lot of Canadians are saying from coast to coast. My sentiments—

Some Hon. Members: Out!

Mr. Nunziata: My sentiments are known to you and to each and every Member of this House. But for the sake of getting on with the debate on the borrowing authority Bill, I withdraw my comments.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of three, presented by Hon. Members on Tuesday, June 18, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin), the Hon. Member for Bourassa (Mr. Rossi), and one petition presented by the Hon. Member for Nickel Belt (Mr. Rodriguez), do not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CHANGES TO OLD AGE SECURITY ACT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, once again I have the honour to submit a group of petitions from citizens who live on Dufferin Street, Earlscourt Avenue, Bristol Avenue, Davenport Road, Pelham Park, Roncessvales Road, Runnymede Road, Bloor Street West, Islington Avenue, Martin Grove Road, Royal York Road, in Weston, Islington, the City of York and the City of Toronto. They all request that the Government maintain full indexation for old age pensions.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the pleasure and the honour to present on behalf of my constituents of Ottawa-Vanier a petition signed by many residents of my riding asking the Government and the Prime Minister to keep the promise and the commitment made during the electoral campaign in the summer of 1984 to maintain full indexation of old age security pensions.

[*English*]

I also have a petition from constituents of the riding of Ottawa-Vanier once more asking the Prime Minister (Mr. Mulroney) to keep his word and respect his commitment in the 1984 election campaign to maintain full indexation for old age pensions.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have several petitions from the community of Hendon and the Nokomis area from senior citizens protesting deindexation of their old age pensions. They petition the House of Commons to reinstate full indexation of Old Age Security programs in Canada.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present a petition signed by a number of citizens of Canada who reside in the City of Regina. They, as well as many Members of this House, humbly pray and call upon the House of Commons to reinstate full indexation of the Old Age Security program.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition from many, many constituents in the Town of Espanola, pointing out that the Government is planning to reduce the purchasing power of old age pensions by $100 per person next year up to almost $600 by 1990. They point out that pensioners should not be unfairly penalized in order to benefit large multinational oil companies and high-income groups. They call upon the Government to reinstate full indexation of old age pensions.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, it is my privilege to present a petition on behalf of senior citizens in my riding at the Marjory Carton Centre and other places. These senior citizens numbering nearly 100 petition this House regarding their concerns about the loss of purchasing power and the dangers which will encompass them in the future.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, since I recall that in 1981 the Conservatives in Ontario campaigned on the slogan "Help Keep the Promise", I have the honour to present a petition which calls on the Government of Canada to keep the promise it made during the 1984 election campaign and reinstate full indexation of the Old Age Security Program in Canada.

May I say to you, Mr. Speaker, that while you have my best personal regards, it is a happy day for Ontario with the demise of the Conservative Government.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from some people in Winnipeg who want the Government to re-establish the full indexation of pensions immediately.

[*English*]

CF MARITIME EXPERIMENTAL TEST RANGE IN NANOOSE BAY, B.C.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, it is my privilege to present a petition from citizens in British Columbia regarding the Canadian Forces Maritime Experimental Test Range at Nanoose Bay. They are concerned that it contributes to the nuclear arms race and militarism in general. They are concerned about environmental damage to Nanoose Bay and its economic value, and they urge the House not to renew the agreement between Canada and the U.S. and to bring to an end all weapons testing at the range and convert it to peaceful purposes.

CHANGES TO OLD AGE SECURITY ACT

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour and duty to present a petition from a number of residents of Spadina and nearby ridings. They are concerned that the Government proposes to cut the Old Age Security pension next year by $100, and $100 more each year thereafter. They are concerned that a PC Government would once more index the OAS pension to the cost of living on a quarterly basis as promised by the Prime Minister. They ask this Parliament to reinstate the principle of full indexation of the OAS Program in Canada.

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition signed by several hundred constituents of Beaches who say they do not agree with what the Government is doing in deindexing old age pensions, and they petition the Government to live up to the promise it made during the last election campaign that it would fully index old age pensions to the cost of living.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have the privilege and honour to present a petition calling on the Government of Canada to live up to its election promise to continue to index the old age pension to the actual cost of living on a quarterly basis. This petition is signed by residents of Geraldton, Emo, Atikokan, Dryden and the great community of Kashabowie, Ontario.

I have another petition signed by residents of two senior citizens' apartment buildings in my riding who also call upon the Government of Canada to live up to its commitments to senior citizens.

Finally, Mr. Speaker, I have a petition bearing well over 200 names of citizens from right across the great riding of Thunder Bay-Atikokan who object to the Budget this Government brought in. They call on the Government to continue to index pensions fully.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present petitions from constituents of my riding who protest that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security Program. These cuts fly in the face of PC campaign promises that a PC Government would once more index OAS pensions to the actual cost of living on a quarterly basis. They pray that the House of Commons will reinstate full indexation of this program in Canada.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour to table a petition signed by another 2,000 citizens living in Windsor, Ontario, who present the immorality of promises unkept, and who demand that the proposal to deindex pensions in 1986 be revoked, and that there be a declaration made that the promises of the Conservative Party during and after the election be kept.

• (1610)

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have the honour to rise on behalf of 4,000 residents of the Province of Manitoba. There are 200 signatures from the constituency of Portage-Marquette, 180 signatures from the constituency of Winnipeg-St. James, 50 signatures from Swan River, another 200 signatures from the constituency of Brandon Souris, 160 signatures from the constituency of Provencher, 170 signatures from the constituency of Selkirk-Interlake, and 3,000 signatures from the City of Winnipeg. All these residents of that province say that the deindexation of old Age Security benefits by the Conservative Government places a cruel and unfair burden on senior citizens and that the Prime Minister has totally reneged on his election promise to retain full indexation.

Wherefore, the undersigned, your petitioners, humbly pray and call upon the House of Commons to withdraw this unfair measure from the Budget and restore the full indexation of the Old Age Security benefit to all senior citizens. I am pleased to present this petition on behalf of 4,000 Manitobans from all constituencies.

* * *

IMMIGRATION ACT, 1976

MEASURE TO AMEND

Hon. Flora MacDonald (Minister of Employment and Immigration) moved for leave to introduce Bill C-55, an Act to amend the Immigration Act, 1976.

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 340 will be answered today.

[*Text*]

WEST COAST FISHERY

Question No. 340—**Mr. Skelly:**

1. Did the Minister of Employment and Immigration approve a grant under the Manpower Industrial Labour Adjustment Program to assist those persons who have suffered from changes in the West Coast fishing industry and, if so (*a*) on what date (*b*) in what amount (*c*) how much of the grant is available for administration purposes?

2. Who were the persons responsible for the implementation of the program?

3. Did the Minister of Fisheries and Oceans approve of the program and, if so, what input did the Minister provide concerning (*a*) the program development (*b*) the amount of money involved (*c*) the recommendations regarding the persons to be responsible for the program?

4. Did the Minister of Fisheries and Oceans make such recommendations in writing to the Minister of Employment and Immigration and, if so, will the Minister of Employment and Immigration Table these recommendations in the House?

5. (*a*) Who are the members of the MILAP Administration Committee (*b*) what qualifications do the members have to administer the program?

6. What total moneys per day are paid for (*a*) wages (*b*) honoraria to these members?

7. Does the program (*a*) provide for per diem expenses (*b*) require a limit for per diem expenses?

8. How much money (*a*) per day is available to these members (*b*) has been claimed to date by the members for (i) wages (ii) honoraria (iii) expenses?

9. Is Mr. Thor Peterson permitted to use the MILAP grant money to rent office space and, if so, has any space been rented which he (*a*) owns (*b*) has an interest in?

10. What members of the committee are entitled to use program money to rent office space?

11. What West Coast area (*a*) municipal councils (*b*) Indian bands (*c*) elected regional boards (*d*) economic development commissions were consulted about (i) MILAP (ii) the appointments of those chosen to administer the program?

12. Will the Minister of Employment and Immigration Table in the House her objectives for the Program in this area?

Hon. Flora MacDonald (Minister of Employment and Immigration): 1. The West Coast fishery designation under MILAP was made by the federal Cabinet: (*a*) June 21, 1984 for two years; (*b*) $5 million federal allocation for Canada Employment and Immigration Commission (CEIC) programs; (*c*) Community Adjustment Committee administration—currently $150,000 with provision not to exceed $200,000 maximum; Other CEIC administration—currently estimated at $154,000.

2. Canada Employment and Immigration Commission/ Department (CEIC/D).

3. (*a*) Program approved by Cabinet on June 21, 1984; (*b*) same as (*a*); (*c*) same as (*a*).

4. Yes. No documents will be tabled.

5. (*a*) Thor T. Peterson—central committee chairperson; J. M. Lornie—regional subcommittee chairperson, North Vancouver Island; S. B. Hagen—regional subcommittee chairperson, West Vancouver Island; F. Husoy—regional subcommittee chairperson, North Coast; D. Isner—regional subcommittee chairperson, Central Coast; E. Standish—Canada Employment and Immigration Commission; D. Deans—Fisheries and Oceans; W. Stokes—Regional and Industrial Expansion; L. Munaweera—Indian and Northern Affairs; R. Thomas—B.C. Ministry of Environment.

Subcommittee membership includes representation from commercial fishing, sports fishing, fish processing, forestry, union, and native interest groups.

(*b*) Community Adjustment Committee members are all selected to represent the private business sector, labour, local community interest groups, and federal and provincial departments and agencies.

6. (*a*) and (*b*) Central committee chairperson—$35 per hour up to $250 per diem; subcommittee chairperson—$18 per hour up to $150 per diem; other members are compensated for salaries and wages lost while on committee work and all committee members may be reimbursed for travel and out-of-pocket expenses.

7. (*a*) Yes, for chairpersons and travel and other out-of-pocket expenses; (*b*) yes.

8. (*a*) $250 per day for the central committee chairperson fees; $150 per day for the subcommittee chairpersons' fees; also travel and out-of-pocket expenses in accordance with Treasury Board guidelines.

(*b*) As at May 1, 1985: (i) Nil; (ii) $8,125; and (iii) $3,291.

9. No. The committee is permitted to use funds to rent office space. (*a*) no; (*b*) yes.

10. Committee and subcommittee executive groups.

11. (*a*) (i) None; (ii) Mayor of Campbell River and Councillors; Mayor of Port McNeil and Councillors; and Union of B.C. Municipalities.

(*b*) (i) None; (ii) Central Coast Tribal Council and North Island Tribal Council. Local Indian bands were consulted by subcommittee chairpersons and are represented on each of the four regional subcommittees.

(*c*) (i) None; (ii) Same as (*a*) (ii) above, because of dual representation by individuals.

(*d*) (i) None; (ii) None. Fishing, fish processing, mining and forestry sector company officials were consulted, B.C. provincial Government (Department of the Environment and the Office of the Premier) and federal Government (Department

of Fisheries and Oceans, Department of Indian Affairs and Northern Development, and the Department of Regional Industrial Expansion) officials were also consulted.

12. Yes. The objectives of MILAP are to facilitate the adjustment process and alleviate hardship for permanently displaced workers in communities suffering from major, serious and recent orosion or dislocation of their employment base.

MILAP helps communities and workers adjust by providing additional funds for increased training, increased mobility assistance, wage subsidies for laid-off older workers, increased job creation, and the establishment of a Community Adjustment Committee for each designated area to provide a coordinating mechanism for local participation in the adjustment process and in program delivery. In some cases, laid-off older workers may be assisted by the Labour Canada Labour Adjustment Benefits program.

[*English*]

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

[*Translation*]

Mr. Speaker: The question mentioned by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed consideration in committee of Bill C-51, an Act to provide borrowing authority—Miss MacDonald (for the Minister of State (Finance))—Mr. Danis in the chair.

The Chairman: When the committee adjourned at nine o'clock p.m. yesterday, Clause 2 of the Bill and the amendment of the Hon. Member for Gander-Twillingate (Mr. Baker) were under consideration.

Mr. Baker: Mr. Chairman, the subject matter of the amendment before the House today has been the subject matter of Question Period for some time now. That subject matter today prompted an Hon. Member to say words, the saying of which caused him to be removed from the House of Commons. The main reason that this subject matter has been before the House for some time and the main reason for the events of today is that Members find it very difficult to understand the reasoning of a Government that promised one thing, reiterated that promise in December, and then reneged on that promise in the Budget.

We have listened to Cabinet Ministers and to the Parliamentary Secretary to the Minister of Finance try to rationalize the cut in the projected increase of old age pensions which is due to take effect on January 1. Today we listened to the Minister of Finance and the Prime Minister try to prove that the disposable income of senior citizens will not be affected by all that much. I presume the Parliamentary Secretary, the Prime Minister, and the Minister of Finance were relying on expert advice received from various quarters.

I found it very difficult to understand what the spokesman for the Government was talking about last evening in this Chamber. He said that there was not really a 3 per cent cut. In fact, he said that the disposable income of seniors was only down by 1.5 percentage points. Then, not satisfied with that, he went even further to say that the cut is really only one half of 1.5 per cent. He then tried to justify that by saying that senior citizens could adjust by buying different products or changing their style of living to accommodate the .75 per cent cut.

I am sure that people who were listening to that argument were racking their brains trying to determine what kind of economic reasoning he was using. Perhaps the hon. gentleman was taking advice from experts who were schooled in the days when economics was called political economy. In those days, one observed the fact and then imagined some other facts in order to come to a conclusion which could only be verified over the long term. However, in those days of Plato and Aristotle, ethics was an issue. After that time, the Romans at least talked about the gods as being the final determining point.

What reasoning can be used for this? We can talk about the law of supply and demand, but if the price of coffee goes up too much, people will turn to tea, postum, or hot chocolate. If there were not enough coffee beans in Brazil, we would substitute. But Mr. Chairman, how can that same reasoning be used with regard to the cut of senior citizens' pensions? What kind of substitution is available with regard to flour, one of their basic commodities? If there were any difference between Red Rose flour and Cream of the West flour, it would only be a couple of cents. You cannot go to a different oil company and pay less money for home heating oil. You can change the name of the supplier, but you do not get it any cheaper. You cannot go to another telephone company to get a cheaper telephone or to a different electric company to get

cheaper electricity. Contrary to what the Government of Canada is telling senior citizens, they cannot substitute to make up for this particular cut.

• (1620)

The Government says that it received its advice from experts. When the Prime Minister went to his riding to speak last evening, many people believed that he was going to announce that the Government was reversing its position on old age pensions. I believed that if he was going to his riding to make an announcement, it would be that he was finally digging in his heels on behalf of 700 workers in his riding and was going to negotiate with the United States the removal of the incredibly bad tariff on saltfish that affects his riding.

However, neither of those matters were discussed. The Prime Minister announced that the Government of Canada was going to build a maximum security prison in his riding to provide jobs for the people of his riding. Presumably that was also on the advice of the so-called experts, who advise politicians but who do not know reality in the ridings.

I suppose one could go to any Member's riding and announce the construction of a maximum security prison. I suggest half the constituents would agree and half would not. However, that was the advice of the experts, just as they advised that this measure was not a 3 per cent cut but a cut of 1.5 per cent because senior citizens can adjust, buy cheaper products and change their lifestyle. How can senior citizens change their lifestyle when they must meet mortgages or rent payments, light payments, telephone payments and food payments? It cannot be done.

That is the reason for the motion before the House today. I introduced the motion on the basis that the borrowing authority for which the Government of Canada was asking was not clear in any event. The explanations given by the Minister of State for Finance were inadequate. She did not know what Cabinet Ministers said in response to the President of the Treasury Board since the time that the announced cuts were made in November and one-third of those particular measures taken by the Government were reversed. The Minister of State for Finance could not respond to that question when the Bill was first introduced. Perhaps if she had been able to respond at that time, we would have been able to deal with this Bill much more quickly. However, she could not do so.

Serious questions arise when one examines this borrowing authority Bill in more detail with respect to each Department. These concerns relate to definite figures that were listed by the President of the Treasury Board as savings to the Government of Canada or as revenue from increased fees for the use of federal facilities.

Let me talk about the $200 million that would be saved through extra monitoring regarding the Department of Employment and Immigration and the Unemployment Insurance Commission. I suggest to the Minister of Employment and Immigration that that figure cannot be realistically achieved. She can only reach that goal by introducing many measures that affect many poor people. One step which the Minister probably wants to take is to remove people from unemployment insurance by bringing them into the employment offices. Another probable plan of the Minister is to give these people jobs from government programs that are outlined in the Budget in which funds are allocated to Employment and Immigration for programs under Section 38 or programs being devised together with the provinces. However, there is a danger with respect to direct employment programs under Section 38. A person drawing unemployment insurance who takes a job under the Minister's direct employment program under Section 38 will be taking employment that is not insurable. It is possible that someone entering employment under the Canada Works Program could have his or her payments drop from $260 a week to $200 a week. That would be an injustice to that individual. However, they are mechanisms for lowering the amounts paid out under the unemployment insurance benefits in order to save $200 million.

What are the effects of such action? When the Department of Employment and Immigration announces a work program or an initiative for employment in those parts of Canada with high unemployment, the biggest issue is discrimination. Through its measures, the Government has attempted to put people into existing jobs and take them off unemployment insurance in order to save on unemployment insurance benefits. However, it can only do so if it changes the hiring criteria.

The Government has developed two criteria for employment. Only those drawing unemployment insurance and those who have run out of unemployment insurance benefits can go to work. However, as a result of that action, it is impossible for someone who has never drawn unemployment insurance to get a job under a direct job creation program. In other words, all the young people cannot even get a referral.

The biggest issue facing the Government in areas of high unemployment are these announcements which it makes. Similarly, the Minister of Employment and Immigration stands in the House to talk about the Government's new initiative with respect to the student employment program. While I do not see anything wrong with these jobs going out to private enterprise for the first time, I am concerned when fast food chains in Canada can take advantage of the program. When they would normally hire 30 young people, under this program they will hire 30 young people but have some of their wages subsidized. I am also concerned about these firms hiring people to replace others who would normally take those jobs.

However, let us look at the hiring criteria for this program. First, a candidate must have attended a full time course of instruction during the previous year and must be going to another full time course of instruction. This issue was raised with the Minister some time ago in committee and she said that it would be changed this year. However, it was never changed. Today, there is discrimination in that someone who had not attended a full time course of instruction the previous year, but attended part time instruction and needs that summer job as much as anyone else, is not allowed to get a referral. Someone who only had to complete a few courses is

not allowed to be referred to this summer student employment program.

We come back to the question of experts advising Ministers on hiring criteria. Second, you have experts advising the Ministers on the direction in which the funds will go, and, third, you have experts advising the Ministers on absolute figures relating to cuts that will be included in the Budget and in the financial statement.

• (1630)

I suppose it was the experts who advised the Minister of the Environment to cut out the activities of the Canadian Wildlife Service, Mr. Chairman. I suppose it was the experts who advised the Minister of the Environment that she can charge for every telephone call to the weather office or that she can cut out her guided tours in the national parks this year. I suppose they were the same experts who advised the Minister of Fisheries and Oceans on how to do away with the fishing vessel insurance scheme. All of these things have been cancelled as government policy since the financial statement came out in November.

While I am on the subject of employment and immigration, I would like to tell the Minister that in the November financial statement and what is included in the Budget for her Department this year, in the section headed Mobility Grants, there is a cut of about $2.2 million. What happened when that was cut? When that was cut, the Minister of Employment and Immigration, through her officials, had to come out with new guidelines about who qualifies and who does not qualify for mobility grants. What do we see now? In order to get from point A to point B for a person normally qualified for mobility assistance by the Government of Canada, what must happen now? The person has to have a letter saying the job is permanent for over a year. That person also must allow the closest Manpower office to advertise the job for a reasonable period of time. All kinds of restrictions have been imposed. I say to the Minister of Employment and Immigration that she is not only going to save $2.2 million, she is going to save the whole kitty. Nobody will be able to qualify. It will be the exception and not the rule that somebody will receive assistance under that program.

I see, Mr. Chairman, that you are indicating I have only two minutes left and that I have spoken for 18 minutes.

The Chairman: Yes.

Mr. Baker: I want to get on to a very important subject. The reason for my rising today is that the subject relates to the Department of Transport. The Minister of Transport is here in his seat. But I have only one and a half minutes left, is that correct, Mr. Chairman?

The Chairman: Yes, that is correct.

Mr. Baker: Would the Minister of Transport undertake to get a copy of the proceedings later on in the day, because I want to speak for at least 20 minutes, probably 40 or 60 minutes, on a subject relating to his Department? It is a very important subject. It also relates to the Minister of Energy, Mines and Resources. Since I have only one minute left, let me tell the Ministers that my subject relates to safety measures in transportation and energy that were not included in the Budget but were supposed to be included in it on which the Minister of Energy had a study done. This was never included in the Budget presented to this House and is not included in the Estimates of the Department. It is another subject of great importance to many people in Canada.

Let me conclude by saying that I hope all Members will participate in this debate as it relates to the senior citizens and the trick played on them by this new Government of Canada. Unless this Government reverses itself, it will see a considerable drop in support in the polls in the next election which will be attributable to the senior citizens.

[*Translation*]

Mr. Gagliano: Mr. Chairman, I wish to take part in this debate on Bill C-51 in Committee of the Whole to denounce this Government, which wants to govern by attacking the weakest among us, by taking no action and by increasing the tax burden of low income taxpayers and reducing the income of senior citizens.

On April 2, Mr. Chairman, the Canadian Press reported the following comments taken from a study sponsored by the Canada Union of Public Employees, and I quote:

[*English*]

The Conservative Government is deepening an already serious moral disorder in society by popularizing the philosophy of business first. The law of survival of the fittest threatens to reverse the progress that has been made toward a more caring and equitable society.

[*Translation*]

Mr. Chairman, the Budget brought down on May 23 lends support to this analysis and also proves that the Mulroney-Wilson alliance has no idea of the real needs of the Canadian economy.

[*English*]

First, by increasing taxes, the Mulroney Government dug deep into the pockets of the ordinary Canadian taxpayer. A married person, earning $20,000 a year, with a spouse and two children, will pay an extra $300 a year as a result of the new Budget. If the same individual earned $30,000 a year, the Budget's bite will be even bigger, in the range of about $400. Second, the temporary surtax on high-income individuals is structured in such a way that it will not hit some of the earners at the higher reaches of the income scale. In fact, since the surtax is based on the tax paid instead of the income itself, it will only hit those Canadians who are unable to reduce their taxable income through special tax deductions. Most high-income individuals will continue to pay little or no tax, but the average Canadian will have to pay much more. Third, the Budget eliminates the full indexation of personal exemptions and tax brackets.

This measure raises taxes for all income groups, but the increase is proportionally larger as a percentage of income for

low-income individuals. This change amounts to a tax increase, since it means that as a person's income rises, he or she is pushed into a higher tax bracket and pays more taxes.

[*Translation*]

In addition to all these unacceptable measures, the Conservative Government is directly hitting the elderly by reducing the value of Old Age Security Benefits in real dollars. All Canadian men and women over 65 will lose 3 per cent of the value of their pension income this year, if we compare what they will be receiving under the Budget with the amount allocated under the former Liberal Government.

In fact, Mr. Chairman, since the benefits will be indexed only to that part of the cost-of-living increase that is in excess of 3 per cent, in ten years the elderly will lose about 30 per cent of the expected income they would otherwise have had.

For eight weeks last summer during the election campaign, the Prime Minister (Mr. Mulroney) travelled across the country promising "jobs, jobs, jobs." Today, the Prime Minister and the Minister of Finance (Mr. Wilson) should be shouting "taxes, taxes, taxes."

• (1640)

Unlike the legendary Robin Hood, they are stealing from the poor to give to the rich.

Spending on agriculture has been cut back $15 million annually.

There will be a new federal tax of 11 per cent on health and beauty aids, including soap, toothpaste and so forth.

After dropping its energy conversion programs, the Government has added a new 11 per cent tax on materials used to increase energy effectiveness.

Mr. Speaker, I have been trying to understand how, a Government could bring down a Budget that is so thoroughly unbalanced, and why.

I have been trying to understand, and so have most of my constituents, who are typical of the middle class that is the backbone of our country.

Unfortunately, the answer is only too obvious.

The biggest hand-out authorized by the Minister of Finance goes to the oil and gas corporations. The corporation hand-out will cost the Treasury $902 million in forgone revenue for the year 1986-87 alone, as a result of eliminating the tax on oil and gas revenue: $902 million in one fiscal year!

Furthermore, the so-called temporary 5 per cent surtax applying to large corporations, a tax the Minister of Finance is very fond of mentioning, will raise $175 million this year and $285 million in 1986-87.

Considering the annual present of $902 million to the oil companies, there is another $440 million that will have to come out of the taxpayers' pockets. How easy it is to increase the gasoline tax by 2 cents a litre, reduce old age security benefits, and cut back job creation programs to recuperate that money. But the Minister of Finance will probably say that Canada's economic recovery will be initiated by the private sector, particularly by small and medium-sized businesses.

Indeed, Mr. Chairman, the Minister of Finance stated in his Budget speech that Canada's small and medium-sized businesses have become the driving force of the Canadian economy. Unfortunately the May 23 Budget does very little to promote that sector of activities and in fact puts our small and medium-sized businesses in a state of stagnation.

Let us review those measures concerning the private sector, beginning with the capital gains tax exemption. Although very few Canadians will be eligible, that kind of measure would have helped small and medium-sized companies if the Government, through carelessness, had not forgotten that the exemption ought to be turned into an investment. As a result of that negligence, very few investors will be attracted by small and medium-sized companies. Since investment in such companies does not provide tax incentives, nobody will want to invest in venture undertakings. Not only will this measure not necessarily create jobs, but it will promote a climate of excessive speculation. The investor will be satisfied since he can sell out to buy a condominium in Florida, but that kind of deal does not create a single job.

Secondly, investment of funds from pension plans and other retirement income schemes in small businesses. This program is regulated through a series of cumbersome and complicated provisions and prevents owners from investing in their own companies.

Like most small business owners, the Liberal Party would have been in favour of investment provisions similar to those now applicable to self-managed retirement saving plans. In that case the owner and his family could have invested in the company thanks to flexible regulations geared to the needs of small investors. The Conservative Government chose to restrict the program to organizations with huge assets, though it knew that generally speaking those organizations stear clear of risky investments. The employees who contribute to this fund to provide for their retirement years will certainly not want huge amounts to be invested in high risk ventures.

Third, we have the issue of research and development. The Budget proposes that the credit acquired by private companies for their current research and development expenditures be 100 per cent refundable. These companies were already able to obtain a refund equal to 40 per cent of their expenditures the first year and to write off the rest of their expenditures over a maximum of seven years.

We believe that, instead of helping the entire job creating sector of small businesses, this proposal will provoke the appearance of companies which will operate only for a short term and be used as a screen for speculators.

Mr. Speaker, the Liberal Party of Canada considers it essential to create programs to help young Canadians between 18 and 35 to start their own businesses. In addition, our Party finds it just as important to help Canadian unemployed workers aged between 36 and 55 to use their acquired experience to start their own small businesses.

On the other hand, capital losses should be 100 per cent deductible. We should also promote pension funds specifically aimed at small businessmen. Regulations should be made more flexible and the tax burden of smaller businesses should be reduced.

New means of financing should be created and new markets have to be developed. We believe that it would be possible thus to maintain the rate of growth of smaller businesses and to promote the creation of new job producing businesses, but I realize, Mr. Chairman, that the Progressive Conservative Government has decided to reward its closest friends rather than concern itself with creating the jobs which are so badly needed to reduce unemployment.

Mr. Chairman, I should remind you that last month, after eight months of a Progressive Conservative Government, Statistics Canada reported that 10.9 per cent of Canadians were unemployed and that the rate of unemployment for young people under 24 was as high as 17 per cent. Job creation should be a priority for any responsible Government, but the Mulroney-Wilson tandem has found nothing better to do than to increase by about $400 the costs of the average Canadian family.

Instead of "jobs, jobs, jobs", Prime Minister Mulroney should have said during the electoral campaign: "Get ready to be bled white to help fill the pockets of my closest allies!"

[*English*]

Mr. Axworthy: Mr. Chairman, today in Question Period, I directed a question to the Minister of National Health and Welfare concerning statements made by a member of the Minister's constituency staff in Provencher, as reported in the Winnipeg *Free Press*. That staff member commented upon the reaction, interest and controversy generated by the Government's move to deindexation by saying:

> I think most people don't quite understand how little it is in dollar terms. It means three packs of cigarettes a month that I shouldn't smoke anyway, or half a bottle of liquor that I shouldn't drink.
>
> So where's the hardship?

I asked the Minister twice to repudiate that statement. The Minister of National Health and Welfare is supposed to be the spokesperson in Cabinet who represents the interests of senior citizens, but he refused to comment. He refused to say that his staff member was misquoted. He refused to say that he was wrong. He refused to say that he disagreed with those comments. In other words, he was tacitly agreeing to the comments of his staff member, that there is no hardship, that it means only a half bottle of booze or something. That is the way a member of the Minister's staff is treating the plaintive appeal and cry of hundreds of senior citizens about the hardship which they will have to face. This tells us an awful lot about the Government and its attitude toward this issue, that if it can pawn it off or deny the truth, it will get away with it.

In the same June 17 article, a number of Conservative Members of Parliament are quoted as saying: "It is not an issue in my riding", "I have only had one or two calls", "people don't care", "people are not interested", or "it is simply something which is being hoked up by the Opposition".

Today I presented 4,000 names of residents of the Province of Manitoba. Those were the petitions I received last week. They included close to 2,000 names of residents of Conservative ridings in that province. They were not people who were simply making up things. I see the Hon. Member for St. Boniface in his seat. He said that he had only about 15 calls from his constituents. I have several hundreds of names of constituents from his riding who signed the petition. Something is wrong. Either these constituents are not prepared to tell their Conservative Members of Parliament because they are afraid of them or they know they will not listen, or else Conservative MPs have taken their telephones off the hook. Perhaps the newspapers are simply not telling it as it is.

• (1650)

There is no question that there is a large-scale, incredible demand across this country for a change in this program. What we have instead is a Minister of National Health and Welfare who refuses to even acknowledge that there is a hardship. At the same time, we have a letter from the National Advisory Council on Aging, not a partisan group, not a political group, but made up of representatives of different senior citizens' organizations and social agencies across the country, to advise the Government on its policies. What do they have to say in their statement and in the letter that they wrote to the Minister himself? I would like to quote the following from their letter, which states that, according to the Council:

> . . . "it will provide a short term saving in exchange for a long-term loss". "The stress associated with a tighter and tighter budget will take its toll. More and more senior Canadians will find it difficult to cope with a deteriorating physical, mental and social condition. In time, expenditures for other types of care will limit the savings due to de-indexing".

We have a Minister of National Health and Welfare who denies the evidence, facts and proposals put forward by his own advisory council. He does not even care about them. Instead, he apparently agrees with the staff member who says there is no hardship. That is the problem that we are facing and why this debate is going on. Somehow we have to find a way to penetrate into the conscience of the members of this Conservative caucus and make them understand that this is an issue that cuts to the very heart of this country, that we are talking about something that will substantially alter the social structure of Canada, that we will, for the first time in years, make a deliberate policy choice to force more people into poverty.

Statistics Canada has been reporting, I think, for something like two to three decades. It said in every one of those years that there was a slight improvement, sometimes higher some-

times lower, in the number of people coming off the poverty line. It was not always as great as we would have liked, but we have been making steady progress for two decades. It now reports that, for the first time in 20 years, because of this Government's Budget, there will be more Canadians going back below the poverty line, and 250,000 of those will be senior citizens. That is a Statistics Canada report, it is not from a political partisan group. It is reaching a point where we can no longer comprehend what is going on in the inner circles and inner discussions of members of this Conservative caucus when fact after fact is laid on the table that the results of their actions will be to push more people into poverty, it will make it harder for older people in particular to purchase their goods and services . . .

Mr. Andre: Blush when you say that.

Mr. Axworthy: I don't blush at all, Mr. Chairman. I just gave the figures, and this Minister is like his colleague, the Minister of National Health and Welfare. He is beyond comprehension; he is beyond conscience, he is beyond understanding. He does not understand that for 20 years we have had progress and improvement, and because of the actions of his Government, of which he is a part, we are now going to take a step backwards. That, Mr. Chairman, is a clear sign of the kind of Government we have. It is a Government without a conscience, without understanding, without comprehension.

Mr. Riis: I don't think they care.

Mr. Axworthy: It is even beyond not caring. You have to wonder about a Government that deliberately, consciously, takes a decision to put more people into poverty, and then has the Prime Minister stand up day after day, along with the Minister of National Health and Welfare, and deny it.

Is it any wonder that the group of senior citizens who mobilized on the front lawn of this Parliament today said, and I won't use an unparliamentary expression, that they don't trust this Government anymore, that they don't believe what it says, that they have lost all sense of confidence in anything it stands for? It would be somewhat understandable if it had made a mistake in the Budget. It is a new Government, there are a bunch of rookies in Cabinet, it would be understandable if, maybe in their rush, they went ahead and did things of which they did not perceive the consequences. That is possible. But we had the Minister of National Health and Welfare today in the House standing up and acknowledging, by his approval of the statements of his own staff member, that there will be no hardship. I wonder what kind of reports he is reading. What kind of funny books, what kind of fantasyland is he existing in? It is time for that Minister to be shifted. It is time to try to find somebody in that 211-member caucus who understands the issues. Can you possibly have a Minister of National Health and Welfare who is so incapable, so absolutely obdurate and indifferent to the plight of his constituents that he is not even prepared to say that he was wrong or that his staff member was wrong and, yes, there will be hardships? Mr. Chairman, the evidence is so clear, and it is so obvious.

We are here to say that we have time and time again asked members of this caucus to talk to their Minister, say to him, for goodness' sake there is nothing wrong with acknowledging a mistake. Goodness knows, Mr. Chairman, enough mistakes have been made by the Minister of Finance and the Prime Minister to fill history books. Why are they so reluctant on this on issue not to concede that a serious and unpardonable action has been taken and that it is creating the kind of reaction across this country that is seriously undermining the confidence, security and well-being of hundreds of thousands of Canadians?

I proffer another piece of evidence which I think is in its own way significant. Last weekend, the combined posts of the Canadian Legion from Manitoba and northwestern Ontario, some 51 Legion posts—and there are many Conservative Members from Manitoba I know who are members of those posts—stood up and, in an unanimous standing vote, recommended that Government restore indexation. The reason I say it is important is that these are people who have had their veterans' pensions protected, and you would think they would say, okay, we are protected, we are secure. Instead, they have the willingness and the courage to stand up, on behalf of other Canadians less fortunate than they, to make a case. Fifty thousand Legion members from the Province of Manitoba and northwestern Ontario are now united against this Government's action. Once again, they stand up and say, we don't know what is going on.

We had the Prime Minister again in one of his incredible performances of dissembling in this House this afternoon saying that somehow by reducing people's income by $1,200, by introducing a regressive sales tax that will reduce their purchasing power for basic staple goods, this is adding to their security. What kind of incredible, convoluted reasoning is that? Then they fall back on the defence that somehow we must all sacrifice to get the deficit down, but the Budget does not ask all Canadians to sacrifice. There are a number of Canadians who are getting major benefits under this Budget. The common stock of Canada is held by 11 per cent of Canadians, and a capital gains tax has just been brought in that will benefit by hundreds of millions of dollars a very privileged, wealthy group of Canadians.

When the Minister of Finance got up in the House yesterday and asked, well, what would the Opposition do? My colleague, the Hon. Member for Laval-des-Rapides, said," I will tell you what do do, cut the capital gains benefit at least in half and that would pay to restore the indexation. That is a fairly simple solution. You want an answer; you got an answer."

Time and time again the economic evidence is becoming clear that the capital gains tax exemption will do nothing to stimulate growth in this economy. It would be different, and we would certainly adhere, if it were going directly into stimulating investment in productive Canadian enterprise. If the capital gains tax were targeted so that the money would go to investors who are adding to the productive capacity of Canada, then we would say that the Government has a case.

Instead, the capital gains exemption will, in a large part, be used by people who will invest in the United States and buy land in Florida. The article in *The Wall Street Journal* said it all: Yes, the capital gains exemption in the Canadian Budget will help stimulate the economy, it will help stimulate the United States economy. That was in *The Wall Street Journal*. That newspaper was thanking us very much for being a good neighbour once again.

● (1700)

In terms of actually adding to the productive enterprises of Canada, every economic analyst has said that there are some real questions to be answered. Look at the exemption that exists on real estate. What does a number of transactions and speculation in the real estate market do to build a new factory or to provide for a new productive capacity to produce new goods and services? Not very much, Mr. Chairman. We are going to get a lot of speculators rich. Those speculators are laughing at the Conservative Government right now. They are really finding this whole exercise to be humorous because the Government has given them everything for which they asked while they are giving nothing in return.

Look at the statistics that came out yesterday. The so-called economic miracle about which the Prime Minister and the Minister of Finance talked has created not 1 per cent of an increase in capital investment in this country in the nine months the Conservatives have been in Government. The Government was supposed to be building the base for a new Canadian economic industrial structure, but there has been no increase in capital investment. I can tell you why this is so, Mr. Chairman. If I were thinking of investing in a new plant expansion, I would ask myself where the market would be and who would buy the new product or service. The Budget is pulling $37 billion worth of consumer demand out of the economy. It hits most heavily on the low and modest-income Canadians.

Mr. Dick: How many years?

Mr. Axworthy: Over the next five years. The great economic analyst, the Member from Mitel, makes a comment.

The Budget hits hardest on families that are making $20,000 or $30,000 per year. The purchasing power of those families will be reduced by 20 per cent or 30 per cent. The man or woman who makes $200,000 will be hit with a decrease of only 4 per cent in his or her purchasing power. That is the kind of economic miracle we are being asked to support and that the Prime Minister has told us the senior citizens support.

No senior citizen and no Canadian would support the kind of economic policy that is purely and simply designed to aid those with major advantages while allowing for no major benefits for the other 24.5 million Canadians. Therefore, that is what we are debating. We are debating the fundamental unfairness of the deindexation of senior citizens' pensions which will not in any way, shape or form help stimulate the economy. In fact, it will only help pay for the members of the Prime Minister's club. That is where the money is going.

I shall return to the point. Surely it is time for the Government to reconsider its position. Surely it is time for it to do some new calculations and substantially reduce the major windfalls that it has given to oil companies, capital gains speculators and a number of other wealthy Canadians in order to restore the deindexation.

Let us make no mistake. We are not talking about restoring indexation on only the GIS, we are talking about restoring it on the Old Age Security which benefits all senior citizens. As well, we are not only talking about those who are already senior citizens, we are talking about the 1.1 million Canadians who are now at the age of 60 and must plan their retirement and look forward in the next five years to the kind of income security they will receive. They also know that their incomes have been substantially reduced, that their purchasing power has been taken away and that their ability to plan for their future will be substantially eroded. On top of the people who are presently being affected, there are another 1.1 million Canadians who will become senior citizens and will no longer be able to deal with their income security problem.

We are talking about a lot of people whose problems could be easily fixed through some reorientation on the part of the Government. We recognize that it is difficult to swallow having the Minister of Finance totally embarrassed. All Canadians know that it was an incredibly bad Budget, but Conservative Members have to live with it. Surely they should have enough wit and common sense, though, to understand that it needs to be fixed because we cannot allow millions of Canadians to pay for those kinds of benefits that are unacceptable—

The Acting Chairman (Mr. Penner): Order, please. I regret to interrupt the Hon. Member, but the time allotted to him has now expired.

Mr. Blaikie: Mr. Chairman, I have a few comments to make following up something raised by the Hon. Member for Winnipeg-Fort Garry about the comments made by the staff member of the office of the Minister of National Health and Welfare. I want to take this opportunity to make an unsolicited correction to a remark I made in the House the other day during Question Period about the same Minister's office. At that time, I said that my office kept getting calls from constituents of the Minister claiming that they were being put on hold when they called the Minister's office. I had an opportunity to check with my office later that evening and found that I should not have said that we kept getting those calls. We were getting those kind of calls, but we are not getting them any longer. To be fair to the Minister, I wanted to put that on the record.

The kind of calls that we are getting are calls from constituents of Progressive Conservative Members like the Minister of National Health and Welfare, people who do not have access to the petitions that are being circulated which they would like to sign in order to register their protest against the Govern-

ment's plan to partially deindex pensions. These people are having to phone my office to see if petitions can be sent to them. I am sure others have phoned the offices of other Members of Parliament who are actively opposing the deindexation proposal here in the House of Commons. I hope that these people will continue to do so, although I wonder at what point everyone who could possibly have signed a petition will have signed one. Then we will have the case of a Government which has rightfully made much of the need to operate with a consensus finding itself in the position of opposing a consensus that is one of the most air-tight ones to which we have come in a long time. Business, labour, senior citizens, opposition Members of Parliament and government back-benchers have all come to the same consensus. If the Prime Minister ever wanted to show that he has the respect for consensus that he has claimed, this is the opportunity for him to show that he means it.

I know that sometimes during the rhetoric of Question Period, the Prime Minister is asked to do things that of course he will never do within that context. He is asked to admit that he has made a mistake. I do not ask the Government to admit that it has made a mistake. All I ask it to do is to respect the consensus. I ask government Members to do what they said they were going to do if they formed a Government, which was to respect the consensus that has developed.

We will not ask for any more of a miracle than for the Prime Minister to rise to say, "I notice that there is a consensus in the country against this measure and out of respect for that consensus, I would like to announce on behalf of my colleagues that we are going to withdraw this particular measure". No more need be said. There need be no self-deprecating remarks. In fact, I think the Prime Minister probably has enough talent for rhetoric to use that as an opportunity for self-praise. We would even put up with that. We would put up with whatever we need to in order to bring the Government around on this issue, preferably before the end of June.

Without exaggerating the extent to which seniors all over the country are lying awake nights worrying about whether or not the Government—

Some Hon. Members: Oh, oh!

Mr. Blaikie: I said without exaggerating because I think that that kind of rhetoric is not helpful. The fact remains that there is uncertainty and I think that it ought to be cleared up as soon as possible.

• (1710)

I wonder what the Government has in mind when it talks about monitoring the situation. Clearly it can only monitor the effects of a proposal after it has been implemented. If the Government is thinking about changing its mind, then it must be for a reason other than the effects which it is monitoring. Clearly, the Government cannot monitor the effects of the Budget in the short term. Budgets take a long time to have any effect on the economy. The Government must be monitoring political circumstances and public opinion. If it is monitoring that, then surely it is finding that there is a consensus against this particular measure. I hope that a respect for that consensus will soon be forthcoming.

Mr. Henderson: Mr. Chairman, I would like to make a few comments on the motion which was presented by my colleague from Gander-Twillingate. The purpose of the motion is to cut the borrowing authority which is requested by 3 per cent. Basically it is a symbolic gesture. However, I think it is a very significant gesture.

The Government has presented a proposal. I have been in the House for a number of years and in the provincial legislature before that. Usually when budgets are brought down they are not proposals. They show what are the intentions of the Government and the direction of the Government's program for the year in which the Budget will apply. When the Budget was brought down, I felt there were a lot of pitfalls which related to poor Canadians, average Canadians and, certainly, senior citizens.

Coming from a riding in Atlantic Canada, I think it is fair to say that we might be the first to recognize what is happening. We have a very high percentage of senior citizens in Atlantic Canada. Indeed, Prince Edward Island has the highest per capita rate of senior citizens of any province or region of the country. It was obvious on budget night in which direction the Government was moving. When I looked at the cuts which were projected in the Budget, it was quite easy to realize that consumer spending was being cut and, in some cases, drastically reduced.

We went to Atlantic Canada two weeks after the Budget had been brought down. A number of groups came before us in my province and in my riding of Egmont, in the town of Summerside. After those people had had the opportunity to study the Budget for two weeks, they told us what they believed would be the real impact.

During the hearings in Summerside, we heard disturbing evidence. An elderly gentleman, 82 years of age, told me that his wife had passed away a few years ago and that he had been living with his brother-in-law, who had recently passed away. He told me about the circumstances in which he found himself. He is paying $280 a month for rent on a small two-bedroom home which he has in Wilmot. I know the rents in that area, and that is certainly not classed as above average accommodation. It would be categorized as a modest type of accommodation. In total, the man was paying $3,360 a year for rent. In addition, he told me that he was paying $1,800 a year for light, heat and water. He said that he was burning oil. I can understand that as most people in the area, and certainly a person of that age, would not have access to wood. Fuel oil in Atlantic Canada is very expensive. P.E.I. has the highest energy costs in the country, next to the Northwest Territories. In most cases, the rates are twice as high as in other provinces.

In my home, I have a propane stove, a freezer, a refrigerator, a washer, a dryer, a television and a few lights. My light bill is approximately $78 a month. I consider that to be

expensive. I have an apartment in Ottawa with an electric stove and all the facilities which I have in my home in P.E.I., with the exception of a freezer. However, I pay approximately $18 a month in Ottawa for the same services. My wife lives in the home by herself during the week, as our family has grown up and moved away. Therefore, the use of electricity in my home is about the same as it would be in my apartment in Ottawa.

I would like to return to the situation of the gentleman whom I was talking about earlier. He is left with $200 a month for food, clothing and transportation. Could any Member in the House today live on that kind of money? If the gentleman had to take a taxi to the doctor or the store, the minimum charge would be from $3.50 to $5. The gentleman told me that he had approximately $3,000 in savings. He told me that his wife had been ill before she died and that her medical expenses had cut into any savings which they had. He told me that he would like to save the $3,000 for burial purposes.

The gentleman also told me that his only son had been killed in the Second World War and that he did not have any real relatives. The gentleman was in a deficit position of $310 a year. As of January 1, 1986, that gentleman will lose 3 per cent of his OAS. That is very sad. He will have to make other arrangements. However, I cannot find a senior citizen's unit which would be any less expensive than his present accommodation.

Canadians in that age group are finding themselves in a very difficult situation. The Government has picked on the weakest people in our society. Those people are unable to fend for themselves. I think that is desperately wrong.

● (1720)

During the meeting of the Maritime Premiers in my province, they stated that it was totally unacceptable to deindex the Old Age Security as far as the Maritime provinces were concerned. I can sympathize not only with the seniors but with the Premiers to a degree because this is making it very difficult for them. I believe we should look at the proper consultation method we heard so much about during and since the election campaign. We were going to have a great consultative process, certainly with the provinces. The consultative process I envisaged taking place was a meaningful one. Indeed, when the Premiers of the provinces of this country made their feelings known to the Prime Minister and to the Minister of Finance, and the provincial Ministers of Finance made their views known to their counterpart, the federal Minister of Finance, they assumed that they would not only be heard but their suggestions would be acted upon. I understand that the Premiers did make their position known before the Budget. If they did do so, certainly it fell on deaf ears.

We met with agricultural groups when we were in Prince Edward Island and Atlantic Canada, and we know that farmers are extremely hard hit by this Budget. Inspection fees were part of the statement of the Minister of Finance in November. Both farm organizations and farmers and those of us in the Opposition Party were able to mount enough of an attack that we did get it across to the Government that it could not do what it announced in the first place. However, the Government did not back down as it should have. It was a very ill conceived plan to put an inspection fee, for instance, on potatoes and red meat because, as I have said before in the House, it is a protection for the consumer and it should come out of general revenue and not from the hard pressed farmers of this country. I would like to quote from *The Guardian* of June 6, 1985:

> Federation President Ray O'Brien told the Atlantic Liberal task force the recent federal Budget has all people in Atlantic Canada, not just farmers, concerned the federal Government has "totally abandoned" any notion of special consideration or assistance because of geographical position.
>
> "Prince Edward Island and Atlantic Canada agriculture and business alike will die a natural death unless we can change the philosophy of our federal politicians and bureaucrats", Mr. O'Brien said.

He went on to say, and I quote:

> A major disappointment in the federal Budget cited by the federation was the absence of provisions to help farmers in severe financial trouble because of high inflation, high interest rates, energy costs and all other farm inputs.

He continues, and I quote:

> The new Budget lowers the gasoline and diesel oil rebate for farmers, and coupled with the additon of 2 cents per litre which will be added to farm fuel costs, Mr. O'Brien said the rebate will be "almost nullified".

I was at an all-candidates committee meeting during the election campaign. We met with the National Farmers Union. The Conservative candidates had a wonderful program for the farmers. One thing they were going to do was take off the excise tax on gasoline and diesel fuel. All the farmers in my province thought it was going to stay off for the next 100 years, but what did the Government do after being elected with this massive majority? It took off roughly 3 cents a litre according to the November statement of the Minister of Finance, but it was to take effect January 1, 1985 which is this January past. It was to have a sunset clause of January 1, 1987. That sounds like three years, and I don't like to use the word "deception", but that sort of wording is very deceptive.

Many people, without really thinking it through, would believe it was for three years. However, the Conservatives promised that tax would come off, period. There was no sunset clause mentioned when we met during the election campaign. There was nothing like that mentioned by the candidates, the Hon. Member for Malpeque, the Hon. Member for Cardigan, along with candidates from the New Democratic and Liberal Parties. I do not believe the Hon. Member for Hillsborough was there. This was a bit of trickery, and I think it has to be pointed out that it did sort of trick the people when the Conservatives indicated to them that it was coming off *carte blanche*, would never be put on again, and then just giving them two years.

On top of that, there is the addition of two cents per litre added added to farm fuel costs. As the Federation of Agriculture points out so clearly, the rebate is almost nullified and, of course, on January 1, 1987, they will be in a minus position again with two cents per litre more.

We also heard from our seniors. Mr. Robert Betton Senior who represented the Federal Superannuates' National Asso-

ciation was very vocal. I would like to quote from an article by Andy Walker:

He also made a case for old age pensioners, calling the budget "despicable". Betton explained many seniors live below the poverty line, seniors housing is scarce and the cost of living is high.

We also heard basically the same thing from the National Farmers Union that we were told by the Federation of Agriculture. We heard how the New Brunswick seniors felt. There were many things that crept in during the November financial statement of the Minister of Finance and this Budget. I have a letter here from Mr. Theriault the Tignish Fire Department. He said he was talking to Mr. McGuire on the telephone today who suggested Mr. Theriault put in writing their concerns regarding the federal Department of Radio Communications. He says their licence fee has double from last year, from $52.50 to $118. They added a pager system on the same frequency and the cost per year for the licence is $236.

He called the office in Charlottetown, believing there was a mistake somewhere, but he was assured that was the proper amount and everyone operating a VHF radio communications system has to pay the increase. He said they do not mind some increases in order to reduce the national debt, but why pick on volunteer fire departments who raise most of their money from card games, bingos, donations and so on? Obviously volunteer fire departments all across the country use VHF and pager systems, and their costs have been doubled. These people do a tremendous service to every town, village and rural area right across this country. We should support them. The hon. gentleman opposite shakes his head. If he wants to answer this letter, I will send him a copy.

Mr. McDermid: I will be happy to.

Mr. Henderson: It's from Donald Theriault, President of the Tignish Fire Department. I have his phone number here. I will certainly make sure that the Hon. Member gets a copy of it if he would like to reply to it. I would be pleased if he would reply to it and justify those costs.

• (1730)

We met with fishermen's organizations and looked at the budget of the Department involved. There was a projection of a $40 million reduction for 1985, and another $25 million reduction for 1986. I am glad the President of the Treasury Board is here. I hope he understands that his colleague, the Minister of Fisheries and Oceans, needs an awful lot more money. The ports and harbours of this country are begining to get in very bad shape. I am told by departmental officials in Prince Edward Island that they cannot even do minor maintenance. The Government is being penny wise and pound foolish. If a port project costs $50,000 this year, given another winter and damage by ice and one thing and another, it will cost $200,000 or $300,000 next year. There is no way the Minister should come into this House unless he has a Budget of $150 million for all of Canada. Then we have the recreational harbours to look after. I am on the committee concerned and I can tell the Minister that his colleagues in that committee are pretty angry about the amount of money—

The Acting Chairman (Mr. Penner): Order, please. I regret to interrupt the Hon. Member, but the time allotted to him has expired.

Mr. Althouse: Mr. Chairman, I had hoped that it would not come to the point where we would still be speaking about this issue at this point. We had been assured that pensions, health care and all those things we have taken to be part of our social fabric in this country would be well protected under a Progressive Conservative Government. We were assured by the Prime Minister on numerous occasions that those programs were a sacred trust. He reiterated that from one end of the country to the next. Prior to Christmas we saw some messages from the front bench that the sacred trust was beginning to break down. The opposition and others interested in health care pursued the Government at that time and it appeared there was no problem. If you could take the Prime Minister and his front benchers at their word, indeed those programs would be well protected.

However, when we get to May 23 and see the Budget, we see that the Government is proposing to save some money by reducing the amount of increase in OAS payments to the point where its purchasing power will be eroded by 3 per cent per year over the next number of years. There is no limit. The Government has simply announced in its Budget that this will begin on January 1, 1986.

Since the Budget was announced, my Party has been raising questions in the House on this issue, urging the Prime Minister and other Ministers to rethink this proposition and admit that senior citizens do not deserve this kind of treatment. They cannot protect themselves against inflation. A good many of these senior citizens disposed of their assets after they reached 65 and no longer have anything to provide an additional income for their old age.

Mr. McDermid: What did they do with it?

Mr. Althouse: They sold it off and turned to cash and gradually spent the cash to stay alive. There are hundreds of people like that in my riding.

Mr. McDermid: Farmers?

Mr. Althouse: Farmers, too.

Mr. McDermid: They were taxed on capital gains, weren't they?

Mr. Althouse: Some of them sold even before the capital gains tax came in, my friend, and they are in great difficulty trying to find enough money to live on right now. I can take you to any number of farmers who sold out 10 or 15 years ago, before the capital gains tax came in, at a price which was perhaps one quarter to even a tenth of what that same land might be worth today. They are almost destitute. They require

the 3 per cent increase to keep up with inflation because inflation has not slowed down for these people.

Mr. McDermid: Are they on the GIS?

Mr. Althouse: Yes, some of them are on the GIS. They are not going to be able to get the 3 per cent on the OAS under the proposal in the Budget. At the end of next year they will have lost approximately $100 in buying power. At the end of 1987 they will have lost $305 in buying power, and so it goes. By the time they get to 1991, it will be something in the order of $2,284 per annum of lost buying power, simply because they are not getting enough money to keep up with inflation. The laws of Canada have always supplied that protection except for a brief period when the Liberal Government brought in the six and five program.

Mr. Dick: It started in 1974.

Mr. Althouse: They are now going to lose 3 per cent per year. Inflation has not stopped. If we look at the Consumer Price Index, we see that the cost of food increased this year by an amount in excess of 3 per cent. All items excluding food are up more than 4 per cent. Coming as I do from a prairie community where the cost of energy represents a large expense for senior citizens, we should also look at the effect of inflation there. The aggregate increase in the cost of energy is 7.3 per cent. Transportation costs, which is also of great importance to people who live in small towns and villages and find it necessary to travel to larger centres to visit doctors and obtain health services, have increased more than 5 per cent.

Our senior citizens will face all of these cost increases but their cheques, instead of going up by 3.9 per cent, the full rate of inflation at the moment, will only go up by .9 per cent. Yes, the Government is correct, the cheques will continue to be slightly larger, but they will not buy as much.

I think this issue might have been made more clear if, on the presentation of the Budget, it had been described as a head tax or poll tax. In effect, that is what it is. Seniors are being asked to bear an additional 3 per cent tax per year. If this were billed as a poll tax, the response would have been much more immediate. As it was, seniors waited to look at the Budget themselves and saw that it said "will take place effective January, 1986". They saw those words and understood what they meant. They began sending petitions to their Members of Parliament and we have been presenting those petitions. They have now begun sending delegations to Ottawa, one of which arrived here today.

● (1740)

I would like to spend a few minutes reviewing a few of the things the members of that delegation told us. They spoke very clearly and succinctly. I should explain to the front-benchers opposite some of the values held by our senior citizens. These values are held by all citizens in certain parts of the country, but when I watch the activities of certain Members on the front bench opposite, I see very little evidence of them.

Mrs. Fraser, a retired health services worker from Halifax, told us that there are people in her city suffering stress related diseases which were triggered by worrying about their financial circumstances. Their budgets are very restricted now and they know that their expenses will continue to increase while their Old Age Security pensions will be cut by 3 per cent.

Mrs. Fraser cited three examples, one of a high blood pressure case, one of a heart attack, and another of a problem brought on by intense feelings of insecurity due to worrying about the future. To many younger people, that may not seem possible. However, many older people, who have only their futures to prepare for, take this very seriously. Some of them do not have enough social activities to keep them occupied and worrying becomes an obsession.

Having grown up in the time in which they did, they feel betrayed. During the election campaign they were promised that deindexation would not be pursued by the new Government. Page 60 of the Progressive Conservative Handbook says, "A PC Government would once more index the old age pension to the actual cost of living on a quarterly basis". That is what the seniors expected. On page 11 of the Consultation Paper on Child and Elderly Benefits it says, "In the Government's view no change is required in the OAS-GIS payments system".

Everyone thought that meant that there would be no change, that we would continue to have the automatic indexing of the consumer price index on a quarterly basis, and that pensioners would have that to rely upon. However, that has not happened. That which was portrayed as a sacred trust was only an election platform. It was only meant to sooth anxieties caused prior to Christmas when some front-benchers started to make noises about deindexation and changing social programs. With the presentation of the Budget, we learned that sacred trusts and questions of confidence were no longer that important.

The Prime Minister and the Minister of Finance forget that our senior citizens were raised to believe that a man's word was the most treasured commodity in existence. They saw those words, that trust, and that confidence broken. Their old fashioned values are now very much in question. Senior citizens want to know their pensions are being discounted by 3 per cent annually starting in 1986. They have had no answers. There have been no excuses other than some vague murmurings that the country cannot afford it.

The motion which is before the Committee presently proposes the reduction of the borrowing authority by 3 per cent. The Government is asking for $18.2 billion of borrowing authority. Three per cent of that would be approximately $560 million. That is the amount of money that we are asking seniors to give up by the end of 1987. This borrowing authority is over and above that which the Government will collect from Canadians through taxes. This borrowing authority will basically go to increase the deficit. This motion proposes to reduce the borrowing authority by $550 million and to put the onus on the whole country to provide the money that the Govern-

ment has asked senior citizens to provide over the next two years.

That is a very simple proposition. I think the Government and the country can accomplish this. We should not burden our senior citizens, many of whom have spent a lot of the money they saved for retirement, perhaps because they lived longer than they expected or because inflation ate it up faster than they expected it would. They have little choice now but to rely on the OAS and the GIS. I think it is grossly unfair for the country to expect them to take up part of the burden through this deindexation. I hope that the whole House will see the errors of the Budget and will continue to put pressure on the Minister of Finance, the Prime Minister, and the entire front bench to withdraw this onerous proposition.

[*Translation*]

Mr. Lapierre: Mr. Chairman, I welcome this opportunity to take part in a debate that is very important to all Canadians and especially to the elderly. In fact, the scope of this debate goes beyond the economic needs of the elderly. Mr. Chairman, this debate is about the integrity of politicians generally and the integrity of one person in particular, and I am referring to the person who holds the highest public position in this country after the Governor General. Mr. Chairman, I am referring to the Right Hon. Prime Minister. In recent weeks, since the Budget was brought down, we have seen how surprised and disappointed Canadians were at the cavalier, underhanded and insidious way the Prime Minister and his Government accomplices have been trying to conceal tax increases telling the elderly: "Now, we are all friends and we are all one happy family", and then cutting 3 per cent off their pensions while using a lot of complicated words to confuse the issue.

I see the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) is here, and I am happy to see him, Mr. Speaker. The Parliamentary Secretary is a most intelligent man, and I am sure that if he were not anxious to keep his position as Parliamentary Secretary to the Minister of Finance, he would have publicly refused to defend a Budget that cannot be called faire and equitable. I know he is smart enough to realize that the word "fair" just cannot apply to a Budget like this one, when we see what it holds in store for the elderly, for families, for the average Canadian, and that at the same time, it contains measures that make the oil multinationals riches and give capital gains tax exemptions to the wealthy. This Budget is a typical example of a double standard.

• (1750)

The President of the Treasury Board (Mr. de Cotret), who ought to be good at arithmetic, will not have to do a lot of figuring to conclude that the presents he is giving to the rich in this country, the tax exemption on capital gains which will apply mainly to 4 per cent of the population, are going to come straight from the pockets or purses of the elderly. The President of the Treasury Board should climb down from his ivory tower and look around in the real world.

Recently, my colleague, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) and I were able to meet with senior citizens in the Quebec City area, the Eastern Townships and even in Baie-Comeau. These meetings not "packaged" meetings like some Conservative Members tried to arrange, not meetings of the party faithful but meetings with real people, whatever their political colour or affiliation. I can say we had no hesitation in visiting ridings represented by Conservative Members. The first question we asked people was: Do you know who your Member is? That was the first question and the hardest. In Louis-Hébert, for instance, where I visited two senior citizens' homes, only one person out of 40 people I met was able to name the Member for the riding. In Montmorency-Orléans, the results were the same. But in the Eastern Townships, Mr. Chairman, I found that the people knew who the Member for Brome-Missisquoi (Mrs. Bertrand) was. She has no problem. People know her. The senior citizens we met told us what they had to say, and they are asking the Conservative Members to come home, to come back to their ridings and listen to them. They will realize that the Prime Minister is on the wrong track. They will realize that slavishly applauding what the Minister of Finance has to say is not getting results. They will realize they are betraying their constituents and failing to meet their commitment to defend their interests.

Mr. Chairman, these Members who are supposed to represent Quebec have now become Ottawa representatives in Quebec. This is not why you were elected, dear friends. When I hear the Member over there from the Chambly area who speaks only from the safety of his seat, I wish he would rise to speak once in a while. His constituents have also complained of never hearing him speak. They have told me, Mr. Chairman, that they saw him during the campaign, but that, since then, all he does is to parade a little and he never goes to listen to them. I think that it would be in his own interest to go back to his riding because, if he does not remember his constituents, I can tell you, Mr. Chairman, that his constituents remember him.

Mr. Grisé: Quite right! And they will vote the same way again.

Mr. Lapierre: I am speaking about the Chambly riding, Mr. Chairman, and the people there remember him quite well.

An Hon. Member: He will not be there after the next election.

Mr. Lapierre: Mr. Speaker, I would like to give a few examples of comments we heard during our trip. I can tell you that, in Louis-Hébert, many senior citizens do not want to sign their lease even though it is due on July 1 because of the uncertainty caused by the indecision of the Government. It is one step forward and two steps back. The senior citizens no longer know where the Prime Minister is going, and in fact,

the Prime Minister does not know himself. Senior citizens are saying: We worked all our lives, we deserve a safe retirement after so many efforts. We believed the Prime Minister on July 26, in Sherbrooke, when he said in his honeyed tone that he would index fully the pensions of senior citizens. What has he done since then? He has betrayed them completely. And he has his bunch of people of no account behind him who agree with all this. They really have a short memory, Mr. Speaker. They were all there in Sherbrooke on July 26. They came to our area pretexting a caucus meeting while the whole time they were there for a course on the behavior of an ideal candidate and especially on what not to say. They were told: What the Prime Minister, at that time the Party Leader, says, you should repeat word for word. Since then, Mr. Chairman, they have learned their lesson too well. They have not even been able to change the vocabulary. They have continued to repeat the line of the Prime Minister. Wake up, for heaven's sake. The people of your constituencies, the people of the Montmorency-Orléans riding have said: We would like to see our Member of Parliament, we would like to know how she is doing. They want to tell her about their concerns. They told us: Tell her to get out of Ottawa or wherever she is. They said: perhaps Mr. Mulroney is sending her on a lot of trips, but she should travel less and protect our pensions. This was the reaction in the Montmorency-Orléans riding. Afterwards, in the Eastern Townships, Mr. Chairman, we called a meeting of 75 representatives of senior citizens' groups and we had 250 participants with two day's notice.

An Hon. Member: We should not forget the Hon. Member for Champlain; he is here.

Mr. Lapierre: We have not come to Champlain yet, but we are getting there, Mr. Chairman. These 250 representatives of senior citizens' groups all went back home with piles of petitions for people to sign. They will make sure that they awaken this bunch of deaf-mutes. The problem is not only that these people need their 3 per cent. It is that they are very disappointed to see that their new Members of Parliament, who were supposed to represent their regions, are too deaf to hear anything. They do not hear the cries for help, the appeals for justice of senior citizens, which is incredible. As for the Hon. Member for Portneuf (Mr. Ferland), instead of clowning in the House, he should rise to defend the senior citizens of his constituency. They are not wealthier than those of my own riding, and I do not understand how he can laugh at their problems.

Mr. Chairman, I am very happy to support the amendment now under consideration. It would give the Government some time to reflect on its decision. They say: We are going to tighten the belts of seniors by 3 per cent. And as somebody told me in Quebec City the day before yesterday: Mr. Mulroney may very well ask us to tighten our belts, but the problem is, there is not a hole left. So this is what they are demanding. What appreciation do they have of the work, of the hard work done by the people who came before them?

I for one, Mr. Chairman, will not accept that the people who built this country be penalized. And if they do not have that sensitivity . . . You know we went to Baie-Comeau also, and in Baie-Comeau, the supposedly true blue Conservative fief, the leader's hometown, imagine, Mr. Chairman, the Baie-Comeau Senior Citizens' Club, all of its executive signed the petition asking the Prime Minister to back out. The Prime Minister was referring to his great friends in Baie-Comeau, the people who are so close to his heart. The Prime Minister no doubt recalls his aunt Jeanne, who changed his diapers when he was younger. Aunt Jeanne told me: "Tell Brian", and I am quoting her, Mr. Chairman, she told me: "Tell Brian he has no right to do that to me. Tell Brian he has no right to touch senior citizens, because he promised the opposite." This is what his aunt Jeanne asked me to tell him.

And the Prime Minister, rather than listening to his Minister of Finance (Mr. Wilson) who comes from Bay Street, should go back and see his aunt Jeanne in Baie-Comeau. He should go back to Maison Père Méthot in Baie-Comeau and listen to real people talking, those people who say: Not only he wants to reduce our income by 3 per cent, but in the meantime he is pushing prices up. One lady told me: Listen, not only did he add another tax on cigarettes and I had to stop smoking, but he had the gall to put a tax on soap, on shampoo, and on toothpaste. Is the Prime Minister asking me to stop washing myself? This is what that person told us. Because this has come to be a luxury under this Government.

And everything went along the same line, and it was unanimous. I will tell you another one, Mr. Chairman. The famous Taverne des Amis in Baie-Comeau, the Prime Minister's friends' Tavern. I was there also, and each and everyone signed a petition, except a couple of organizers who told us: Listen, you know, Brian is not for that. He is for giving full pension to seniors, but his caucus is against it. Do not worry, he is on our side, but his caucus, that gang of dinosaurs he has around him, are forcing him to do it. Those were notes they had received from Mrs. Savard, the Prime Minister's assistant in Baie-Comeau. They even tried to manipulate seniors before we arrived, Mr. Chairman.

This goes to show the intellectual honesty of that gang. How come they have so short memories? So, if you think you are going to get yourself out of that, you are in for a surprise!

Senior citizens will not be had. And if the Minister of Finance thought that because seniors are retired they cannot defend themselves, he is in for a surprise, because the older people we met on our mission will not be screwed. They are determined and they want to give the Prime Minister a lesson in honesty. And that lesson he will get it, he got it today. One lady told him the truth right to his face, what everyone is thinking in Canada. You will see it on the newscast. That lady told the truth to the Prime Minister. My colleague Tobin also

told the truth to the Prime Minister, except that there are different rules inside and outside the House—

An Hon. Member: Disgusting!

Mr. Lapierre: And talking about that, the Hon. Member over there said "disgusting".

● (1800)

[*English*]

What you are doing is disgusting.

Mr. McDermid: Nonsense.

Mr. Lapierre: You cannot even fulfil your promises. Your leader in my area, in Sherbrooke, on July 26 said that he was going to fully index the old age pensions. What are you doing today? You are trying to put the old people into poverty.

Mr. McDermid: Nonsense.

Mr. Lapierre: That is what you are doing. I have a letter here dated June 6, from one of my constituents who writes:

Surely we all realize that the elderly have paid their dues and that we all owe them respect, our gratitude, and peace of mind during the "autumn" of their lives. The cumulative loss of revenue over the years that this "government" is inflicting on this group of people is surely not going to help this country's economy.

With a fixed income and prices of every commodity rising each year the "government" undoubtedly has as one of its objectives to bestow on this group of people the ultimate degradation of mankind: poverty of mind, spirit and body which is nothing less than throwing away this land's only resource worth measuring: its human beings.

This letter written by Mr. van Doorn continues:

This is the first letter I have ever written to protest or approve any Government's decision. This letter has no other intent than to cast a vote. I am pleased that I did take the time to voice my opinion. I feel it is time that imaginative measures are taken in Parliament and shed the old practices of burdening the people with ever higher demands on target groups. It is true that justice for all is a myth but it remains nevertheless an honourable goal to strive for.

Since Jake Epp and the entire Conservative "Caucus" had not yet received any nay votes on this subject yet I have taken the liberty of sending a copy of this letter to Minister Epp.

Mr. McDermid: Send a copy of your reply.

Mr. Lapierre: Mr. van Doorn concludes by saying:

In God we trust, in the government we despair!

Mr. van Doorn is from Granby, Quebec.

Mr. McDermid: Send a copy of your reply.

Mr. Lapierre: My reply is pretty simple. He is right on. He touched the fundamental values of this whole exercise. It is a question of respect for the elderly. It is a question of equity and justice. If you guys cannot accept the fact that those people have already paid their dues, that's too bad.

[*Translation*]

If you cannot accept the fact that those senior citizens have already paid their debt to society, that they have gone through the worst years, the war years, the depression years and that you are again asking them to make sacrifices, Mr. Chairman, it is simply not good enough. And we will fight like mad to make sure that this will not go through. We fight to catch out the Hon. Member for Brome-Missisquoi who said that he did not have to keep his commitments. You will not get away with it. And I can tell you, Mr. Chairman, that an increasing number of senior citizens will come here, that your constituency offices will be flooded with calls, with pleas for justice and equity. Mr. Chairman, this is the first stretch part of a long fight if you will not change your mind. You are duly warned because it is unacceptable that after giving his word, the Prime Minister is trying to find a means of escape and to lie bluntly to the Canadian people.

Mr. Speaker, I must conclude my comments now because, unfortunately, I am only allowed 20 minutes. I could speak for hours on end of the gratitude we should feel towards older persons. I know that senior citizens in many constituencies share my opinion and that is why nothing can stop us. If we have to filibuster, we will do it, if we have to go in every constituency to stir you up, we will do it. But we will not let the matter rest there.

[*English*]

Mr. Riis: Mr. Chairman, I have a few comments for the record today. I want to ask the Parliamentary Secretary a question regarding one of the concerns people have with our present tax system. Our tax system is unjust and biased in all kinds of ways. The Parliamentary Secretary is well aware of the tax system and appreciates the point I am making.

Perhaps to make the point a little more clearly, let me say that in 1981, 239 individuals had an average income of $615,000 a year and paid no tax at all. That is a familiar situation we have talked about for some time.

● (1810)

If we look at the tax regulations presently in place we find that in 1985 a married taxpayer under the age of 65 years whose only source of income is dividends from taxable Canadian corporations will be able to receive $51,206 in dividends without paying any federal or provincial income tax. That is at the moment; it does not include the capital gains exemption which has been brought in, and so on.

I should like to indicate to the Parliamentary Secretary that this has driven a lot of the economy underground. Many transactions go on unrecorded and consequently untaxed. Does the Parliamentary Secretary have a ballpark figure which the Department might use to describe the size of that underground economy in Canada?

[*Translation*]

The Assistant Deputy Chairman: The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

Mr. Lanthier: I would like to reply, Mr. Chairman. We have just launched a far-reaching economic program. First, no one should put words in my mouth, for I am not convinced

that the Budget is not fair, that it is inequitable. I repeat that, in my opinion, the Budget is fair and equitable.

Second, Mr. Chairman, there was a reference to people who do not pay income tax. A moment ago, we heard that we are a bunch of rookies, and that came from the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). It is true that we are new Members, but still the Member for Winnipeg-Fort Garry has been in Government for 20 years. We were businessmen and we did bring that experience with us in the Government. From what we have learned in the business community, we know that the only way to avoid paying taxes is not to make any money in the first place.

An Hon. Member: There are other ways.

Mr. Lanthier: That is the basic principle in accounting and if you consult an accountant he will tell you that the only way to avoid taxes is not to make any money. One can have an income and deductions, and still earn an income from capital. That is what Governments have been doing for 20 years and God knows how heavily indebted Canada is. Those two parties seemed to have the same Whip a moment ago, as if this were Queen's Park. In any event I think that people do not pay any income tax because they have legitimate and quite legal deductions. We will eventually change some of them in a Budget.

Besides, some of those people made contributions and were entitled to deductions. I know that I contributed to MURBs and invested in films and have earned income since then. But those schemes turned into losses.

However the obvious inequities ought to be eliminated and, since I come from capitalist circles, I have already heard those expressions from people with socialist leanings. I have heard those objections before and I can assure the Hon. Member for Kamloops-Shuswap (Mr. Riis) that, in my opinion, most people who earn large incomes generally pay taxes. Rather than talking in general terms, I would like to see the personal income tax returns of people who earn $600,000 a year, if I heard correctly, and do not pay taxes. They may have some kind of income, but if the income comes directly from their own capital, if they gave themselves salaries which were not real salaries, that is something else again. I would have liked to hear about specific cases before discussing the general issue. In any event the new Budget has closed the loophole through a minimum tax which will be levied. The tax is in the budget and will eventually be levied. I think that a correction has been made, but I wonder if you are satisfied with my answer. However, I do not have any data and the Department has no data about the so-called underground economy. However, we know that it exists, barter exists.

Listen: An accountant who has his lawn mown and keeps the books of the mower is nothing new. It is perhaps new to you, but when you said a while ago that you were real people, if you had lived in the real world instead of going around with your eyes closed, you would be aware of that. Now, in the real world, barter exists. It is unfortunate, but we will deal with it, and I think that the Minister of National Revenue (Mr. Beatty) as well as the Minister of Finance (Mr. Wilson) are trying to step up investigations in that area of human activity which has always existed but which is hard to monitor, I agree. According to my advisers here, I am told that we do not know much about the underground economy in Canada.

[*English*]

Mr. Riis: Mr. Chairman, it was interesting to listen to the Hon. Parliamentary Secretary. He indicated that I could relax, that I did not have to worry any longer about all these folk who do not pay any income tax, because the Government is committed to bringing in a minimum tax, and it says so in the Budget. However, also in the Budget it says that the Minister of Finance will bring in deindexation of the pensions of senior citizens, and we are told that that is not really in there, that it is just a proposal. We are told that deindexation is just a proposal, but that the minimum tax is a commitment. When the Minister of Finance brings in his minimum tax Bill, I will be the most surprised person in the world. I do not think we will ever see a minimum tax.

Mr. McDermid: Will you support it?

Mr. Riis: Certainly I will be supportive of a minimum tax, if it is a reasonable one.

Some Hon. Members: Oh, oh!

Mr. Riis: Quite frankly, I think it is another proposal.

Mr. Gormley: What is reasonable for the NDP?

Mr. Riis: Fairness, justice and equality. I do not want to get side-traced by my colleagues.

One of the reasons we have not been enthusiastic about endorsing this $18.2 billion borrowing authority is that we have many questions about what the Government says it will do or has already done and what the facts actually tell us. Hon. Members opposite say that because the new Government has been in place for over nine months, because it has an overwhelming majority in the House of Commons, because of the new Cabinet, the new thrust, the new era and the new Budget, all sorts of new investment will take place and that, therefore, economic expansion will occur, jobs will be created and the unemployment rolls will be eliminated. This is what we have been told day after day. I see some Hon. Members nodding in agreement.

Today is Wednesday, June 19, and I looked at the business section of *The Globe and Mail* which contained an article headlined: "Expected investment does not materialize". This article was written by Bruce Little, a very credible economic reporter. It goes on to explain in some detail—actually, too much detail, and I do not think it is necessary for me to repeat all of it—the various areas of investment which have simply failed to materialize, for obvious reasons. For example, it

indicates that new orders expanded by an anaemic 0.7 per cent in the first three months of the new year.

Mr. McDermid: When did the Budget come in?

Mr. Riis: It came in in May, but I remember the Prime Minister saying that virtually the day after the election, thousands and thousands of jobs would be created. However, how many were lost?

Mr. Blenkarn: On July 5 we will see how many more jobs we have.

Mr. Riis: I do not believe that.

An Hon. Member: You don't believe anything.

Mr. Riis: I believe the facts before us which indicate that the expected investment has not materialized. Once again, Mr. Chairman, we find that the Prime Minister and his colleagues say it has happened; they say it has already happened. The Hon. Member in the back there says that investment is flowing into the country. Because of the dismantling of FIRA all of this foreign money is coming into the country in bucketfulls. Have you noticed what the figures are in terms of investment coming into Canada? Is there a mounting tidal wave of capital moving up over the southern border? Absolutely not. It is not taking place.

• (1820)

I am pleased to see the chairman of the finance committee here as well, because he will remember a few months ago when the foreign bankers were making a presentation and—of course, they are well aware of how the community outside of Canada feels about Canada in terms of its investment potential—the question was put, once this Investment Canada Bill is put into place, can we expect a significant increase in foreign investment in Canada? Their response was, Mr. Chairman, no, there will not be any significant increase; there might not even be any noticeable increase at all. Those were foreign bankers who, I suspect, talk with some sophistication about how the outside world plans to view Canada in terms of investment potential. They said dismantling FIRA and instituting Investment Canada will result in no particular change in foreign investment.

We keep hearing on the one hand that there is more investment. *The Globe and Mail* says it is not taking place. We find that it says—

Mr. Blenkarn: Then why did you not oppose the Bill?

Mr. Riis: Why did we not oppose the Bill? We oppose the Bill, Mr. Chairman, to point out the hypocrisy and the naivety of the business minds of the Members who sit across in the opposite benches, these people who tell us about their business sophistication. They say that investment will take place; it is not taking place. They say that foreign investment will roll into Canada; it is not coming into Canada.

Then I guess the crowning glory of it all was when they said, listen, we have a great idea on how to expand business. We will take a lot more taxes from the people of Canada so they will have their disposable incomes reduced so they cannot buy as much, and that is going to assist business to expand. The economic logic of that escapes me. I just cannot believe that these people have the courage to say that a great idea is to take disposable income away from people, that is how they will be encouraged to go out and buy. Then they say, oh, no, we have a better idea, a better incentive. A better incentive is to provide a capital gains exemption and then all those hundreds of thousands of Canadians will—

The Assistant Deputy Chairman: Order, order.

An Hon. Member: The Hon. Member forgets, Mr. Chairman.

Mr. Riis: They have forgotten however, on the whole aspect of having no capital gains tax, that only 4 per cent of all of the people in Canada who file taxes file capital gains. That means 96 per cent of Canadians are not even touched by this prospect. Ninety-six per cent are not going to fall over themselves because of this windfall profit of capital gains. There it is, the nub of it all.

Who are those 4 per cent? Are they your average Canadian citizens? Are they ordinary Canadians or are they, for example, the president and chief executive officer of Bow Valley Industries—I have just had a report passed over my desk today which indicates that Mr. Gerald Inair, who is the president and chief executive officer and whose cash compensation for the year was only $408,000 plus, was given a little over $2 million in interest-free loans. I am not saying anything nasty about this individual. He is a chief executive officer and presumbably his board of directors feel that that is what he is worth. The point is that he is the kind of person we are talking about, Mr. Chairman. We are not talking about Mr. and Mrs. Average Joe citizen in Canada. We are talking about Gerald Inair, the half a million dollars per year income type person.

Again to reiterate, we are less than enthusiastic about endorsing this $18.2 billion borrowing authority because it reflects so much hypocrisy. It reflects, if you like, almost a dishonesty on the part of the Government by saying these things will happen when the facts have demonstrated that they have not happened, and that quite the contrary has taken place. I just wanted to have an opportunity to put that concept on the record. Thank you very much.

[*Translation*]

The Assistant Deputy Chairman: The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier). I remind him that about four minutes of the 20-minute period remain.

Mr. Lanthier: Mr. Chairman, I shall be brief, since I do not intend to be trapped into extending the debate. When I use the word "deindexing", I always do so against my better judgment, for it is a pure invention of what I call the Queen's Park odd couple. It is nowhere to be found in the Budget Speech.

Opposition members are trying to scare Canadian pensioners with that word. What we find in the Budget Speech is the Government's assurance to fully compensate any increase in inflation above 3 per cent. So, opposition members should stop telling us that it was used in the Budget Speech, for it is nowhere to be found.

Yesterday, we were challenged right and left with all sorts of figures which I think I have laid to rest. Today, I should like to challenge hon. members of the NDP who support this amendment and oppose this bill. I should like them to try to prove that the Prime Minister was wrong when he stated that 271,000 had been created since September 1984, that 159,000 jobs were created in April and May, the greatest number for a two month period in 12 years, not to mention the fact that unemployment in May had dropped from 10.9 per cent to 10.5 per cent, that most of these new jobs have been permanent ones, and that the greater increase have been in youth employment. I challenge them to prove these figures wrong. It is not enough for them to say they do not believe them, they should quote figures of their own.

Hon. Members opposite claim that only 4 per cent of Canadians will benefit from the capital gains tax exemption. I cannot question this figure, for it is true. But even so, an analysis of Canadian taxpayers who declared capital gains on their Income Tax returns, shows that 55 per cent of them are families earning less than $40,000 a year. These are no millionaires and we are not doing them any favour. First of all, they are not millionaires, for no family earning less than $40,000 a year can be considered rich nowadays. They are just ordinary people. Second, capital gains are not outright gifts, as we keep repeating, they are investment oriented. Yesterday, I quoted a few examples from my own riding, indicating exactly where these job-creating investments would take place.

Mrs. Killens: Mr. Chairman, I welcome this opportunity to speak on behalf of the elderly in my riding. There are 12 senior citizens' homes in my riding, and residents have asked me to take a message to the Prime Minister. The motion to amend Bill C-51 before the House today asks the Government to reduce its borrowing authority by 3 per cent, because we in the Liberal Party believe that the Government should not apply a double standard. If the elderly must tighten their belts and suffer a 3 per cent cut in pension benefits, it is only fair and equitable that the Government should do the same. For two days I have been watching the situation in the House and listening to speeches, and when I look at the Conservatives opposite, I get the impression that many of them are delighted to see the Opposition fight the battle for them. I think if they were really honest with themselves they would come out and say so. I understand the situation. I had the same thing happen to me when we were in power, and I realize that they may not be in a position at this time to rise in the House to voice their objections. However, their constituents will tell them they are disappointed in their behaviour in the House.

In presenting this motion, the Liberal Party is acting on behalf of thousands of elderly Canadians across the country. This was demonstrated on Parliament Hill today, where we saw Canadian flags from all over the province. They came in large numbers. Since they are not particularly wealthy, Quebec senior citizens all chipped in to rent buses and come to Ottawa to tell the Prime Minister they do not want a cut in their pensions.

• (1830)

I went to meet them. You know what they are afraid of? They are afraid because they think this is only the first of a series of cuts. They told me: This is only the beginning. And believe me, they are right!

Senior citizens have been calling my office in Montreal to protest. They are also calling to congratulate the Liberals and their Members for defending them and their rights. They ask me where to go to sign petitions. Like everyone else, I have received hundreds and hundreds of them. And this is only the beginning. They feel they have been deceived and betrayed by this Government. They are anxious and concerned. They know they cannot afford to cut back any more on what they spend.

I have here a letter from one of my constituents who is single and retired, and who sent me this little budget, a personal budget. I will take the time to read it to you to show the kind of impact that a 3 per cent cut can have on the budget of a single individual.

Income including pension benefits and supplement totals $606.20. Expenses: rent is $240. Hydro: $21.47. Heating: $57. All this is monthly. Telephone: $17. Life insurance and insurance against fire and theft: $20.83. Water taxes: $5. Monthly food bill: $216.50. This adds up to $577.80, leaving $27.40 per month.

This single person has exactly $27.40 to pay for the following: clothing, any medical drugs that are not covered by the card, dental care, glasses, cigarettes, house cleaning supplies, appliance repairs, transportation, newspapers, recreation and personal care (toothpaste, soap, hairdresser, cosmetics, and so forth). Twenty-seven dollars and forty cents a month to pay for all that!

On page 84 of the Budget Papers, under Item 6, the following terms were used to announce that the Budget is increasing the price of personal care products by 11 per cent. It says, and I quote:

> The exemption from sales tax applying to a range of consumer goods is being ended, effective July 1, 1985.

This government has re-examined a number of these tax exemptions, as has the Ministerial Task Force on Program Review (headed by the Deputy Prime Minister) which has recommended a repeal of several of them. These exemptions have resulted in a significant erosion of the federal sales tax base.

In response to these concerns and to spread the burden of deficit reduction over a wider range of consumer goods, the budget proposes the repeal of the federal sales tax exemption for the following: candy and confectionery; pet food; soft drinks, including carbonated beverages, non-carbonated fruit-flavoured beverages containing less than 25 per cent natural fruit juice, and concentrates for making such beverages; health goods such as medicated creams, lotions, shampoos, soaps, and bandages.

This is a hidden tax, Mr. Chairman, because it is applicable at the manufacturer and group level. But again I say that for a retired person living alone, with the kind of budget I have just described and who has only $27.40 a month to pay for clothing, transportation, shampoo, soap and what have you, it is catastrophic. We Liberals have been accused of spreading fear among senior citizens. We in the Opposition did not spread fear, it is page 16 of the Budget which has created such anxiety among elderly Canadians. It is a bad decision and an error in judgment on the part of the Minister of Finance (Mr. Wilson), it is a political error on the part of the Prime Minister (Mr. Mulroney). The Government ought to admit its mistake and should have the courage to reconsider its decision.

[*English*]

I have here a letter dated June 7 which came to my office in the morning mail today. It is from the Federation of New Brunswick Senior Citizens which met in New Brunswick on May 27 and 28. This is what the letter has to say:

The following statement was announced Tuesday in Moncton at a Media Conference by the President: "N.B. Senior Citizens have once again been disturbed in their quality of life. Their internal peace and tranquility is most important at this stage of their lives."

The recent announcements violate a sacred trust, and to Canadian Seniors many things and principles are still sacred.

Tampering with old age security (already inadequate) is immoral, indecent and dishonest.

You can consider this letter as coming from the 76,500 N.B. residents aged 65 and over, seventy-three percent of them below the poverty level, eighty percent of these single ladies and or widows.

Yes we are for measures for reducing deficits—Yes we have paid all of our lives—Yes we are still paying like everyone else—Yes we want a strong Canada—very very few of you are listening to what Senior Citizens are saying. At this time enough is enough!

Fifty-eight percent of Canada's Seniors are below the poverty level. That is a National disgrace!

We will not allow you to legislate our peace of mind, quality of life and the eroding of our mental and physical health under the guise of saving a few dollars.

The letter is signed by Mrs. Edna Bourque, President, and Mr. Bernard Richard, Executive Director.

[*Translation*]

Mr. Chairman, I have here figures which show the injustice perpetrated on our senior citizens. According to an independent study, over 750,000 Canadian men and women will have fallen under the poverty line by 1990 because of the last Budget. Of all these Canadians, 200,000 will be senior citizens. The Budget of the Progressive Conservative Government contains nothing to improve the situation of the 4.1 Canadians, or 20 per cent of the population, who are already living in unacceptable conditions. On the contrary, the Wilson Budget will increase the financial distress of the poorest members of our society. The deindexation of old age security pensions will affect senior citizens. By 1990, this will mean a loss of about $1,200 in real income for a couple and $560 a year for someone living alone. What we must remember is that the Government will take away $1.6 million from pensioners before 1990. These figures have human faces, Mr. Chairman. This is why I do not understand why the Government has not decided to reconsider, to reassess the situation and to reinstate full indexation for all senior citizens.

The National Advisory Council on Aging sent me a communiqué requesting the reinstatement of indexation. Here are a few passages from this communiqué:

"It is the first time we see such conviction and cohesion among older Canadians", write Mrs. Yhetta Gold, Chairman of the National Advisory Council on Aging in a letter adressed to the Honourable Minister of National Health and Welfare. "The Budget of May 23 . . . has incited older Canadians to rally to put pressure on the Government and to defend their own interests. Senior citizens are telling the Government: Now listen here!"

Deindexation has not only united older Canadians, but it has brought together many other Canadians, including young people and business groups."

The letter to the Minister of Health also mentions other effects of deindexation. According to the Council, "it is a short-term saving in exchange for a long term loss".

● (1840)

What they say is rather interesting. They continue:

"The stress caused by an increasingly tight budget will have harmful effects—

—on senior citizens.

More and more Canadians will find it difficult to adjust to their physical, mental or social condition, which will then deteriorate. In time, the cost incurred for all kinds of care will limit the savings brought about by deindexation."

Mrs. Gold seems to be talking about the higher cost of health care, which will result from the stress caused by the reduced purchasing power of our senior citizens.

The National Advisory Council on Aging also believes that people on the eve of retirement, those aged from 60 to 64, of whom there are 1.1 million in Canada, whose income is lower than $17,000 a year will be badly hit by deindexation. "A great number will have to change their retirement plans and try to save more to compensate for their loss of income, or else they will have to postpone their retirement. The first option will reduce economic growth and the second will increase competition on the labour market."

The communiqué concludes as follows:

Let us not forget that older Canadians, in addition to their political influence and their strength at the polls, also have a substantial purchasing power.

The Government had a social contract with Canadian pensioners and this contract has been broken. During the election campaign, the Government had promised to provide more protection against inflation for pensions. This promise has also been broken. Senior citizens could not believe that the Government would reduce their pensions. They were expecting instead additional protection. I repeat that the Government had promised to provide more protection against inflation for pensions. The reason why my colleague was thrown out of the House this afternoon goes to prove the quotation I just made; every-

thing goes to prove why my colleague was expelled this afternoon.

Mr. Chairman, full inflation protection that is basic to every pension plan: a pension that is reasonable at age 65 becomes inadequate at age 75 if that protection against inflation is not guaranteed.

The poor are asked to tighten their belts in order to make a $5.6 billion gift to the affluent. This budget is unfair to the poor. The Minister of Finance (Mr. Wilson) said that he kept his mind open on the budget, and that he would be willing to make changes if needed.

On behalf of the senior citizens and the poor, Mr. Chairman, I ask him not to delay his decision. Every day counts for our seniors. They are all anxious, they are going to fight to the finish.

Mr. Lanthier: Mr. Chairman, it is my duty to point out some inaccuracies that crept up hopefully by mistake. Earlier, it was suggested that a person living alone wouuld lose, and I said "would lose", I am quoting in order not to be myself quoted out of context, "would lose" $560 a year. Therefore, if that is the kind of statement that is made to the public at large, it comes as no surprise that they should be anxious. I would therefore like to put the record straight about those $560: this would be an overall amount over the forthcoming five years, under all the provisions that are of course already referred to in the budget.

Second, on these cuts, again that term should not be used the way it is being used by Opposition Members. There is no cut. Nobody is losing money with that. Understand? People will still be increased until December 31, and after December 31 we have options which are very well outlined in the budget. So there is no cut.

Second, when there is reference to, rhetoric, semantics like "reverse", "backtrack", "recognize the error", all that points to the basic goal of this debate. It is purely of a political nature, and it is a shame that senior citizens, should be used, while taking advantage not of their credulity but of their sensitivity, to such vile purposes as the political aims as are now pursued.

I do not believe they have had the honesty to tell senior citizens that everything is provided for in the budget in order that, when the Government feels it is in a position to help them without digging into the old earnings, as I have been told in my constituency, when it becomes sure that the cheque we will then be giving them will not bounce, as hinted today by the Prime Minister, the whole measure will be reviewed. And as the economic situation evolves, as the measures we have been taking to create more wealth produce their benefits, as job creation becomes obvious, as order is restored in the affairs of the state, and as the national debt is checked and the deficit controlled in the first place.

Second, I would also like to put the record straight on the matter of deindexing. There has been references to some promises we made, suggestions that we promised protection. This is basically what we promised, and this is basically what has been achieved. Referring to the budget speech itself, or rather the document that goes with it, it is clearly stated, and I quote: "Recipients of these transfers will be protected from rapid increases in inflation but will no longer receive compensation for inflation as measured by the CPI below 3 per cent a year." etc.

This is on Page 14 of the document *The Fiscal Plan.*

In effect, this is protection. The difference between the protection we are offering and the protection that was offered by the previous government is this: the present government, or rather the previous government had established a floor, saying we will protect you from 6 per cent and up to 100 per cent, and senior citizens were to make do with that. We, on the other hand, are establishing a ceiling, that is, up to 3 per cent, senior citizens are asked to contribute. Above 3 per cent, the government will step in. I believe that this will enable older people to do some long term planning, sparing them the fear of having to face spiralling inflation such as we have experienced in recent years. I believe they will be spared the fear of having their income eroded by this evil of modern society which is called inflation.

Obviously, I deeply regret the statement that was made a moment ago by the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens) when she mentioned and tried to ennoble the sad incident that happened today during question period. I am sorry to say that the person who was expelled from the House deserved it, and I regret even more deeply to see such a behaviour being supported by a party for which I once had some respect. That party was badly shaken today. I was the first today to applaud when someone withdrew a statement. In my view, an honest person is not one who never makes any mistakes but one who know how to correct them. So I must say that the hon. member disappointed me in that regard.

● (1850)

The Assistant Deputy Chairman: Order! The Hon. Member for Bourrassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Chairman, I suggest what the Hon. Member has just said concerning an Hon. Member being expelled from the House was not relevant to the topic being debated at this time.

Mr. Lanthier: Mr. Chairman—

The Assistant Deputy Chairman: I am sorry. No, we will not pursue this any further, even on a point of order. It is not a point of order, to start with.

The 20 minute period has now expired. Resuming debate.

[*English*]

Mr. Caccia: Mr. Chairman, it is a pleasure in this debate to follow my colleague, the Hon. Member for Saint-Michel-Ahuntsic, and expand on her very fine presentation. I will start by first dealing with the rather skillful intervention by the Parliamentary Secretary on the government side who, despite his attempt to discredit the credibility of my colleague, cannot deny that we are talking here about a Budget. That is a document which spells very clearly the intention of the Government to deindex pensions above 3 per cent.

A Budget is not, as the Parliamentary Secretary would like us to believe, a White Paper, something which says we "might" do certain things or we may not. The Budget spells out its intentions and its will by the use of words such as "we will" deindex. Therefore, the Parliamentary Secretary fails in his intervention to establish credibility. He fails to deal with the fact that the fear of deindexation has been introduced by the words of the Budget. Therefore, Mr. Chairman, I cannot accept his criticism of my colleague, the Hon. Member for Saint-Michel-Ahuntsic, because she quite rightly was speaking on what is written in the Budget. The Parliamentary Secretary cannot wipe out her words by stating that the Government "may" do certain things during the next few months, until the words of the Budget are modified.

I am very honoured to take part following the fine speech by my colleague, because for me as well it is important to speak on behalf of the senior citizens in my riding. In the last few days I have seen the spontaneous arrival of petitions to my office in a surge the like of which I have not seen in the last 17 years. It is a new experience for me. It tells me that our amendment today reflects a profound sense of preoccupation based on fear with respect to the proposed deindexation in the Budget of this Tory Government. We are proposing with our amendment a certain measure because we want to put pressure on the Government. We want to bring this Government to its senses and we want to make sure that the Government, as a result of the efforts of the Official Opposition, understands that there is a widespread preoccupation with deindexation in the country. By our amendment, we are speaking on behalf of the senior citizens of Canada in every riding.

I could not believe my ears when in the last few days I heard the Minister of National Health and Welfare using the argument that deindexation is intended to create jobs. That linkage, Mr. Chairman, is absurd, and it is understandable that senior citizens in the country have started to come forward to stress this absurdity. It is not by diminishing the purchasing power of pensioners, or by threatening to do so at the beginning of January next year, that you create jobs.

There is a contradiction on the part of the Government itself when it proudly states in the House that in the month of May it has created so many jobs—.55 per cent of the labour force. We are glad to hear that jobs are being created, but in the corresponding month of May, 1984, jobs were created at the rate of .5 per cent instead of .55 per cent of the labour force. Therefore, it is incredible that the Minister of National Health and Welfare would have us believe that the proposed deindexation will be a means which will achieve job creation. That is absolutely absurd and almost counterproductive. No one in his or her right mind would buy that argument.

There is another red herring which is coming up in debate, and in Question Period in particular. That is, the Prime Minister and others are saying they will monitor the situation between now and the end of the year to see whether or not this will become a reality. Keep in mind that the measure in the Budget says it "will" become a reality. The word "will" in English is used, not "may", and that is important to remember. I ask you, what will you monitor in the next six months since, by your own text, the measure will come into effect on January 1, 1986? What is there to monitor, or is that a code word for conducting Gallup polls?

• (1900)

Perhaps this notion of monitoring is another way of saying "we will reconsider". Well then, we on this side of the House, and I am sure many back-benchers on the other side, wonder why it is necessary to keep the seniors in a state of anxiety for six months. Why not accept the fact that a mistake was made in the Budget? Why not pursue the matter to the ultimate conclusion and announce any day before the end of this month the decision that this idea of deindexation is going to be removed once and for all?

There are good reasons for doing that. You do not reduce the purchasing power of senior citizens because that means you weaken their economic condition at a time when, if anything, they need to be strengthened. You reduce the money going into the economy, you reduce retail sales, and basically and fundamentally you weaken the social security thrust which has been developed in this country over the last few decades and given Canada one of the most outstanding security systems in the world. If you do anything, you build on it. You strengthen it.

I was very impressed by what we were told this morning by senior citizens who came to the Liberal caucus to speak to us. They made the point that they should not be penalized because they are over the age of 65 and did not have the opportunity to receive an income based on a full-time activity. They should not be penalized because there were perceived as perhaps being politically disorganized. Why should they all of a sudden be asked in the name of an absurd notion of creating jobs to accept an erosion of their income of 3 per cent per year, because that is what deindexation is all about.

Over the next five years that will mean the average senior in your riding and mine, Mr. Chairman, will lose several hundred dollars of purchasing power. I ask you, is that the yardstick by which the Progressive Conservative Government of Canada wants to be measured? Evidently it is not, otherwise we would not have a picture of discomfort on the faces of PC back-benchers during Question Period each day.

Mr. McDermid: You are dreaming.

Mr. Caccia: There is already a gap between the position being taken by the Minister of Finance and the Prime Minister.

Mr. McDermid: No, they are absolutely consistent.

Mr. Caccia: Yes, there is, because the Budget document spells out the determination of introducing deindexation in no uncertain terms. The word is "will", not "may". The Prime Minister has indicated on a number of occasions that he is listening, that there may be an announcement, the position is not firm, and he considers that the Budget statement is not a Budget statement as far as deindexation is concerned, but rather a White Paper or trial balloon. It is something to be used to see whether the action is acceptable or not. That is a rather shaky way of going about the business of the nation.

We want to be reasonable on this. We are saying, as we have been saying all the time, let us recognize the mistake, but let us do it quickly and remove the anxiety. The Parliamentary Secretary was quite right when he got up and said we cannot say the measure is in place. He is right, the measure is not in place, but there is the threat and the threat causes the fear.

Mr. McDermid: No, the opposition causes the fear.

Mr. Caccia: The Parliamentary Secretary is not sitting in his seat and I cannot remember his riding as well as I should be able to, but he says that we are causing the anxiety. We are saying to him—

Mr. McDermid: You should know better. How many years have you been around here?

Mr. Caccia: —people read the Budget and they know what words mean. When the word "will" is in the Budget, that means a determination to do something and that is what senior citizens across the nation are telling us. Yesterday a delegation of senior citizens came into my office and brought to my attention a proposal to amend the Excise Tax Act which was in the Budget. They brought to my attention something I had not noticed before and about which they are very concerned and distressed. It has to do with the taxation of health goods for the first time. The items affected by the new taxation coming into effect on July 1, are items such as aspirin, acne and wart treatment products, and bandaging materials.

• (1910)

The Hon. Member is saying a lot of seniors are using that. I will challenge him to say that senior citizens do not use contact lens solutions. In fact, they are increasingly used as one gets older and relies on them.

Mr. McDermid: I wasn't even referring to what you are talking about. You are so arrogant you think everybody is listening to you.

Mr. Caccia: The Hon. Member should resume his seat and speak from there if he wants to intervene in the debate. He should know procedure of the House.

Mr. McDermid: We are in Committee of the Whole. We can speak from anywhere.

Mr. Deans: Why are you so mean?

Mr. Caccia: No, that is normal stuff, nothing unusual. The list goes on beyond contact lens solutions. It includes diagnostic materials, dietary supplements, decongestants, skin remedies, eczema, psoriasis, and dermatitis treatments, hair and scalp medications, laxatives and liniments, muscle strain and ache remedies, ointments, podiatry care products, salves, sinus treatments, sore back treatments, and tonics. I cannot believe that the Government would focus on our elderly citizens by imposing a tax on health goods to come into effect on July 1.

The amendment which we have put foward is intended to put pressure on the Government to realize that it has made the wrong decision and that there is no point in trying to fool the Canadian public into believeing that there may be a monetary necessity for this. It should not attempt to fool the Canadian public by saying that jobs will be created through this measure. It should do the decent thing and announce that deindexation is out once and for all. It should make this announcement before the summer to remove the anxiety of senior citizens across the country.

Mr. Deans: Mr. Chairman, I sat up last evening thinking at great length about the impact of the Budget. In defence of the Budget over the last two or three weeks, the Government has raised a number of factors about which I have serious doubt. I was not clear on where it was deriving its information. Much of the debate during the last week or so has been on the subject of deindexation of pensions, and quite justifiably so, because I think that is the hardest of the measures incorporated in what I consider will no doubt be an ill-fated document.

Even during the Budget debate itself I felt that not enough thought had gone into the critical analysis of what the Budget contained. We were justifiably preoccupied with the pensin issue. We must remain totally preoccupied with that issue until the Government recognizes that it has moved in a way which the majority of Canadians find unacceptable and is prepared to back away from that provision. To back away from that provision will be no sin. There will be momentary derision, no doubt, but in the long run the majority of Canadians will applaud when the Government finally announces that it is going to change its attitude.

Mr. McCurdy: I know I certainly will.

Mr. Deans: My colleague from Windsor-Walkerville says that he will applaud, and I know that my colleague from Thunder Bay-Atikokan will applaud as well. That is to be expected. More importantly, many of the elderly people who came here today to represent, to the Government and Opposition Parties, the concerns of senior citizens across the country will applaud as well.

It may well be true that on this day in 1985 a number of elderly citizens, if asked, may say that they would no longer

support the Conservative Party. I have no doubt that if the Government backs away from this measure, many of those people will rethink their position and return to the Conservative Party. Those people are by tradition and background Conservative.

Mr. McDermid: None of them left.

Mr. Deans: I am talking about those who have. I am not suggesting that they have all left. The Government should not get the idea that it must put its head down and bull its way through in order to achieve its purpose. There is nothing wrong with the Government admitting that it made a miscalculation and that its view of how this measure would be accepted was a little tainted by opinion given by those who did not understand. There is nothing wrong with saying that the Minister of Finance attempted, to the best of his ability, to do what was right but failed to hit the mark and will therefore move away from that position.

Within two or three months, those who write about the Government on this issue will write with more favour than they are writing today. They will recognize that it takes strength to admit that you are wrong. It takes strength to admit that something has been done inappropriately. That is an evidence of strength rather than weakness. Weakness is when you hold on to something which you have long since believed is no longer appropriate. It is weakness when one looks at the facts and circumstances, clearly seeing the conclusion, but failing to accept it. The Government must recognize the difference.

This is a new Government and I can well understand that it does not have the experience of many long years of fighting. I say with great respect that it has not developed the necessary skills to be able to back away. The Prime Minister has taken some steps to move away from this unacceptable policy of partially deindexing the pensions for retired Canadians. He said that the Government has changed it from a policy to a position to be considered, monitored, analysed and ultimately changed. The Government has yet to come to the point of determining how and when this change should take place.

• (1920)

Some of my colleagues in this Party and others in the House have made what I believe is a reasonable analysis of the impact of this measure. We have also made an analysis of the financial impact of the deindexing provision. I am prepared to concede that our analysis is open to question, as are all analyses. However, our analysis of the financial impact is as good and supportable as any other at this point.

The one thing that we know for sure is that if inflation continues—there is no reason to doubt that it will not—pensioners will fall behind in their purchasing power. The real problem at the moment which is yet to be confronted is the impact on those pensioners now as a result of their having to concern themselves about their financial future. That is the impact which the Government seems to fail to address.

Let me suggest that the Government would do well to listen rather than talk. It has indicated from the start of its mandate that it will be a consultative Government. Let me suggest to Members who care to listen that consultation is a two-way street. It is not simply meeting with someone so you can tell them the realities. It is letting them explain their view of a problem and then coming to a consensus on the issue. That two-way consultative process continues to be lacking in this issue.

I believe it was a White Paper published by the Minister of National Health and Welfare in which the Government determined that there was no need to consult on the matter of pensions because the Government did not intend to change it. With that in mind, it is clear that the Minister of Finance, the Minister of National Health and Welfare and the Prime Minister himself did not embark on any discussion of the necessity for or desirability of change.

That is not only the position stated in the White Paper by the Minister of National Health and Welfare. It was clearly the position of the Department of Health, as stated by the Parliamentary Secretary to the Minister when he travelled to Toronto, I believe, in April to meet with a group of seniors when he indicated that there would be no change in the old age pension. Therefore, those who represent the pensioners did not feel the urge or the necessity to indulge in any discussion about indexing or the basic pension that was then available to pensioners.

In those circumstances, it was a shock to pensioners—particularly those who were at the meeting—to discover that the Government had changed its mind without even giving them a hint, asking for their reaction or suggesting to them that their view would be appreciated. Within one month of assuring that no change would take place, the Government simply changed its mind. Is it any wonder that seniors are angry? Is it any wonder that they are confused and do not quite know whether they can trust those who speak on behalf of the Conservative Government?

I say to the Government that on statistical grounds alone, with a financial base as the bottom line, it is not unreasonable to suggest that we can afford to index pensions as they have been indexed in the past. On numerous occasions our Party has offered ways to raise the necessary capital to offset what would be lost by continuing the indexing provision.

The Parliamentary Secretary to the Government House Leader is coming over to read what is on my button. It says, "Don't blame me, I didn't vote for him". It is a picture of the Prime Minister. This is what senior citizens wore today as they sat outside on what was not a particularly pleasant day.

From a purely financial point of view, I do not think it is unreasonable to believe that we can afford to index pensions for senior citizens in Canada. Therefore, how should the Government change its position and when? I believe that one should not inflict on those people the kind of mental torture that goes with worrying about whether or not one's income next year will be sufficient to meet one's requirements. Therefore, the change should be made now. That would begin to

address what has become quite justifiably the preoccupation of Members on this side and many people across Canada. However, that is not all that is wrong with the Budget. There is much more wrong with the Budget than meets the eye.

We asked that the Government table its borrowing Bill within a matter of days of the introduction of its Budget in order that we could clearly see the entire picture of what the Government intended to spend in its estimates, how it intended to raise revenues and what the Government required by way of borrowing. I commend the Government for doing that. It is appropriate for us to look at the entire package now in this, the last of the three very closely related matters dealing with the fiscal and financial policy of Canada.

Let me turn to a *Toronto Star* editorial. I believe it states quite well what many of us have been concerned about. The headline states "What About those Jobs?" It says:

Talk about the luck of the Irish. Prime Minister Brian Mulroney's budget may escape the scrutiny it deserves just because it is so badly flawed. The budget does nothing for jobs. The budget has weakened the prospects for growth. The budget will shift income from working Canadians to the rich. But all that seems to have been lost in the shuffle.

Do those words sound familiar? It seems to me that we have been saying that since the moment the Budget was brought down. Let me continue:

When Mulroney launched his assault on the elderly, he struck an exposed Canadian nerve; Canadians from all walks of life have coalesced around the elderly, and in their outrage they have temporarily overlooked the rest of the budget's inadequacies.

Had the Mulroney budget not taken aim at the elderly, more Canadians would be asking how massive new tax hikes are going to foster job creation and increased economic growth. They would be wondering how a $500,000 tax break for the wealthy is supposed to reduce unemployment. They would be questioning how a $2 billion cut in transfer payments to the provinces is going to promote better education and training for Canada's youth. They would wonder why wealthy Canadians need more government assistance to prepare for their retirement. And they would be asking how Canadian pension funds invested abroad will strengthen domestic industry.

● (1930)

The Mulroney budget is not a blueprint for tomorrow. It is a leap of faith to the right. If full indexation for the elderly were restored without delay, we might see the broader debate that the budget deserves.

This Prime Minister and government were elected on the promise of "jobs, jobs, jobs". The budget needs to be measured against that promise to 1.3 million unemployed Canadians.

Mr. Dick: You said 1.8 million yesterday.

Mr. Deans: I will come to that in a moment. This is understated.

Mr. McDermid: You are always overstating.

Mr. Deans: The article continues:

The Budget also needs to be measured against its own stated goal: Deficit reduction. Since most of our post-1980 deficit—

Mr. Dick: Are you saying the story is wrong?

Mr. Deans: I would like to say something if people on the other side could keep quiet for a moment. It is not often I am attacked by the jawbone of an ass.

Some Hon. Members: Oh, oh!

Mr. Deans: The article continues:

Since most of our post-1980 deficit growth has arisen because of the recession and its attendant high unemployment, it's only reasonable to alssume that little progress can be made in trimming the deficit until more people are back at work. Where are the programs in this budget to do that?

These questions put the government on the spot. Answering them, in the context of the budget, may prove impossible. Yet if the Mulroney government has a vision of where it wants to take the country, that vision is embodied in the budget. Answer those questions the government must.

I want to stop at that point. That is an analysis done by the editorial board of *The Toronto Star*. While we may not all agree with everything that is in *The Toronto Star*, I think it is fair to say that its analysis is not an unreasonable one. In fact, there is an element of truth in it. That element of truth is borne out by reports today in *The Globe and Mail*. In *The Globe and Mail* today we find this headline "Expected investment does not materialize". The article reads:

The waiting game for signs of new business investment in Canada is beginning to get a little frustrating.

I will not read the whole article, but it goes on—are you telling me, Mr. Chairman, that I have but one minute?

The Assistant Deputy Chairman: Time flies, yes.

Mr. Deans: Let me take a few little pieces out of this article. The reporter goes through an analysis of figures produced by Stats Canada of Canada's performance in the first quarter of this year over last year, an analysis which shows that in almost every single category to be measured there has been a lag in the economic growth that must take place, an analysis which shows that in durable goods there is a drop this month over what had taken place in January, an analysis which shows in orders for hard goods there is a drop, in new orders there is a drop and in the backlog of unfilled orders there is a drop. Production by manufacturers was at a level of only 76 per cent of their capacity—

The Assistant Deputy Chairman: Order, please. I am very sorry to interrupt the Hon. Member.

Mr. Deans: There was a drop in the first quarter—

The Assistant Deputy Chairman: I regretfully must interrupt because we have already exceeded the 10 minute period. I am very sorry. There may be other opportunities for the Hon. Member for Hamilton.

Mr. Deans: Let me finish my two minutes because I have 20 minutes later.

● (1940)

[*Translation*]

Mr. Malépart: Mr. Chairman, I welcome this opportunity to rise in the House and remind the Hon. Member for LaSalle (Mr. Lanthier) that I will not be asking him any questions since most of the time, all he does is read texts prepared by public servants. I will tell him about the messages I received

from senior citizens on the trip I made with the Hon. Member for Shefford (Mr. Lapierre) to Quebec City, which is represented by Conservative Members, the City of Sherbrooke, the Eastern Townships, Montreal in the ridings of Rosemont and Hochelaga-Maisonneuve, and Baie-Comeau.

Mr. Chairman, everywhere, senior citizens expressed the same views as the person who spoke to the Prime Minister this morning outside the House of Commons and who everybody saw on television. I will not repeat what the person said, because they are not parliamentary, but they were an expression of how all senior citizens feel about the Prime Minister, not only because of the official commitment he made in Sherbrooke on July 26 about reinstating full indexation of Old Age Security pensions, but also because of the paper tabled in the House by the Minister now popularly referred to as the Minister of Social Injustice Canada, the Minister who in January tabled a paper in the House of Commons where it says that any discussion on restructuring and improving social programs will not be used to reduce the deficit. This was in the paper, and when you get to the part about senior citizens, there was a section on families with children, family allowances, and so forth, and a section on senior citizens, where it said that in our opinion, Old Age Security benefits and the Guaranteed Income Supplement should not be changed.

Not only is the Prime Minister not meeting the commitments he made during the election campaign, he is also reneging on statements made here in the House of Commons, but in the Standing Committee on Health . . . I must admit I had my doubts, since I remembered what happened to Bill C-26 and did not trust the Minister of Social Injustice or the Prime Minister, but I took the trouble to ask the Minister of National Health and Welfare (Mr. Epp) the following question: Can we start discussions in committee with the assurance that there will be no changes with respect to senior citizens? The Minister solemnly gave us that assurance. At the time, 92 groups representing Canadians came here at taxpayers' expense to express—since September 4, the Prime Minister has been bragging about being the one who consults the people—they came to express their views in the sincere and profound belief that the Prime Minister and the Minister of Social Injustice Canada would keep their word. And the discussions were strictly about improving the family allowance.

Ninety-two groups from all over the country, and what they got from this Budget brought down by the Minister of Finance (Mr. Wilson) was a deep sense of disappointment and betrayal. We had an economic summit with groups representing business, labour and social agencies, to name a few. This little demonstration cost one million dollars or $1,000 a minute. None of the groups at the meeting, neither business, nor labour, nor consumer groups, suggested to the Prime Minister who was acting as master of ceremonies, that he should reduce the indexing of old age security pensions, family allowances, and what is even more serious, the child tax credit. No one suggested such a thing, Mr. Chairman. We saw what the Prime Minister was really like when the budget was brought down.

This afternoon, the Prime Minister attempted to ridicule me because of my waistline. It is a fact that his waistline is smaller than mine, but the real difference between the two of us is that I have my heart in the right place and he does not. I am intellectually honest and sincere and he is not. I simply wonder whether the Prime Minister and the Progressive Conservative Party will give back the $1 million of the taxpayers' money wasted just for marketing, just to advertise the pleasant smile of Little Brian from Baie-Comeau, who is a citizen for life of Westmount.

This $1 million was wasted to do the opposite of what people had suggested at that meeting. Among those present at the economic summit, name just one organization or individual who suggested partial deindexation of the old age security pension.

If the Hon. Member for LaSalle (Mr. Lanthier) knows one, he can rise and say so. It was not the organization of employers. It was not the Chamber of Commerce. It was not the labour federations. It was not the consumer associations. It was not the senior citizens' groups nor the community organizations of Canada.

An Hon. Member: It was Brian's Club!

Mr. Malépart: Mr. Chairman, people will long remember this Prime Minister. John Diefenbaker would never have dared to do such a thing! Mr. Clark would never have dared to take such action and to spend $1 million of the taxpayers' money just for his own publicity. I simply hope that the Progressive Conservatives will repay this money.

I spoke this afternoon of the consultation held in Baie-Comeau and of the fact, that in spite of the tricks used by the Prime Minister's Office to try to manipulate them, senior citizens held their ground. They deserve our congratulations.

There is one thing that the Conservative Party has forgotten. It is not because senior citizens have reached age 65, 75 or 90 that they no longer have the intelligence they had when they were 40. And there is another thing the Conservative Party, and the Prime Minister have forgotten. It is not because those people have reached age 75 that they do not have the energy they used to have when they were 50. And a third thing the Conservative Members and the Prime Minister in particular have forgotten. It is not because those people are 75 or 90 that they no longer have their mind set to work as they did when they were 40. They were senior citizens in the first place, and I am proud that it all started in Quebec, in Montreal, at the Velodrome, they were senior citizens aged 70, 85, 90, who volunteered every day at the booth where unfortunately the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bretrand) would not meet them. They

stood up as volunteers. You saw some of them here on Parliament Hill, Mr. Chairman. Those are not 40 year old people. They are not people who have been sitting on the benches at some university. They are people who at age 16, 14, or 12 started raising kids. They are people who entered the labour market, who worked 60, 70 hours a week, with no labour unions, no fringe benefits, and who put out their own money to have their children educated. They are here now. They paid with their own money to get health care for their children. They had no health insurance. And now there are Members here who have the gall, the nerve, and the cowardice to ask those people.

The people from Baie-Comeau said: What does the Prime Minister have against senior citizens? Since the beginning, you saw it in Bill C-26, and I understand that it hurts you but get used to it; when we tell you the truth you are shocked, but I am here to get elected. Mr. Chairman, the estimates . . . Instead of borrowing money to increase the Defence budget by $1.32 billion, if those people on the other side had a heart, they would have protected the old age security pensions. In the budget, instead of trying to save on the backs of senior citizens—$250 million next year—they would have chosen to save senior citizens rather than enhancing the image of the Prime Minister, rather than wasting $56 million to change the colour of army uniforms. They would have chosen to save senior citizens in each and every constituency, but instead all the Conservative Members chose to hurt senior citizens as far as their pension cheques are concerned, in 1986, to spend $400 million to send, 1,000 additional soldiers to Europe.

Mr. Robichaud: And the ministers' offices.

Mr. Malépart: Mr. Chairman, my colleague reminds me of the ministers' offices, of the Prime Minister's office: $1 million just for the charade the Prime Minister went through at the Economic Summit, the failure of the so-called outstanding mediator; it has been nothing but failure since the beginning and even in Ontario, with Miller who was defeated, Mr. Chairman. In Baie-Comeau, those people were disappointed by their boy.

An Hon. Member: The boy from Baie-Comeau.

Mr. Malépart: To thank those people, those senior citizens who made sacrifices to enable their boy to get an education and to reach the position of Prime Minister, they take 3 percent from them and say: what's a few bucks. To an Hon. Member who gets the old age security pension, it is not serious to lose a few bucks but if you get only the old age security pension and have only $27 a month left for clothing and to have your appliances repaired, for your leisure activities, you do not have enough already, and you need every cent.

In Montreal, . . . not only the people from Sainte-Marie but also those from Hochelaga-Maisonneuve, and I want to congratulate my neighbour, the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) who was courageous; he knew he was here to defend his constituents' interests and not to sell them the stories of the Minister of Finance. When he met with senior citizens, he signed the petition and said: I was elected to stand up for you and I will do so, but there are not many from Quebec. I would like to name them one by one.

I should like to tell you what older citizens think of the former president of Iron Ore. I have the impression that in four years from now, he will find it hard to get a job at the Manpower Centre. They gave me the cartoon—

The Assistant Deputy Chairman: Order! The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) knows quite well that this is not allowed in this House—

Mr. Malépart: Mr. Chairman, if I cannot show it, I will describe it. The constituents of Hochelaga have given me their cartoon of the Prime Minister where he is shown as the new Robin Hood, but a Robin Hood in reverse. The new Robin Hood takes $5 from the pockets of older people and hands it to the rich. That is the truth, that is how the senior citizens visualize the Prime Minister, this government and the Budget.

However, there is another very important matter that we must keep in mind, Mr. Chairman. You know that very soon it will be July 1, Canada Day, and it will be the first time that our little new Robin Hood will act as our Prime Minister on Canada Day, but our bright boy from Baie-Comeau is not devoid of imagination, Mr. Chairman. He would very much like all Canadians to remember him. Did the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), who is an expert in high finance, advise the Minister of Finance to take the decision which I will now make known? Is it the Prime Minister or "little Michael" from Toronto? Not too many Conservative Members bragged about the fact that as of July 1, every man, woman and child of this country will receive a gift and know that the Prime Minister of Canada will be with him, always, from then on, wherever he goes. I do not know whether that brilliant idea came from the Prime Minister, our "brilliant" little boy from Baie-Comeau, lifetime citizen of Westmount, or from "little Michael"—

The Assistant Deputy Chairman: A point of order.

• (1950)

[*English*]

Mr. McDermid: Mr. Chairman, I rise on a point of order. The Hon. Member has referred to two Members of the House of Commons, Members of Cabinet, by their first names without referring to them as Hon. Members or the Right Hon. Prime Minister or the Hon. Minister of Finance, or their ridings. He is doing it in a ridiculing manner which I think is really not fitting for the House. I would ask the Chair to rule and bring the Hon. Member to order for referring to the Prime Minister and the Minister of Finance by their first names.

[*Translation*]

Mr. Rossi: On the same point of order, Mr. Chairman.

The Assistant Deputy Chairman: The Hon. Member for Bourassa (Mr. Rossi) on the same point of order.

Mr. Rossi: The Member opposite should understand that the French term "brillant", or brilliant, is not synonymous with Brian Mulroney. The Member used the term to indicate somebody bright up here. It is not the same thing.

An Hon. Member: Mr. Chairman—

The Assistant Deputy Chairman: Allow me, before I rule, to offer some advice.

Mr. Malépart: Mr. Chairman—

The Assistant Deputy Chairman: No, no. I should like to draw to the attention of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) that indeed Hon. Members should refer to each other Members by the name of their riding or their title in cabinet.

Mr. Malépart: Thank you, Mr. Chairman. I believe everyone is anxious to know what the gift will be and where the presence of the Prime Minister and Conservative Members will be felt. Starting July 1, they will all be there. Do not forget—and perhaps the Hon. Member for LaSalle (Mr. Lanthier) can tell us who thought of putting a—

Mr. Lanthier: That is offensive.

The Assistant Deputy Chairman: Order.

[*English*]

Mr. McDermid: Point of order.

The Assistant Deputy Chairman: Will the Parliamentary Secretary resume his seat.

[*Translation*]

So it is the same point of order as earlier. The Hon. Member for Sainte-Marie (Mr. Malépart) knows perfectly well, besides he was reminded of the fact a few minutes ago, that such exhibits are not allowed in the House of Commons.

Mr. Malépart: I wanted to make this little demonstration. I understand, Mr. Chairman—

Mr. Lanthier: That is ridiculous.

Some Hon. Members: Point of order.

The Assistant Deputy Chairman: No, order. Hon. Members know they are not allowed to show exhibits, and I ask them to be patient and, please, not to arouse the wrath of—

Mr. Malépart: Mr. Chairman, I can understand the frustration felt by both Conservative members, because they would prefer the public not to know that starting July 1, the bar of soap will be taxed 10 per cent, that starting July 1, toothpaste will be taxed 10 per cent, that starting July 1, shampoo will be taxed 10 per cent. I understand their frustration. I would be ashamed if I were them. I would like to know who among them had this bright idea. When we see that they are cutting 3 per cent from senior citizens, these are basic necessities. Who in heaven has decided to include soap? Do you know what I was told by a senior citizen who had just learned about this? I appreciate that the Hon. Member for LaSalle would prefer to hide the facts. I appreciate that he is ashamed, Mr. Chairman. He did not speak up on this issue. That person told me: Mr. Malépart, I have quit smoking because of this government. But will I have to quit washing because of this 10 per cent tax? I think, Mr. Chairman, that ridicule never killed anyone, and they haven't left it at that.

An Hon. Member: He says that it will smell "blue".

Mr. Malépart: Even kids' candies are being taxed, Mr. Chairman.

I am aware that I am not allowed to . . . and I know that none of the Conservative members wants the truth to come out. It is rather humiliating and embarrassing. But is anyone of them aware that, effective July 1, consumer prices will rise at the expense of our senior citizens, Mr. Chairman? Not satisfied with that, the government states that it will pocket the first 3 per cent in inflation. Conservative members must be very disappointed, Mr. Chairman and I can understand why they do not want me to disclose the exact content of the Budget.

But I should like to return to the subject of poor families with children. I know about the Child Tax Credit, but does my hon. friend who does not know the difference between brilliant and Brilcream realize that family allowances will be reduced by 3 per cent? But poor families will face a cut of 3 per cent as well under the child tax credit. In his budget, the poor are losing 6 per cent. Whose idea is that? And then, those people will be upset when Canadian men and women of all ages, throughout the country, describe the Prime Minister as a new-fangled Robin Hood who takes from the poor to give to the rich.

I would like to know why the Child Tax Credit has not been fully indexed, as it was under the Liberal government in 1982. Why are you going to cut, for the poorest family of all, 3 per cent of family allowances and another 3 per cent on the tax credit? It amounts to a net loss of 6 per cent.

I do hope that the aspiring minister, the Hon. Member for LaSalle (Mr. Lanthier), will give me an answer.

An Hon. Member: He will expire.

Mr. Malépart: I do hope that the aspiring Minister will tell me who is the genius who decided to impose a 10 per cent tax on soap, which is not considered an important item, and toothpaste, shampoo, and ladies, who are listening to us, lipstick as well will be taxed. Gentlemen, you are going to pay for it.

Because this budget raises many questions, and if my time has expired, Mr. Speaker . . . Has my time expired? I am sure that all Members will be prepared to listen to me as I disclose the positive aspects of this Budget. Thus, if Hon. Members agree, I have one more point to make regarding housing.

An Hon. Member: Right on!

Mr. Malépart: My colleague—

The Assistant Deputy Chairman: Order! The Hon. Member's time has expired. Is the Hon. Member asking for unanimous consent?

Is there unanimous consent?

Some Hon. Members: No.

Some Hon. Members: Yes.

The Assistant Deputy Chairman: I regret but there is no unanimous consent.

The 20 minutes allowed have expired.

[*English*]

Mr. Rodriguez: Mr. Chairman, I was not going to stand and participate in this debate, and I know that Members on the other side would rather that I not say what I am going to say, but I got provoked into coming down and participating because rarely have I seen and heard such hypocrisy as I have over this amendment. Rarely have I seen and heard such hypocrisy on this particular issue.

The previous speaker said, where did the Government get this idea of deindexing up to 3 per cent. Where did they get it? Of course they got it from the Liberals. I want to tell them that the senior folks in this country watching on TV do not have short memories; they have long memories. They remember that it was the Liberal Party that brought in the six and five program, the program that started the whole deindexation process. In fact, the Liberals deindexed to six and five when the inflation rate was up around 11 per cent. A whole 5 per cent was taken from seniors' pensions because inflation could not be controlled. The Liberal Government had to fight the deficit on the backs of the seniors.

● (2000)

Now these sheep in sheep's clothing have come to power and they are pretending that they are the greatest defenders of old age pensioners. I am sure they also remember, as the senior folks who are watching tonight will remember, that the only reason we got indexation of old age pensions, family allowances and personal income taxes was because there was a minority Government which needed the support of the NDP. In 1972 to 1974, the Government was brought dragging and screaming into the 20th century with indexed pensions. Have they forgotten that? I doubt that the senior folk who are watching today have forgotten that. I have never before heard from more "hypo-Grits" than I have in the last few weeks.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Now Liberal Members are acting like the pot calling the kettle black. On the other side there is a group of Members who got elected under false pretences. Others have used harsher language in describing them. I am just putting before the people of Canada the facts as they exist.

There is no doubt that during the election campaign the Prime Minister promised that he would restore full indexation to pensions, and said that the social programs of this country were a sacred trust not to be tampered with. Then the heat was put on when the Government wanted to break up universality, something which it fought against when the previous Government talked about attacking universality. In fact, at that time, Monique Bégin had to practically threaten to resign before the Liberals backed off.

Back in November the Prime Minister said that any savings from social programs would never be applied to the deficit. Then we heard a statement from the Minister of National Health and Welfare who promised that no moves would be made to tamper with the old age pension program. We need only listen to what government Members say and then transpose that to what they actually do.

It is not for me to call government Members names. It is not for me to say that they have been uttering terminological inexactitudes. They have been condemned by their own actions as compared to their own promises.

What is a promise? What is a commitment? Is it any wonder that young people across the country think so poorly of politicians? Is it any wonder that the credibility of politicians has been undermined by the actions of so-called responsible individuals who have presented themselves before Parliament? How can they break trust on such fundamental promises as those that were made during the election campaign?

I have received letters from groups representing senior citizens and I want to read some of them for the record. The senior citizens of the community of Skead wrote me a letter, a copy of which was sent to the Prime Minister and the Minister of Finance. The letter reads as follows:

Honourable Sir,

The motion passed at an Emergency Meeting of the Skead Senior Citizens Club is quite plain. The "Seniors" would like to make it clear that our time of restraint has been a continuous one, having experienced the rationing of World War I, the depression years and the lean times to bring World War II to an end and the present depression. The budget has hit the wrong end of the spectrum in its projected fairness.

Seniors, although well trained in restraint, rationing have an understanding of your problems, but feel that their share in this regard has been fulfilled.

An early move to delete this part of the budget would be just and fair.

We of the Skead Senior Citizens Club are pleased to be able to present their views to you, Sir, and feel that our position is well founded.

Yours truly,

Steve Popowich
President Skead Senior Citizens Club
2 Silver Birch Cr.,
Skead, Ontario P0M 2Y0

How could the Government betray the trust that these people put in it? How could it betray the trust of those who have helped to build and make this country the great country it is? There are people in this country who, when they worked, had no pension plan. The great free enterprise system never saw fit to supply pension plans, so many of those workers who are retired today live strictly on the old age pension.

Mr. McDermid: That's why we have the supplement.

Mr. Rodriguez: They have to apply for the supplement. They have to bare their souls to a Department of bureaucrats. Is this the thanks they get? The Parliamentary Secretary said that they get the supplement. Is that not fine? They can get the supplement. That's the thanks that this Conservative Government is prepared to extend to those who have made their contribution toward building this country. The Parliamentary Secretary can just sit there and make snide remarks.

I have another letter here and it is from the President of the United INCO Pensioners. The letter is addressed to the Prime Minister and reads as follows:

The many thousands of pensioners, their spouses and widows in our region were shocked on learning of government plans to de-index their pensions. We deplore the unprecedented action of government in gouging the elderly after promising before the election they would not do so.

The recent consultation paper on Child & Elderly Benefits states, "In the government's view no change is required in the Old Age Security/Guaranteed Income Supplement payments system". This statement has led pensioners to believe their status quo would be retained while the deficit would be taken care of by reducing unnecessary spending in so many other areas.

In view of the above we feel justified in demanding that election promises be kept, the Consultation Paper be adhered to and most importantly, that all plans to reduce indexing of pension payments be cancelled now.

Yours Very Truly

Stan Racicot, President
United Inco Pensioners,
P.O. Box 1115
Copper Cliff, Ontario
P0M 1N0

The Government prided itself on consultation. It said that it would consult and seek consensus. None of these pensioners' groups were consulted with respect to something that was so fundamental to their wellbeing and standard of living as the deindexation of old age pensions.

The Government talks about consultation. However, it implements a change and is now creating a great furore across the country. Over the last couple of months, senior citizens have had to organize themselves, travel to Ottawa, and put themselves through a great deal of stress, when at this stage in their lives we should not be putting them through all that. And the Government has the gall to say that it will monitor. Monitor what?

● (2010)

I know that Friday is coming. On Friday I would not be at all surprised if the Minister of Finance stood in the House, when the press have all gone to bed for the weekend, and announced that the Government will not proceed with the change. I would not be surprised if that is the strategy. If it is the strategy of the Government, then I think it should do it. It should stick to the plan and do it this Friday.

I think it is extremely cruel what this Government is doing to senior folk. In their retirement years they should be sitting back and enjoying the rest of their lives. They should not have to live for the next three or four months with this sword of Damocles hanging over their heads. That is not the Canadian way.

We were very critical of the arrogance of Pierre Elliot Trudeau and his Liberal Government. Quite rightly so. A more arrogant Government one never saw. Now we have got the son of the Trudeau Government. Trudeau II lives and breathes! It is sitting over there. The arrogance of that Government! What was announced in the Budget is really not a budget item. Night is day; winter is summer. It is the old double-speak. 1984 has come and gone.

Mr. Belsher: Where would you have announced it?

Mr. Rodriguez: Where would I have announced what? We in this Party would not have announced any deindexation of old age pensions.

The other anomaly at which senior citizens are looking is not only that their pensions have been deindexed, but they are also being told that they must again make a sacrifice so that their grandchildren can get jobs and the Government can bring down the deficit. That in itself is questionable. However, those people are reading, hearing and seeing that wealthy Canadians are being allowed better breaks. I am speaking specifically of the capital gains exemption.

Canada now has the dubious distinction of being the only country in the industrialized western world which does not tax capital gains. Even the people in the Department of Finance argued against that move. On budget night I was watching the stockbrokers on Bay Street. When it was announced that up to half a million dollars of capital gains would not be taxed, they all threw their paper and pencils in the air. One shouted: "Happy days are here again!" Of course happy days are here again. The Budget is a rich man's budget. Senior citizens in the country have quickly recognized that what the Government is taking from them by deindexation it is putting into the pockets of the wealthy. It is highway robbery. The Government should be charged with grand larceny. It is theft.

To rub salt into the wounds, we have this unbelievable mistiming by the Minister of Finance. It was not bad enough that he deindexed old age pensions, he started travelling the country to defend the Budget. Some of the most incredible

statements came from the Minister of Finance. In Montreal he said that the problem in Canada is that it has too few rich people. The problem is not that we have too few rich people, it is that we have too many poor people. That is the problem. It has been reported that his comment of having too few rich people created a lot of "suppressed guffaws". The Minister of Finance said:

> But that brings us face to face with another one of those sobering realities . . . No matter how we define the term, Canada has an acute shortage of rich people.

I think we have a surfeit of Tories, not a shortage of rich people.

While the Government was constructing the Budget, it held the national economic conference in Ottawa. That conference was to be part of the consultation process. At no point in that process did the question of the deindexation of pensions arise. At no point did the Government raise the question. There was no proper consultation process. The Government decided that it needed $1.6 billion from senior citizens, so it cut their pensions by 3 per cent.

Mr. Chairman, I see you are giving me the signal that my time has expired.

Some Hon. Members: No, continue.

Mr. Rodriguez: My colleagues on my right said that I should continue. I would only continue if I had the unanimous consent of the House.

Mr. McDermid: I am sorry, I cannot give that.

Mr. Rodriguez: That does not surprise me.

The Assistant Deputy Chairman: Order, please. The Hon. Member asked for unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Assistant Deputy Chairman: After a great deal of deliberation, there is not unanimous consent.

Mr. Foster: Mr. Chairman, I am delighted to have the opportunity to speak on Bill C-51. I am interested in finding out exactly why the Government will not back down on the issue of senior citizens' pensions. Surely the Government has heard enough arguments. Hundreds of senior citizens visited Parliament Hill today calling for this scurrilous tax to be removed. The Government is not satisfied simply to increase the tax on low and middle-income families, it wants to put more people below the poverty line. Some 750,000 people will be placed below the poverty line over the next five years.

● (2020)

The Tories are determined to tax low-income people, to cut down on the indexation of their old age pensions. They are tearing apart the very social fabric of our country by increasing the exemptions for high income groups and increasing the taxes for low income groups. That has to be the most treacherous act which has ever been perpetrated on the Canadian people. It is not only politically stupid—with which I am sure every single back-bencher will agree—but it has to be a political disaster. The counterpart of the Hon. Member for Brampton-Georgetown was roundly defeated by some 5,000 votes in the last Provincial election and if the Government hangs a few hookers, or whatever, around the necks of these Tory back-benchers, he will lose by 5,000 votes in the next election.

Mr. McDermid: Are you referring to my constituents as "hookers"?

Mr. Foster: No, I am talking about this Budget as being a millstone around your neck. If you want, you can call it a "hooker", but I can tell you that the senior citizens out in the lawn today were calling it worse than that. I don't know if there is anyone else other than the Prime Minister who makes any decisions, but if the Prime Minister or the Minister of Finance hangs this millstone around the necks of Hon. Members opposite for the summer, the Hon. Member for Brampton-Georgetown will be facing as damaging an election situation in Brampton-Georgetown in three years as his counterpart faced in this last election.

The Premier of Ontario in 1981 was elected, I believe, by 15,000 votes. In this election, the Tory candidate, the chosen, the anointed one in that riding, lost by some 5,000 votes. It is rather interesting to note that every one of the seats which were held by former Tory premiers in Ontario, whether in Lindsay—or in London are now represented by a Liberal. I am just trying to point out, Madam Chairman, to the Tory back-benchers that they are facing incredible political problems.

Mr. Dick: What has that to do with the borrowing authority?

Mr. Foster: It is not only politically stupid, but I think the Government has totally lost its credibility with this Budget. It is typical Tory gall to impose a loss of some $400 or $500 on the average middle or low-income family and at the same time give high-income families, those earning over $50,000, relief from capital gains.

Mr. McDermid: You asked for that.

Some Hon. Members: Oh, oh!

The Acting Chairman (Mrs. Martin): Order.

Mr. McDermid: You asked for that.

Mr. Prud'homme: Madam Chairman, I rise on a point of order. First, I would like to congratulate you for being our Chairman tonight.

Some Hon. Members: Hear, hear!

Mr. Prud'homme: I am sure Hon. Members on both sides of the House will give a chance to the Hon. Member to speak. I cannot hear what he is saying at all. I think we should show more discretion. I am sure you, Madam Chairman, would like to rule very firmly the first time you occupy that very dignified position.

The Acting Chairman (Mrs. Martin): I was attempting to call the House to order. I think that is a very good point. Would Hon. Members please be quiet so we can hear the speaker?

Mr. Foster: I was just pointing out to Hon. Members opposite, who are really getting nervous, that they all went into that caucus meeting last weekend with high expectations, and then Monday morning they came out with long faces because the Prime Minister said, "Boys, we're going to hang tough". And all those Hon. Members, including the Hon. Member for Brampton-Georgetown, got the word that they were going to hang tough and they said, "Oh, brother. Last summer was a hot summer but it will be hotter this summer if we have to defend that deindexation of the old age pension". I just think, Madam Chairman, that we have a Tory Party which is very concerned.

It is incredible that by this Budget the Government will take away up to $1500 from a senior citizen couple over the next four years while exempting $500,000 capital gains from tax. It is not just keeping the promise it made to farmers because of the real problem in transferring family farms, and so on, it is giving to all of the friends of the Prime Minister, the Minister of Finance and the President of the Treasury Board on Bay Street and St. James Street.

Mr. Dick: Jean Chrétien works on Bay Street, doesn't he?

Mr. Foster: Those are the guys who own condos in Florida. They've got all kinds of capital gains sitting around and all they have to do is cash them in and take their $125,000, at the same time preying on the senior citizens of this country who were out in front of this place today calling upon the Prime Minister to keep his promise.

I have hundreds of signatures calling on the Government to back down on the deindexation of the old age pension. We are seeing the true blue colours of the Minister of Finance, and I am told he is blue right down to his underwear. His Budget takes away from the old age pension by deindexation year after year, grinding the pensioners down each year. That is why the senior citizens are upset and why they are sending hundreds of petitions to Hon. Members on this side of the House. They are also sending them to the other side of the House. There have been a couple of Hon. Members over there who rose and said they did not support this deindexation. The Hon. Member for Western Arctic the other day presented a petition calling upon the Government to back down.

The Government really has no credibility, because it is not only preying on the senior citizens of this country but is preying on the low-income families with very little means. I have an article here from *Maclean's* magazine of just last week. *Maclean's* magazine called upon a very reputable company to do an examination of the impact of the Budget. It is a very objective neutral analysis by Clarkson Gordon Company of the impact on a working family with three children. The husband is a lawyer who earns $20,000 a year. The spouse is a nurse who earns $18,000 a year. Clarkson Gordon said this family will have imposed on it an income tax increase of some $205 a year. This is a family renting a house and driving a 1973 automobile. The parents are both professional people in the middle income area.

● (2030)

Mr. McDermid: A lawyer making $20,000. I sure would not go to that lawyer if that is all he is making.

Mr. Foster: Unless the Tories are earning $100,000 of $150,000 a year, where they can take advantage of a $500,000 tax-free capital gain, they do not want to talk to them.

Mr. McDermid: That from a doctor of veterinarian medicine, and you know how much they make.

Mr. Foster: The Hon. Member is going to find out that these people vote and they will all be voting in 1988.

It was a brilliant move by the Minister of Finance, Mr. Speaker. He held off imposing the 9 cent a gallon gasoline tax until the tourist season was over, but where was the Minister of Agriculture? In September, when this tax goes into effect, we are just getting into the heavy part of the harvest. Do you know what they call that tax, which farmers are not exempt from, out west? They call it the Tory harvest tax. That is the way this Government works. The Minister of Finance made a big thing of taking the excise tax off of gasoline for farmers last fall, but he did not say anything about putting it back on.

Mr. McDermid: Whatever you had for dinner, I want some.

Mr. Foster: A lot of the focus has been on the deindexation of old age pensions, and rightly so, because these people do not have much opportunity to earn extra money. But clearly the people in the middle and low income tax brackets are really being hurt by this Budget. I predict that by the time the crescendo of this Budget really hits, by mid-summer or fall, we will be hearing just as loud a scream from those people as we are hearing from the senior citizens.

Then we have the deindexation of personal income tax exemptions, which adds an extra $95 of taxes to this working family I have been talking about. These things are adding up one another, and not just for one year. The deindexation of the personal tax exemption increases year after year. If we look at the modification to the indexation of personal income tax rates we see it is only $80 million this fiscal year, although that is a lot of money. But in 1990 it is $4.36 billion. We can see that the screams of the low and middle income families are going to get louder and louder.

The estimate of what it will cost this particular family as a result of the tax increases on things such as cigarettes, pet foods and other items is $100. The Minister of Finance

thought he was being cute. There were a few taxes which apply right away, then there are taxes which will apply July 1, September 1 and January 1. But people are not stupid. They know what he is doing. All we have to do is pick up *Maclean's* Magazine of June 3 to see what the average family will pay as a result of this Budget. As we see here, this Budget will mean $970 in increased taxes in the first calendar year.

It is a vicious Budget, Mr. Chairman, one that typifies our Prime Minister. He does not care about the poor and middle income or the old age pensioners. He cares about his rich friends on Bay Street. He is looking after them and the big multinational oil companies. I really think he should be ashamed of himself and back off on this move as soon as possible.

[*Translation*]

The Assistant Deputy Chairman: The Hon. Member for Outremont, I believe.

Some Hon. Members: No, no, no!

Some Hon. Members: Hear, hear!

Mrs. Pépin: Today hundreds of elderly people—

An Hon. Member: Thousands!

Mrs. Pépin: —came here to voice their opposition to the deindexation of old age security pensions. Their point of view is as logical as it is evident. Why should the Government give a gift to the wealthiest people in our society through a $500,000 capital gains tax exemption, whereas senior citizens will see their purchasing power decrease year after year? Within five years each senior citizen will lose $1,800 in pension benefits, leaving $4.5 billion more in the federal treasury. Meanwhile the surtax on corporations and individuals who earn more than $40,000 a year will last only 18 months. Mr. Chairman, the Mulroney Government expects sacrifices from the generation of Canadians who lived through the crisis of the 30s and World War II, who raised large families and were on the labour market when there were no retirement plans. It is unacceptable! The principles of social justice from which the Mulroney Government draws inspiration are warped.

The Progressive Conservative Party is forcing the elderly to live through a nightmare and its Members ought to be ashamed. Most Canadian men and women have lost faith in the Government because of the way it treats senior citizens. They are worried, and rightly so.

Mr. Chairman, they are also worried about unemployment. Newspaper headlines were rather eloquent on that issue after the Budget presentation. One could read: "Wilson Budget Hard on Individuals, Soft on Businesses", Minister of Finance Slashes and Hits", "Middle-class Bears Budget Brunt", "Less State and More Taxes", "Wilson Cozies up to Oil and Gas Companies".

• (2040)

[*English*]

"Jobs, jobs, jobs" cry becomes "tax, tax, tax".

[*Translation*]

What is particularly insidious about this Budget is the somewhat sneaky way in which an increased tax burden is added to low- and middle-income Canadians. The deindexation of social programs will not be felt immediately, but from year to year, low-income groups will lose more and more of their purchasing power.

Last week, in answer to a question about what senior citizens would think of this drop in their purchasing power, which is already not very large, the Minister of Finance (Mr. Wilson) stated that senior citizens realized that their grandchildren should not be asked to shoulder the deficit alone. Unfortunately, that answer goes to prove that a Progressive Conservative Government is unaware that older people who live on government benefits often find themselves below the poverty line.

On the subject of poverty, I would like to deal briefly with employment and women. It should be noted that staff cuts in the Public Service will affect mostly the lower salary levels, namely women. With respect to on-the-job training, the Progressive Conservative Government had pledged to support the introduction of effective programs to help women prepare for technological change and new careers. During the election campaign last summer, a combination of tax incentives and grants was considered among other things for that purpose. Now, the Progressive Conservative Government is going to cut back training programs by $78 million this year. This means that about one sixth of the spending cuts of the Progressive Conservative Government will be at the expense of working men and women who need to improve their skills. There is nothing in the Budget to help women face the technological change. Since the Progressive Conservative Government is eager to reduce the Government's involvement in the economy and hand it over to the open market, women will have to fall back on their own resources to adapt to technological change.

With respect to equal employment, the Human Rights Commission had been entrusted with the necessary enforcement measures. Now, with the real cuts in departmental budgets, that is with deindexation, it is more doubtful than ever if the Commission will ever dispose of enough human and financial resources to perform its role, and this, Mr. Speaker, does not include the cuts to be brought in by Mr. Nielsen's group as of September and February next. Employment equity, to say the least, does not seem to be a priority for the Progressive Conservative government, which greatly concerns me for the future.

In this Budget, the Progressive Conservative government has completely ignored part-time workers men and women. Thirty per cent of them would rather hold a full time job. The

occurrence of poverty in families where the head of the household works part time is five times greater than in those where the bread-winner works full time. When we consider that 72 p. 100 of part-time workers are women, their anger is easy to understand. It shows total lacks of interest on the part of the Prime Minister towards the specific problems women are up against, in the labour market. Because of a complete lack of strategy on the part of the Government with regard to the labour market, women holding part-time jobs will still have to face a series of problems that seem insignificant to hon. Members opposite, for instance lack of access to social benefits and pensions, a low rate of pay, a high number of women in ghettos, a minimal number of unionized workers, a lack of opportunities for promotion or retraining, no security of employment and inadequate day-care services.

Mr. Chairman, with regard to the impact of the Budget on immigration, two things should be remebered, the de-indexation of department funds will mean gradual reduction in the amounts allocated to the immigration program. That was to be expected on the basis of the estimates. The Consultative Council on the Status of Refugees appropriations remain the same, however the funds allocated to the Immigration Appeal Board have been reduced by $2.5 million, inflation factor included. Today, the Minister of Employment and Immigration (Miss MacDonald) introduced a special bill to increase the number of members on the Immigration Appeal Board from 16 to 50. I hope that I will have an opportunity to discuss this bill and explain that the new procedure of reducing the quorum from three to one is unacceptable for refugees.

We have yet to see which changes the government intends to make in the way refugee status is granted. The fact that the immigration program budget will be reduced in real terms is not a good omen, especially since the Standing Committee on Labour, Employment and Immigration is considering a raise in the immigration level from 90,000 to 200,000 this year. It would seem ridiculous to cut services for immigrants when we are planning to double their number.

The first victims of those cuts will be the immigrants themselves. But in the long run, all Canadian men and women will suffer from this conservative immigration policy. Without the benefit of those services, immigrants will be more vulnerable to economic vagaries and they will be more dependent on welfare and unemployment insurance.

I referred earlier to the bet taken up by the Prime Minister (Mr. Mulroney) concerning employment as related to immigration. The Conservative Government is taking up another bet, i.e. to offer quality services to immigrants by having them provided by humanitarian organizations and this of course without granting the latter any funds.

That tallies with the Progressive Conservative Government's philosophy: privatize some activities and commit others to outside organizations. Already the lease the Government had signed with the Avion Hotel in Toronto for people claiming refugee status has been brought to an end. The Government expects charitable organizations to provide services to immigrants. When we know that in times of economic recession those organizations have to cope with reduced funds, we realize that the Progressive Conservative Government intends to have the quality of services to immigrants subjected to economic circumstances. It is a mean thing to do, to say the least. This is another way to penalize the neediest for the sake of deficit reduction.

In concluding, Mr. Chairman, I want to point out that whenever budget cuts are being dealt with, the Progressive Conservative Government equates them with increased government efficiency. For instance, the Government will state that in order to improve the efficiency of its manpower adjustment programs, it has decided in 1985-86 to cut by $78 million the funds allotted for General Industrial Training and for Critical Trade Skills Training. However, management efficiency has no relation whatsoever with the decrease or increase in program costs. A better management efficiency simply means a different work organization, or improved working methods.

So I call upon the Government to tell Canadian men and women about its new magical management methods for improving government efficiency with less money. If they do not tell them, people will simply fear, and rightly so, a reduction of services combined with a reduction of costs.

● (2050)

Mr. Lapierre: Mr. Chairman, I am very pleased to be recognized to take part once more in this debate. I know that our colleagues opposite have not had much to say yet today.

An Hon. Member: They are quiet people!

Mr. Lapierre: As the Hon. Member says, they are quiet people.

Mr. Chairman, I have just been made aware of another serious repercussion of the Budget. My colleague from Montréal-Ste Marie (Mr. Malépart) has just told me that the Canada Mortgage and Housing Corporation has announced today that it would eliminate 16 jobs at its regional office in Sherbrooke. I have just been told that in Trois-Rivières, 10 jobs... and in Laval they will make the decision for the Trois-Rivières area.

The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) has been trying since this morning to have us believe that the Budget is just and fair. I wonder how the Hon. Member can say something like that. Is it fair that remote areas should be faced with administrative decisions taken in Longueuil or in Laval because of unilateral action by this Government.

[*English*]

Mr. McDermid: Tell them about complaining to me about deindexing the Members' pensions, like you were the other day. Tell them about that.

[*Translation*]

M. Lapierre: Mr. Chairman, I am . . . The Hon. Member for Brampton-Georgetown (Mr. McDermid) says: Just like they did with the provinces. He has the audacity to say that now, when they have announced a $2 billion cut in transfer payments to the provinces. What does that mean, Mr. Chairman? It means access to universities will be limited to children of the rich. Even access to medical care will be reduced . . . We know this is part of the Hon. Member's philosophy, we know that access to medical care could hinge on the ability to pay user fees.

The Hon. Member for Brampton-Georgetown is trying to be cheap, something which is natural to him. But I can tell him that I am willing to make a number of sacrifices rather than ask my grandparents to make any. I am not willing to let my grandmother—

The Assistant Deputy Chairman: Order.

[*English*]

Mr. Cook: Mr. Chairman, I rise on a point of order. I have listened to speeches that bore little relevance to a borrowing bill and the fact that the Official Opposition wants to cut it by 3 per cent. I have heard the beginning of a third speech which has no relevance to this at all. I respectfully submit to the Chair that the Chair pay attention and enforce the rule of relevancy in this debate.

Mr. Prud'homme: Mr. Chairman, I rise on the same point of order. Knowing the Chief Government Whip, I am absolutely sure that what he just said when he asked the Chair to pay attention was not exactly what he wanted to say. I have been watching the Chair since the beginning and the Chair has been very much following the debate. It is very difficult for the Chair to render judgments on everything that is going on.

I am positive that no one would argument that the Chief Government Whip wanted to say that the Chair was not paying attention to the debate. It is absolutely impossible.

The Assistant Deputy Chairman: The Hon. Member for North Vancouver-Burnaby, I presume on the same point of order.

Mr. Cook: Mr. Chairman, I will accept what the Hon. Member said. I did not mean to state that perhaps you were not paying attention. Obviously I would not attempt to embarrass the Chair in any way, nor do I intend to. However, I would suggest that perhaps a little more relevance might be in order in this debate. I have yet to see it and I would like to see it.

The Assistant Deputy Chairman: For the benefit of all Members, I would like to remind Members what the debate is about. We are on an amendment suggested by the Hon. Member for Gander-Twillingate that Clause 2 of Bill C-51 be amended by deleting the words "Eighteen billion, two hundred million" and substituting therefore the words "seventeen billion, six hundred, fifty-four million". The debate is on the amendment.

[*Translation*]

Mr. Lapierre: Mr. Chairman, that is precisely the point I was making but if the Hon. Member fails to recognize that those $18.2 billion are part of transfer payments to the provinces, if he does not pay enough attention to what is being said in this place to realize that the Canada Mortgage and Housing Corporation falls under government's jurisdiction, I cannot accept his judgment.

Mr. Chairman, I would ask you to excuse the Hon. Member since I referred only to the main elements of those $18.2 billion and to the amendment. Why do we want to cut the government borrowing authority by 3 per cent? Because it has been so insensitive to the plea of older people that it did not realize what a 3 per cent reduction meant for them. So, we thought we could make the government aware of the importance of such a reduction if it had itself to do with revenues cut by 3 per cent until the end of the year. The amendment would force the government to reflect on the situation older people will go through once they have paid their housing, food and other bills. I hope the Hon. Member will think about it before he goes to bed tonight, that he will reflect upon the impact of a 3 per cent cut for a widow or an older citizen who lives in an apartment or a home with only $27 left for personal expenses at the end of the month. If the Hon. Member finds such action too complicated, I suggest he speak to his neighbours who live on old age pension and he will know what a 3 per cent cut means.

Unfortunately, the Hon. Member is the living example of the government opposite, Mr. Chairman. They do not know what a 3 per cent reduction means for some people when it is often the difference between luxury and basic essentials. I know a lady from Baie-Comeau who told me that she had to travel by taxi to Haute-Rive twice a month at $12 a trip. That means she has to pay $24 each month to get medical care and if the government goes ahead with this bill, she might be forced to cancel her treatment. I hope the Parliamentary Secretary will feel responsible every time an older person goes to the grocery store to buy the cheapest stale bread because it never occurred to him that his own parents could have lived through that sort of hardship. If that is his way of showing his appreciation for the work of our seniors, Mr. Speaker, I will not have it. I do not accept that our senior citizens, who have built this country, be treated in such a way, and if the Government hopes to convince Members from this side of the House to cut the income of senior citizens, and to make us believe this is right, it is mistaken. Senior citizens and average Canadians will not accept that.

An Hon. Member: They should!

Mr. Lapierre: The Hon. Member for Brampton-Georgetown (Mr. McDermid), instead of talking while seated, should at times stand up for the poor people in his riding, rather than protect only the rich! I want to tell the Hon. Member for Brampton-Georgetown (Mr. McDermid) that if he has no compassion for the poor, I think it is selfish and unacceptable and I hope his colleagues—

The Assistant Deputy Chairman: Order! The Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Gray) on a point of order.

[*English*]

Mr. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Chairman, I rise on a point of order. I want to say, in conjunction with my colleague's point of order, that if we are going to talk about the borrowing Bill perhaps the supposed Official Opposition would say how many tax dollars it is costing us to have this shenanigan in the House this evening, and perhaps they could explain to the people that we want to get on with the business of the Government. They should recognize that.

Some Hon. Members: Hear, hear!

The Assistant Deputy Chairman: Order. After great deliberation, the Chair has come to the conclusion that it is nine o'clock. Shall I rise, report progress and request leave to sit again at the next sitting of the House?

Some Hon. Members: Agreed.

Progress reported.

The Acting Speaker (Mr. Charest): It being nine o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

The House adjourned at 9.02 p.m.

HOUSE OF COMMONS

Thursday, June 20, 1985

The House met at 11 a.m.

• (1105)

[*English*]

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, Members will note the change in business for today with respect to certain items. There have been consultations between the Parties and, accordingly, we have agreed that we will deal today with certain items of legislation. Bill C-44, to amend the Western Grain Transportation Act, will go to second reading, and be referred to the standing committee; followed by Bill C-26, which I understand will be concluded in third reading today; followed by Bill C-27, the Bill relating to equality rights under the Canadian Charter of Rights and Freedoms, amendments of statutes, which will go to third reading and, finally, Bill C-36 which is a Bill relating to amendments to the Aeronautics Act.

Later today I can monitor the progress of these items of legislation. We will be proceeding with Bill C-39 and Bill C-24 in due course. I will continue to consult with the Opposition House Leaders with respect to these matters, for tomorrow.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on the same point of order.

Mr. Prud'homme: Mr. Speaker, I will not take the time of the House since there was agreement between the House Leaders, but I wish to say that I am very disturbed at the change that is taking place because the House Leaders had made excellent progress, at page 5753. For once we were happy, we knew what we were about to discuss and now it is all changed again. I must say, and I would like to be on the record, that I am very disturbed by that sudden change when we were doing so well in the debate to attract the attention of Canadians on an issue that is very important.

Mr. Speaker: Order. The Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Mr. Speaker, on the business as outlined by the Government House Leader, it is true that we have been meeting continuously over the course of the last two weeks or even longer to find ways to make progress in terms of the legislative program. The outline as we have heard it is indeed the outline of the legislation that we agreed to deal with today and tomorrow. I am hopeful that we will in time not only deal with that legislation but of course return to the other legislation and continue our assault on the Government's inadequacies with regard to the pension program.

Mr. Hnatyshyn: It should be a short debate then.

Mr. Deans: However, what the Government House Leader has indicated was, in fact, what we did discuss and agree upon.

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, the Government House Leader's statement a few minutes ago does reflect the discussions we have had. I also want to say that we look forward with great anticipation and desire to the return of Bill C-51 to the floor of this House.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO AMEND

Hon. Don Mazankowski (Minister of Transport) moved that Bill C-44, an Act to amend the Western Grain Transportation Act, be read the second time and referred to the Standing Committee on Transport.

He said: Mr. Speaker, I am pleased today to rise and speak on second reading of Bill C-44 which was introduced in the House on April 26 last. I presume by now that all Members will have had a chance to look at the Bill and will recognize that it is a Bill that, among other things, covers a number of housekeeping items, but in addition contains some very positive and constructive provisions.

Bill C-44 contains amendments to the Western Grain Transportation Act. During the previous debate which took place in this Chamber in 1983 and 1984, it became clear that there were a number of deficiencies in the Act and a number of amendments, amendments which should have been considered and incorporated at that time but were not. It is with that in mind that we are presenting this Bill.

Further, during the course of the application of this Bill, the experience has brought about a number of other deficiencies such as the propensity for the very wide and erratic fluctuations in the producers' freight rate and the fact that certain producers are excluded from being represented on the Senior Grain Transportation Committee. In recognition of this, our Party while in Opposition identified a number of these issues and made a number of commitments to correct these deficiencies, and to introduce a number of improvements into the Act

which will provide a better, more simplified and stable system for the producers of grain in western Canada.

In our Party's western caucus meeting in Prince Albert last July the Prime Minister (Mr. Mulroney) stated and I quote:

> Any legislation affecting western grain transportation must be designed to work for producers... A Progressive Conservative Government will make the amendments to the Western Grain Transportation Act required to guarantee a growing and confident agricultural sector in western Canada.

• (1110)

Bill C-44, in conjunction with other initiatives undertaken by this Government, represents a fulfilment of that undertaking. In the Prince Albert declaration, we outlined our policy with respect to grain transportation, and I would like to take a few moments to review those commitments and our actions as a Government.

In Prince Albert, we made a commitment to freeze the existing freight rates paid by producers from any further increase pending the results of the legislative review of the Western Grain Transportation Act as it applies to the producers' ability to pay. Bill C-44 contains a ceiling provision ensuring that for the next two crop years, the crop years of 1985-86 and 1986-87, producers' freight rates cannot rise above the existing level, which is on average $7.70 per tonne. The amendment does allow for the rate to drop, and I am pleased to note that the CTC has indicated that on average, producers will be paying $6 per tonne to ship their grain in crop year 1985-86.

Second, we made a commitment to remove the 31.5 million tonne volume cap contained in the legislation which acts as a disincentive to increased production and exports. The volume cap provision in the Western Grain Transportation Act has been strongly criticized by most of the major farm groups in western Canada. The proposal to remove the cap contained in Bill C-44 was developed in western Canada by the Grain Transportation Administration and has been endorsed by the Senior Grain Transportation Committee, which represents a cross-section of the entire grain industry, including the producer groups and representatives of the elevator companies. We believe that given this broad support and the clear benefits of the tally system which we are proposing and have agreed to implement in the system will address the basic problems caused by the 31.5 million tonne volume cap which exists in the current legislation.

Third, we committed ourselves to imposing a moratorium on branch line abandonment and to stop any tampering with the physical aspects of any line until the legislative review is completed and all other options and innovations for continued branch line use explored. The moratorium is in place. In December, there was a request of Commissioner McDonough of the western CTC to undertake an examination of alternatives for branch lines affected by abandonment and Commissioner McDonough is due to report by June 30. I look forward to his recommendations.

Fourth, we made a commitment to immediately examine ways and means to provide improved services and equitable rates for grain producers who are discriminated against geographically. I am pleased to inform the House that we are currently negotiating with the British Columbia Railway an agreement whereby producers in the Peace River block will benefit from the Western Grain Transportation Act. Given the importance of transportation links with the West Coast and the new Pacific Rim markets, this agreement will help develop the agricultural potential of the Peace River area. As well, the Commission under Commissioner McDonough is mandated to bring forth recommendations with respect to grain transportation services in this area and other frontier areas as well.

Fifth, we promised to include in the Western Grain Transportation Act the federal Government's commitment to branch line rehabilitation. Bill C-44 will ensure the provision of a branch line rehabilitation program funded by the Government of Canada until at least March 1990.

Sixth, we made a commitment to ensure that the railways will be much more accountable to grain producers and that they will hold annual accountability meetings with producers. Bill C-44 requires that the railways publish an annual statement of grain investment plans and will require the railways to hold annual producer meetings in all western provinces similar to those which have been held by the CNR this year and similar in nature to the accountability meetings that are held by the Canadian Wheat Board on a regular basis.

Seventh, we made a commitment to protect all the specialty crops under the Western Grain Transportation Act from railway demurrage charges. I am happy to report that no demurrage is currently being levied by the railways in this area.

• (1115)

Eighth, we made a commitment to remove the distortion in freight rates applying to grain and oilseeds and the processed versions of these products consistent with maintaining equal opportunities for economic development in all regions of Canada. In connection with this, the process which has been established has been done so by events over which we have had very little control.

The Hall inquiry, which was created as a result of the legislation, has completed its findings and issued a report. The Hall Report was tabled in the House on April 30. We are currently engaged in discussions with producer groups and all representatives of the grain transportation, production and handling industry. We are looking forward to the reaction to that report. The Government will have more to say on that issue in the next few weeks when the review process is established. The recommendations of the Hall inquiry are included as part and parcel of that total review.

Ninth, we made a commitment to examine ways and means to improve access to, and utilization of, producer cars which producers in all parts of Canadian Wheat Board designated areas considered to be an important and very basic right. My colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), is currently consulting with those involved to ensure that the producer's ability to order his own

car is maintained. Producer cars remain an important and vital element of the grain transportation system.

These commitments represent a comprehensive grain transportation policy. We have acted promptly to turn the commitments into action. Both the Prince Albert statement and Bill C-44 are based on considerable consultation and discussion with producers and their organizations. We have listened to their concerns and we have acted to address the problems which they have identified. We have acted in such a way that, we believe, is consistent with their desires. I am pleased to note that the contents of Bill C-44 have been well-supported generally and endorsed by producers, producer groups and all those engaged in the production and handling of the transportation of grain.

Essentially, Bill C-44 can be divided into three groups: first, the clauses dealing with the freight rate ceiling, second, the clauses which put in place the tally adjustment proposal and remove the volume cap and third, the clauses which provide a greater voice for individual producers and increased railway accountability.

With respect to the freight rate ceiling, we believe that this amendment will provide an important degree of certainty for producers in planning for the next two crop years. During the past several years, producers have been severely affected by unstable prices, rising input costs and high interest rates. Added to that burden has been a rapidly increasing freight rate that has gone from an average of $4.85 per tonne on August 1, 1983, to $7.70 today. That represents an increase of 58 per cent in less than two years.

We recognize that no one action alone will cure all the problems which face our agricultural sector. However, we believe that measures like the ceiling, combined with other initiatives such as the fuel tax rebate, the Western Grain Stabilization pay-out, the reduction in interest rates, the red meat stabilization plan, the moratorium on Farm Credit Corporation foreclosures, the capital gains initiative which is in the Budget and relief from high interest rates for those farmers who were locked into severely high interest rates under the provisions of the FCC, should help to break the spiral of rising costs and thereby improve the financial health of the farm community. That is the goal of our agricultural policy. I am pleased to bring in this Bill which will complement and reinforce the actions which have been taken heretofore.

● (1120)

These initiatives will go a long way to help restore a healthy and vibrant agricultural environment. I would indicate that if the ceiling provision is triggered, the savings experienced by producers will be absorbed by the railways. We believe this should encourage the railways to be more sensitive in controlling their costs so that any rate increase will remain below the ceiling.

To provide further stability and certainty to the western farmer, we are going to institute a tally adjustment system and remove the 31.5 million tonne volume cap. One of the principal benefits of the tally system will be to eliminate the wild year to year fluctuations in the producer's share of the freight rate which were caused in party by the volume cap. Also eliminated will be the complex interim and final adjustment provisions which have been severely critized both inside and outside the House.

The result will be a simplified rate setting mechanism generating fair, stable rates. The producer rate will be more closely related to the actual costs incurred when his grain is shipped than it is at present, thus providing the producer with a more accurate and predictable picture of his total cost. Under the current system, rates in the future could fluctuate by $5 per tonne year over year. This kind of instability could lead to distortions in shipping patterns, which makes planning more difficult for producers and shields any true sense of the costs involved.

The tally system is quite straightforward and simple. Any amount of the Government's commitment, which is essentially the Crow benefit plus its share of inflation costs, not utilized in one crop year will be carried forward as a credit for producers. Any over-payment by Government will be set off against this credit. It is anticipated that over and under-payments will tend to balance out, leaving no significant outstanding credit remaining over the long term.

There is a $150 million limit which will act as a protection device, ensuring that no excessive balance remains in the tally. In farming, as in any business, it is important to know your costs and the tally system will give producers the stability they need to plan for the years ahead. The Senior Grain Transportation Committee recognized the value of this proposal and I hope all Hon. Members will agree that it represents a significant improvement over that contained in the current legislation.

Bill C-44 also contains a number of changes to the Western Grain Transportation Act to strengthen the role of producers in shaping the grain transportation system. Producer representation on the Senior Grain Transportation Committee will be increased from four to eight. Alberta will now have two, Saskatchewan will have three, Manitoba will have two, and for the first time British Columbia will have a representative. As promised last November, B.C. producers will have the right to choose their representative, which will take place after this legislation is passed. As a further change to the Senior Grain Transportation Committee, we are making the specialty crops representative a full voting member instead of just an observer in recognition of the growing importance of these products to western agriculture. Under the current legislation, that representative sits on the Senior Grain Transportation Committee as an observer only and does not have voting rights. This will be changed in this legislation and that representative will be a full voting member.

Bill C-44 will also require the railways to publish their annual statement of grain investment plans which now goes only to the Minister, the CTC, the grain transportation administrator and the Senior Grain Transportation Committee. We believe it is important that the railways demonstrate publicly their commitment to grain transportation in return for

the substantial benefits they have received under the Western Grain Transportation Act.

As I said earlier, to further enhance their accountability, we will require the railways to hold meetings with the producers in each western province every year in order to discuss grain transportation issues. We think this will not only provide an opportunity for producers and railways to iron out some difficulties, but as well it will probably be most productive in giving the railways an opportunity to put forward what they see as their future plans regarding technological change and improvements in the system, and perhaps get a better spirit of co-operation in the grain production, handling and transportation system as a whole.

• (1125)

This is much more than just a public relations exercise. Both producers and the railways, we believe, need a better understanding of each others problems and opportunities if we are going to have a transportation system which best serves our farmers. The railways are doing this already with some degree of success, and I think that the encouragement in this legislation will make it a process which will be expected and which will be productive.

In a nutshell, Mr. Speaker, these are the amendments we are bringing forward. Bill C-44 does not pretend to address every issue. It deals with a number of specific and pressing matters which we felt needed immediate action. As well, the initiatives which are contained in this Bill fulfil a commitment which was made during the course of the election campaign and prior to it. There are many other issues surrounding the Western Grain Transportation Act. We believe these can most appropriately be dealt with during the comprehensive legislative review. I can assure Hon. Members that all aspects of the Act will be included in that review.

We believe that these amendments are positive. We believe they will improve the legislation and provide a better system for producers. We believe they are non-controversial and reflect representations made by farm organizations in western Canada. We believe that these amendments deserve the support and speedy passage by this House. We have the opportunity now to make these changes in time to benefit the producers during the 1985-1986 crop year. I urge all Members of the House to keep that in mind during the course of our future deliberations on this measure.

This is not an end, Mr. Speaker. I am sure that over time more changes to the Western Grain Transportation Act will be required. However, I believe it is a start in improving the Act and I hope that the House will support that objective.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted to have an opportunity to say a few words on behalf of my Party with respect to Bill C-44, an Act to amend the Western Grain Transportation Act. I believe the most interesting thing about this Bill is that the Minister had a lot of concerns and hesitations in supporting the Western Grain Transportation legislation when it was brought into the House a couple of years ago. However, we see in the legislation before us today only two substantive amendments and a number of housekeeping amendments to the Bill. Clearly the Minister must have been very supportive at the time the legislation was brought into the House.

As I recall, the Minister had some 14 objections to the legislation which was originally introduced in the House and now it seems that most of those objections have totally vanished, at least to the point where the Minister is concerned about bringing in amendments to the legislation. For instance, he was very concerned about the distortion between raw grain transportation prices as well as processed products. He was very concerned about increases in the transportation costs to the agricultural community. In fact, the initial price of grain has been reduced.

The Minister was also very concerned about distortions in the diversification of the western economy, yet there seems to be nothing in the Bill with respect to that. He felt the original Bill was far too generous to the railways and yet there is no action with respect to that. He was concerned about the erosion of the powers of the Canadian Wheat Board, yet there is no action in the Bill relating to that. I think we have a Bill here about which either the Minister has changed his mind or he is not concerned enough about to propose any more than two substantive amendments.

• (1130)

The press release issued by the Minister when the Bill received first reading said that the amendments would help western producers this coming year and give them more certainty in planning future crops. I would be interested to know exactly how this Bill provides additional help to western farmers in the 1985-86 crop year. The Minister has talked about the commitments of the Prince Albert declaration. He has talked about the actions which the Government is taking in agriculture. Any farmer in the red meat or grains industry will tell you that there has never been such a desperate situation with regard to commodity pricing. The Government has allowed 17 million pounds of subsidized European beef to come into the country.

The Prime Minister (Mr. Mulroney) went to the United Kingdom saying that he would have great relations with the United Kingdom and solve all the problems. That is the problem with the Prime Minister. He is trying to solve every problem himself rather than giving some of that responsibility to his Minister. He is clearly making a bollix of it. At least, 1,000 carcases of subsidized beef are coming into Canada each week. There is a countervail on our hogs.

When the Minister talked about solving problems for the Canadian agricultural industry, he certainly was not referring to the red meat industry. When the President of the United States returned home after the Quebec summit, he imposed a countervail on hogs and unilaterally established a bonus program of $2 billion from reserves of grain to subsidize their wheat sales. That will have a devastating impact on western agriculture. It will reduce the price of grain by 10 to 15 per

cent, all of that in spite of the great song and dance team in Quebec City.

I will not take the time of the House to recite all the other promises in the Prince Albert declaration which the Government has broken. However, it has reimposed 9 cents a gallon on farm fuel. In Western Canada that is called the "harvest tax" because it goes into effect on September 1. The Government broke its promise on agri-bonds. It is imposing a 1 per cent sales tax. The Minister talked about action in the farm debt crisis, but there has been no action in that area in the Budget or the Estimates of the Department.

Perhaps one of the worst breaches of promise by the Prime Minister was his failure to freeze freight rates at the 1983-84 levels. This Bill freezes them at the 1984-85 levels which are at least 20 per cent higher than those of 1983-84. Three days before the Bill was tabled in the House, the Canadian Transport Commission reported the rate scale for the upcoming year. The new rates for 1985-86 are in fact 22 per cent lower than the rates for 1984-85.

The Minister rushed the Bill into the House for first reading on April 26 because he knew that if he did not he would look very silly after April 29 guaranteeing that the rates would not exceed a level 22 per cent higher than what they already were. If this Bill had frozen rates at the 1983-84 levels or the 1985-86 levels, it would mean something. By choosing the 1984-85 rates, the high point in the cycle, the Minister is giving nothing to western farmers. His freeze is meaningless. The Minister is trying to take credit for a rate reduction which occurred naturally in any event.

The gift for which the Minister is trying to take credit is more or less like giving away the sleeves of his vest. With the reduced volumes, the rates in the crop year 1986-87 are not likely to exceed the levels which he froze them at last year. In Prince Albert last July, the Prime Minister made the very serious promise that he would freeze the rates at the 1983-84 levels rather than at the higher 1984-85 levels. Western farmers are very aware of that commitment and feel the Government should have carried through on it.

The Minister spoke about removing the volume cap. I feel that the amendments proposed in this Bill are commendable, but they do not really remove the volume cap. They simply create a new system for setting rates where the increases in volume over the cap in one year are set against years when the cap is not reached. It is assumed that over time these years will even out so that the producer will pay the same amount, but will not see the large fluctuations in rates which have occurred in the last two years. Unfortunately, while the new tally adjustment is fair for the system as a whole, it is not fair to individual producers whose year-to-year shipments do not necessarily reflect the over-all swings in the system. For example, a farmer who pays a higher rate than he should in one year is not necessarily the same farmer who will benefit from a lower rate the next year.

We support the changes scheduled for the Senior Grain Transportation Committee. We are in favour of seeing the representation increased. We would be interested to know why there have been no elections to fill the existing positions.

The branch line abandonment agreements have been signed with the railways, completing the promised program. The full commitment has been kept. It is the present Minister who has cut back the work to be done this year and moved the whole program back. Perhaps it is a good thing to put the commitment in the Act. It will save future cuts by the Minister of Finance (Mr. Wilson) or the Deputy Prime Minister (Mr. Nielsen).

We are all aware of what the Deputy Prime Minister is doing in that regard. He chooses a couple of bankers from Toronto or Montreal who study the Estimates of the department under consideration and make massive cuts. Each year for the next five years, $50 million will be cut from the Department of Agriculture. That will have a devastating impact on that department. We do not know exactly where the cuts will be made, but there is clearly a commitment in the Budget to cut the expenditures of the Department of Agriculture. I would like to know if any of those cuts will apply to western grain producers. I am sure the Minister of Transport (Mr. Mazankowski) has access to that information. It would be very useful if he would provide that to the House this afternoon because from reading the budget documents, it is not clear where those cuts will occur. There is great apprehension.

• (1140)

Yesterday, the Ontario Federation of Agriculture met to plan action in response to the Government's lack of action in its Budget and the increase in farm input costs as a result of increased sales tax and excise tax on fuel.

The Minister mentioned the Hall committee report which came out in April. He has had ample time to consider its recommendations. He certainly objected to the current method of payments when the Bill was originally introduced and favoured a freedom of choice with regard to the Crow benefit payment. However, he never clearly identified what that freedom of choice position meant.

Many of his caucus colleagues were opposed to railway payments. That was one reason for the establishment of the Hall commission. Although it has reported, the Minister, to my understanding, has not yet indicated his preferred method for making that Crow benefit payment. The Minister of State for Transport (Mr. Bouchard), has taken a clear stand. He supports the UPA position in Quebec. Many of his caucus colleagues from Alberta favour a direct payment.

We would like to know if the Minister's position with regard to the Hall committee is to pay the railroads, pay the grain producers or a combination of those? Clearly, while this legislation makes a few substantive amendments, it does not deal with the 14 main objections made by the Minister when the original Western Grain Transportation Act was passed. Some of the objections he made at the time were the reduction of the power of the Wheat Board, the distortion in pricing between raw grain and processed products, the increased cost

to the agricultural community, a concern about diversifying the western agricultural economy and the too generous payments to the railroads. This Bill does not address those concerns or many other recommendations made by the Minister at that time.

When this Bill goes to the Standing Committee, I hope he will be able to clarify his position on those more substantial issues. While we agree with a freeze on transportation rates, the campaign commitment was to freeze them at the 1983-84 level, not at the higher level as the Minister has done.

Essentially he is giving away nothing. It will not only have a zero impact in the coming year, it will have a zero impact in the following crop year. In light of all the other objections he raised to the original Western Grain Transportation Act, we can only assume that these amendments are the only ones that the Minister believed essential to be introduced at this time. Either he has forgotten about those other objections or it was simply a smoke and mirror operation.

We are looking forward to the Minister clarifying his position on these many other points and objections which he has made in the past and therefore we support this Bill in order for it to go to committee.

Mr. Mazankowski: Mr. Speaker, I wonder if the Hon. Member would permit a question?

Mr. Speaker: Only by unanimous consent.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise to speak on this Bill with some mixed feelings. The Minister will know from the bitter times of 1982-1983 and part of 1984 why my feelings are somewhat mixed. Of course, one definition of mixed feelings is watching one's monther-in-law go over a cliff in one's new car.

The system for sharing the cost of transportation of grain and other agricultural commodities in Canada, particularly from western Canada, has been in place in one form or another since the 1890s. Governments and Canadians since that time have recognized that because of our geography and the distance which we must move our commodities to reach export positions, as well as the activities of our competitors, that grain producers should not be called upon to pay the entire cost of transporting grain to export positions. As a nation we agreed to share the cost of moving that grain because its export benefits the country to the tune of some $4 billion or $5 billion a year in foreign exchange.

The activities of our competitors placed our grain producers in an awkward situation on a number of occasions. Furthermore, Argentina, one of our competitors, produces most of its grain within 200 miles of salt water—certainly not more than 500 miles. As well, the Government of Argentina has been moving that grain to export positions at no cost to the grain producers. Australia produces most of its grain within 200 miles of salt water. However, our average haul of grain to export positions is approximately 1,000 miles.

The United States has access to a massive inland water system, which is the cheapest way to move heavy bulk commodities like grain, and it was heavily subsidized and built at the taxpayers' expense because the U.S. corps of army engineers built it. Moreover, the United States subsidizes its grain producers by an amount of $8 to $12 a tonne. The European Economic Community has subsidies between $20 and $24 a tonne. We cannot expect our grain producers of western Canada to compete against the treasuries of those competing nations and organizations.

Those of us who live in the West want to ensure that the rest of Canada understands that situation as well as the fact that public funds being invested for capital improvements in the railway system not only helps to move grain but all commodities. Presently, grain only represents approximately 15 per cent to 20 per cent of the track capacity through British Columbia, while the remainder is taken up with other commodities. Therefore, this is not only a benefit to grain producers.

When the previous Government set out to destroy the Crow rate, it was our position that the railroad claims for losses were excessive, and that the Government should receive an equivalent value of equity ownership for any money given by the Government of Canada to the railroads for capital improvements. In other words, if $300 million goes to CN, the Government's equity ownership in shares in CN is automatically increased by that amount. On any funds going to Canadian Pacific, the Government of Canada should get common voting stock of an equivalent value. It seems to us that public investment, investment by taxpayers, is just as much entitled to a return on the investment as any private investor.

• (1150)

Why do we as a nation continue to hand the railroads money and get no return on it? That is a good sound private enterprise principle to which I am trying to educate my colleagues in the Liberal and Conservative Parties. If you are going to give Canadian Pacific money, take common equity voting shares in return and when a dividend is paid, the taxpayers will get something back on their investment. Taxpayers are just as much entitled as a private investor to an opportunity for a return on an investment. We will keep trying to persuade the Minister and the Government to act in that manner, which is an even more responsible use of public funds.

The Minister spoke about the rate freeze. I urge him to correct his Bill to state that the rate established for the 1985-86 crop year shall be the maximum rate for the ensuing two crop years. He himself was talking about freezing the rates at the 1984-85 level of $7.70 a tonne, yet in the next breath the Minister said that was something like a 53 per cent, 55 per cent or whatever figure increase in costs for western grain producers. He sounded to me that he thought that was too high an increase. I certainly agree with that. Why not have the Bill say that the rate that comes into effect for the coming 1985-86 crop year shall be the maximum rate for the ensuing

two crop years? Then you would have a genuine three year rate freeze.

I want to say to the Minister that we have had discussions, but I want to remind him about the situation in Prince Rupert. First, he mentions that there is no demurrage being charged on railway cars for specialty crops. When the committee was in Prince Rupert a while back, we were informed by employees who work around those terminals that some of the shippers and receivers are using those railway cars as storage. They let them pile up, back up. There are loaded cars sitting for weeks and months at a time waiting for a ship to come in. That is a very bad misuse of our railway cars. I would urge the Minister to take a second look at that matter. Perhaps he could check into whether there is an abuse. He has the power to make the shippers and receivers pay demurrage on those excessive delays to those kinds of shipments.

Second, when the committee held hearings in Vancouver and Prince Rupert, we were urged to make use of the old grain terminal at Prince Rupert. We were told that it should not be closed down but used for specialty crops and for surge capacity and cleaning and drying facilities. That terminal is still a good terminal. The federal Government a number of years ago put quite a few million dollars into upgrading it. It needs to be kept in place. If the consortium, the Prince Rupert Grain Company, does not want to operate it, then the Minister should.

I have come to the point about the argument concerning moneys provided under the Western Grain Transportation Act being paid to the railroad or whether that should be paid directly to the producers. We oppose the payments directly to producers for a number of reasons. We are not alone in our opposition. The three Prairie pools oppose it. The Saskatchewan Association of Rural Municipalities opposes it, the Saskatchewan Cow-Calf Operators opposes it and the National Farmers Union opposes it.

My colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom) and myself had an opportunity to meet with officers of UPA in Quebec last week. I suppose that is probably the largest farm organization in the country. The UPA adamantly opposes any direct payments to producers. I hope that is sufficient to persuade the Minister that he will not mess around with those payments, that he will continue to pay the railways and that he will finally agree to take equity ownership for any money given the railroads for capital investment.

The Minister in the Bill is increasing the number of representatives on the Senior Grain Transportation Committee by adding a representative from the Peace River district. We agree with that. We feel that if the Government is going to be expanding the membership of the committee, and here I am making a pitch for my own province, that that committee should adequately represent the Province of Saskatchewan. Why should the producers of 50 per cent or more of all the grain in western Canada not be represented 50 per cent? We would like to see the Minister increase the number in the Bill from eight to 10, so the Bill would read one representative from the Peace River country, two representatives each from Manitoba and Alberta and five from Saskatchewan. That would be a fair producer representation based to some degree on numbers, certainly based on Saskatchewan production, which is more than both Alberta and Manitoba put together.

The Minister is expanding the membership and moving the representatives for the non-permit bookholders, that will be the producers of specialty crops and so forth, to actual voting membership status rather than observer status. We agree with that. Again, the Minister will recall that when we were debating the original Bill, he and I succeeded in getting that observer status. We also succeeded in getting a representative on the committee from the trade union movement involved in the grain transportation business and grain handling.

I am asking the Minister if he would be willing to do it himself or accept an amendment that moves labour representative from observer status to full status. We think it would be proper to have two representatives from the labour movement, one from part of the labour movement involved in the transportation of grain, namely the railroad workers, and one representative from those who handle the grain, the grain handlers, longshoremen and so forth. We should have a representative from each of those categories. I would like the Minister to consider that, but we can talk about it some more in the committee. We think the committee could have representatives from other fields.

We have representatives from the producers, the elevators, the shippers, the haulers, the bureaucrats, the shipping companies and the truckers. Why can we not have representatives from the labour movement, as well as representatives from the port and harbour commissions involved in grain movement? I think they should also be on that committee. Should there not be a representative from Prince Rupert, one from Vancouver and one from Thunder Bay on the committee? There is also the St. Lawrence Seaway to consider. At least its representatives should be there as observers.

● (1200)

Grain producers have been waiting two years since the Bill became law. Farmers and all other people involved in the industry are waiting to get on with shaping the future of grain transportation. While we want the Peace River district and non-permit book holders to be voting representatives and to give advice to the Minister and the administrators, we also want to get on with the business of the committee. The Minister could put the committee to work and put these amendments entrain at the same time.

Section 62 of the Act provides for a full-scale review of all effects of the original Bill brought in by the Liberals to kill the Crow so that, as Hall said, the review could be done two years later. This would be after the committee had been fully constituted, had completed its collection of data, and had made small technical and regulatory changes which may or may not make the provisions of the Bill more or less useful.

I am sure the Minister will take this under advisement. In any event, I am sure he has taken the advice of his own administrators and advisory committee which recommended a

delay in the completion of the review period for at least two years. They recommended this delay because the changes and effects appeared to be greater and different from those contemplated by the former regime. I suspect the Conservatives plan even more changes, although the Minister has not dared to bring them in because they would open up other parts of the Act with which perhaps he does not want us to deal at this time. He does not want us to talk about Section 45, which brings me to the whole issue of variable rates. I presume the Minister received, yesterday or this morning, the written submission of the three prairie wheat pools. I do not know why he is reluctant to have us deal with Section 45. The former Minister, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), built in enough protection against variable rates to last him until after the election. That time has run out, as has the protection.

Last year CN applied under the minimal protection of Section 45(2) to offer lower rates. When CTC demanded proof that it would benefit farmers, the railway withdrew its application. However, starting this December there will no burden of proof and the variable rates nightmare will be upon us again.

It is our position that if railroads want to set a lower rate to move grain under certain circumstances, for example on weekends or in slack time periods during the shipping season, that if they lower the rate for one grain producer, they must lower it for all grain producers. There should be no discrimination. The wheeling and dealing between CN and Northern Transportation Limited in an attempt to obtain a variable rate on a certain part of trackage in central Saskatchewan might be nice and might reduce the costs of grain producers along that line. However, what about grain producers along other lines? It is discriminatory and unfair. Railroads should not be allowed to do it. Certainly, they should not be allowed to apply for variable rates until the grain transportation committee is in place and has had time to do a lot of work, and until the review period has been completed.

The three pools made a recommendation in their submission indicating that Section 45(2) be amended as it did not apply prior to the completion of the comprehensive review in Part V, Section 62 of the Act, particularly Section 62(b).

Mr. Speaker: I regret to advise the Hon. Member that his time has expired, unless the House chooses to let him continue by unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: The House has given the Hon. Member unanimous consent.

Mr. Benjamin: Mr. Speaker, I thank my colleagues for their consideration. I just want to complete my remarks on the variable rates and on one other small matter before I resume my seat.

The three wheat pools went on to indicate that that Section did not apply prior to the 1986-87 crop year, except in respect of a lower rate which would, in the opinion of the commission, encourage and reflect efficiencies gained from the loading or unloading of railway cars on weekend. Given that the legislation also calls for a comprehensive review in 1985-86, which included the entire Section relating to the rate scale, it is their belief that Section 45(2) was included with the understanding that Section 45(1) would not apply until the general review had been undertaken and completed. We cannot have a ridiculous situation where there is an ongoing review and the railroads open up the nightmare again with applications for variable rates.

I hope the Minister will consider bringing in the amendment at committee which the three prairie wheat pools requested. Perhaps he does not want us to deal with Section 62 relating to a full-scale review next year. That is much too soon to be of any real value in determining the effects of the legislation. We think that it should go back an additional crop year or two, so that the vagaries of prairie weather and the differences in productions and export sales over the previous two or three years could be taken into account and that there will be no adverse effect upon the review period itself.

Before the election the Minister, when he was trying to convince western farmers that they would be protected by the Conservatives, said that he wanted a three-year moratorium on rate increases. That was better than nothing, but where is it today? It is a freeze at the higher level of the 1984-85 crop year. In order to keep his commitment to western grain producers, I think he will accept our suggestion that the maximum rate should be that of 1985-86 and should apply for the two subsequent crop years.

In conclusion, I say to the Minister that we will have three or four amendments. I will endeavour to get copies of them to him today or tomorrow, as we have not quite finished preparing them. This will provide him with an opportunity to look at them before discussing them with us when the committee meets to consider this bill next Tuesday, I presume it is. I assure him that we think the improvements in the Bill outweigh its deficiencies. We are hoping that he will agree to some changes and additions to the legislation which we believe would make it even better in correcting some of the things that are wrong in the original Western Grain Transportation Act.

● (1210)

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

Some Hon. Members: Question.

Mr. Speaker: Mr. Mazankowski, seconded by Mr. Hnatyshyn, moves that Bill C-44, an Act to amend the Western Grain Transportation Act, be read the second time and referred to the Standing Committee on Transport.

Mr. Benjamin: Order.

Mr. Speaker: With respect, I called the question. I asked whether the House was ready for the question and nobody objected. I am therefore in some difficulty.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Transport.

* * *

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-26, an Act to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: Let me indicate to Hon. Members that I have had the opportunity to examine Motion No. 1 and Motion No. 2 on the Notice Paper in amendment at the report stage of Bill C-26, an Act to amend the Old Age Security Act. I have found them both procedurally in order and therefore intend to group them for debate. A vote on Motion No. 1 will apply to Motion No. 2.

Hon. Jake Epp (Minister of National Health and Welfare) moved:

Motion No. 1

That Bill C-26, be amended in Clause 1 by striking out lines 10 to 14 at page 1 and substituting the following therefor:

"lived with that person for at least one year,"

Motion No. 2

That Bill C-26, be amended

(*a*) by renumbering Clause 11 as subclause 11(1)

(*b*) by adding immediately after line 2 at page 9 the following:

"(2) For the period commencing on the day this Act is assented to and ending on August 31, 1985, the definition "spouse" in section 2 of the Old Age Security Act shall be deemed to read as follows:

" "spouse", in relation to a pensioner, includes a person of the opposite sex who has lived with the pensioner for at least one year and the pensioner and that person have publicly represented themselves as man and wife;"."

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take part in this very important debate on Bill C-26. We all know the admirable objective of this legislation which is to enable the elderly, that is, widows and widowers between the ages of 60 and 65, to receive the Old Age Security pension or the supplement, and we in the Liberal Party are very pleased with the Bill, but we do have a problem with certain discriminatory provisions.

Mr. Speaker, a Government that discriminates on the basis of marital status is not acting according to the spririt and the letter of the Canadian Constitution. Mr. Speaker, this very Parliament made a commitment not to indulge in any discrimination on the basis of language, sex, and so forth, and now one of the Government's first pieces of legislation is in fact telling single people who are members of a religious order, for instance, that they will not be eligible for pension benefits when they turn 60. Just because they decided to dedicate their lives to the education of our young people, and to the community, they will have to wait until they are 65. We are telling divorced individuals who have had problems during their working lives, problems in their marriages—Mr. Speaker, this is fairly common—that they are being penalized for not sticking with their husband or wife. That is what we are telling them. We are saying: no, no, no!

Imagine, Mr. Speaker, around the card table at the senior citizens' club, a women who is 61, whose husband died during World War II and her partner who got a divorce because while her husband was away from home, he found himself a young chick—

Mrs. Champagne: Such language!

Mr. Lapierre: The first woman is getting a pension and the second is not. That is the kind of situation you will hear about at the senior citizens' club in Saint-Hyacinthe. That is the kind of situation the Minister of State (Youth) (Mrs. Champagne) will have to explain to senior citizens in her riding. Why penalize people who were divorced or separated on perfectly legitimate grounds? Mr. Speaker, you will agree that this is intolerable. We cannot afford to discriminate in this way. I know, and I am very pleased to see the Minister of State (Youth), because although she is very busy with youth, she is also concerned about senior citizens because she has their respect. I know she cannot go along with these provisions, that she will go to the Minister of National Health and Welfare (Mr. Epp) and tell him: You do not realize what you are doing. Do you realize you are going to cause quarrels among old friends? They are going to be watching you. Mr. Speaker, these women unfortunately do not always have the resources to defend themselves. They are not always in a position to come and demonstrate or let the Government know the error of its ways.

Mr. Speaker, we all know that old age means a lot of loneliness. There are elderly women sitting in their living rooms right now who are wondering why they are being penalized because they were separated from their husbands and why they are being penalized because they got a divorce, for all kind of reasons. Is it up to the Government to make that kind of moral judgment? That is what I cannot tolerate in this Government. I cannot tolerate that people make judgments on

the marital status of individuals. And that is what we are doing. If we did not intend to do this, why not say: We have the resources to do so much. That is, reduce the eligible age across the board to 64, 63 or 62. Do it in stages, but be fair. Be fair, because you will soon realize that people in our communities and in senior citizens' clubs across the country are going to be upset when they realize they are getting a raw deal because of their marital status. How dare you brand these people who have had problems in their lives? This is something I cannot tolerate. I think life has been hard enough on them already without the Government adding to their burden.

Mr. Speaker, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) engaged in a heroic struggle to try and make Government Members understand this. He circulated petitions across the country, and not even the thousands of signatures on these petitions were able to make this Government budge one bit, a Government that is obviously too insensitive to budge. Ever since they came to power, Mr. Speaker, they have been attacking the elderly in our society. We are not going to stand for that. We cannot tolerate a Government that has no respect for the people who built this country. We cannot tolerate that people who made sacrifices for years and years so they could give us the Canada we know today should be penalized either by de-indexation or because of their marital status.

Unfortunately, we are faced with a dilemma: we want to help widows and widowers, and we are sorry for those who are single, separated or divorced. Imagine the case of a single person who has helped his parents and his brothers and sisters all his life, and in fact given up his personal life to help them, and who today is being penalized for having made that sacrifice. Imagine the case of a person who got a divorce for whatever reason and who today wonders: What did I do wrong? Why will the Government not give me my pension and why is someone else who is widowed entitled to one? Imagine the problems in implementing Bill C26! Departmental officials are already telling us it is impossible to implement. Imagine the case of a person who was widowed recently or someone who has not heard from her husband for years. Is she separated? Is she widowed? Mr. Speaker, a distinguished lawyer like yourself will know that the application of a discriminatory piece of legislation creates all sorts of legal problems and I do not understand why the Government did not extend the application of this Bill to everyone.

Mr. Speaker, my colleague from Montreal-Sainte-Marie, to whom I want to pay homage because if there is one Member in this House who is concerned for senior citizens, he is the one, has organized a major operation called "Justice pour personnes âgées". I am convinced that the Minister of National Health and Welfare (Mr. Epp) will agree that his Bill is discriminatory. He even raised the issue himself by wondering what the courts could do if its application were to be questioned.

Mr. Speaker, we have had many opportunities to debate this matter in the House and I do not understand why not one single Member on the other side seems to share our concerns. I cannot believe that it is only in Liberal constituencies that there are single, separated or divorced people! For my part, I know that in the riding of Brome-Missisquoi, there are many single, separated and divorced people, and I do not understand why their Member of Parliament, who has a lot of influence with the Minister of National Health and Welfare because of her duties, did not come to their defence. I am still waiting for her speech in this House to defend people living alone, just as I am still waiting for her speech on the indexation of old age security pensions. I have read her statements with great disappointment, but this Bill was introduced to correct an unfair situation as we all know that people living alone face more hardship and are in a more difficult financial situation. However, in trying to correct one injustice, this Bill has created another one which is even more serious. Mr. Speaker, this is what we find difficult to accept, and I hope that, after having had the opportunity to listen to our many representations, our colleagues will reconsider and admit that you cannot discriminate against older people on the basis of their marital status.

• (1220)

[*English*]

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I would like to speak briefly to the amendment to the Old Age Security Act which I put forward for consideration today at report stage of Bill C-26. The amendment concerns the definition of common-law spouse in Bill C-26.

As the Bill is currently drafted, the definition of common-law spouse requires that there be a public representation as husband and wife with a cohabitation period of at least three years where there is a bar to marriage and if there is no bar to marriage, this period is reduced to one year. With this amendment to Bill C-26, the Old Age Security Act, the definition of common-law spouse will simply state that the minimum cohabitation period required is one year.

When I spoke on Bill C-26 at second reading stage, I raised this matter as I could not see any reason that a distinction between common-law spouses who had a bar to marriage and those who did not might be of significance. In fact, it merely serves to discriminate against a small portion of potential beneficiaries. I am sure this discrimination was completely inadvertent, but I am pleased to have this opportunity to correct it.

As well, this amendment brings the Old Age Security Act in line with another piece of legislation which is currently at committee stage, Bill C-47, an Act respecting divorce and corollary relief. I would like to mention a couple of points that have come up. It should be clearly understood that this allowance is subject to an incomes test. The other thing I would like to point out is that it will go a long way toward assisting spouses who are between the ages of 60 and 64 inclusive who have lost their partners and have been dis-

criminated against in the past. This amendment will ensure fairness in the application of the Act.

Because of the words of the previous speaker, I would like to mention one other thing. It is the intention that when this series of Acts is completed, it will be possible for two women to be drawing an allowance, one the legal wife and the other the common-law wife. After all, the reason they are drawing allowances is because they are both between the ages of 60 and 64. Although they are products of the shattered marriage, there is no difference in their need. Consequently, it would be possible for both of them to draw the allowance.

I would like to thank the Minister of National Health and Welfare (Mr. Epp) for allowing me to speak to this amendment. I would suggest that it would be appropriate to hear from the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) who will present Motion No. 2 standing in her name.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am both pleased and sad to rise to speak to Bill C-26. I am pleased, for we will speak before the present "minister of social injustice" and the former Minister of National Health and Welfare—

An Hon. Member: They are not listening!

Mr. Malépart: —in the Conservative Government of Mr. Clark who is now the Minister of Indian Affairs and Northern Development (Mr. Crombie). I wish he were still Minister of National Health and Welfare—

Some Hon. Members: Hear, hear!

Mr. Malépart: —because he was much more open. Mr. Speaker, I can understand why the "minister of social injustice" would rather not listen to my remarks, for he knows I am right.

Mr. Speaker, I support the amendment under consideration. But with respect to the principle of the Bill—

An Hon. Member: He is talking about you guys!

Mr. Malépart: —it still is a measure which discriminates against people living alone and others who are single, separated or divorced. As a token of appreciation on the part of this Conservative Government, 80,000 people in Canada will soon find out that they are being penalized and ineligible for the spouse's allowance—and 80 per cent of them are women—simply because they are single, separated or divorced.

As we have seen in the current debate concerning the elderly and the deindexation of old age security pensions, it is more of the same from a Government which operates on the strength of opinion polls, makes hackneyed pronouncements, a faithful image of their leader the Prime Minister. When those people promised to make widows and widowers eligible for the spouse's allowance, it was simply because they had to say something during the election campaign to attract the elderly.

Since the Minister of State (Youth) (Mrs. Champagne) is in the House, I recall that she intervened during the election campaign after an article was published in the newspaper *La Presse*. She called a press conference right then and there to claim that the bad Liberals in her riding and the surrounding regions were saying that the Progressive Conservative Party would reduce old age security pensions. And I recall she had boasted that her Party would help widows and widowers as well as needy people living alone. I reacted immediately, called the journalist in question and explained to him that the Conservatives wanted to discriminate against people who are single, separated or divorced. The Minister of State then responded by saying: We will index pensions every three months. I said to the journalist: That is the way it is now. To that she replied: It is the Canada Pension Plan we will index every three months. I am not blaming her today, she did not know what this Government would do—deindex old age security pensions.

Mrs. Champagne: Do not put words in my mouth.

Mr. Malépart: Mr. Speaker, if the Minister of State (Youth) wants it that way, I will get the newspaper articles, it is all there in black and white. If you want a debate on that issue, I would be pleased to argue with you.

Mr. Prud'homme: On channel 10!

Mr. Malépart: If I may, Mr. Speaker, I should like to get back to the Bill before the "minister of social injustice"—

An Hon. Member: He is not listening!

Mr. Malépart: —and next to him his colleague the Minister of Indian Affairs and Northern Development. I like to give credit where credit is due, and if the present Minister of Indian Affairs and Northern Development who, in 1979, had agreed that the spouse's allowance should continue to be paid to the beneficiary when he or she became—

• (1230)

[*English*]

Mr. Gormley: Mr. Speaker, I rise on a point of order. It may be due to the English translation, but I am wondering if it is appropriate for the Minister to be referred to continually as less than the Minister of National Health and Welfare. I wonder if that is appropriate conduct on behalf of the Hon. Member, as he is twisting the usage of a ministerial title.

Mr. Deputy Speaker: I do not think it is unparliamentary.

[*Translation*]

The Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: Mr. Speaker, I do not know how people translate, but I translate the feeling of the people, what they think of the current performance of the Minister of National Health and Welfare (Mr. Epp). They call him the Minister of Social Injustice—

Mr. Ferland: This is not what he said!

[*English*]

Mr. Malépart: All people in Canada.

[*Translation*]

I will not repeat Mrs. Denis' comments, in which she voiced what she thought of the Prime Minister. You have read it in the papers.

So, Mr. Speaker, I would like to give credit to the Minister of Indian Affairs and Northern Development (Mr. Crombie) a Progressive Conservative Member who, when he was Minister of National Health and Welfare in 1979, decided and rightly so, with the support of the Liberal Party and the New Democratic Party at the time, to maintain the spouse's allowance after one of the spouses had deceased. At that time we, Liberals, said in committee: We are in agreement with that, Mr. Minister, but will your measure be retroactive because those who were not eligible before will be penalized? The Minister had given an open, gentlemanly answer: "Yes, that is reasonable. If you will allow me, I will go back to the Cabinet, because this involves extra expenditures, and I will return to you with an answer". The then Minister—he was not a Liberal but a Progressive Conservative Minister—was discharging his responsibility as a Minister of National Health and Welfare should, as the defender of senior citizens, of poor families—

An Hon. Member: Charlie Brown.

Mr. Malépart: —of persons in need as Mrs. Bégin did so well, my colleague is saying. It must be added to the credit of the Minister of Indian Affairs and Northern Development who was then Minister of National Health and Welfare, a determined man who won his point in Cabinet and everybody celebrated, not because it was a Liberal or a Progressive Conservative or a New Democratic victory, but because it was obtaining social justice for our seniors. Sadly, Mr. Speaker, I gave courteous notice to the current Minister of social injustice. Before the Christmas holidays, I started with that. Honestly, I believed it was a technical oversight, everybody being subject to human error. The Minister of National Health and Welfare was forewarned. I made representations. Some groups appeared before the Committee on Health, Welfare and Social Affairs and they all expressed the same views. It was at the time when the Prime Minister, this government and even the Minister of social injustice were bragging that unlike the former government they were going to consult. All the groups came here, but the Minister did not budge. Not only was the minister unable to win his case in Cabinet to help women of 60 and 62 years of age, single, separated or divorced persons, maybe he did not have the guts to attend the meetings, but he only tried to sell the stories of the Minister of Finance (Mr. Wilson) and act as spokesman for high finance in Ontario. He did not fulfil his role which was to act fairly towards our senior citizens in need. Never mind the rich people. One of my constituents, a battered woman, now abandoned by her husband, made sacrifices to rear her children alone and pay for their education. She is living on welfare alone, which does not mean below the poverty line but rather below the extreme poverty line. The present Minister of National Health and Welfare answered that woman as follows: My dear lady, I understand your concern, but the government will continue to help you through social welfare. In other words, what it means is: "My dear lady, you are poor and you find it difficult to make ends meet, but you should find solace in the thought that you are always on our mind". The government absolutely refuses to act to remedy the situation.

There is a 63 year old lady, a Mrs. Denis who lives in the vicinity and who does not belong to any senior citizens group who came yesterday on Parliament Hill to give the Prime Minister a piece of her mind, just like that, simply because she was outraged. When she spoke, she expressed what each and every senior citizen in this country feels about the Prime Minister and his government. This is not something we should be proud about, for the Parliamentary system and people involved in politics really suffer when a Prime Minister is taken to task like that. And if we suffer, it is because of the actions of a number of individuals. We have now reached the report stage. The Minister of National Health and Welfare (Mr. Epp) again will have the opportunity to correct me if I am wrong when I say that his responsibility is not to stand up for big business, but that he is here to do what Mrs. Bégin, his predecessor and former Minister of Social Affairs, used to do and what a Conservative colleague of his did more recently, namely, to stand up in Cabinet and ask for additionsl funds to help these people. The Minister of National Health and Welfare is well aware that when he grants the spouse's allowance, which is similar to the Old Age Security pension for those on Social Welfare, the government gives with one hand and saves 50 per cent with the other. The Minister is indeed well aware of that. It has nothing to do with party politics; it is simply a matter of social justice for all the people concerned.

I remember, on Remembrance Day, the three party leaders and their supporters in the House rising to pay tribute to those who had lost their lives on the battlefield. I wondered at the time who was going to take care of all these women who had to live away from their husbands who had gone to war and who had suffered because of the war, and whom the government rewards today with a firm "No". In each and every riding of this country, there is at least one person between 60 and 62 years of age who is single. She is generally the eldest in a family of some 10 children who has spent her live in a rural

community and quit school very early to help her parents raise her brothers and sisters. And now, having paid her dues to society, she has to try and find a job on the labour market, because she is told that she should have married and become a widow.

Mr. Speaker, I realize that my time is about to expire, but you can rest assured that I will continue to press my point when we deal with the next amendment.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have a second amendment to propose to Clause 11. This amendment would result in a change to the Old Age Security Act to reduce the period of cohabitation to one year in the case of common law unions, which change would come into effect immediately after Royal Assent. Without this amendment, the present definition requiring a minimum of three years of cohabitation where there is an obstacle to remarriage would remain in effect until September and deprive a number of people who have been living in such a situation for over a year and less than three from being eligible to make use of this provision.

• (1240)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to say a few words on Bill C-26 this afternoon as well. First, let me say that I am pleased that under the provisions of Bill C-26, approximately 85,000 widows and widowers in this country will now receive the spouse's allowance. Those 85,000 people, of course, are primarily women. I come from a riding in Saskatchewan which is very much a rural riding. It has a lot of small towns and villages and there are a lot of retired farmers. As I travel through those small towns in rural Saskatchewan I find that in home after home there is a woman living by herself. For some reason, women tend to outlive men, perhaps particularly in Saskatchewan. I find there is a tremendous amount of poverty among those women in my riding. They are living in dire straits with very little to live on. Life is very difficult for them. There have been many sad cases in my riding year after year where a spouse has passed away—almost certainly the man—and the wife is left with no money whatsoever. She has had to turn to social services to get some money in order to buy her daily food, to pay her heating bills or to buy clothing. So, Mr. Speaker, I welcome, indeed, the Bill which is before the House today in terms of the fact that it will provide a spouse's allowance for some 85,000 people.

At the same time, Mr. Speaker, I would like to reiterate the argument our Party has made many times before in this House with respect to pensions. I think primarily, of course, of the person who sat near me for many years in the House of Commons, Mr. Stanley Knowles, the former Hon. Member for Winnipeg North Centre. He made many, many speeches in this House with respect to pensions. He was the champion sans exception of the cause of pensioners in Canada. Before him, of course, there was J. S. Woodsworth, the former national Leader of the CCF who also made the cause of pensions a very important issue. If we go back to the beginning, we find that it was Mr. Woodsworth and a few Hon. Members of this House, along with the Liberal Government of Mackenzie King, who decided to bring in the first pension plan in Canada. It happened at that time to be a minority Parliament and Mr. Woodsworth and his colleagues in those days said, "We'll keep this Government in power for a little while in return for some good progressive legislation for Canadians", and the primary result of that legislation was the first old age pension plan in this country. The pension was very small. It did not take effect until, I believe, age 70, and there was a means test attached to it. But because of J. S. Woodsworth and a small group of Hon. Members of Parliament many years ago using their power in a minority Parliament as leverage, we received in this country our first old age pension plan.

The legacy was passed on when Mr. Woodsworth passed away and, in a by-election in 1942, Stanley Knowles was elected to this House. He took up the cause of championing the needs of senior citizens and pensioners in this country. He made speech after speech in this House over the years about the problems senior citizens face. He tried to get the pensions improved so that the people who built this country, who laid its foundation, could live in dignity. He made many speeches about the problems of widows and widowers and the fact that many of these people do not have money to live in dignity in these small towns and cities of our land. So it is his legacy, I suppose, that we bring into this debate today.

One thing I am sure he would have pointed out is that, in a way, this legislation is really discriminatory because it applies only to widows and widowers between the ages of 60 years and 65 years. If a person is between the ages of 60 and 65 and is divorced, he or she does not qualify for the spouse's allowance. If a person is between the ages of 60 and 65, is single, has never been married, even though he or she is poor and would qualify on the basis of the means test, he or she would not qualify because of not being a widow or widower.

I ask you, Mr. Speaker, in this 20th century, having proclaimed a few months ago Section 15 the equality section of the Charter of Rights, are we doing the right thing? We are discriminating on the basis of marital status, on the basis of whether it is a marriage in the traditional sense or a common law marriage. The amendments moved in the House today will, I guess, bring this legislation in line with the Divorce Act, which will become law in this country in a few months time. I just wonder whether it is right and proper that we should have that kind of discrimination built into the Bill which is before us today, although, as I said before, I support extending the spouse's allowance to those 85,000 Canadians who need it, many in my own riding and most of them women, I would assume. It relieves these women who have no other source of income of having to make that trip downtown to ask for social aid.

I think as far as it goes, Mr. Speaker, this legislation is a very good move. This legislation will cost, I believe, $190

million in the next year, and in the first year it comes fully into effect it will cost $300 million. I think that is a very good thing in terms of those 85,000 people. But when it comes to the single people of this country—and according to statistics there are a lot of single poor, both men and women, living in big cities in small one-room apartments, living in small towns in little tiny houses—between the ages of 60 years and 65 years and unable to work,—those people will not qualify. Why is it that a married person should qualify over someone who is not? That really makes me hesitate. Why is it that someone divorced because of incompatibility or whatever, would not qualify while her next door neighbour, whose husband has passed away, would qualify even though she has exactly the same kind of background and economic ability to pay her own way? I think we should look at those very important questions.

What I would like to argue for, Mr. Speaker, is bringing down the pension age year by year to the age of 60 for everyone, and it should be universal just as medical care in this country is universal. The basic old age pension is now universal for people at the age of 65 years or over. I think we should bring down, one year at a time, as their country can afford it, the pension age to age 60 years for each and every citizen and not just for widows and widowers who happen to live in poverty.

This benefit also, of course, has attached to it a means test. One receives the spouse's benefit if one needs it because one has very little or no other source of income. Of course, we all want to help people in our society who are in need. We hear Hon. Members of the House and members of the media sometimes saying, "Why does Pierre Trudeau need a pension? Why does someone that wealthy need a pension?" Why does the Minister of Transport (Mr. Mazankowski) need a pension? He is probably a pretty good farmer and will be a fairly wealthy guy when he becomes 60 years of age.

Mr. Turner (Ottawa-Carleton): Why does Ed need a limousine?

Mr. Nystrom: I did not hear the interjection but I believe it was confirmation of the Minister of Transport's wealth. The arguments are made that we should take all this money and spend it on the poor in this country. But the problem with that, Mr. Speaker, is that we then have to establish a means test. We would have a ruthless division of classes in our country—one that has and one that has not—and that creates a lot of turmoil.

● (1250)

Mr. Mazankowski: Are you arguing for or against a pension for me?

Mr. Nystrom: I am arguing for a pension for him regardless of his wealth, regardless of how much money he may or may not have, because they should be universal. That is my whole point. I support this Bill because it helps 85,000 widows and widowers, but I do so with a certain amount of hesitation. It discriminates against single and divorced people. The concept of universality is once again going out of the window. Regardless of one's background, we should all qualify for the pension. If you have children, you should qualify for the family allowance. If you are an older and poorer person, whether you are married or single, you should still qualify for the spouse's allowance. That is what I hesitate about regarding this Bill. So I urge the Minister to bring in legislation as soon as possible which does not discriminate against single or divorced people.

I want to conclude by quoting the Minister of Employment and Immigration (Miss MacDonald) when she spoke to the House on May 10, 1984, when she was in the Official Opposition. She said:

> The fact that we have 600,000 elderly Canadians living in poverty in a country as rich and bountiful as Canada, in a society supposedly as compassionate and humane as ours, is a national disgrace.

We have a lot of senior citizens living in poverty. She said it was over 600,000. A recent Ontario report said that 42 per cent of pensioners in Ontario live in poverty.

Mr. Mazankowski: There will be more with the new Government.

Mr. Nystrom: I conclude by asking the Government, why is it partially deindexing pensions for these people when it has those facts, when it knows about the suffering and misery? Why is it doing this when this will put more people into poverty, with those who are poor already becoming even poorer? I think the Government should listen to the sentiments of the Hon. Member for Kingston and The Islands and apply them while in government. If not, this will be a one-term Government, and that might indeed be the best thing for the people of Canada.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, while listening to the Hon. Member it came to my mind that the government Department which deals with social housing, the CMHC, just announced the closure of about 17 offices across the country and the downgrading of another 17. One of those was in the Minister's riding in Kingston.

I think most of the important points have been made by previous speakers and perhaps I could just add a couple of things which have not been mentioned. Whenever I hear someone talking about extending or increasing pensions to people over the age of 60, I always think about those people in institutions subsidized by the federal and provincial Governments. Regardless of what pension increases the House of Commons votes quarterly, or of what extension is granted to new groups of people, it should be kept in mind that people in institutions such as senior citizens' homes or nursing homes in Newfoundland or anywhere else, see no increases. If you say that you are extending or increasing the pension as of January 1, they do not see an increase. They listen to the news and hear that they are going to qualify now for an additional pension or that their pension is being increased, but they do not see the increase. The point is that the money these people receive is determined by the provinces and is called a comfort allowance. It is a strange system we have which makes how much money you receive from the federal Government depend on the

province you are in. It depends upon the decision of the provincial administration. I suppose you could go right through our social security system and you would see the same principle in effect.

I have listened to the Minister of National Health and Welfare (Mr. Epp) and other speakers talk about this measure being income tested. As one speaker outlined, possibly two people could qualify, one being the legal or common-law spouse of the other. In that situation I can see disputes arising and appeals being made to the Department of National Health and Welfare. Well, there is a principle that the Department has been following which is very confusing. I suppose, for the sake of federal-provincial relations, since the new Government took over, it is a good thing. I am referring specifically to pensions from that particular Department which are in dispute or under appeal. Regardless of whether it is the OAS, the GIS, or the allowance under this Bill, a disability pension or whatever, if the appeal, say, takes a year and the persons concerned received social assistance in the meantime, that is, welfare, they are not told that what they are to receive will have first gone to the provincial Department of Social Services concerned.

Since the new Government took over this is done in two days. Either the provincial Department hears about the person applying and goes directly to the Department of National Health and Welfare and tells them they owe us *x* number of dollars from that person's cheque retroactive to such and such a date, or else the social assistance officer goes to the individual who qualifies for the federal payment and says, "We want you to sign on the dotted line that you received *x* number of dollars from us and we are going to recover that from the Department of National Health and Welfare". As I say, it is good for federal-provincial relations but is not very good for the person who qualifies for the pension. You could have someone who is owed $8,000 in disability payments by the federal Government because his claim goes back four years, but he is then sent a message that his cheque has been sent to the provincial Government so that they can claim all the money he received from the Department of Social Assistance.

● (1300)

The Government has done something else with which I vehemently disagree. Since the Government came into power it has centralized in Ottawa the sending of cheques to people from this federal government Department. Since March 31, people in the Province of Newfoundland have not received their cheques on time. They have been a week or nine days late because of that change in administration. I suppose the post office is at fault, but certainly the Minister of National Health and Welfare can go to the Minister responsible for the post office to ensure that those cheques arrive on time.

The Minister of National Health and Welfare should realize, as should every Cabinet Minister, that everyone receiving a pension from this government Department is expecting it on a specified date. I have received letters from people saying that for the first time they had to go to the local merchant to borrow food while waiting for a cheque for which they never had to wait before. The Minister of National Health and Welfare should look into that matter. The shortcomings of this legislation have been pointed out and perhaps the Government will open its eyes and extend this benefit to everyone between the ages of 60 and 65.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to join in the debate on Bill C-26, an Act to amend the Old Age Security Act. It is a very important piece of legislation which goes some way toward correcting an imbalance in society but, in our view, it does not go far enough. The Government indicated that it was going to make this change on November 5, 1984, but it will not be implemented until September. It will take the Conservative Government almost 11 months to implement a measure which could have been implemented last fall.

Mr. Malone: We can't implement when you are filibustering.

Mr. Angus: Mr. Speaker, it was not we who scheduled six, seven, eight, or nine opposition days in a row. We had a great time telling the Government all the things it was doing wrong, but the Government was not bringing forth legislation. We would have been quite happy then, as we would have been last November, to have had this legislation implemented. However, the Government, in its collective Conservative wisdom, decided that it had to move slowly.

The Act which extends the spouse's allowance to all low-income widows and widowers between the ages of 60 and 65 excludes a large section of the population in that age group. I speak of those individuals who never married or became divorced or separated from their spouses. We are putting them into a separate category. Even though their income may be the same as that of a widow or widower, under this Bill they are not entitled to support from the people of Canada.

The real issue is whether we should be treating all people who are over 60 equally regardless of their marital status. I think we should. I would encourage the Government to ensure that this Act is changed to give all Canadians who are 60 years of age and over and need additional income the support that they deserve. I do not think it is fair to tell single, divorced, and separated Canadians who do not have enough money that they must go on welfare. These people have worked for years and years in the service of the country by keeping the economy moving. We have a responsibility to treat them in an equitable manner.

This issue was raised in a discussion paper entitled *Equality Issues in Federal Law* under the auspices of the Minister of Justice and Attorney General (Mr. Crosbie). I will quote one section which deals deals with the spouse's allowance program. It says:

> The spouse's allowance program raises another issue. Currently the allowance is paid to the spouse of a pensioner between the ages of 60 and 64 and to the surviving spouse if the spouse in receipt of Old Age Security dies before the survivor reaches the age of 65. There is currently a proposal to extend this benefit to all widows and widowers between the ages of 60 and 64. However, if

an individual is single, separated or divorced and aged 60-64, no allowance is paid, even if the individual's needs meet the test for benefit to spouses. A decision has been made to allocate funds to married couples as opposed to single individuals in the age bracket 60-64. One of the rationales for this is that unmarried persons can get assistance from provincial welfare programs, although they receive smaller benefits. Given that there are only limited resources to provide for needy people, this group was selected. The question is whether marital status is an appropriate reason for choosing between equally needy people, particularly when the criteria for receipt of an allowance is need.

There can be no difference, Mr. Speaker, need is need is need. If you need money to survive, it does not matter whether you have never been married or are now a widow or widower. Justice suggests that we should treat them equally.

In the last Parliament, a committee of the House examined pensions. There was a minority report filed by the former Member for Nanaimo-Alberni, Mr. Ted Miller. In it is a section entitled "People Under 65". It reads:

During the course of its hearings, the Task Force received submissions discussing the plight of people, largely between the ages of 55 and 64, who are ineligible for benefits under any public pension program. Though we had neither the mandate nor the time to examine the particular needs of this group, there was concern among witnesses and Task Force members that many people under 65 face severe hardships with little support from public sources.

These problems frequently include ineligibility for any sort of public pension benefits and long or frequent periods of unemployment. The community from where the Prime Minister (Mr. Mulroney) comes and the community of Atikokan in my riding have endured the shut-down of basic industries. There are people who worked in those industries for 30 or 40 years who are still in their mid-fifties or early sixties and cannot get jobs. Even if the jobs were available, due to the severe conditions under which they worked in the mines, their bodies are not as willing or able as they used to be. If we were to provide some support for those who are 60 years of age and over, we would at least raise their standard of living.

In closing, Mr. Speaker, I encourage the Government to accept our proposal and provide full justice for all who are 60 years of age and over in order that they too can get the income support which they need to survive in our society today.

• (1310)

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am also very happy to take part in this debate on Bill C-26, which is in itself an excellent initiative for the people who will benefit from its provisions, namely the widows.

Nevertheless, I find this Bill clearly discriminatory and odious in the way it treats certain people.

During the last few weeks, many of my colleagues had the honour and the privilege of tabling a number of petitions which in their preamble deplored the discrimination and the class distinction the Government was making with respect to people who were separated, divorced or single. I think this aptly describes a situation that I find totally unacceptable and highly reprehensible.

Mr. Speaker, I shall, if I may, go back briefly in time, and recall that Canada's divorce legislation was originated by an Act of Parliament passed in 1968. At the time, and this is, after all, not so long ago, couples who had experienced a certain number of problems were being given a chance to legalize their situation. We must not forget that if a person who had the misfortune to have made an unhappy marriage for which there was absolutely no remedy, then decided to take advantage of this legislation, that person was almost automatically singled out and ostracized by the community. These are the people who will be hurt by Bill C-26. Because of the law and the attitudes of our society at the time, in 1968 and 1970, divorced persons were seen as people who were different, and families felt a sense of shame when a member of the family got a divorce. These are the people who today, in many cases, are over 60 years old. These are the very people who are being told today that because of the Budget, they are going to be deprived of what their friends will be entitled to because they are widows or widowers. So I think it is despicable to deprive these people of what in the circumstances would seem to be essential and fundamental.

We must also recall that in the late 60s and early 70s, in almost every divorce where there were children, custody was usually given to the mother. At the time, our social legislation was not as advanced as it is today, and here again, these women have been victimized, in addition to being branded as second-class citizens and having to suffer the ostracism of their neighbours and the effects this had on their relations in their community. They were responsible for the education of their children, they had very limited financial resources. These are the people who in many cases went through absolute hell, and today, now they are 60, they are being told that the provisions of Bill C-26 do not apply to them but if the economy improves, we might review the situation and consider the problem.

The fact that they are being excluded on such ridiculous grounds is, I think, an incredible insult to all these people who are divorced, separated or single. It is an unconscionable affront to these people who have the same rights and privileges as anyone else. It has often been said in this House, and rightly so, that the Canadian Constitution was so good for Canada because it prevented class distinction and put all Canadians on an equal footing.

In my opinion, in view of the way this Bill is designed, it is an extremely regressive measure. We are regressing 15 or 20 years in the past because of a measure which creates a social class of needy victims who have already been victimized in the past and on whom has now been placed an intolerable burden.

Everyone recognizes that 80,000 people will be penalized by the Bill and will be deprived of this assistance which, in many cases, their spouse will be able to obtain. Everyone also recognizes that the very great majority of these 85,000 people are women, women who have been fighting and organizing for

years to gain an equality, a justice and an equity which are still not apparent in this Bill.

I therefore believe that, as parliamentarians, we have a duty to ask this Government to put this whole issue back on the table and to consider granting these 80,000 people the most basic justice if we do not want them to become innocent victims.

Mr. Speaker, I hope that we shall witness a reversal on this issue within the next few days and that this will be followed by amendments which will ensure that these people will be treated more fairly.

This afternoon, an amendment was introduced to make common law spouses eligible for these benefits. If I may, I would like to enumerate all the problems which could be the result of trying to identify these people through such a mechanism.

Will the Government be able to intrude in the private life of people to determine whether they are entitled to the benefits or not?

My colleague is telling me with good reason that 80,000 people are being branded in Canada at a time where we are trying to see justice done and to make sure that all Canadians will be treated fairly according to the principles of social justice, and in closing I would like to ask all my colleagues to reconsider this issue and to try to understand what will be the life of these men and women who will be deprived of the benefits of Bill C-26 if it is not amended.

Mr. Lapierre: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Yes, the Hon. Member for Shefford (Mr. Lapierre) on a point of order.

Mr. Lapierre: On a point of order, Mr. Speaker. Earlier during the debate, I referred to the war and everyone understood that I meant the 1939-45 war. Unfortunately, I said 1914-18, but everyone understood that I was obviously referring to a widow of the 1939-45 war.

• (1320)

Mr. Deputy Speaker: Very well. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa-Vanier): In any event, Mr. Speaker, the Hon. Member was not even born in either war!

Mr. Lapierre: Not even the Korean war!

Mr. Gauthier: Mr. Speaker, I am pleased to say a few words about this Bill which we support and, as you know, we do not intend to delay the proceedings at the report stage. I would simply remind the House that we are considering Motion No. 1 in the name of the Government to amend:

Old Age Security Act

Clause 1 by striking out lines 10 to 14 at page 1 and substituting the following therefor: "lived with that person for at least one year."

The effect of this amendment or this motion is of course to implement a recommendation of the committee and the Minister to reduce from three years—the previous requirement—to one year the time for becoming eligible under this measure. That is how it is going to be once the Bill is passed, it is defined as living together for one year.

Mr. Speaker, I should like to make a few comments on Bill C-26 as well as on the significance of this amendment. As you may recall, Mr. Speaker, the purpose of this Bill is to extend the spouse's allowance program to needy people living alone and aged 60 to 64. Most people affected by this measure are women. It is therefore an important Bill which responds to a social and economic need in our society. However, Mr. Speaker, only widows and widowers are eligible under this Bill, so it excludes people who are single, separated or divorced. Again I say that 80,000 people between the ages of 60 and 64 would be eligible if the Government had been more generous towards them and had seen fit to establish a more extensive and comprehensive program. This measure therefore discriminates against certain people, most of them, I repeat, Canadian women aged 60 to 64 who fail to meet the spouse's allowance eligibility requirements.

Mr. Speaker, in my riding, and I find this example particularly striking because it was part of my life, there are many female members of religious orders who have taken a vow of chastity and live in a state of celibacy. These women are not eligible for the benefits provided under this Bill, because they do not meet the requirements: they are neither widows nor widowers—there are also male members of religious orders—and I think this discriminates against these people, should they, for whatever reason, wish to leave their religious order and live a secular life.

Mr. Speaker, the Progressive Conservative Government, which is so proud of its consultation policy, did not bother to consult people between the ages of 60 and 64 before tabling this measure, that I am sure of, because if they had, in the riding of Ottawa-Vanier at least they would have met a lot of women, single women who have worked hard in an environment that is not always easy, in a city like Ottawa that is largely dependent on Parliament,on the Government, a public service city. We all know that until recently, the majority of public servants—and it may still be the case today—have been women, many of of whom are between the ages of 60 and 64, and were left with an income or pension that puts them on the poverty line. If we had only bothered to think about these people, if we had considered all these women who in many cases have worked hard for very low salaries, and who are now retired and have no security, Mr. Speaker, and who today, we might as well admit it, are in many cases forced to depend on provincial or federal grants for housing, for medical drugs, for

transportation, and for a host of other services which they would much rather pay for themselves.

Mr. Speaker, I just want to set the record straight on this piece of Government legislation which we are endorsing because it does extend an existing program to a substantial number of Canadians. However, once again, we earnestly request this Government to expand this measure to another 80,000 men and women who should be eligible but are not covered by this measure.

[*English*]

Unfortunately, while supporting the Bill—we will not delay it and I think I am the last one to speak on this side, although perhaps there is some other Member who might want to speak—I want to repeat the point again that I am disappointed and so are my colleagues in the Liberal Party that the measure is not extended to deserving Canadians, those who chose not to marry and those who are separated and divorced. They are the ones being excluded from this extended coverage. I regret that.

In my day-to-day meetings with constituents, men and women have said to me, "We feel disenfranchised". I say this with a lot of heart because they feel they are being left out of a very important program. We have tabled petitions. I have personally tabled several petitions asking the Government to reconsider this measure and to modify it so that these people who have chosen not to marry, who are divorced or separated can be included.

The Conservative Government, Mr. Speaker, has missed a golden opportunity for meaningful reform. It has wallowed in indecision. God knows that the Conservatives are undecided even on Old Age Security. Nobody knows where the Conservatives stand. One day you hear the Minister of Finance (Mr. Wilson) say something and the next day you hear the Prime Minister (Mr. Mulroney) say something else. Canadians, especially seniors, would like to have the assurance that this Government thinks about them, cares for them and will give them the security they deserve without adding anxiety, which is such a difficult and common feeling among our elderly. Anxiety is something seniors do not need. Anxiety has been created by the Conservative Government over these pensions. Anxiety has been created by indecision on the part of the Government as to where the Government is going and what it is going to do for the senior citizens.

If the Hon. Member on the other side has something to say, he should stand up and make a speech for 10 minutes. I will sit down and invite him to do so right now.

Mr. Sergio Marchi (York West): Mr. Speaker, it is a pleasure again to participate in this debate. I think there are certain close parallels that reflect and mirror this piece of legislation and the pension issue in the recent Budget. It seems that to this Government numbers mean nothing. It seems that to this Government individuals mean nothing. We talk about thousands upon thousands of individuals who are between the ages of 60 and 64 some perhaps are not married, and some perhaps are separated or divorced. Do they mean less to the Government than those who have a different type of marital status? We as a society cannot afford to discriminate among individuals on that sort of basis.

If we are prepared to move and move in a progressive direction as the Bill has done, we should be prepared to move progressively all the way for all individuals, recognizing that the problem facing a 64-year old married person is the same as the problem faced by the 64-year old woman in Sault Ste. Marie who may not be married or who is divorced. We must begin to realize that if we are prepared to recognize those problems and if we are prepared to say we have to help those between the ages of 60 and 64 because they cannot help themselves, then we cannot allow or afford to discriminate. We cannot allow marital status to dictate whether or not they receive something. The only basis for the decision should be need. If a divorced or separated person has that need, that financial compensation should be there as it is for married people.

• (1330)

We are losing sight of the lot of the individual. We are looking at it in terms of thousands. Perhaps when we look at it in that light, it simply becomes a statistic, and we throw statistics around loosely and easily. We should narrow it down to the lot of the individual, to the specific needs of individuals who feel and know that they are being discriminated against.

We have received letters from such individuals suggesting that they need the money as much as other people do. They ask why they are being kept out of it when other people are not. They are the same types of letters as the ones we are receiving on the pension issue, saying that we have to get our financial house in order, that Canada is a great country, that it is full of opportunity, but asking why the decision was made to bring down the deficit on their backs. Pensioners were told that their pensions were a sacred trust. A commitment was given that their pensions would not be touched or altered. We are involved in the same debate at this point, because we are talking about a commitment to people which should be honoured.

When we talk about commitment, we should also talk about consistency, honesty and integrity. If the Government is prepared to make that social contract with the elderly, if it is prepared to say to these people that it will not touch their pensions, then it ought to follow through on those commitments. Anything short of that is simply not good enough. That debate is very much relevant to and alive in Bill C-26. If we are prepared to tell Canadian society that we, as a Government and as a Parliament, are prepared to step in and offer assistance, we ought to cover the entire clientele. If we are not prepared to do that, perhaps I would rather not do what we are doing. I would rather not do it in a piecemeal fashion and at the same time boast and say how great we are because we are moving in such a direction. It ought to be done with some sense of compassion for all individuals who feel the need for that financial assistance.

Indeed, the Bill points in the right direction. I do not think anyone in the House of Commons would rise and suggest that

this is somehow completely unwarranted. It is moving in the right direction, but why not enlarge it and encompass the entire Canadian community? Why not enlarge it to make it more progressive? Why can the Government not admit that while it is moving in the right direction, that direction is not wide enough? Why can it not admit that while it is trying to satisfy the needs and aspirations of that community, it is not fulfilling all that is desired? Why can the Government not rise in its place and say that it will be extended to those individuals against whom the Bill discriminates? That is leadership, that is conviction. It would mean rising and admitting some shortcomings. It is the same argument that we have debated for the last two and a half weeks on the whole question of pension deindexation.

It is leadership to admit to the country that a mistake was made in the budget paper, that it was a regressive mistake and that the Government reneged on a promise. That is leadership. Leadership is not showing Canadians that it is prepared to be tough, not to back down, or that it is prepared to be arrogant, despite the pleas, calls, letters, protests and questions which have been asked during Question Period.

Mr. Deputy Speaker: Would the Hon. Member please speak to the motions before the House?

Mr. Marchi: Mr. Speaker, I thought I was. I was trying to indicate that on this particular motion the Government has an opportunity, which it could take, to make the Bill more compassionate and fair. That was the message I was trying to bring to the attention of the House, in an attempt to bridge the current debate which is gaining in public momentum on Bill C-26.

The Government should say that it is moving in the right direction but that that direction should be expanded to include individuals such as the ones who have written to us and perhaps to Hon. Members opposite. These individuals are asking the Government not to discriminate on the basis of whether they are divorced, separated or married. They say that the decision should be based upon need, fairness and age. If it is good for one 62-year old person of a certain marital status, it should be good for others.

I believe those are the issues on which Hon. Members in my Party and in the NDP have been rising. We are speaking to the fairness and legitimacy of this particular proposal. We cannot afford to allow a Bill to pass which discriminates against certain individuals. It is our task and responsibility to rise in our places, not merely to give the Bill our blessing, but to play the role for which we were elected. We do not mean to be obstructionist, but it is our role in the House to improve upon and comment upon legislation, and to point out a certain direction which we think the Government should take. Indeed, it would be leadership if the Government were prepared to expand the Bill to make it more progressive. If the Government did so, I am sure there would be no opposition; Hon. Members would not rise to talk on another subject related to the Bill. Reciprocal leadership would be displayed on the part of this Party. We would say that the Government did the correct thing and, therefore, we would give it speedy passage. That is leadership, not only on the government side but also on the opposition side.

I believe that the role of the Opposition is not to obstruct. It is to ensure that the legislation is what Canadians want, not what the Government wants, not what the Prime Minister (Mr. Mulroney) or his Government may think Canadians want. When we talk about this particular issue, Canadian want fairness for all people who are 60 to 64 years of age, regardless of their marital status. When we talk about fairness, we are talking about pensioners who say: "Leave our pensions intact and give us full indexation".

The message for the Government on this Bill and on the pensions issue is: Let us provide some leadership and give Canadians the legislation they demand and rightfully deserve.

Mr. Nystrom: Mr. Speaker, I rise on a point of order. In that there is one minute remaining, could I ask a question of the Hon. Member who just sat down?

Some Hon. Members: No.

Mr. Deputy Speaker: I was about to ask for unanimous consent of the House, but I do not think the Hon. Member would get it.

Mr. Dan Heap (Spadina): Mr. Speaker, I want to speak on this Bill, particularly as it relates to the riding of Spadina. It extends, for low-income widows and widowers, the spousal allowance to about 85,000 people in Canada. Of course we support that. One has to; I am sure it will be unanimously supported.

This leads me to asking the following question: Why take a course which benefits a very limited number of needy people? There are many equally needy single and divorced people. In fact, for whatever reasons, there are a great many divorced people in Canada, many of whom are or will soon be of pensionable age. There is also a growing number of single people in the country. This benefit is being extended to a relatively small group and, in a sense, to a shrinking group, according to present population trends. This is very evident in the riding of Spadina. As between the 1971 census and the 1981 census in Spadina, there was a sharp increase in the number of single people. Most of these people will not ever be in line for the benefit of this legislation. Many of those have low incomes; many of those are going to be hurt by the Government's deindexation of the Old Age Security pensions next year and in the years ahead. Why does the Government try to kid the public by taking away with a shovel and putting back with a teaspoon? It takes away from all the pensioners in Canada, starting next January and increasing cumulatively every year, $100 a year, then $200 a year, then $300 a year and so on. It takes that away from them and then it undertakes to give back to a few.

• (1340)

If the country were as poor as the Prime Minister (Mr. Mulroney) tells us it is, perhaps it would be justified to say

that it can only give to a few, although it is not clear why it should be given to a widower and not to a divorced person. Why is a widower or a widow more needy than a divorced person, or a single person? That is not clear. Of course, in fact the country is not anywhere nearly as poor as the Prime Minister has said. This country makes huge tax gifts to people who need such gifts very little or not at all. It makes them on the worn out, discredited claim that those people will use the money to create jobs. That is a theory that the former Liberal Government worked to death during the last dozen years, and this present Tory Government is doing the same thing, to take from the senior citizens in order to give to the friends of the Government and to try to cover what it is doing by giving back a little bit to a tiny number of senior citizens.

The people in Spadina are not fooled. They are not amused. They have been out petitioning with a petition that states the facts clearly as to what will happen in 1986 and 1987. Generally—

Mr. Deputy Speaker: Order. Could I please ask the Hon. Member to be very, very specific at the report stage of the Bill at which we are and speak precisely on either Motion No. 1 or Motion No. 2?

Mr. Gormley: What is the motion, Dan?

Some Hon. Members: What is the motion?

Mr. Heap: These people want to know what the motion is. If they don't know—he is asking what the motion is, Mr. Speaker. He clearly does not know.

Mr. Gormley: We know.

Mr. Heap: The fact is, Mr. Speaker, that the clear intent of both these motions is to cover up with a few dollars what has been taken in many dollars. The people in Spadina will not be fooled. I thank you.

Some Hon. Members: Question, question.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, the reason why I am taking part in this debate is quite simple: it is somewhat the continuation of the debate held the other evening, and I am under the impression that the government still does not understand what it means to look after our less fortunate citizens.

You referred a while ago to relevancy and I will readily stick as much as possible to the proposal so that my colleagues will not have to call me to order.

I still have actual cases in mind. I have always thought that in politics one has to state one's case clearly, because people will only grasp the issues if one understands perfectly the purposes we are trying to achieve. Therefore, I will refer to some examples I gave the other evening about the homes located in my constituency, which you know quite well, Mr. Speaker, as I know yours also. There are homes for senior citizens in both our ridings.

The bill now under consideration is exclusively meant for people who have a status in the community, either widows or widowers, and my colleague from Montréal-Sainte-Marie (Mr. Malépart), my colleague from Ottawa-Vanier (Mr. Gauthier), my NDP colleague as well as my colleague from York have explained the matter very clearly. People of the same age are excluded because they have a different status, and now we are told that if they have been living together for one year, they may qualify. But I know of specific cases involving people that I met, and I know that this is also a problem for my colleagues in this House.

The Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand) knows of many such cases in her constituency. My friend and colleague from Terrebonne (Mr. Toupin)—I could name them all—we have the same kind of people and the same kind of problems. The actual problem in a home that I will call, for example, Berri-Lajeunesse, in Montréal, is that people there have little money and managed, as I said recently, to find a place to live, let us say apartment 404, and because they have a different status, they get a pension, unlike their neighbour who is divorced or separated or still, which is most unfair, who is single. I would like to draw the attention of my colleagues especially to the case of the single woman. We all know, we especially from Quebec, and I would like to draw the attention of my English-speaking colleagues—

[*English*]

—especially from Quebec, who have known in the past, not at this time and not in the future unfortunately, but in the past. There was always one person in these families who sacrified most of the time for all kinds of reasons but whom happened to be the one who did not get married, because Thérese, Pauline, Céline and Marc looked after papa and mama, after grandpapa and grandmama. There was always one in our families. The example could be multiplied; in every district you will find that. These people have consecrated—

[*Translation*]

—devoted their lives taking care of their old parents while others have married and those who have married, who have raised children, who have even become widows or widowers, will qualify. But their sisters or brothers who remained single cannot qualify. I hope I have very well understood the thrust of this legislation.

Mr. Speaker, at first glance, we find this shocking, deplorable. I want to warn my friends opposite: We will support the legislation . . . Why? Because we want to give more money to people who have long been ignored, but still we cannot refuse to consider a group which will benefit immediately. This is why I assure you . . . I did not consult anyone but I think the agreement is . . . we will vote for this legislation as soon as possible, probably today or tomorrow or within the next few

days. But still I would like this House to consider the situation of those who have been ignored, and as I said, the ones that are ignored so very often as we all know, and it has been said time and again, are mainly women, because they live longer—the average life expectancy being there to prove it—and most of all the lonely, single women. They are again being ignored in this legislation.

I am aware that we are going to support this legislation. However, I would appreciate it so much if the Government, my colleagues, the most distinguished Member for Brome-Missisquoi (Mrs. Bertrand) when I say these things, I believe in them, and I know she can exercise her charming, composed and benevolent influence because this often is more productive with the Hon. Minister of National Health and Welfare (Mr. Epp), the Right Hon. Prime Minister (Mr. Mulroney)—could be convinced that something will have to be done in the future for those who have been ignored by this legislation on which we are getting ready to vote today or tomorrow or in the days ahead as I said.

In my view, in the name of fairness, we must make good, I would not say that injustice but to say the least, that oversight.

There are so many things that could be said on that, Mr. Speaker, and I am somewhat amazed that there has been no reference to past experience.

When I first came here, several years ago, I remember very well, at that time, the universal pensionable age was 70 and all the political parties said . . . and certainly, my honourable friend, the ever-charming and distinguished Member for Brome-Missisquoi and Parliamentary Secretary to the Minister will remember as well as I do that in our election platforms, we wanted to promise old age security pension at age 65. What did we do then? Under the leadership of an extraordinary Prime Minister, because I served under that man, the Right Honourble Lester B. Pearson—I have always been known to be a "Pearsonian", since very often one identifies oneself with the name of the Prime Minister under whom one was first elected. Then your new Members could be called "Mulroneyans", including you, Mr. Speaker—

Mr. Gormley: Laurier!

Mr. Prud'homme: —the "Trudeauists" . . . My colleague says that perhaps it was under Laurier. I must recognize that he was and will remain in Canadian history one of our great Prime Ministers.

• (1350)

[*English*]

Mr. Gormley: What about Laurier?

Mr. Prud'homme: He understood very well. Laurier understood very well what Canada was all about. He better than anyone in this country understood absolutely how this country came about. If my colleague would like me to speak about Sir Wilfrid Laurier, I will do so some other time.

I remember that Lester B. Pearson made a proposal that was accepted. At that time, we thought we did not have enough money to give pensions to people who were between the ages of 65 and 70. Some Hon. Members here will remember that, and if I am wrong about it, and I do not think I am known to be too arrogant, I will not mind being corrected. I remember that the new plan of Mr. Pearson was that since we could not provide the money for everyone at that time, we would provide pensions that first year for all those who were 69 years of age. The next year—

Mrs. Bertrand: That's what we are doing now.

Mr. Prud'homme: Yes, but to everyone. I want my hon. friend to understand that we provided pensions for everyone, not just the bachelors. The following year, we provided pensions for those who were 68, then 67, and then 66, and then we achieved the provision of pensions for everyone between the ages of 65 and 70. There was no discrimination. Now we are being asked to forget 80,000 people for the benefit of others who—

[*Translation*]

—are widows or widowers.

I think that the Parliamentary Secretary to the Minister of National Health and Welfare realizes now that there is something unfair about this legislation for our brothers and sisters who, althougth 60 to 65 years of age, are not eligible.

I am glad to repeat in front of my whip—

Mr. Gauthier: Your favorite whip!

Mr. Prud'homme: —of my favorite whip that I hope the House will vote on this bill as expeditiously as possible. However, we can imagine the discrimination against some older people living in homes for the aged because it is even worse for senior citizens who live together than for those who live alone by themselves. In the same building, on the same floor, there are some senior citizens who get the pension and others who do not, simply because they are divorced or separated from a spouse who did not deserve them, or simply because they are single. These are the people who will be discriminated against as of September 1. Therefore, I ask, urge and beg the government to think these things over and to arrive at a solution with a view to avoiding a repetition of this unfortunate situation.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am very pleased to take part in the debate on the amendment to Bill C-26. Our Party fully supports Bill C-26, but what we want as Liberal Members of the House is to make sure that the Bill does not leave any stone unturned and that as many Canadians as possible are protected under the provisions of this measure. I take this opportunity to congratulate my colleague the Hon. Member for Saint-Denis (Mr. Pru-

d'homme) on the excellent speech he made in the House of Commons earlier today, and to commend the Hon. Member for Monteal-Sainte-Marie (Mr. Malépart) for his work in this case. Mr. Speaker, objective and impartial as you are, you have certainly appreciated, and rightly so, the outstanding work done in this case by the Hon. Member for Montreal-Sainte-Marie and of course the Hon. Member for Saint-Denis.

[*English*]

What we are talking about here today is something that will ensure that more people are protected by Bill C-26. In its present form, Bill C-26 will enhance the standard of living for certain Canadians, but it will create an injustice whereby some 80,000 Canadians will be discriminated against. There is no doubt that the Hon. Member for Longueuil (Mr. Leblanc) would agree with me that this is unfair. He would no doubt want to speak on behalf of his constituents, if he were permitted to do so, to state in the House that Bill C-26 would be much better if it applied to every Canadian in need between the ages of 60 and 64.

If a person between the ages of 60 and 64 is divorced or separated and has the same financial need as a person who is widowed, why should we want to discriminate against that person? I am sure, Mr. Speaker, that you, just like I, would not want to discriminate against single, divorced or separated Canadians. We would want all Canadians with little or no means to be provided with the financial assistance that they so richly deserve at an age when they have contributed so much to our society.

I have discussed the following issue in this House in the past, but I would like to repeat myself just in case some Hon. Members were not giving their undivided attention to me at that time. I know that I cannot say that I am doing this in case some Hon. Members were not present because all Members are always present in the House, as you have decreed in the past, Mr. Speaker. Just in case some Hon. Members were not paying attention when I raised this issue before, let me raise again the following proposition: it is a fact that single and divorced Canadians will be discriminated against because this Bill will not assist them.

Let me describe certain instances in which single Canadians will be discriminated against. If a Canadian citizen is divorced and is no longer receiving alimony or other benefits from a former spouse, potentially that person is in the same financial difficulty as a person who is widowed. Both of them have lost the person who assisted them financially.

● (1400)

In conclusion, I urge the Government to consider the Liberal amendment.

Mr. Speaker: It being two o'clock, the House will now proceed to Statements by Members, pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENSIONS

CALL FOR RESTORATION OF FULL INDEXATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, since gray power has come to the fore in Canada, elderly Canadians have been actively protesting the Tory Budget's intention to cut indexation next January and the Prime Minister (Mr. Mulroney) has been looking to find a way to sneak out of that ill-founded policy. There are ways to do it. He can simply announce today, as he should, that the policy of deindexing has been dropped. He won't though, since such directness is not part of his style.

Already there are predictions that somehow, in the next few weeks or months, the Canadian economy will undergo some magical rejuvenation which will make deindexing unnecessary. Then the Tories will try to paint themselves as true-blue heroes. Nobody will be fooled, because Canadians will not allow themselves to be fooled again by the Tory gang.

Canadians are recalling the old saying: "Fool me once, shame on you; fool me twice, shame on me". No, Canadians will not allow themselves to be fooled again by the Tory gang and by the Prime Minister's lack of credibility.

When the announcement comes changing the deindexing provisions of the Budget, and it will, the Prime Minister or the Minister of Finance (Mr. Wilson) will announce the change sitting down.

Now is the time for them to announce that deindexation will be discontinued.

* * *

INTERNATIONAL FREEDOM FESTIVAL

WINDSOR-DETROIT CELEBRATIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I would like to draw the attention of the House to a significant event which will occur in Windsor, beginning tomorrow. The most significant national holidays in Canada and the United States are July 1 and July 4 respectively. It was to commemorate these nearly coincident national days that the Windsor-Detroit International Freedom Festival was inaugurated by Queen Elizabeth II and Prince Philip in 1959. Since then it has grown to become the largest international festival in the world and is attended by millions from both sides of an undefended border which was once the destination of both my slave and abolitionist forefathers.

Occasionally there are fireworks in this House over relations between Canada and the United States because we, just as much as the Americans, take pride in our independence and freedom. In Windsor and Detroit next week we will have the largest annual display of fireworks in either country, when we, as two equal peoples, celebrate our friendship, freedom, and

honour—heroes in the cause of human rights. We hope you all will come on down to the Banana Belt and have a good time.

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—JOINT COMMITTEE DELIBERATIONS

Mr. Alan Redway (York East): Mr. Speaker, for a number of weeks now, I, and I am sure all Members of Parliament, have been receiving letters and other communications from constituents in connection with the invitation to Canada from the United States to participate in the Strategic Defence Initiative research program.

While the letters started some time ago, the volume has increased dramatically since the Secretary of State for External Affairs (Mr. Clark) indicated the Government's desire to consult with the Canadian people on the subject of SDI research.

Many Canadians are happy to write to the Prime Minister (Mr. Mulroney), or their Member of Parliament, but many more, including the East York Peace Committee, with which I recently met, are anxious for an opportunity to express their views before an all-party committee of Parliament. Party task forces have their place, but they are no real substitute for a parliamentary committee.

I was delighted last week when all Parties set aside their differences and agreed to establish a Special Joint Committee of the Senate and the House of Commons to investigate the subject of Canada's participation in SDI research, and to report by August 23. That will provide a vehicle which will enable all Canadians to have an input into a decision which will be of enormous significance to us all.

* * *

THE MEDIA

PRESS GALLERY REPORTING OF PARLIAMENT

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, is the Parliamentary Press Gallery exercising responsible journalism? The very worthy Report on House of Commons Reform which was tabled this week is typified by *The Globe and Mail* as "a challenge to the Prime Minister". Columnist Don McGillvary says it won't work because the Prime Minister (Mr. Mulroney) would have to "surrender power". These writers are either overly cynical, dim-witted, or perhaps both.

As a journalist who entered politics, I well remember the tendency of some journalists to become a self-ordained political opposition. Unfortunately, in recent years, the Parliamentary Press Gallery has not distinguished itself, both in quality and in intellect. Most Ottawa Press Gallery members pale in comparison with legislative and parliamentary reporters in other world capitals.

S.O. 21

Our Press Gallery is preoccupied with controversy, division, and sensationalism. Because of this, the Press Gallery discourages the very kind of debate that it desires. Objectionable behaviour, unparliamentary language, rat packs, and disorder are the stuff of headlines in the national news.

Sensible, thoughtful, and intelligent debate in the House of Commons and in committee is seldom, if ever, reported. Most of this reasoned debate takes place before or after Question Period, when the media benches are entirely empty and the reporters have gone home.

Fairness, accurate portrayal, and balance are what jounalism is all about. It is time our Press Gallery woke up.

* * *

EMPLOYMENT

CRITICISM OF EQUALITY LEGISLATION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I am shocked and disappointed that the federal Conservatives have broken yet another election promise regarding affirmative action to hire the handicapped. Groups representing hundreds of thousands of women, minorities, and handicapped, are profoundly upset and say that the Mulroney Government's proposed equity scheme has fundamental flaws and will fail.

The federal legislation should have responded to the Abella Royal Commission Report: *Equality in Employment*, but instead it will not contain any mandatory program for affirmative action, any mechanism for enforcing companies' compliance with the legislation, or even any mechanism to monitor the so-called law.

In this lip service approach, all a company will have to do is declare that it is an Equal Opportunity Employer, even though the Government knows that such voluntary action is branded as useless by all who are experienced in the field. Without proper monitoring, groups will have no basis for complaints.

To add insult to injury, only companies dealing in contracts of more than $200,000 will be eligible, instead of the $20,000 limit which was proposed in the *Obstacles Report* that was commissioned by the Liberal Government. An enormous number of companies which do business with the Government will be left out completely from complying. The new law will be absolutely toothless.

Kathleen Ruff, of the Canadian Association for the Mentally Retarded, stated on June 12, 1985:

—this is not employment equity, this is misleading advertising, this is a dishonest statement on the part of the Government. It is a broken promise.

Jim Derksen, National Chairman of the Coalition of Provincial Organizations of the Handicapped, said June 19—

Mr. Speaker: I regret to interrupt the Hon. Member, but his 90 seconds have expired.

S.O. 21

FITNESS AND AMATEUR SPORT

CROSS-COUNTRY SKIING—CONTRIBUTION OF HERMAN "JACKRABBIT" JOHANSSEN

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, Herman "Jackrabbit" Johanssen has reached the venerable age of 110 years and is celebrating that fact at a large party which will be held this afternoon.

He is convinced that his long life is the result of the skiing and canoeing he enjoyed after he came to Canada in 1902.

"Jackrabbit" Johanssen certainly provides splendid evidence of the beneficial effects of such athletic activity.

Although canoeing was developed by the native peoples during their long centuries on this continent, Canadians should be grateful to Mr. Johanssen and other Scandinavian immigrants for their introduction of skiing to our country.

Cross-country skiing has become a vital part of winter life in many Canadian communities. Mr. Johanssen's contributions to that have been recognized at the Canadian Ski Museum in Ottawa.

Entire families enjoy cross-country skiing in my city of Thunder Bay, and sport organizers there have been working hard to bring the World Nordic Games to our community. Participation in these amateur sports does much to improve the fitness of Canadians and to extend the vital life of senior citizens.

The desire of seniors to lead a full life depends on the incomes which are provided by adequate pensions. Mr. Johanssen joins with other seniors, and most Canadians, in demanding full indexing, on a quarterly basis, of the Old Age Security pension and the Guaranteed Income Supplement.

* * *

● (1410)

[*Translation*]

OLD AGE SECURITY

PENSIONS—GOVERNMENT POSITION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I was very disappointed during Question Period yesterday when some Members opposite hurled abuse at the Prime Minister (Mr. Mulroney).

Mr. Speaker, the Canadian people must wonder about the operation of this House. What they saw was an attention-seeking device designed to draw the attention of the medias to an individual.

Now, how much did this little game cost the taxpayers? The proceedings of the House were halted for over an hour, and yet Members opposite know that unparliamentary terms are out of order in this House. Who are the victims of such manipulation, Mr. Speaker? Our senior citizens, those people to whom we owe so much respect and who are disappointed and disillusioned when they witness such goings-on.

The Members opposite keep on spreading uncertainty after bringing the country on the verge of bankruptcy. They allowed the country to live beyond its means and if we do not act now to cut the deficit, in a few years we will no longer be able to afford our social programs since the cheques will be returned by the bank marked "no sufficient funds".

On the subject of pensions, Mr. Speaker, the Prime Minister has said over and over again that no change will be made to the old age security pension before 1986. The GIS is fully indexed and the OAS is also indexed, but only when inflation exceeds 3 per cent.

Our Prime Minister has also undertaken to monitor the situation closely and even to make some changes before 1986, circumstances permitting. That is the truth, Mr. Speaker.

* * *

[*English*]

AGRICULTURE

EFFECT OF EUROPEAN BEEF IMPORTS AND UNITED STATES LEVY ON PORK

Mr. Gordon Taylor (Bow River): Mr. Speaker, what is happening to agriculture in western Canada? The European Common Market is dumping its highly subsidized beef into Canada, and if New Zealand and Australia fill the quota allowed, plus that from the United States and Nicaragua, Canada will have even more imported beef this year than last year. Who loses? The beef producers of Canada do.

The United States Government is imposing a levy on Canadian pork entering its country, claiming that government subsidies in most provinces in Canada make it impossible for its hog producers to compete. Who loses? The hog producers of Canada do, including those in Alberta who suffer a double whammy. Albertans receive no government subsidy, and must also pay this levy, making it virtually impossible for hog producers in Alberta to compete or survive.

Grain producers are suffering from depressed prices, millions of grasshoppers, accumulated interest, and customs duties on farm equipment. Who loses? Our grain farmers do.

When our livestock producers and grain farmers go bankrupt, who loses? The consumer, who will then pay right through the nose for his food will lose.

A voluntary tripartite stabilization act, with no subsidization, and the payment of the Crow shortfall to producers in Canada, will help. Let us give our western Canadian farmers an opportunity to survive.

[*Translation*]

THE MEDIA

PRESS REPORTS UPHELD

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I did not want to take part in the question period today, but the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley)—

[*English*]

—has just made what I consider to be a very inconsiderate attack on the press.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: Is it the fault of the press—

Some Hon. Members: Oh, oh!

Mr. Prud'homme: Don't hold my time up.

An Hon. Member: You can't take it, can you?

Mr. Prud'homme: Is it the fault of the press, Mr. Speaker, if promise after promise is broken? Is it the fault of the press if billions and billions of dollars have been given to the oil industry? Is it the fault of the press if the Hon. Member for Victoria (Mr. McKinnon), a very distinguished Hon. Member of this House, and the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosier), signed a petition, joining with the millions of the people who disagree on the question of deindexing of the pensions?

An Hon. Member: Right on.

Mr. Prud'homme: Is it the fault of the press, Mr. Speaker, if new and hidden taxes will be announced? You are going to celebrate July 1 when hidden taxes will be thrown at the people of Canada. Is it the fault of the press—

Mr. Speaker: Order.

Some Hon. Members: Hear, hear!

* * *

INDUSTRY

PHARMACEUTICAL INDUSTRY—COMMISSION RECOMMENDATIONS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the recently published report of the Commission of Inquiry on the pharmaceutical industry, headed by Commissioner Harry Eastman, made some valuable recommendations. Three important areas of investigation were as follows: first, the speeding up of the authorization processes for new drugs while ensuring their safety and efficacy; second, providing that compulsory licences ensure that licencees pay their fair share of research and development costs and that royalties are distributed in a way designed to encourage research in Canada; and, third, providing more information to consumers on substitutability and prices.

All in all, Sir, the report gives authoritative directions for our pharmaceutical industry, and it is to be hoped that the recommendations will be implemented in a timely manner so as to ensure the availability of safe, effective, and reasonably priced drugs, to encourage research and development in Canada, and to increase the proportion of Canadian manufactured pharmaceuticals sold in our domestic market.

ORAL QUESTION PERIOD

[*English*]

PENSIONS

PRIME MINISTER'S ELECTION PROMISE

Mr. Speaker: Oral Question Period. The Right Hon. Leader of the Opposition.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): We will try to keep it a little quieter today, Mr. Speaker.

[*Translation*]

My question is directed to the Prime Minister. Everyone in Canada, except maybe the Prime Minister, knows perfectly well that in Sherbrooke last year, in July, he promised to maintain full indexation of Old Age Security benefits.

Has the Prime Minister forgotten his promise? Is he going to keep it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already indicated that we are fully aware of our responsibility towards the neediest in our society, and that is why we have been taking major steps to provide assistance for this particular group in our society.

I have also mentioned that the Budget provides that we will monitor the situation and that we will make a statement on this question as soon as possible.

[*English*]

STATEMENT BY PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker yesterday the Prime Minister and his Minister of Finance accused some of us on this side of the House of scare tactics. But the Prime Minister told this House yesterday that if he did not deindex old age pensions and withdraw partially the protection against inflation, the Government's cheques to our elderly citizens would bounce. If that is not scare tactics, I wonder what is. Frankly, that has dropped the Prime Minister's own credibility to NSF.

For the benefit of the Minister of Finance, Mr. Speaker, that means "non-sufficient funds".

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I ask the Prime Minister: how is he going to restore that credibility?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was merely referring to what I think is an historical fact, that the deficits which began during the time my right hon. friend was Minister of Finance have led to a crushing burden—and I say this with no unfairness; I think it is a fact—which places in peril the capacity of the country to do that which we must do, namely, supply services to our elderly citizens. There were no scare tactics involved at all of any kind.

My right hon. friend indicated when he was seeking the leadership of the Liberal Party that he planned to cut the deficit by 50 per cent in seven years. He has yet to indicate how he proposed to do it, but he has certainly recognized by that statement the debilitating nature of the public debt which is indeed jeopardizing programs. So we have to try to reignite the economy, with new jobs and new wealth, so we can do more for our senior citizens.

• (1420)

REQUEST THAT COMMITMENT BE KEPT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister tried that charge in answer to my second supplementary yesterday when I could not reply. I want to recall to him and the Minister of Finance that when I had custody of the country's finances we brought in the last two surpluses in Canadian history—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): And they were your first two Budgets.

Mr. Turner (Vancouver Quadra): These figures are borne out by the national accounts. In the four-year period over which I had custody of the country's finances the average deficit was $711 million, compared to the $34 billion of the current Minister of Finance.

Mr. Epp (Provencher): Then what happened?

Mr. Turner (Vancouver Quadra): My question really relates to trust in government. The Prime Minister has broken a promise. At the same time that he broke his promise to our senior citizens his Minister of Finance was giving a $125,000 cash bonanza to everyone wealthy enough to have a capital gain. Will the Prime Minister keep his word, given in Sherbrooke last July? Will he restore his credibility and restore trust in government by restoring full indexation of senior citizens' pensions?

Right Hon. Brian Mulroney (Prime Minister): My right hon. friend refers to the two surpluses. His last two surpluses were in his first two Budgets, and the next two Budgets began the process of this country going belly-up.

Mr. Nielsen: The father of the deficit.

Mr. Turner (Vancouver Quadra): Some $711 million against $34 billion.

Mr. Mulroney: He is blaming people here for the $34 billion. Don't look over here; it was your predecessor who did that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We gave you $32 billion, you blew it up to $38 billion, and now you are back down to $34 billion. You did a great job.

Mr. Mulroney: My right hon. friend is trying to run from responsibility for the $34 billion deficit. I never tried to hang that one on him. It was his Party that did it, but his trying to run away from that responsibility indicates the extent to which he is fearful of the implications, and quite properly so. It is that kind of economic mismanagement which gravely imperilled the capacity of the country to sustain the programs we must provide for our elderly. My right hon. friend knows that better than most people in this House, and certainly better than any other Member of his own Party.

[*Translation*]

REQUEST FOR REASSURANCE OF ELDERLY ON PENSIONS ISSUE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister, who, considering the kind of answers he has just been giving, should not be surprised to hear the kind of comments Mrs. Solange Denis made to him yesterday on Parliament Hill.

Mr. Speaker, I would like to ask the Prime Minister the following: In Sherbrooke, he said that he expected the deficit would be $40 billion. When he made his promise, he knew what he was doing. In January, when he promised Canadian men and women that he would protect Old Age Security pensions, he knew what the situation was at the time. Could the Prime Minister stop playing games and reassure the elderly, who are waiting for a forthright and honest decision from the Prime Minister?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I can tell, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think it would be better if we took the advice we got in the beginning, and try to be a little quieter today.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, what I was going to say was that I can tell Hon. Members opposite do not want to listen to the truth, because they are going to get some of it now.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We have had in this country a situation where there is going to be—

Mr. Nunziata: Name that Member for you know what.

Mr. Nystrom: Doesn't Brian tell the truth, Mike?

Mr. Wilson (Etobicoke Centre): We are going to have—

Mr. Speaker: Order, please. Normally one assumes that, when someone asks a question, he at least wants to hear the answer.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, those Hon. Members do not like to hear that the debt of this country has been growing at 25 per cent per annum. That is three times faster than the country has been growing. You cannot go on like that forever. In 1979 interest on that debt was $8 billion; it is now $25 billion. That is now greater than what the federal Government is spending on medicare, Old Age Security and the Guaranteed Income Supplement. If changes in the finances of the country are not made soon, that 25 per cent per annum growth will double the debt every three years and the country will not be able to afford any programs. That is the reason we have to make the changes.

[*Translation*]

Mr. Malépart: Mr. Speaker, Hon. Members will recall that the Minister of Finance admitted right after the election that he did not tell the truth during the election campaign, so I do not know when he will do so.

REQUEST THAT PRIME MINISTER HONOUR PROMISES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my supplementary is directed to the Prime Minister. Mrs. Denis explained to him yesterday that she could not make ends meet with the kind of income she had. Starting July 1, his Government has decided to put a 10 per cent tax on soap, toothpaste and all other basics. Her purchasing power is diminished as it is—

Mr. Speaker: Is there a supplementary, please?

Mr. Malépart: Since the Prime Minister is aware that these elderly Canadians do not have adequate incomes, will he, starting January 1986, keep his word and provide full indexation of Old Age Security pensions for all elderly Canadians?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, when the Hon. Member speaks about poverty—

Mr. Turner (Vancouver Quadra): Are you third in the batting order, Jake?

Mr. Epp (Provencher): —he puts his finger on an issue which I think all Members of the House who take these issues seriously are aware of, and the concern it raises. I would also point out to him that poverty did not come into existence only after the last election. If he looks at the statistics he will know that poverty is an issue which has to be addressed not only by the federal Government but by all levels of government, and society generally. The point I make is this. No matter the political philosophy he or I may have, surely the best manner—

Ms. Copps: Capital gains is politics.

Mr. Blackburn (Brant): Sheila is back.

Mr. Epp (Provencher): —of approaching the question of poverty is to increase our ability to create a better economy. The federal and provincial Governments would then get more revenue, and non-governmental organizations such as volunteer agencies will get more money. We can then help those who need the help. That is the way to address poverty. One cannot simply throw statistics around and say that poverty happened after a certain date. Poverty existed when he was a member of the Liberal Government.

FULL INDEXATION REQUESTED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister who has left the impression in recent days that the Government is going to do something about restoring benefits to Canada's pensioners. We would all like that decision to be announced soon, but I would like him to clarify another matter concerning who will get the benefit of this restored justice, if I may put it that way.

Considering that double indexing the GIS in the way the Liberal Government did it in 1982 would leave about 1.3 million Canadian pensioners out in the cold entirely, will the Government assure the House that, when it takes corrective action, that action will be full reindexation of all Canada's pensioners?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if there is a statement in that regard it will be made at the earliest possible moment, and my friend will be among the first informed.

Mr. Broadbent: We are just hoping that that will be made before the end of this month so we will be around to listen to what the Government has to say.

Oral Questions

● (1430)

REQUEST FOR COMMITMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister's former friend from Quebec, if I may put it that way, who had a chat with him outside the House yesterday, indicated very clearly that pensioners and other Canadians want a full restoration of indexation for all of Canada's pensioners. Why will the Prime Minister not make a commitment that that is the kind of action the Government plans to take?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I readily accept, as I know my right hon. friend opposite did in other circumstances, the fact that the Prime Minister of the country will, from time to time, get remarks that are not always the most pleasant to hear. I understand the sense of frustration which comes about in difficult economic circumstances. That is why I went out to see the pensioners yesterday. That is why I spent the time to speak with them and to hear the case which they wanted to make again yesterday. I feel that it is a responsibility of the Prime Minister of Canada to listen to people, not to give them the finger, and to take his medicine when he has to.

Mr. Broadbent: Mr. Speaker, if the Prime Minister had listened to pensioners before his Government brought in the Budget, he would not be hearing "No way, Charlie Brown", from pensioners after the Budget.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, whether we are going to maintain a consistent and adequate universal pension for all Canadians or are about to turn our pension system into a system of welfare is a very important matter of principle. Will the Prime Minister indicate to the House that when the Government announces its decision it is not going to distinguish between recipients of the GIS and other pensioners but will restore justice to all, that is to say, bring in full indexation for all of Canada's pensioners?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I heard an opinion from another pensioner in Sept-Îles the other day—and the press were there to hear it—who said that they knew that the Government had inherited a bad fiscal situation and is trying to work its way out of it.

Mr. Broadbent: That was George Hees.

Mr. Mulroney: I think the statement was reported as saying that they feel that Mr. Trudeau, Mr. Desmarais, and Mr. Bronfman do not need it, and it should be given to the elderly poor in our society who need it most of all. That, too, is an opinion.

Mr. Broadbent: What's your opinion?

Mr. Mulroney: All I can tell my hon. friend is that if and when we have a statement to make, my hon. friend will be the first to know.

CONCEPT OF UNIVERSALITY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Hearing the Minister of National Health and Welfare, the Minister of Finance, and the Prime Minister answering in the way in which they have been reminds me of the saying that it is better to hang together than to hang separately, as they surely will if this matter is not cleared up soon.

The Prime Minister's answers to the Leader of the NDP indicate that he wants to walk away from the concept of universality to which he committed himself as recently as last December. Will he assure the House today that any solution he is contemplating to get himself out of this deindexing fiasco will respect the concept of universality and that all of Canada's senior citizens, not only those receiving GIS, will receive the benefits of full indexation of OAS as promised in Sherbrooke last July?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have a lot of respect for almost every Member of this House but I do not have for that Hon. Member.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The reason I do not is because he knows the rules of this place and thinks he can abuse them. He thinks he can abuse Members and that they will still respond to him.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Go get your Bible for God's sake.

Mr. Foster: Answer the question, Jake.

Mr. Turner (Vancouver Quadra): He has to listen to every Hon. Member.

Some Hon. Members: Shame.

Mr. Speaker: I think all Hon. Members know that comments about other Hon. Members should be kept to an absolute minimum.

Some Hon. Members: Withdraw.

Mr. Tobin: Mr. Speaker, let it be noted that when I choose people to abuse they are big strong parliamentarians who can stand on their own two feet, not 2.5 million old men and women in this country who cannot defend themselves in this place. Let that be noted.

Mr. Speaker: I invite the Hon. Member to please ask his question.

EFFECT OF BUDGET

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, do the Minister of Finance and the Minister of National Health and Welfare realize that if they do not restore full indexation of the OAS now, every person who is presently 55 years of age will lose 48 per cent of their OAS purchasing power by the time they collect their first cheque when they are 65 years of age? Do the Minister of National Health and Welfare, the Minister of Finance, and the Prime Minister believe it appropriate that people who are currently 55 and will collect their first cheque when they are 65 years of age will get only half of the Old Age Security that is currently being received by senior citizens?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I did not say I was not going to listen to him. I said that I could choose whom I would respect.

Some Hon. Members: Order.

Mr. Epp (Provencher): The Member knows that the figure of 48 per cent which he used is wrong. The Liberal critic for health and welfare used the figure of 20 per cent yesterday.

Mr. Frith: And I stand by that.

Mr. Epp (Provencher): That was wrong, and he knows it is wrong, and he is doubly wrong today. Let us get back to the exact issues and numbers, rather than the projections which the Member and others in his Party have made.

[*Translation*]

FULL INDEXATION—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister.

The Prime Minister has avoided saying whether he will honour the promise he made during the election campaign and when he will make an announcement concerning a policy change aimed at restoring indexation. Can the Prime Minister at least assure us that, when the decision is announced, it will be full indexation of old age security pensions and not simply a measure which would benefit only the guaranteed income supplement recipients?

Right Hon. Brian Mulroney (Prime Minister): If any change is to be announced, Mr. Speaker, a statement will be made in the House of Commons at the appropriate time.

REQUEST FOR FULL INDEXATION OF PENSIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, would the Prime Minister give us the assurance that those comments concerning supposedly wealthy retired people do not mean that the commitment made by the Prime Minister with respect to universality being a sacred trust will be abandoned? Will the Government keep its word and maintain universal pensions, and therefore restore full indexation of all and not only of some of the old age security pensions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the New Democratic Party was referring to comments on this issue made by somebody outside the House yesterday. I took it upon myself to mention another statement reported in the press and made by an elderly resident of Sept-Îles who is also entitled to voice an opinion, and it was in that sense that I mentioned it.

[*English*]

REQUEST THAT BUDGET PROPOSAL BE WITHDRAWN

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Finance. I have just returned from three weeks of travel from Vancouver to Halifax with the Committee on Equality Rights. The budget proposals are a travesty of this principle, for we are participating in unequal justice.

Does the Minister agree that justice unequally applied is justice denied? The anger and views which were expressed on the Hill yesterday are exactly the anger and views that I heard across the country. Quite frankly, Mr. Minister, your crocodile tears for seniors and your capital gains for your buddies on Bay Street are not appreciated. Will the Minister end the sense of insecurity, and insensitivity of his proposals for the seniors, and discontinue the deindexing for seniors?

● (1440)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me comment on some of the elements of that question. I want to remind the Hon. Member that the Budget has included a wide range of measures that demonstrate the desire of the Government to introduce a degree of fairness into the approach we are taking to deal with the deficit problem.

We have said that there will be a minimum tax in 1986. There will be a surtax on upper income Canadians. There will be a surtax on large corporations. There will be a tax on the chartered banks. There will be other measures taken to introduce a degree of efficiency, and remove a lot of waste that is in the operations of the Government as they were carried out by the previous Government.

These steps are demonstrating that we mean business about coming to grips with this problem, but in a way that demonstrates that it is a national effort and everyone will be participating in the most appropriate way.

REQUEST FOR FULL INDEXATION

Mrs. Sheila Finestone (Mount Royal): The Minister's stockbroker mentality does not seem to understand the impact of his inhumane proposals. You have just added a whole bunch of proposals for your Bay Street friends but none of them are as concrete as what you have now proposed for seniors.

Some Hon. Members: Hear, hear!

Mrs. Finestone: You know, there are financial and human costs—

Mr. Speaker: Order. May I just remind Members that questions and answers should be put through the Chair.

Mrs. Finestone: Mr. Speaker, the tea and toast are getting a little colder.

Will the Government restore full indexing now so that poor elderly women will maintain their purchasing power and have peace of mind to enjoy this summer, or will they have to live with your stockbroker mentality?

Some Hon. Members: Hear, hear! Now, now!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thank the Hon. Members for their round of applause.

Let me ask the Hon. Member whether she advised those senior citizens whom she met in the last couple of weeks that their cheques will not be cut on July 1, but increased? What about August 1 and September 1? Did she say they would be increased again on October 1, or did she leave the impressions that have been left by her colleagues, that the amounts will be cut? I do not believe she did.

I also do not believe that she spent any time stressing—

Mrs. Finestone: I listened to them.

Mr. Wilson (Etobicoke Centre): If she is not going to let me finish my answer, obviously she does not have any interest.

TIMING OF GOVERNMENT ANNOUNCEMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Prime Minister. He has finally told us where he will be making the announcement with regard to his backtracking on the deindexing of pensions. We want to know when he will tell us? Will it be by the end of next week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, all that I indicated was that, if and when we have a statement to make on this, I think that we quite naturally would want to make it in the House of Commons.

REQUEST FOR JUNE STATEMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Prime Minister has clearly said that he would make a statement in the House of Commons.

Some Hon. Members: No.

Mr. Keeper: What we want to know is whether he will make that statement by the end of next week because, if he does not do it then, pensioners will have to wait until next September, and that is too long.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no pensioner has received any cuts at all of any kind, nor will they. As I have indicated, there are measures in the Budget which will allow us to monitor this very carefully. That is why it was placed there in the first place.

I did indicate to one of his colleagues earlier that, if and when a statement were to be made, I believe it ought to be made in the House of Commons.

Mr. Keeper: When?

* * *

REFORM OF THE HOUSE OF COMMONS

IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Hon. Government House Leader. This week the Special Committee on Reform of the House of Commons tabled an excellent report concerning revised rules and decision-making in the House of Commons. Considering the growing sense of cynicism and frustration across the country on the part of the electorate—

Some Hon. Members: Hear, hear!

Mr. Nunziata: That man speaks the truth.

Mr. Speaker: Order.

Mr. Ravis: Considering the sense of frustration and cynicism across the country on the part of the electorate at the way that all parliamentarians behave themselves in the House of Commons while conducting the nation's business, how serious is the Government with regard to parliamentary reform and the timetable for implementing the recommendations?

Mr. Gauthier: Thank you for the question.

Mr. Guilbault (Saint-Jacques): Thank him for the question.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I want to thank my colleague, who comes from the great city of Saskatoon, for asking this outstanding question. When he talks about cynicism, I wish he would not keep referring to the Liberal Party that way.

With respect to the substance of his question, indeed this is an outstanding report. All Members of Parliament share the enthusiasm for the report by the Hon. Member for St. John's East and his distinguished colleagues, representing all Parties. I can say that, as a manifestation of the fact that we take this committee and the recommendations seriously, we intend to implement, entirely, the first report so that it will benefit us when we come back to Parliament, if we adjourn, next September.

All that I can say is that we think this is an excellent report and we will give it the most urgent attention. You can rest assured that there will be consultations, as there have been in the past, with opposition Members to make sure that we have the best possible implementation of that excellent report.

NATIONAL SOVEREIGNTY

NORTHWEST PASSAGE—SUMMER VOYAGE BY U.S. COASTGUARD VESSEL

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Canadians have been informed that next summer the Americans intend to send an icebreaker from the U.S. Coastguard into the North. When a similar incident occurred ten years ago, the Government of the day insisted that the sovereignty of Canada be respected. Is it the intention of the Right Hon. Minister to ensure that no ice breaker, even from one of the countries friendlist to Canada, will come into our territory to try to take our sovereignty away from us?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I regret questions that are deliberately anti-American at any time. I think Members of the House would agree that this is a particularly inappropriate time for the official spokesman on external affairs for the Liberal Party in Official Opposition to be attacking the United States of America. Most Members on this side of the House extend our sympathy and encouragement to the people of that country at this time.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): With regard to the specific question that has been raised, as he would know, the action that is being taken by the Government of the United States does not compromise in any way the sovereignty of Canada over our northern waters, or affect the quite legitimate differences of views that exist between Canada and the United States on that question.

GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): The Hon. Minister knows that we have the obligation in Parliament to defend the interests of Canada against anybody, especially when the Government of Canada pretends that it is very close to the Americans. After the great summit in Quebec we have seen our farmers and fishermen taxed by import quotas in the United States, against the best interests of Canada.

Mr. Speaker: Does the Hon. Member have a supplementary question?

Mr. Chrétien: Will the Minister tell the American Government that when they come to the Northwest Passage this summer they are in Canadian waters and must ask permission from the Canadian Government to be there?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we will do better than that. We will have Canadians on board to guide them through waters which we consider to be ours.

Some Hon. Members: Hear, hear!

SHIPBUILDING

HALIFAX INDUSTRIES LIMITED

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister is aware of the financial difficulties of Halifax Industries Limited which has been working on three government icebreakers. Mr. Dick Martin, Executive Vice-President of the Canadian Labour Congress, is sending a telex to the Minister's office this afternoon to underscore the seriousness of the situation.

The Nova Scotia Government would like to help. Will the Minister take the steps required at the federal level to ensure that new owners are found for Halifax Industries Limited, and that employment is maintained for up to 700 workers?

• (1450)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member will be pleased to know that we have had ongoing discussions with Premier Buchanan and Development Minister Thornhill on the subject. There is now a matter before us which we hope to be able to deal with very, very promptly, touching on the situation to which the Hon. Member has referred.

GOVERNMENT PLANS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Minister suggests early action. If needs to be very early. I would suggest, if necessary, even an emergency Cabinet meeting to ensure that this is acted upon this week.

The difficulties HIL is experiencing are symptomatic of the difficulties facing the shipbuilding industry generally. Does the Minister have any plans to save the entire shipbuilding industry from the bankruptcy that so many fear these days?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member will be pleased to know that the Government is always alert and is always ready to take action. In fact the Halifax shipyard question is on the agenda before the CCERD Committee tomorrow morning.

* * *

FISHERIES

SPRING LOBSTER SEASON—REQUEST FOR EXTENSION

Mr. Pat Binns (Cardigan): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. However, in his absence perhaps the Acting Minister or his Parliamentary Secretary night wish to answer.

The spring lobster season ends on Sunday, June 30, and since most fishermen do not fish on Sunday they would have to haul their lobster traps on Saturday, June 29. Will the Minister extend the season to Monday, July 1, so that our lobster

fishermen will not lose a day's fishing which collectively would amount to over $3 million in landed value?

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I would like to thank my colleague, the Hon. Member for Cardigan, who has raised a question that is on the mind of every fisherman in Atlantic Canada. It is not only on the minds of fishermen from P.E.I. but also on the minds of fishermen from St. Georges Bay, Nova Scotia, who have also made the same request. I can inform the Hon. Member that we are considering the matter and we will have an answer for him, probably next week.

* * *

[*Translation*]

OLD AGE SECURITY

PENSIONS—INQUIRY IF GOVERNMENT WILL MAKE STATEMENT

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Right Hon. Prime Minister. He made new overtures today during the Question Period in replying to one of my colleagues when he said that he was ready to make the announcement in the House.

We all know that the House will be sitting until June 28. Will the Prime Minister stop fooling around with the anxiety and uncertainty of senior citizens and make his announcement immediately to stop this charade?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, all I did was to say in reply to a question from my hon. friend that, if we had such a statement to make, and I have already shown my genuine concern for the situation of senior citizens, it would be made in this House, as this would seem normal and desirable.

REQUEST THAT PRIME MINISTER GRANT WISH OF ELDERLY

Hon. Jean Lapierre (Shefford): I have a supplementary, Mr. Speaker.

All these ifs and maybes will not help senior citizens pay their rent at the end of the month. The Prime Minister is aware that we are very close to July 1, when senior citizens will have to renew their lease for a full year, including part of 1986, which will be affected by his decision. Will the Prime Minister finally make up his mind and tell senior citizens that he was wrong, that he will reverse his stand and that he will respect the wishes of his own Aunt Jeanne in Baie-Comeau, who signed the petition and told the Prime Minister: Brian, we have done our share in life, you have no right to touch the pensions of senior citizens and you promised you would do no such thing. Will the Prime Minister at least listen to his Aunt Jeanne and grant the wishes of the elderly?

Right Hon. Brian Mulroney (Prime Minister): My Aunt Jeanne, whom I loved very much, died 11 years ago. The Hon. Member has given me some good news. In fact, this an extraordinary piece of news. If I may, Mr. Speaker, I shall leave the House immediately to make a phone call.

[*English*]

Mr. Speaker: Order, please. The Hon. Member for Kamloops-Shuswap.

* * *

EXTERNAL AFFAIRS

EXPORT OF MILITARY EQUIPMENT TO CHILE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister.

Mr. Speaker: Order. Order, please. Is the House ready for another question? The Hon. Member for Kamloops-Shuswap.

Mr. Riis: Mr. Speaker, the Prime Minister will know that on Tuesday of this week his Secretary of State for External Affairs said in the House that the Government had made known to the authorities in Chile its revulsion at the practices of that regime, practices of torture, brutality, and indiscriminate killing of innocent people.

Since the Prime Minister's Government has been in power, he has authorized, through his Secretary of State for External Affairs, the export of over $11 million worth of military equipment to the Chilean army and the Chilean national police force. Why has the Government permitted these exports when it expresses its revulsion at the brutality of the Government of Chile?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member raised this question the other day in the House of Commons with regard to an export by a small Canadian company, the purpose of which was to protect people from being blown up by bombs. I think those facts are now known to the House. It is also known that because I was concerned about the application of Canadian export policy, some months ago, before the Hon Member raised this question, I ordered a review in dept of the practices of the Government with regard to the standards we apply to exports.

It is a very difficult and complex question. It is easy to state the principle. It is much more difficult to apply it in practice. I say in all sincerity, Mr. Speaker, that I would welcome suggestions by the Hon. Member of ways in which we could apply that important principle in practice that will not, for example, contribute to the blowing up of people whose work it is to protect against bombs and other explosions.

GRANTING OF EXPORT PERMITS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, perhaps any support of the national police force of Chile or of

the Chilean Armed Forces could be considered inappropriate by the Government, considering the behaviour of the Chilean police force and Armed Forces, in terms of their abuse of human rights.

Some Hon. Members: Hear, hear!

Mr. Riis: Specifically, why did the Minister approve $11 million in exports of military equipment to Chile, including parts for tanks, and from Standard Aero of Winnipeg the overhaul of engines for the Chilean Air Force? Why did he allow de Havilland, a Crown corporation, to export spare parts for the Chilean Armed Forces aircraft?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a repetition of the earlier question. I noted with some interest that the Hon. Member said perhaps the way to deal with these questions is simply to state a principle and cut off all exports. He knows better than that, Mr. Speaker. I would seriously ask him to address a very difficult question, a question as to how we apply in practice a principle which would be applauded by all Members of this House—

Mr. Heap: Spare parts for tanks?

Mr. Clark (Yellowhead): —that we should not be contributing to the ability of oppressive regimes to oppress their people.

I have started a review in the Department of External Affairs.

Mr. Heap: What about those peaceful tanks?

Mr. Clark (Yellowhead): I would welcome, and I sincerely invite, specific suggestions by the Hon. Member if he is indeed serious about this question as to ways in which we could define the practices.

* * *

● (1500)

[*Translation*]

TRANSPORT

POLICIES TO IMPROVE HANDICAPPED PERSONS' ACCESS TO TRANSPORTATION—GOVERNMENT POSITION

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I have a question for the Minister of State (Transport) who, I think, is responsible for the transportation of handicapped persons in this country. I have also been informed that the committee set up five years ago to study policies for improving handicapped persons' access to transportation has been disbanded. I would like to hear from the Minister whether this is true and, if so, what kind of impact that action will have.

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I hope the Hon. Member for Bourassa will listen to what we have to say concerning handicapped persons. Indeed, we have decided to disband the committee which used to advise the Minister on matters relating to the transportation of handicapped persons, but we are happy indeed to announce in this House the establishment of an action committee on the transportation of handicapped persons in Canada, with much more specific terms of reference, which will directly advise the Minister on all means of transportation in order to enable us to adapt those means of transportation to the needs of the handicapped.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of nine, presented by Hon. Members on Wednesday, June 19, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) do not meet the requirements of the Standing Orders as to form.

[*Translation*]

The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

* * *

POINT OF ORDER

RETRACTION OF STATEMENT MADE DURING QUESTION PERIOD

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, at 2.05 p.m. today, I absolutely unwittingly, and inadvertently, misled the House when I said that the Hon. Member for Victoria (Mr. McKinnon) signed a petition concerning the deindexation of old age pensions. That is not the case. Therefore I withdraw, absolutely and completely, my remarks concerning the very hon. gentleman from Victoria, and I thank him.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

SPOUSE'S ALLOWANCE PROGRAM

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have the honour to present a group of petitions from various ridings.

They come from the City of Yellowknife, NWT, as well as from the ridings of Montreal-Mercier, P.Q., Capilano, Vancouver Centre, Vancouver East, Vancouver-Kingsway, Vancouver South, Vancouver Quadra and Vancouver Burnaby, BC.

Also from the ridings of Trois-Rivières, and Gamelin, PQ, Red Deer, Alberta, Restigouche and York-Sunbury, NB, as well as from the City of Winnipeg, Man.

The undersigned ask the government to consider needy single, separated and divorced people between 60 and 64 years of age as mostly dependent on federal assistance, arguing that its decision to grant spouse's allowances only to needy widows and widowers between 60 and 64 years of age is outright discriminatory.

[*English*]

DEINDEXATION OF PENSIONS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a number of petitions to present, containing almost 600 names of people from Saskatchewan, mainly from the Prince Albert area. In the majority, these petitioners are pensioners. They say that the May 23 Budget imposes undue and unfair hardship on them by the deindexation of their Old Age Security program. They ask the Government to reconsider and to reinstate full indexation of the Old Age Security Program.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present a petition signed by over 500 constituents of the riding of Trinity, mostly old age pensioners. They ask the Prime Minister (Mr. Mulroney) to respect his commitment in the 1984 election campaign to maintain full indexation of old age pensions.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by 1,500 residents of Manitoba, most of whom are from my constituency, but some of whom are from Winnipeg-St. James, Winnipeg-Assiniboine, Provencher, Selkirk-Interlake and Portage-Neepawa. These petitioners call upon the Government to stop the proposed deindexation of pensions and say that the losers will be the poor, the unemployed and women, and that the wealthy will be the winners.

SPOUSE'S ALLOWANCE PROGRAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to present several petitions from constituents of Gloucester, New Brunswick—

[*Translation*]

—asking the government to reconsider its position on Bill C-26 and to expand the fiscal measures promised in Bill C-26 in order to include the individuals who are single, separated or divorced.

I also have another petition, Mr. Speaker, this one from the federal constituency of Verdun-Saint-Paul, in Quebec, asking this government to grant the spousal allowance to citizens between the age of 60 and 64 who are single, separated or divorced, who are in need and who are among a category of our population most dependent on government assistance.

I also have a petition, Mr. Speaker, from the federal constituency of Skeena, in British-Columbia, which was signed by many residents of that riding asking this House to humbly acknowledge that single, separated and divorced persons aged between 60 and 64, are in need and are part of the category of population most dependent on government assistance and that the government has a duty to expand its assistance to include those persons in need who are either single, separated or divorced.

I also have, Mr. Speaker, a petition from the riding of Ottawa-Vanier, my own riding, and the petitioners are asking the government to reconsider its position on Old Age Security pensions, to be true to its word and to reinstate full indexation for our senior citizens who are entitled to their old age pension.

[*English*]

DEINDEXATION OF PENSIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I have another petition from my riding of Ottawa-Vanier, humbly asking the House to accept a petition which, in their own words, views the Budget of the Conservative Government as harsh and merciless toward senior citizens because it eliminates full indexing of old age pensions. They ask the Government to reconsider this measure and to hold to its promise made during the last election campaign.

[*Translation*]

I also have another petition, this one from residents of a senior citizens' home, Fatima, in the constituency of Ottawa-Vanier, who are asking the government to change its position concerning desindexation of Old Age Security Pensions, to be true to its word, to revert to a better attitude and to fully index the old age pension for those who need it.

Mr. Speaker, I have yet another petition, this one signed by residents of Charlotte Street, in my riding, people who live in a senior citizens' home and who are asking the government to reconsider its position, to be true to its word and to stop thinking that savings can be made on the backs of older people and to give our elderly fully indexed pensions for all Canadians.

I have another petition, Mr. Speaker, this one from constituents of the Ottawa-Centre riding. It is signed by several residents of this great constituency of Ottawa-Centre who are asking the government . . . It reads as follows: In the opinion of your petitioners, the Conservative government's budget is harsh and merciless for senior citizens since it removes full indexation of Old Age Security pensions. They ask the govern-

ment to reconsider its position and to give older people who are eligible fully indexed pensions.

[*English*]

Mr. Speaker: Order, please. Does the Hon. Member have petitions on other subjects? He knows that he can simply indicate to the House that he has other petitions on those subjects and present them now.

• (1510)

Mr. Gauthier: Mr. Speaker, I have, if you have noticed, talked about several petitions. Two petitions, in my view, are interspersed here. I do not have them in order, I regret, but I would like to—

Mr. Speaker: That is the practice. Does the Hon. Member have any new subjects to introduce? Otherwise he can simply indicate to the House that he has more petitions on the same matters, and those petitions will be treated with exactly the same respect as the ones he has already presented. He knows that.

Mr. Gauthier: With all due respect, Mr. Speaker, if you insist that you should decide how I present my petitions, then I will present them again tomorrow. I thought it was the Member's prerogative and choice as to whether he files them or reads them. I really do not understand, but I will wait until tomorrow, Mr. Speaker, if that is your ruling.

Mr. Speaker: The Hon. Member does understand totally.

Mr. Les Benjamin (Regina West): Mr. Speaker, I too have a couple of petitions to present which I am duty-bound to do. One is from the people in Pioneer Village in Regina, Saskatchewan, Regina West constituency, calling for the House of Commons in the current budget debate to restore full indexation for Old Age Security programs in Canada commencing January 1, 1986.

AIR CANADA WITHDRAWAL OF TICKET RESERVATION SERVICE IN SASKATCHEWAN

Mr. Les Benjamin (Regina West): Mr. Speaker, I have another petition, which I know will be of particular interest to my good friend from Saskatoon West (Mr. Hnatyshyn). This petition calls upon the Government of Canada to ensure adequate and fair provision of airline services to all Canadians, and states that the recent action by Air Canada to close its entire Saskatchewan ticket reservation service would detract from the fair and equitable provision of service. I have the honour and the duty to present a petition with some 2,200 names on it, just from the City of Regina.

[*Translation*]

IMPACT OF DEINDEXATION OF PENSIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition signed by 258 residents of the Province of Quebec, mostly pensioners, who say that, in their opinion, the Budget places an unfair burden on pensioners because of the deindexation of the Old Age Security Pension Plan and who ask the Government of Canada and Parliament to re-establish full indexation of old age security pensions in Canada.

[*English*]

CALL FOR RETURN OF BRUCE CURTIS TO CANADA

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a number of petitions, one from a group of Canadians who call on the Government of Canada to enter a transfer of offenders' agreement with the State of New Jersey so that Bruce Curtis can be discussed as a possible candidate to come back to serve his sentence in Canada, where he will be close to his family and to those who offer him comfort and support.

OPPOSITION TO PROVISIONS OF BILL C-26

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have another petition from a group of Canadians who protest the discriminatory legislation introduced by the Government which benefits widows and widowers between the ages of 60 to 64, but ignores others in poverty in that age category.

And finally a petition by another group of Canadians dealing with the partial deindexation of the pensions of senior citizens and calling upon the Parliament of Canada to reject the Budget and, in particular, that provision. Thank you, Mr. Speaker.

DEINDEXATION OF PENSIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to present a petition on behalf of the residents of Wynyard, Saskatchewan, in my riding, who wish it to be known that they are opposed to the partial deindexing of pensions which will mean a reduction in their real spending power in 1986 of $100, escalating up to 1991 when that reduction in spending power will be as high as $680 for the year. They urge the Government to reindex pensions as was promised during the election campaign.

OPPOSITION TO PROVISIONS OF BILL C-26

Mr. Sergio Marchi (York West): Mr. Speaker, I have a number of petitions from the ridings of Dartmouth, Halifax East, from the riding of Laval-des-Rapides, from the riding of Victoria, from the ridings of Edmonton South, Edmonton West and Edmonton East, from the ridings in Montreal as well as the riding of Restigouche, New Brunswick, from the riding of Winnipeg—

Mr. Benjamin: Which one?

Mr. Marchi: All of them there are so many of them—again from the riding of Restigouche, as well as from the riding of

Edmonton South. I am doing the House a favour because I am not reading them all out. There is another petition from a riding in Montreal, another from the riding of Victoria and the last one is from the riding of North Vancouver, Burnaby.

All of these petitions call upon the Government to expand Bill C-26 to include those individuals between the ages of 60 and 64 who may be single, divorced or separated, to qualify for the spousal allowance and make it fairer and more equitable for all those Canadians in those age groups to take part in and take advantage of the financial assistance that would be provided under Bill C-26.

DEINDEXATION OF PENSIONS

Mr. Sergio Marchi (York West): I have another two petitions from my own riding of York West. The first one comes from hundreds of senior citizens from the Eagle Manor Apartments which is a senior citizens home in York West. They are advocating and asking this Government to maintain and enhance the full indexation of their Old Age Security pensions and not to proceed according to the budget measure announced on May 23.

The second petition from the riding of York West is from individuals, from seniors and non-seniors alike, who are also asking that this Government maintain the full indexation on their Old Age Security cheques. Thank you, Mr. Speaker.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition signed by some 260 Canadians who are calling upon the Government to restore full indexation of Old Age Security pensions. These Canadians reside in the federal riding of Nepean-Carleton which until now has been represented by a Conservative Member of Parliament.

Mr. Benjamin: Not for long.

REQUEST FOR MAIL DELIVERY SERVICE IN GLOUCESTER, ONT.

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, Nepean-Carleton is still well represented by a Conservative Member of Parliament.

I would like to present a petition from 565 residents in 424 homes in my riding from the Chapel Hill area of the City of Gloucester requesting the Canada Post Corporation to effect whatever measures are necessary to provide them with door-to-door mail delivery, including the consideration of alternate day delivery, as soon as possible.

DEINDEXATION OF PENSIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I too have a petition to present on behalf of a number of citizens of the wonderful and beautiful City of Yorkton, Saskatchewan, which is the most beautiful city, of course, in the Province of Saskatchewan.

Mr. Nunziata: How beautiful is it?

Mr. Nystrom: Much more beautiful than your City of Toronto, by the way.

[*Translation*]

Please forgive me for wandering from the point, Mr. Speaker.

[*English*]

I have a petition to present on behalf of these good citizens of the City of Yorkton and their petition, too, complains about the Government taking away in part their indexed pensions which will leave a lot of them living in poverty. They say that the big losers in particular will be the poor, the unemployed and the women. Thank you.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also have a petition signed by hundreds of residents, mainly senior citizens, from the City of Regina who join with hundreds and thousands of other Canadians across this land in urging the Government not to deindex the pensions partially but to maintain the full indexing of the pensions so that our senior citizens can retire with some sense of dignity.

Mr. Dan Heap (Spadina): Mr. Speaker, I have here a petition from residents of the City of Toronto who point out that the Government plans to cut the old age pension by $100 in 1986, $207 in 1987 and so on and so on. They remind the Government of the Progressive Conservative promise that a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis, and request Parliament to ensure that the Government will reinstate full indexation of the Old Age Security Program and guarantee this to the citizens of Canada next year.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have a number of petitions here from seniors in Cowichan-Malahat-The Islands protesting the Government's action in the May 23 Budget in cutting the indexing of their Old Age Security pension, which will result in the loss of $100 in 1986 and cumulatively adding to that until it will be a $680 loss in 1991. They say that this flies in the face of the promises that were made very solemnly by the Prime Minister (Mr. Mulroney) during last summer's election campaign and they call upon the Government to index fully Old Age Security for all seniors.

• (1520)

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour of tabling a petition from the normally warm hearted citizens of the banana belt who are now showing considerable heat about the actions of the Government with respect to the deindexation of pensions and petition the Government to revoke its proposal to deindex Old Age Security. This is in addition to the thousands already submitted from Windsor on this subject.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a total of 786 further names to add to those petitioners. The first set of petitions is from the constituency of Essex-Kent and in particular such towns as Wheatley, Leamington,

Cottam and Harrow, and I am pleased that I am able to present these petitions on behalf of my colleague, the Hon. Member for Essex-Kent (Mr. Caldwell), indicating the opposition of the various people who live in that Conservative constituency to the Budget that the Government has brought down with its broken promises and its damage to senior citizens.

I have a second petition from Windsor West and I am pleased to be able to present this petition indicating the petitioners' unhappiness and sense of betrayal with respect to this Budget.

Finally, I have two sets of petitions from the grand constituency of Essex-Windsor. Many of the petitioners are from Belle River and they express their deep, deep sense of frustration that the Prime Minister (Mr. Mulroney) is not prepared to follow through with his recent statements that he intends to make changes and will not announce when he will do so.

The final bundle of these signatures from all parts of Essex-Windsor demonstrate to me as I hope they will demonstrate to the House the tremendous base of popular opposition that exists to this Budget and the widespread hopes across this country that the Government will quickly change its policies.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise before you somewhat saddened but nonetheless with the obligation to bring to your attention many, many signatures on a number of petitions from the constituents of Mount Royal riding and particularly from the Town of Côte St. Luc. I think these people are wonderful because they are responding to the Minister of Finance (Mr. Wilson) who said that he felt that he had heard from the people with regard to the Government's current Budget and that they were in favour of it. These wonderful citizens from—

Mr. Deputy Speaker: Could I ask the Hon. Member to summarize the petition, please?

Mrs. Finestone: Yes, Mr. Speaker, I would be happy to but I wanted to mention where these people live. They come from MacMurray, Caldwell, Cavendish and Emerald Streets and they are petitioning to tell the Minister of Finance that they do not agree with his new proposals, and that on the grounds that the provisions will severely limit the purchasing power of the elderly and will therefore cause a great hardship to them, they have affixed their signatures and wish to deposit in their names through me this petition, which describes their great disappointment with the Budget presentation and the deindexation which was included in the last Budget. This petition is signed by 100 people from the streets of Trent, Wolseley, Rand, Cavendish and Earnscliffe.

I have another petition which has been signed by the women of my riding and of Côte St. Luc who bring to the attention of the Minister of Finance that 58 per cent of the recipients of Old Age Security are women, two out of three of those who receive Guaranteed Income Supplements are women, they are all living in poverty already and any deindexing is a form of a cut-back on the principle of universality. They have deposited their complaint in that regard and they come from Mackie, Decarie, Van Horne, MacDonald and Chester Streets.

Last, I have an additional submission, which is again in the interests of removing the restrictive clauses and reinstating full indexation to our pensioners. It is signed by people from the Streets of Dufferin, Monpetit and Côte St. Luc.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my colleague, the Hon. Member for Essex-Windsor (Mr. Langdon), and I are pleased to see that the Hon. Member for Essex-Kent (Mr. Caldwell) has been making his case on this matter to the Minister of National Health and Welfare (Mr. Epp) in person.

I have the honour to present petitions from constituents primarily in the riding of Thunday Bay-Nipigon who protest that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security Program and that this deindexation represents a massive withdrawal from our collective commitment to public pensions. The losers will be the poor, the unemployed and women. These constituents humbly pray and call upon the House of Commons to reinstate full indexation of the Old Age Security Program in Canada forthwith.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my privilege and duty to present petitions on behalf of my constituents who are concerned about the Government's action with regard to the deindexation of Old Age Security. I have a petition that is signed by leaders of the unions at Great Lakes Forest Products Limited in Thunder Bay who say that deindexing represents a massive withdrawal from our collective commitment to public pensions, indicating that the Government favours shifting to a system of tax subsidies and private savings for retirement.

I also have a petition from the residents of the Niagara of the North, Kakabeka Falls, and surrounding area, part of which I share with my colleague, the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), and the petitioners say that the cuts in the OAS fly in the face of a Progressive Conservative campaign promise that a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis.

Finally, I would like to table petitions bearing the signatures of 359 residents of the riding of Thunder Bay-Atikokan who say that, in the opinion of the petitioners, the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing the Old Age Security Program. That brings my total to date over five days of presenting petitions to well over 1,200 signatures.

[*Translation*]

ALLEGED DISCRIMINATION IN BILL C-26

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also wish to table, first of all, a block of five petitions from the Nicolet-Yamaska riding, where a few hundred people are

protesting vehemently against the obviously discriminatory provisions—

Mr. Boudria: With good reason!

Mr. Tardif (Richmond-Wolfe): —contained in Bill C-26 as concerns divorced, separated and single people.

I also have a bundle of 10 petitions from the same Nicolet-Yamaska riding, where people are revolted to see that the provisions of C-26 do absolutely nothing for people over 60 who are separated, divorced or single.

I also have a petition from the federal constituency of St. John's East, in which region of our beautiful country people are also protesting against an unprecedented social injustice and are respectfully asking this Government to reconsider its position.

I also have another petition, Mr. Speaker, from the constituency of Dauphin-Swan River in Manitoba from people who wish to present the same grievance to this House.

I also have a petition, Mr. Speaker, from Saint John, New Brunswick, where people also deplore the injustice and discrimination resulting from Bill C-26.

I have another petition from the same constituency from people who find the provisions of Bill C-26 completely unfair and discriminatory.

Finally, Mr. Speaker, I have a last petition from the constituency of Charlesbourg, in Quebec City, where people also deplore the unfortunate provisions of Bill C-26 which are very unfair for divorced, separated and single people.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a number of petitions that I wish to present to the House today.

First of all, I have here a petition signed by 34 Golden Age Club members from Limoges, Ontario, in the Glengarry-Prescott-Russell riding, who ask the House to blame the Minister of Finance (Mr. Wilson) for bringing out a budget which adversely impact upon senior citizens by desindexing their Old Age Security pensions.

Mr. Speaker, I have also a petition signed by 67 Golden Age Club members from Fournier, in the Glengarry-Prescott-Russell riding, who are protesting the government decision to deindex Old Age Security pensions.

● (1530)

[*English*]

DEINDEXATION OF PENSIONS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a petition which is signed by 70 residents of Vankleek Hill, Ontario. Vankleek Hill is a very beautiful town in my riding. Those people are protesting the provisions of the Budget which will impact adversely upon 200,000 senior citizens of the country by deindexing their pension.

Finally, I have a petition which is signed by the residents of Hawkesbury in the great riding of Glengarry-Prescott-Russell. They also state that the Budget will be unfair to senior citizens in deindexing their pensions.

I have further petitions.

[*Translation*]

Mr. Speaker, I have here a petition which deals with a different but equally important issue. The petitioners, all residing in the Restigouche riding, ask the House to oppose the discriminatory provisions of Bill C-26 which will exclude some senior citizens between 60 and 64 years of age from the benefits of this legislation.

Mr. Speaker, I have a similar petition signed by a number of Montreal residents, and another one signed by a number of Laval-des-Rapides residents, who are so well represented in the House by my colleague and friend.

I have also a petition signed by some residents of the Vancouver South and Vancouver Quadra ridings in British Columbia. They want the House to know that they are against Bill C-26 because it discriminates against people 60 to 64 years of age who are single, divorced or separated.

Thank you, Mr. Speaker; I will have more of the same type of petitions to present tomorrow.

SPOUSE'S ALLOWANCE PROGRAM

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour and duty to present a few petitions signed by residents of my constituency, that is from the villages of Cap-Pelé, Robichaud, Haute-Aboujagane, Saint-Joseph, Shédiac, as well as by people from Moncton, Fredericton and Barker's Point.

Also some people from Cap-Pelé, Shédiac, Scoudouc and Memramcook.

Those people demand, Mr. Speaker, through this House, that Parliament take into account the fact that 80,000 persons could suffer from social injustice and discrimination, if the Prime Minister does not make the suggested alterations to Bill C-26.

I also have on the same subject, Mr. Speaker, several petitions, among others, one signed by residents of Darmouth and Halifax. Another petition comes from Brampton-West.

Mr. Speaker, I have another one from Ottawa West and one from Nepean-Carleton.

I have another petition signed by residents of the Northwest Territories.

I have another petition from Surrey-White Rock, in British Columbia, another from Capilano and a last one from Nanaimo, in British Columbia. All those people, of course, are asking that the spouse's allowance be extended to every needy single person aged 60 to 64.

Mr. Speaker, on another matter, I have a petition from my constituents who deplore the measures announced by the Minister of Finance (Mr. Wilson) in his last Budget about the partial deindexation of old age pensions. They demand that the government reconsider its decision about that bill.

[*English*]

RETENTION OF ONE DOLLAR BANKNOTE

Mr. David Daubney (Ottawa West): Mr. Speaker, it is my honour to present a petition on behalf of 1,700 residents of Ontario and Quebec, mostly from the National Capital Region, who are calling on the House of Commons to ensure that the one dollar banknote remains in circulation in Canada and that it not be replaced in its entirety by the one dollar coin.

[*Translation*]

SPOUSE'S ALLOWANCE PROGRAM

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to present a few petitions from constituents, citizens from various constituencies.

First of all, I have a petition signed by more than 5,000 persons from, I should say, the beautiful constituency of Montreal-Sainte-Marie, who are asking the Right Hon. Prime Minister to amend Bill C-26 to provide help for people aged 60 to 64 living alone, whether single, separated or divorced.

I would also have another petition from people residing in the federal constituency on Elgin, or Prince Edward Island. Some 40 people are asking the Right Hon. Prime Minister to amend Bill C-26 to stop discriminating against 80,000 persons in Canada.

Mr. Speaker, a petition signed by proud citizens of Edmonton, Alberta. They asked me to table on their behalf a petition asking that the Minister of Social Injustice in Canada amend his ways and introduce amendments to Bill C-26 now before us.

Mr. Speaker, I have another petition, signed by a group of citizens from the constituency of Gloucester, New Brunswick. They ask the Right Hon. Prime Minister to recognize a degree of social justice for 80,000 persons victimized by Bill C-26 which, if not amended, will discriminate against persons who are single, separated or divorced, 80 to 85 per cent of whom are women, as we know.

Mr. Speaker, I have another petition signed by citizens from a very particular group, being from the city—

Mrs. Bourgault: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) on a point of order.

Mrs. Bourgault: Mr. Speaker, about a month ago, we had agreed . . . the Chair had agreed that petitions to be presented and all dealing with the same subject should be grouped rather than introduced separately. Mr. Speaker, under the rulings made earlier, it was agreed that Hon. Members should not use the Standing Order on petitions to extend the time of the House by introducing petitions on one subject successively rather than in one group. For instance, Mr. Speaker, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) should—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member. I appreciate the point of order, but the Chair does not feel that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has to this day abused the rules in the way he presented his petitions. It is my view that some of them deal with Bill C-26 while others deal with another subject. There it is! For the time being, the Hon. Member for Montreal-Sainte-Marie may go on presenting his petitions.

Mr. Prud'homme: On the same point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on the same point of order.

Mr. Prud'homme: Mr. Speaker, before you, your successors or anyone else in the Chair make a ruling that could prove unfortunate . . . It reads very well, and if there is something sacred in our British parliamentary system, it is the right to present a petition. What do you expect, if you are dealing with an issue, if a group of persons or an individual presents a petition it is quite proper that the names and object of the petition be made public, this is not a case where one simply says: I have a pile of petitions, here they are, thank you.

● (1540)

That is contrary to British parliamentary procedure, because the right to present a petition is a sacred right. Indeed it is quite clearly expressed: . . . who now exercise their ancient and unchallenged rights.

I rather doubt that anyone can give that right a definition which differs from what was intended, the right of the people to have their day in court. I would suggest that it cannot be done in a disorderly manner by saying: Here, Mr. Speaker, I have received a pile of petitions, I present them, thank you. I think people have that right, and since a basic principle might be established today I want us to reserve judgment on that.

Mr. Gauthier: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Ottawa-Vanier on the same point of order.

Mr. Gauthier: Since the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) raised the point, Mr. Speaker, I would like to refer the House to Beauchesne's—

[*English*]

—Beauchesne's Fifth Edition, Citation 692 reads:

While a Member may, if he desires, present a petition from his place in the House during Routine Proceedings and before the Introduction of Bills, he may also present his petition by filing it with the Clerk of the House.

So the "may", Mr. Speaker, means that an Hon. Member while in his place may choose the option of reading his petitions from his place or filing them in groups with the Table. Therefore, I submit that the Hon. Member has not abused the rules.

Mr. Deputy Speaker: With all respect, that was a decision given by the Chair. I would like to point out—

[*Translation*]

Order, please. I think that the procedure to present a great number of petitions without taking too much of the time of the House was followed a few moments ago by the Hon. Member for Westmorland-Kent (Mr. Robichaud) who, I think, presented about twenty petitions in a very short time. So far I do not think at all that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has abused the time of the House. I would therefore ask the Hon. Member for Montreal-Sainte-Marie to continue to present his petitions.

Mr. Malépart: Mr. Speaker, I would like to express my opinion on the same point of order. This is the second or third time that we have experienced certain difficulties about this and I think the procedure should be explained to the Hon. Member. The petitions may indeed deal with the same issue, put the people from the various ridings want to be clearly identified, they do not want to be lost in a melting pot. I am finished, Mr. Speaker.

Mr. Deputy Speaker: I think that the Chair does not object to the fact that the Hon. Member might mention the name of each riding from which the petitions originate. The problem comes up when a Member makes lengthy comments after mentioning the name of the riding from which the petition comes. The Hon. Member for Montreal-Sainte-Marie.

ALLEGED DISCRIMINATION IN BILL C-26

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, to get back to the petition I was presenting to the House, I was saying that the petition was on behalf of people from Toronto and Sudbury, but they also include members of the Advisory Council on the Status of Women, and they are asking the Right Hon. Prime Minister to amend Bill C-26 to eliminate any discrimination.

Mr. Speaker, my last petition is from the riding of Victoria in New Brunswick. One hundred residents in this riding asked me to present a petition, and they want the Minister of Social Injustice Canada to amend Bill C-26 so that everyone, whether single, separated or divorced, can benefit under this legislation.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, unfortunately the petitions took so long that the Parliamentary Secretary, who was to present the questions to be answered, is not here.

This is a great honour for me to be able to respond. Mr. Speaker, Question No. 341 will be answered today.

[*Text*]

MILAP GRANT

Question No. 341—**Mr. Skelly:**

1. Did the Minister of Employment and Immigration give administrative power over the MILAP grant to Mr. Thor Peterson of Campbell River on the advice of the Minister of Fisheries and Oceans and, if so, for what reason?

2. Is Mr. Thor Peterson using any of the grant to provide (a) wages to (b) expenses to (i) himself (ii) his wife (iii) his brother and, if so, in each case, how much?

3. Is the Minister of Employment and Immigration aware of any member of Mr. Thor Peterson's immediate family working as a confidential employee of the Minister of Fisheries and Oceans and, if so, who?

Hon. Flora MacDonald (Minister of Employment and Immigration): 1. Mr. Thor Peterson of Campbell River, B.C. was asked by the Minister of Employment and Immigration to act in the position of chairperson for the West Coast Fishery Central Community Adjustment Committee (CAC) organized under the Modified Industry and Labour Adjustment Program (MILAP). The Minister of Fisheries and Oceans was consulted as the MILAP policy framework calls for the appointment of CAC chairpersons by the Minister of Employment and Immigration following consultations with the regional ministers concerned.

2. The committee may claim eligible costs paid by the committee for reimbursement of: chairperson and subcommittee chairperson fees and travel and other expenses incurred while performing authorized services for or on behalf of the committee; travel and other expenses of committee members while performing authorized services for or on behalf of the committee; consulting fees for research and studies; and actual costs for necessary stenographic and clerical services, rental of premises, office supplies and services, printing and photocopying, and such other expenses as may be approved. West Coast Fishery Committee claims approved as at May 1, 1985 for:

(a) Wages—(i) $5,500 to Mr. Thor Peterson for Chairperson fees; (ii) nil; (iii) nil.

(b) Expenses—(i) $1,649 to Mr. Thor Peterson for travel and other expenses; (ii) nil; (iii) nil.

3. At the time this question was placed on the Order Paper, the Minister of Employment and Immigration was not aware

of any member of Mr. Thor Peterson's immediate family working as a confidential employee of the Minister of Fisheries and Oceans. The Minister has since been advised, by the Minister of Fisheries and Oceans, that Thor Peterson's daughter Anne works as a special assistant (constituency) in the Office of the Minister of Fisheries and Oceans.

[*English*]

Mr. Deputy Speaker: The question as enumerated by the President of the Privy Council has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed consideration of report stage of Bill C-26, an Act to amend the Old Age Security Act, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs and on Motions Nos. 1 and 2 (Mr. Epp (Provencher)) (p. 6021).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, before the adjournment of the debate for Question Period at two o'clock, we were discussing Bill C-26. Our Party, of course, although we are in favour of the principles of the Bill—we are obviously in favour of anything which will increase benefits to people between the ages of 60 and 64—is of the view that the Bill could be much further enhanced if we were to remove the discriminatory clauses which make life so difficult for the 80,000 Canadians who will be discriminated against. I was about to describe to you at that time, Mr. Speaker, and I am sure you will recall it vividly, that single, separated and divorced people would be discriminated against.

Let me describe to you, Mr. Speaker, some of the difficulties we see. I was describing to the Chair before the adjournment that, for instance, in the case of a divorced person whose former spouse was perhaps contributing toward support and who subsequently died, that person would find herself in a similar condition to being a widow, because essentially she would be living alone with no other means of support than her own.

There is a further complication, Mr. Speaker. In some debates in the past I challenged this Government to arrive at a proper and equitable definition of a widow in terms of this Bill. Perhaps some Hon. Members of this House would say that "widow" or "widower" are both fairly easy to define because it means "one whose spouse has passed away". That is perhaps so, Mr. Speaker, but I would like to give you some instances where the Government could really get itself into a situation which would make it impossible to define who would be eligible for benefits and who would not. There is the case of a person who is widowed and will be receiving benefits. What about the case of a person who is widowed and then remarries? Of course, everyone will agree that that person is no longer a widow. But what happens to a person who is widowed, remarries and then divorces? Does that person go back to the original status of widow or widower? Will that person then be eligible for benefits?

There are numerous examples I could give to you, Mr. Speaker, and perhaps I will because I see you are insisting that I explain it further. I can describe to you just how these provisions are discriminatory and how the Government has got itself into a kind of situation, Mr. Speaker, which is totally unacceptable. The only legitimate thing to do is to expand those benefits, at least the one-year provision we described in the amendment. What we really want, and what we have been trying to convince the Government of for a long time through the presentation of petitions here today and on many other days, is that it should make benefits available to all needy people between the ages of 60 and 64. The "minister of social injustice", otherwise known as the Minister of National Health and Welfare (Mr. Epp), would surely understand that. In order to restore his proper title I am sure he will want to correct the provisions of this Bill which make the present legislation so discriminatory.

● (1550)

Some Hon. Members: Question.

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

[*Translation*]

Mr. Malépart: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), on a point of order.

[*English*]

Mr. Mazankowski: He has already spoken.

Mr. Hnatyshyn: You already spoke, didn't you?

[*Translation*]

Mr. Malépart: Mr. Speaker, could you ask the Government House Leader to put on his earphone so he can follow the translation, and then he can ask his questions.

Mr. Speaker, on behalf of my party, I can inform the Government House Leader that we are ready to proceed with third reading.

[*English*]

Mr. Deputy Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for Provencher (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 1 (Mr. Epp (Provencher)) agreed to.

Mr. Deputy Speaker: The next question is on Motion No. 2 also standing in the name of the Hon. Member for Provencher (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 2 (Mr. Epp (Provencher)) agreed to.

Mr. Epp (Provencher) moved that the Bill be concurred in.

Motion agreed to.

Mr. Epp (Provencher) moved that the Bill be read the third time and passed.

He said: Mr. Speaker, Bill C-26, which has been in the House of Commons for some period of time, is a further effort by the Parliament of Canada to improve the benefits for Canadians in need of Old Age Security, specifically the spouses allowance. At the time this Bill was introduced I said I believed it would have the support of every Member of the House. During the discussion on the Bill there have been proposals, as recently as a few minutes ago, that it be extended to Canadians who are single, separated or divorced. We have looked at that very seriously and I guess there are two points which have to be made. The first is that those who say the legislation is discriminatory should be careful because, if that is the case, then one could make that charge against the spouse's allowance as well. If you discriminate against single people on the one hand, you could then discriminate against married people on the other, and I do not think we want to discriminate against either. It is my hope as the Minister of National Health and Welfare that over the life of this Parliament, as the economy improves, we can examine some of the proposals made by Members on both sides as well as those people who approached the committee regarding Bill C-26.

I think Members on all sides have had the experience of people coming into their office and explaining that they are unable to receive a pension by virtue of their marital status, that is, as widows they were not eligible for the pension their spouse would have received had he or she lived. What this Bill does is to extend to a group of needy Canadians a benefit for which they become eligible by reason of age and marital status. Therefore, Members of this House, and others who follow them, will no longer have to say to these people that they are not eligible for any benefit other than social assistance.

This legislation will affect approximately 85,000 Canadians, of whom it is estimated 72,000 are women. The legislation is targeted very specifically, not only to the most needy of that age group, but to women who are in greatest need. They have this need, frankly, because they have been homemakers and mothers for most of their lives. They have not been in the so-called workforce and have not contributed to society in a specific financial way. They are, after the death of a spouse, then faced with the prospect of having to go into the workforce, something which they have not done for many, many years. As well, the work that is available to them, if it is available at all, is generally low-paid physical work which, by reason of age or health or both, they are incapable of performing. It is for those compelling reasons that the Bill was brought forward.

There is no question that we in government examined whether we could have gone further. I have said both here and in committee that the Government would like to move as far as it can on this pension issue, but we had to examine very carefully the financial realities. But despite restraint, despite the deficit and the costs it imposes on all Canadians, I believe the country is willing to move forward on this proposal on its merits.

We in this House hear a lot about pension reform. I am in favour of a very strong approach to pension reform. Those Canadians who are retired or close to retirement have limited flexibility in retirement planning, obviously. But those Canadians who are in the workforce or coming into the workforce have to recognize that planning for retirement is something that should be looked at much sooner than statistics indicate most Canadians do, that is in the last 10 years of their working life. If one starts thinking of it at the end, so to speak, and then starts to make plans, much of one's flexibility is lost. The House has a responsibility, and I have the mandate, for pension reform, not only incrementally as is being done through Bill C-26. I am not here to discuss the Budget right now. That is for another time.

• (1600)

Mr. Nystrom: You wouldn't dare.

Mr. Epp (Provencher): Oh, no I would dare. The provisions in the Budget for the Pension Benefits Standards Act have been lauded by everyone. They provide the flexibility to enable people to plan for and develop a pension plan. The House must move further in that direction. The matter of a homemaker's pension and extended benefits under the Canada Pension Plan along the lines followed by the Quebec Pension Plan commend themselves to most Members of the House.

I do not look at pensions only in the narrow confines of the budget debate or the confines of Bill C-26, but rather realize that pension planning takes an entire lifetime. Our society must realize that it is necessary for Canadians to plan for retirement. I know that many people have had a limited amount of income which makes that very difficult to do, but we must educate young people just entering the workforce about retirement planning. I know that people do not like to think of that time in their life because they have other priorities, but they should not ignore the necessity of pension planning.

Our demography in Canada is changing. It is of very little value to argue the narrow issues of whether pensions are at the proper level or how many people are living in poverty. We must address the causes of poverty and what changes can be made by society in order to alleviate or reduce that problem. I am well aware of the number of elderly people living below the

poverty line. I do not think there is one Member of this House who would not wish to allocate more money to that segment of the population if it were possible. However, we must bear in mind the financial situation of the country. Government and society must address the issue of a population study.

The Green Paper on the Immigration Act dealt in part with the population future of Canada. At the present time, approximately 12 per cent of Canada's population is over the age of 65. It is projected that in 12 to 15 years that age group will make up between 18 and 20 per cent of our population. Therefore, we must become much more aggressive and co-operative in studying our health care system in order to provide proper health care. We must put a much greater emphasis on preventive health care and health promotion, because Canadians over the age of 65 access the health care system substantially more than the rest of society. It is necessary to realize that from the point of view of future planning.

We are in our first generation of health care. Public health care in Canada began in the Province of Saskatchewan and has evolved and developed for 25 years. That system is good as is their pension system. We must all realize that while the system is good, it must be adjusted to meet present realities. The House has the very distinct opportunity and responsibility to plan together for retirement income and the health care system. Other aspects obviously must be added. The Minister of Labour (Mr. McKnight) who is also the Minister responsible for CMHC, realizes that from the point of view of housing. There are various components which must be given much more emphasis, and that is what the Government and I intend to do.

In conclusion, I appreciate the support of Members of the House for Bill C-26. I believe it is a progressive and good step. Eighty-five thousand Canadians will receive approximately $600 a month for which they are not presently eligible. Of those, 85,000, 72,000 are women living in the most difficult circumstances. Those are the strong points which commend this Bill to the House. I appreciate the views put forward by Members in committee, which views have been noted by the Government. I appreciate the fact that all Members want to have this Bill passed. The passage of this Bill will enable us to put this program in place for September 1, 1985. I thank the House for supporting this Bill.

• (1610)

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak on third reading of Bill C-26, and I can give the Minister the assurance that the Liberal Party, the Official Opposition, intends to support this Bill. However I believe that the point the Official Opposition has been trying to make is, that all the arguments mentioned by the Minister to justify granting the spouse's allowance to widows and widowers, and all the examples he gave his constituency office, apply equally to individuals who are single, separated or divorced.

Mr. Speaker, it is true that this is just one step, but Bill C-26 must be followed as soon as possible by the next step.

Mr. Speaker, when this Bill is implemented, and when, starting September 1, and in the months thereafter, people come with their problems to our constituency offices, I hope the Minister and his Conservative colleagues will remember they were forewarned by the Official Opposition and the New Democratic Party.

Mr. Speaker, I would like to say a few words about the more general subject of pension reform the Minister referred to earlier. I think that if we really want to make any progress in this area and ensure that the next generation will have an adequate retirement income, we cannot afford to study the issue piecemeal, as was proposed in the Budget. We cannot afford the so-called bandaid approach.

I agree with the Minister of National Health and Welfare that young people must be persuaded to save money for a decent retirement, but how can we urge 1.5 million unemployed, how can we ask them to save money for their retirement when they do not have enough money to keep body and soul together?

I think that what the Minister said earlier about pension reform in connection with employment and housing is quite true. Unfortunately, the Government is doing the exact opposite. The Minister of National Health and Welfare (Mr. Epp) has made his own review of the situation. The Minister responsible for Housing makes his own decisions, and tomorrow he is going to announce closings and changes everywhere, without consulting a soul, and the Minister of Finance (Mr. Wilson) makes his own decisions again.

Mr. Speaker, the very important question arises: Can the private and public sectors absorb 1,400,000 unemployed? Can the private and public sectors respond to the Government's request to eliminate full unemployment? My answer is: no. What other means do we have to solve the unemployment problem and help solve problems for people who want to be able to retire?

Mr. Speaker, perhaps the parties and all intervenors, from all parts of the socio-economic sphere, should look at the broader rather than the sectorial aspects of the question. There are quite a few men and women who are now 59 or 60 years old and who are employed in the textile or footwear industry for instance, who work even if they are ill, and who are obliged to remain on the labour market for financial reasons. A large percentage of these people are not interested in going back to school to learn new technologies, and at the same time, we are telling young people who are trained: Stay home and collect unemployment insurance.

Mr. Speaker, I have an example of this in my riding, in the tobacco industry. This particular business had a surplus of 60 employees that it would have to lay off. Normally, according to the collective bargaining agreement, the last 60 hired would

be laid off. The union and management agreed to offer early retirement to whoever was interested. The company did not rely on the Government alone, but offered all employees who were 55 and over and had a fair number of years of seniority, $30,000 in cash, in fact what the company calls its private pension. Mr. Speaker, to my astonishment, not 60 but 120 employees accepted the offer and applied for early retirement.

Because of this, not only was part of the productivity problem of this company resolved, but jobs were also created for younger workers because 120 people were offered the choise of retiring at 60 with a decent income.

For my part, I am convinced that if business, labour, the consumer groups and the Governments really got together, we could not only reduce unemployment, but also improve the income and the quality of life of people who wish to take early retirement. We had an example of early retirement programs in the shoe and textile industry because of plant shut-downs and designated zones. I am personally convinced that, as far as the unemployment insurance fund is concerned, if the Governments really wanted to do it, if we were to add all the money allocated to social programs, whether we are speaking about unemployment insurance, old age security or social welfare, all programs which obviously represent enormous amounts of money, which admittedly comes from the taxpayers and do not belong in the pockets of Members of Parliament, and including the social housing programs which are important to provide assisance to the needy because it is a fact that in certain places, there are two classes of poor people, namely the lucky ones who have the same old age security pension or welfare cheques as others, but who live in low rental housing, and the others who are not so lucky because, in Montreal, there is a waiting list of 1,500 people for this type of housing, and who, with the same income, namely the old age security pension or welfare cheques, have higher expenses because they did not have the good luck to find a low rental appartment—

I believe, Mr. Speaker, that we must act urgently to allow people to take an earlier retirement, and I honestly believed that a new Government with 211 Members in Parliament had a marvelous chance to do something else than apply band-aid measures and that it would develop some real policies in this regard. In European countries where such things have existed for hundreds of years, retirement plans were not invented by Governments, but rather by unions and workers. The workers themselves manage the pension funds. Whether in France, Germany or somewhere else, pension plans were not invented by the Governments, but by the workers. The business managers who administer their own pension funds are the ones to decide how the money will be invested and they are the ones who tell the Government what should be the amount of the contributions and benefits. However, in Canada, while the Quebec Pension Plan works well in my opinion, we must be honest as far as the Canada Pension Plan, which applies to all the other provinces, is concerned. Everyone knows that any surpluses in the fund are lent at preferential rates to the provinces. Politicians of all parties will have to stop putting their heads in the sand. The money contributed by all taxpayers to pay for a retirement fund will have to be invested to provide better returns than at the present time. It is no secret that the provincial Governments, except in Quebec, want an increase in contributions, but not in benefits. Why is it? Because they want a surplus in the fund which they will be able to borrow to build and pave roads. However, I think that we must have the political will to stop the Canada Pension Plan from being a means to finance or to assist the provinces, and this is one of the basic reasons for creating a real program for retired citizens.

Looking at the recommendations contained in the Budget, and even at those submitted by the Committee on Health, Welfare and Social Affairs under the Liberal Government, some improvements are being made but still a large group of citizens in need are completely ignored. When one wishes to open the door to the private sector, which for years has had a chance to get into private sector retirement plans, there are thousands and thousands of employees in small businesses who for various reasons do not have private plans. And as long as we do not make sure that the Quebec Pension Plan and the Canada Pension Plan will provide a reasonable amount to allow for a budget with the basic Old Age Security pension, I do not think we will have solved the problem. People who will come here after us in 20, 30 years from now will be making the same speeches we are now making, and will still be doing patchwork.

Mr. Speaker, I will conclude on this. There is still reason to rejoice in the fact that, as of September 1st, 85,000 people will benefit from the spouse's allowance, but I will tell the Government it could have chosen to give something else to those people, instead of the spouse's allowance. Because it is indeed rather strange that one should get the spouse's allowance after having had no spouse for 20 years. This could have been the basic Old Age Security Pension that could have been made accessible, and as we know there is a difference dollarwise between the spouse's allowance and the basic pension. But even though I have been quite critical of the Minister, I must recognize that some commendation is deserved for helping 85,000 people. It is my hope that next year we will discuss helping 80,000 other persons, and the year after we will be doing the same for couples.

• (1620)

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say a few words on third reading. Let me start off by picking up on what the Minister said about our pension and medicare system. He made reference to the fact that the Minister of Labour (Mr. McKnight), myself, the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley), and the Hon. Member for Saskatoon East (Mr. Hnatyshyn)

come from the Province of Saskatchewan where medicare first got its beginning. It actually started with hospitalization around 1946-47 around the time I was born. We had medicare in 1961 under Premiers Douglas and Lloyd. I think Saskatchewan led the way in social legislation and the kind of legislation we have before the House today. This kind of legislation is a positive step forward.

As we said before, there are a number of people who are discriminated against through no fault of their own who find themselves in poverty. I am referring to widows and widowers who are the ones, along with other pioneers who built this country, laid the foundation and made Canada what it is today. We as a younger generation ought to make sure that these people can live in dignity and have enough income in order to purchase the necessities in life. I support the measure before the House today.

We should keep in mind that about 42 per cent of the pensioners in Ontario, according to a recent study made public a few days ago, live in poverty. If 42 per cent in Ontario live in poverty, that percentage is surely a lot higher in Newfoundland, Manitoba and other provinces that are the so-called have-not provinces. We should be doing as much as possible to make sure that we extend to the seniors as many benefits as possible.

[*Translation*]

As I said earlier, Mr. Speaker, we are all in agreement on Bill C-26 now before us. I would like to commend the Minister of National Health and Welfare (Mr. Epp) for this measure. It will extend the spouse's allowance program to Canadian widows and widowers who are now in need, people between the ages of 60 and 64 who are now facing great difficulties in our society. As the Minister mentioned, there will be 85,000 people who will be helped by this measure, and they are mostly women.

But, Mr. Speaker, there is one thing I must say before this debate is concluded, and it is this: I support the legislation, as I said, but the Bill still is discriminatory. It discriminates against people who are single, people who are divorced, because under the Bill the spouse's allowance will be allowed to persons who are widows or widowers, but there will be nothing at all for those who did not marry or were divorced. And I wonder, Mr. Speaker, why such a discrimination? This is discrimination in our country and it is totally unfair, because we can find many examples of women or men who never married or who were divorced and now find themselves in the same economic and social situation as a neighbour who was married or whose spouse is now deceased, and then one neighbour will get the allowance while the other will not. In our society this is totally unfair.

As I said before dinner, we proclaimed the Charter in this country a few weeks ago—

[*English*]

We have the equality clause in the Charter of Rights. Here we are talking about equality on the basis of sex and everything else. Even though it is not in the Charter of Rights, this is an act of discrimination against single and divorced people.

In any case—

[*Translation*]

—I agree, we all agree on that, Mr. Speaker. Maybe we can all vote together for this legislation, and again I applaud the Minister of National Health and Welfare.

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, there are just a couple of words that I want to say. I will not hold up the debate for very long. I think it is important to keep in mind that the measure before us today with its deficiencies cannot be held in isolation as far as assisting the needy is concerned. I wish the Government of Canada had a united front as far as assisting the poor and the needy is concerned. It is all well and good to say, "We are doing this as a positive measure to assist people with income", while at the same time you do not assist them very much when you increase fuel taxes. You do not assist them when you increase the sales tax and extend it. Those things affect the very people you are trying to assist in the legislation before us today.

All this has to be taken into account when one talks about a Government that is sensitive to poor people and people who need assistance. It does not help either, Mr. Speaker, to pretend sometimes that you are considering such and such a measure that will affect people adversely. Take, for example, the postal rate increase. That increase was approved ages ago by Cabinet. It is in effect now. Not very many Members know that. I have had that verified. Many things have to be kept in mind and you take them as a whole. Is the Government of Canada being fair and honest when it says it is being sensitive to the poor people, to the people who are affected by this legislation in the rural areas? They are the same people who were affected when the Minister in charge of housing, who was in the Chamber a moment ago, cut back on the home repair program. I say that because the new criteria for getting money for home repair mean, with the present cuts, that only people in certain economic circumstances who would benefit from this legislation can now take advantage of that program. To cut back on that program is not assisting those people at all.

We considered recently the end of the oil substitution program. The criteria for that affected the very people we are talking about today, the poor people. When you look at it all, it is done on the basis of a means test. A lot of the programs in CMHC under the Minister of National Health and Welfare (Mr. Epp) are so directed. When Cabinet Ministers consider legislation such as this, they should think about their own Departments and how they can assist poor people. This is what the Minister of National Health and Welfare is attempting to do under this piece of legislation, although not completely. It is not good enough for poor people who are recipients of various government programs to have one Department that is trying to help and another Department, bringing in new regulations because of the Budget or the financial statement which dis-

criminate against the same people, especially if the new regulations involve additional fees or charges.

● (1630)

I have another suggestion for the Minister of National Health and Welfare. A few moments ago he said that he was listening carefully to this debate and that he would see what he could do about some of the suggestions that had been made. In a previous debate I made a point about the fact that in the event of borderline cases, cases which have to be appealed or have to be decided upon by an independent board, all cheques emanating from the Department of National Health and Welfare or portions thereof are seized by provincial administrations because the individuals are on social assistance. If a person is really poor and is receiving social assistance, as is the case for many people affected by this legislation, the people about whom we are talking, this situation is not good enough. I could never understand how we got into that bind in the past. In fact, I cannot understand it today. I suppose it is because of good federal-provincial relations that when someone receiving social assistance suddenly becomes eligible for a federal pension or a payment from the Department of National Health and Welfare, the amount of money paid out by the provincial administration is taken 100 per cent from the federal payment, that is, the moment the person became eligible and throughout the appeal period. On the basis of the financial return to the federal Treasury, I hope the Minister agrees with me on the needs of the persons applying and qualifying for pensions but not receiving them because they are seized by provincial authorities with the agreement of the federal Department of National Health and Welfare.

I should like to put the example of a person receiving $8,000 before the Minister. That is a good figure to use because many of the appeals which go to the Minister's Department under its payment structure are around that figure. If that person has received $8,000 from the provincial Department of Social Services from the time he or she became eligible, and if he appeals through the Minister's Department, half of the $8,000 is paid from the federal Treasury in transfer payments under the Canada Assistance Plan. These payments are made at the end of every month. In effect, if $8,000 is paid out by a provincial Department of Social Services or Department of Welfare, $4,000 of it comes from the federal Government.

What happens after a person becomes qualified to receive cheques in the amount of $8,000 from the Department of National Health and Welfare? We must remember that a judgment had been reached prior to this point. Whether it is the Canada Pension Plan, a disability pension, an old age pension or a payment under the particular legislation before us today, a decision has been reached, the person qualifies, and what does the Government of Canada do? It passes $8,000 along to the provincial Government. How does it work? The provincial authority pays out $8,000, half of which is retrieved under the Canada Assistance Plan, so it actually paid out $4,000. Along comes the payment from the Department of National Health and Welfare which goes to the provincial administration, and it ends up with $8,000 plus $4,000, for a total of $12,000 for paying out only $8,000.

I have tried to figure out how that is rationalized on the accounts at the end of the year. I still have not been able to do so. I cannot find anyone to tell me exactly how that amount is recovered. We are not talking about a large figure or about a great number of people, but we are talking about people in great need. According to my calculations, the provincial administration would stand to benefit $4,000 from that $8,000 pay-out.

I am sure the Minister of National Health and Welfare will check into the logic of what I have just said. He will find out that what I have said is correct. It has been going on for years. I am not accusing the Minister of implementing this when he took office. However, because of his good relations with provincial Tory Governments, the system of transferring money has become much easier since last September 4. In any event, he should check it out.

I would suggest that when someone is owed money by his Department, the Minister should pay 50 per cent of it to the provincial administration and the other 50 per cent to the recipient. Recipients believe that they are appealing pensions to which they are entitled. Therein the Minister of National Health and Welfare would be doing a great service for not all that many people, but for people who have been completely misled by the information which they received *vis-à-vis* their pension payments.

In conclusion, as I mentioned on another occasion, let us not forget that there are many people in the country who believe that when their pensions are increased or they suddenly become eligible for pensions, they will benefit in real terms. However, what about people on fixed incomes? We must remember that the amount of money a person receives depends upon the province in which he or she resides. I have never understood why provinces with some of the highest costs of living have the lowest payments. There are people between the ages of 60 and 65 today, with their children or grandchildren at home, who are receiving only the widow's allowance from the provincial Department of Social Services. Some provinces say that people 18 years of age and over who are able-bodied cannot receive any money under their social assistance schemes or do not qualify for family allowance payments. There are people operating under very tight budgets. We must keep in mind that many of them will not see any benefit at all because their social assistance payments will be removed. As well, people who are institutionalized and subsidized by this Government, directly or indirectly, only receive what is called the comforts allowance, whether it comes from social assistance, the federal cheque or wherever. As I said before, I have never been able to figure out why the comforts allowance in one province is higher than the comforts allowance in another province or why some of the richest provincial Governments—and Mr. Speaker knows the ones about which I am talking—have the lowest comforts allowance.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

● (1640)

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills, without amendment: Bill C-15, an Act respecting investment in Canada; Bill C-41, an Act to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof.

I also have a message informing this House that the Senate has passed Bill C-54, an Act granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1986.

Bill C-2, An Act respecting the winding-up of the Canadian Sports Pool Corporation and Loto Canada Inc.

* * *

[*Translation*]

THE ROYAL ASSENT

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

Government House,
Ottawa,

June 20, 1985

Sir:

I have the honour to inform you that Hon. Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to-day, the 20th day of June, 1985, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler,
Administrative Secretary
to the Governor General.

[*English*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Justice) moved that Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Justice) moved that the Bill be read the third time and passed.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I have had an opportunity both at second reading and in committee to make my representations with respect to this Bill. I believe that this Bill has the unanimous support of the House in terms of its content. There is one amendment on which I will say a few words and repeat an undertaking that I believe the Hon. Member for Spadina (Mr. Heap) brought to the attention of the House, both at second reading and at committee, which resulted in a change to the Bill. I would like to also make one or two comments prior to doing that.

I think it is very important to understand that the purpose of this Bill is not to change policy. This Bill was brought in because lawyers in the Department of Justice thought that more than 55 Acts of Parliament as they stood would be viewed by courts as unconstitutional. As a result of that there were changes that were made, some of the changes being very significant.

In my view, and this is a personal impression, the powers with respect to search and seizure were long overdue, were absolutely necessary and as a result of a case that went to the Ontario Court of Appeal, the Southam case, we found that dramatically changed the search and seizure provisions which I think inure to the protection of individual rights. I certainly applaud this change in so many statutes. We even see statutes now with respect to the Income Tax Act where the powers of search and seizure have been dramatically circumscribed.

With respect to the question of the Immigration Act, which was the subject matter of the only amendment in the Immigration Act, the Act as it read previously, Section 29(2) and Section 29(3) said this:

(2) At the request or with the permission of the person with respect to whom an inquiry is to be held, an adjudicator shall allow any person to attend an inquiry if such attendance is not likely to impede the inquiry.

(3) Except as provided in subsection (2), an inquiry by an adjudicator shall be held in camera.

There was no practical criticism with respect to the handling of this particular procedure prior to this Bill. The Hon. Member for Spadina brought up the point that as a result of the prospective amendment, which was Section 112, of the new Bill that what might happen with respect to this matter is that there could be circumstances under which a refugee might not

want to disclose publicly to some people who might be in attendance or to some newspaper reporters who might be there the circumstances under which he was claiming the status of refugee for fear that certain consequences might ensue. This might very well be not only to him, but to members of his family. It might be people behind the Iron Curtain, it might be people in Chile, it might be people in many other countries where the public circumstances would be of such a nature that great harm could occur to the family.

This is something that the Minister of Justice (Mr. Crosbie), myself and all members of the Committee thought was a legitimate criticism and which prompted an amendment which I thought was satisfactory and which was agreed upon. That amendment is as follows: Section 112(3) now reads as a result of the amendment, Mr. Speaker, "except as provided in Subsection (2), an inquiry by an adjudicator shall be held in camera unless it is established to the satisfaction of the adjudicator on application by a member of the public that the conduct of the inquiry in public would not impede the inquiry and that the person with respect to whom the inquiry is to be held or any member of that person's family would not be adversely affected if the inquiry were to be held or conducted in public".

In addition to this particular amendment, there was an undertaking that representatives for the Department of Immigration and Employment and the Minister would closely monitor the actual workings of this amendment to ensure that no harm occurred in circumstances where potential refugees were making application for that status.

The Bill as a whole, and I have said this before, is a grat improvement because it puts in constitutional order many federal statutes that, with the Charter of Rights and Freedoms, might very well be held to be unconstitutional. It is no panacea. It is not the end of the process. Many Bills come before Parliament now that the Charter is here, where the Charter provisions have to be taken into consideration in terms of the due process. It is a start. It is a very, very substantial move forward. It is not the end of the line.

I hope that all Members of all Parties will believe that this is progress.

Hon. Bob Kaplan (York Centre): Mr. Speaker, this is not a substantial step forward in this Bill, but speaking for Her Majesty's Official Opposition, we are certainly not going to delay the movement of this Bill forward. It will have our support. What a great opportunity has been lost to Canada in this Bill to see some real progress in implementing the equality provisions of the Charter. What the Government spokesman—and I note the absence of the Minister who has taken little personal interest in the Bill from what I can see—the Parliamentary Secretary, who has followed the Bill and who I congratulate for his own personal dedication to moving the Bill forward to this point, indicated in his remarks really tells the whole story.

• (1650)

The story is that the lawyers in the Department of Justice thought that there were certain technical changes that ought to be made to bring some of the statutes into compliance with the requirements of the Charter. What has been lost is an opportunity to move ahead by implementing some of the significant provisions in the Charter which also require that the laws of Canada be changed.

I had the opportunity to spend a few days on the subcommittee of the Parliamentary Justice Committee. That subcommittee heard witnesses who told it about all of the things that have been left out of this Bill. They have been left out of the Bill because the Government considers them to be grey areas, as it said in its document on equality.

What has been done is just the technical minimum. There has mostly been changes in language like trying to find ways of making words that are usually of a masculine connotation not connote one sex or the other. Although I approve of that process, it does very little to advance the rights of women and of others for whom the Charter was brought forward and for whom there was a three-year waiting period that led to that great day on April 17 when the full provisions of the Charter came into effect. These people have found that the Government's approach toward implementing the Charter equality provisions is to make technical changes that have been recommended by lawyers.

Mr. Hnatyshyn: We just picked up where you left off.

Mr. Kaplan: My hon. friend, the government House Leader, observes that they just picked up the work that we were doing. I do not think that that is an accurate statement. My clear recollection of the approach of the former Liberal Government was to ask lawyers to go over all the legislation to find what needed to be changed to comply with the Charter and to prepare amendments to do that. They were not asked to prepare discussion papers and to call these issues grey areas, but were asked to propose the amendments that ought to be made to bring the Charter into full effect in this country.

The time that I have spent with the subcommittee has given me some great insights into the real shortcomings of this piece of legislation. For example, I asked a lawyer who appeared before the committee what advice she thought the law officers of the Crown must have given the Government about changes that were needed. She said that she felt that the Government was in a sense hiding behind its grey area theory and was saying that more discussion was needed. I asked her for a concrete example of the sort of thing that the Government was calling a grey area but that would be patently obvious to any lawyer and indeed to any Canadian who would think about it that an amendment to a law of Canada would be required by the Charter. The example to which she referred was the rights of handicapped people to exercise their franchise.

Now, of course there is nothing in the law that prohibits the handicapped from voting, but what the Government knows very well is that the way polling booths are established on

voting day, absolutely no consideration is given to whether the handicapped can get into the polling station or not. Every Member of this House knows from his or her own experience that there are a great many polling stations into which handicapped people cannot enter. The lawyer to whom I spoke was confident, as I am, that this issue must have been brought to the attention of the Government and that some provision could have been brought forward to give the handicapped an option to vote in federal elections through mail-in ballots, as is done in a number of other countries, or perhaps at a polling station to which access is physically available. However, that does not appear in this legislation. I regret very much the fact that this is a technical Bill. I regret very much that the Government has taken that attitude toward the implementation of the provisions of the Charter.

I would like to tell Hon. Members about something else I experienced while participating on the subcommittee that is looking into these so-called grey areas. Last night, the Minister of National Defence (Mr. Nielsen) attended our meeting to explain to the subcommittee what he called the enthusiasm of the Department of National Defence for making equality a reality for women and others who have been closed out of full participation in the important work done by the Armed Forces.

The Minister showed mean-mindedness toward change. He told the committee that the Department was prepared to obey the law and to implement the provisions of the Charter. What he meant by that was that if, for example, the 10-year old girl who appeared before the subcommittee in Toronto the day before asking for the right which is now denied women to be a pilot could raise the support, could go to court, could win her case, could finance and appeal which would surely be forthcoming against a verdict that would be supportive of her, if the Department could examine the clause which gives it the right to override the Charter in certain limited circumstances, and if the Parliamentary Committee could not be persuaded to rubber-stamp the present arrangements of the Department of National Defence, then the regulations would be changed.

The Minister told us that there was a group examining various alternatives for increasing the participation of women in National Defence. He said that inquiries were being made of our NATO partners in order to find out what they were doing because God forbid that Canada should show a role of leadership in giving women equal rights in National Defence.

What the meeting last night boiled down to was that the Charter was not the impetus for the Minister of National Defence to put anything new on the table as far as women are concerned. He was telling us about recommendations that were made in 1971 by a Royal Commission which examined management practices within the Government. He showed us how much progress had been made in his Department since 1971, and I suppose that progress was made by the former Liberal Government, in implementing recommendations now 13 years old. However, would the Charter lead this Minister to do anything new? Absolutely not, and that is very regrettable.

I mentioned the Minister of National Defence specifically because he appeared before us last night. I think that any Canadian can see from this Bill that every Department of Government has acted in virtually the same manner. They have proposed technical amendments, bankruptcy law amendments and changes in language to conform to sexual equality, but regrettably progress in creating greater equality will not come from the Government. It will come from private citizens who will insist on their rights and will take the trouble to go to court and from those who, if defeated, can afford to appeal.

On the subject of appeal, the Governement has taken a pretty clear position, although there was some difference between the positions of the Prime Minister (Mr. Mulroney) and the Minister of Justice (Mr. Crosbie), on whether or not Canada would be prepared on any basis whatsoever to assist Canadians in bringing cases to court to establish the meaning of the Charter. So far, the word on that is that no financial assistance will be given by the Government for the bringing of lawsuits to establish this type of right.

I conclude by indicating that Liberal Members will not obstruct this Bill. However, all of us regard it as a very great tragedy that an occasion that was looked forward to so much as being the moment when underprivileged groups would have their rights recognized is being deferred to the committee that is reviewing the document about grey areas and deferred to individuals who are determined and supportive enough to take their cases to court.

• (1700)

I want to close by expressing the optimism which I feel for the spirit which I detected in the Justice subcommittee. It is working with very great vigour and it is working extremely long hours. It is determined to travel to all parts of the country. However, the subcommittee cannot hear everyone who wants to be heard. Over 800 groups and individuals want to be heard. Obviously, the subcommittee would never be able to conclude its work and submit a report if it heard all of them. However, I think there is some basis for optimism that the subcommittee, even though it is dominated by government Members, may well make recommendations which will take us beyond the very limited and technical advances which have been made in Bill C-27.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questons to be raised tonight at the time of adjournment are as follows: the Hon. Member for Thunder Bay-Atikokan (Mr. Angus)—Health—National

epidemiological centre proposal. (b) Monitoring of birth defects; the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins)—Provincial affairs—Freedom of political association in Ontario. (b) Members' involvement in election; the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)—Social Security—Full indexation of pensions—Government position.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (CANADIAN CHARTER OF RIGHTS AND FREEDOMS) AMENDMENT ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn (for the Minister of Justice) that Bill C-27, An Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms, be read the third time and passed.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have the opportunity to speak on third reading of Bill C-27.

It was required three years ago that the Bill be adopted this spring. The three years were required to review all federal legislation in order to bring that legislation into line with the equality rights section of the Charter. It was thought that three years was time enough to cover a good deal of the legislation.

Unlike the previous speaker, the Hon. Member for York Centre (Mr. Kaplan), I am somewhat disappointed. In fact, my caucus colleagues, especially the Hon. Member for Burnaby (Mr. Robinson), are disappointed at the small amount which has been done and the very narrow interpretation of the mandate by the Minister in drafting the Bill. He has taken a very legalistic approach. He has changed several words, but he has often fallen short of the intent of the original mandate. However, the changes which have been made, with one exception, are changes which we would not wish to oppose. Therefore, we will support the Bill.

I would like to reinforce what the previous Member said about the rights of the handicapped. Very strong committee work has been done during the last several years on the rights of the handicapped. It is a pity that the work which was done by that parliamentary committee was not reflected in this Bill. In the same way, generally, the rights of women are ignored. For example, rights of pregnant women were unfortunately denied in a Supreme Court case. A woman was discriminated against because she was pregnant, but the court held that she was not discriminated against because she was a woman. Men can make jokes about how men might be pregnant. The Mayor of Montreal lost his bet on that point. The fact is that something should have been done to correct the situation once the Supreme Court had pointed out that inequality in the law.

More generally, I find that there is an unsatisfactory tendency, which is reflected in the legislation, to treat the principle of equality in the wrong way. It is similar to the equality of the elephant and the mouse. The elephant is free to step on the mouse, and the mouse is free to step on the elephant. As a French writer suggested, the law in its majesty forbids rich and poor alike to sleep on park benches or to steal bread. That is not the intent of the Charter and of the people who supported the Charter in the matter of equality.

Equality must be not equality of strength, it must be equality of personal dignity. In other words, a weak person has the same personal dignity as a strong person. To set the rules in such a way that the strong can take advantage of the weak, is a denial of equality, not an affirmation of it.

I wish to speak on the amendment to which the Parliamentary Secretary spoke. I am glad the amendment was made, even though the Hon. Member for Burnaby voted against it in its final form. I would have voted against it had I been in his place. Nevertheless, we support the legislation as a whole. I appreciate that the Parliamentary Secretary outlined the amendment which was proposed originally, the objections which were made by myself and others, and the revised amendment as it appears before us. I also appreciate his reaffirmation of a commitment. As I understand it, it is a commitment to draw to the attention of immigration officials that it is our expectation that the rights of refugees will be sustained. A further commitment was made to monitor the operation of that clause to ensure that it does not fail, or, if it does fail, to ensure that action will be taken.

The amendment which was moved originally by the Hon. Member for Burnaby in committee, which, in its revised form, is now in the Bill, is something which we can live with on an experimental basis. It leaves the onus where it was in the original law, and where it should be. That is to say, a hearing at which a person makes his claim to refugee status will be held in camera unless some member of the public, journalist or other, can show that it would not hinder the progress of the hearing or endanger the claimant or his family to hold it in public. I regret that we have introduced that amount of uncertainty in a process in which a person's life or liberty, and the lives and liberties of other people, may be endangered in ways which neither a journalist nor other people concerned are likely to realize. I believe that the rights of the journalist should not take precedence over the rights of the refugee claimant. The penalty, if something went wrong for the refugee claimant, may be far greater than any possible penalty if something went wrong for the journalist. I regret that the Ontario Supreme Court decision was so quickly adopted by the Government and applied here. I am speaking, of course, of the Southam decision. However, the revision of the amendment in committee, and the assurances of the Parliamentary Secretary, help to reduce the risk and potential damage to refugees.

I wish to point out an anomaly. When the committee pulled Section 112 of the Immigration Act, it decided to make a move toward the application of the Charter. However, the committee did nothing else to remove certain kinds of inequal-

ity which exist in the Immigration Act. People who step off the plane at Pearson International Airport, Mirabel or anywhere else, who are regarded by the first officer whom they meet as possibly inadmissible are sent for examination by an immigration officer. He may send them to detention after which, when they go to an inquiry, they have the right of counsel.

● (1710)

At the point when they are sent for that first examination before an immigration officer, they are denied the right of counsel. Not the law, but the guidelines issued by the Executive Director of Immigration, forbids access to counsel, legal or otherwise. That refugee claimant, probably a stranger in the country, would hardly speak English—we don't get many refugees from English-speaking countries—although he or she might speak in a dialect which would be hard to understand. That person who does not know our laws is confronted with uniformed officers—perhaps he is on the run from uniformed officers in his own country—and he is denied the right of counsel at the point when he makes his first statement in front of an immigration officer.

That is unjust, Mr. Speaker. It is a denial of the right of counsel which our charter upholds for all people in Canada. This has been affirmed by the Supreme Court to the extent that it has maintained that a refugee claimant within our borders has the right to a judicial hearing with all that goes with it.

There are other inequalities which the committee overlooked in examining the Immigration Act. For example, a Canadian citizen who applies to sponsor a relative to immigrate into Canada, and whose appeal is denied by officials, has the right to appeal to the Immigration Appeal Board. However, a permanent Canadian resident, non-citizen, does not have that right. That is something which the Minister has addressed in legislation which she tabled yesterday. There are other problems with that legislation, but it is possible that if those problems are corrected it may be passed and adopted. Why is it not adopted in this Bill? Why is it not put forward when it is recognized that the courts will demand and require, if asked, that we give the same right to the permanent resident as is now enjoyed by a Canadian citizen?

With respect to the right of counsel, it is required in our Charter that everyone has the right to counsel when he is in danger of being deprived of life or liberty. Generally speaking, that means that if any of us are required to answer questions of any police force, we have the right to have counsel with us. People who are detained in an immigrant holding centre do not have that right.

Last fall, when the RCMP and CSIS separately interrogated people who were detained at the Avion Detention Centre near Pearson International Airport, these people were not given the right of counsel. We are told that the investigation by the RCMP and CSIS was necessary because they had to protect the Queen and the Pope from terrorists. Apparently no one told the RCMP or CSIS that the Queen and Pope had left the country several weeks before those interrogations took place. Members of CSIS, by law, are allowed to read the newspapers, but apparently they do not, so these interrogations were held for reasons undisclosed and without the people being interrogated having the benefit of counsel.

Another point which concerns refugee claimants particularly is the right to work and to support themselves by their work. Some are given work permits, some are not. There are various circumstances and administrative decisions, but there is no law which supports their right to work. That is something which should have been considered in this Bill. The same applies to the right to schooling or medical care under our health insurance law. Our public schooling and public health services are not readily and certainly available to refugee claimants who have been admitted and who are awaiting determination of their status. That is a matter of equality, Mr. Speaker, which should have been addressed in this Bill and was not.

I agree with those who say that the Bill is good as far as it goes. Except for a little uncertainty with respect to the treatment of in *camera* hearings for the refugee claimant, it is generally good, but it could and ought to have gone a good deal farther. When further consideration is given to this subject, as I hope it will be, it is quite important that people understand that "equality" means equality of human dignity and the protection of human dignity. That means the protection of the weak against the strong who can look out for themselves, rather than some mechanical and superficial bureaucratic approach which increases the power of the strong as against the weak. That principle has to be straightened out, Mr. Speaker, if we are going to make any serious progress in introducing equality into our statutes.

Mr. Howard Crosby (Halifax West): Mr. Speaker, it is not my desire to prolong the debate on C-27 at this stage of the proceedings. I know there is an agreement to pass it in short order. However, I want to point out to the House that Bill C-27 is really one step in a process which, in the view of many parliamentarians, ought to be an ongoing process; that is the comparison of all Bills and legislative provisions brought before the House of Commons and the Senate to the provisions of the Canadian Charter of Rights and Freedoms.

When Parliament agreed to, and did pass, the Canadian Charter of Rights and Freedoms, it was clear that those provisions applied to all legislation passed by the Parliament of Canada. In order to pursue that legal position, there ought to be some ongoing method for examining legislative provisions to ensure compliance with the Canadian Charter of Rights and Freedoms. In fact, some steps have been taken to ensure that such a process is included in the procedures of Parliament, both in the House of Commons and in the other place, and that matter has been given consideration by the Standing Joint Committee on Regulations and other Statutory Instruments.

My colleague, the Hon. Member for York Centre (Mr. Kaplan), as Chairman of that committee, and our other colleagues on the committee, have considered this matter and have recommended the passage of a resolution to the effect that all Bills be referred to the Standing Joint Committee on Regulations and other Statutory Instruments for examination

to determine whether provisions of the Bill comply with the Canadian Charter of Rights and Freedoms. Such a resolution was passed by the other place on February 26, 1985, and I think it ought to be considered by the House of Commons.

We realize that the same matter is under consideration as a result of recommendations of other parliamentary committees, particularly the Special Committee on Reform of the House of Commons, and all the recommendations might be brought together. We realize also that it would take time to review the situation to determine what exactly is the appropriate process to ensure that Bills and legislative provisions brought before the House of Commons are examined in this way to ensure compliance with the Canadian Charter of Rights and Freedoms.

I merely want to take the opportunity, Mr. Speaker, to record this interest in the records of the House of Commons and to recognize that the process of examining statutory provisions in relation to the Canadian Charter of Rights and Freedoms is an ongoing process and ought to be enshrined in our procedures.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I am sorry, Mr. Speaker. I would not want to delay the study of this Bill, but I would like to make a few comments on Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms.

Mr. Speaker, there are grey areas in the Charter of Rights, especially concerning Section 15, and, to use a controversial euphemism, the matter has obviously been put off indefinitely or again referred to a committee for further study. I would simply like to share with the House a few opinions or points of view on minority groups, be they official languages minority groups or ethnic or linguistic minority groups. In my opinion, the House should know—

● (1720)

[*English*]

—that Section 15 does not preclude affirmative action programs. Many of us remain in the dark on the Government's position. We all agree that Bill C-27 is not the be-all and end-all of justice and equity; it does not radically change any laws. I think on second reading of this Bill I made a comment that a lot of the changes proposed were indeed semantical changes, words that were used to replace some other words.

[*Translation*]

Mr. Speaker, the question which is of some concern to us and which I would like to share with the House relates to minorities who feel that their rights are being breached and would like to launch court appeals against certain sections of the Charter of Rights and Freedoms. More particularly, I have in mind the Court Challenges Program which made it possible for certain minority groups—Anglophones in Quebec or Francophones outside Quebec—to obtain from the federal Government either financial or legal assistance to appeal against the implementation of a provision of the Charter.

Mr. Speaker, the House will recall that last April 30 marked the end of the Court Challenges Program administered by the Secretary of State (Mr. McLean). The Government has not yet deemed it advisable to re-establish this program. I often rose in the House to ask questions to find out what would happen to the program and I must say that I have not yet received a direct or satisfactory answer from the Government. They seem to be dragging their feet on this issue. They told us: Yes, the matter is under review, we will have an announcement to make in the near future.

I want to emphasize to the House that a financial and legal assistance program is important to official languages minorities. I say so because I think most Members of the House share that opinion. We believe that minority groups should be helped and supported by the majority. And we also believe that the federal Government is the agency and, perhaps, the level of Government most capable and best equipped to help minority groups defend and uphold their rights before the courts.

When I mention linguistic rights, I think in particular of certain groups from Ontario, Manitoba, Saskatchewan or Alberta. I can say offhand that there are presently at least two cases in Alberta and one in Saskatchewan. We all know that the Government must or should take heed of the invitation from the Supreme Court regarding Manitoba.

Concerning this program of court challenges, in my view, the government has a duty to allocate funds and also human resources at the department concerned in order to help groups to have their rights recognized by the courts. If we have a Charter of Rights, Mr. Speaker, and if our minority groups, in order to assert, to clarify and to have their rights recognized, have to pay from their own pocket, then I believe a society such as ours, a society which views itself as open, generous and most of all understanding must put in place a program which is generous toward these groups who are eager to benefit from it, especially at the financial level. I know full well, for instance, having met recently with people from Alberta, that there is a case being heard in court about Section 23 of the Charter, concerning the schools. I also know of another case in the criminal courts, involving an individual wanting a trial in French.

It is essential, Mr. Speaker, that minority groups, and I refer to Manitoba, have the assurance within the next few days that such a program will be put in place, a program of financial assistance for court challenges, in order for these groups to get organized within the next weeks or months with a view to prepare their case to be submitted to the courts. They must have a well documented case so as to ensure good representation of the linguistic minority in Manitoba. I suggest that if the federal government and the Manitoba government accept the invitation made by the Supreme Court and

endeavour to present arguments concerning the delay for translation of the statutes of Manitoba which, as we know, have been declared invalid, yes, and ultra vires because of the fact they have been enacted in English only, then I believe that if we want to be fair toward the francophone minority in Manitoba, we must immediately assure them that a program will be available, providing money for court challenges. In this way, people will be able to claim from the federal government the assistance they need in order for them to have their rights recognized by the courts following this important decision by the Supreme Court.

Mr. Speaker, I do not wish to delay the passage of the bill, but I would like the government to consider these problems that are viewed as important by all, that is human rights, the rights of Canadian citizens, and I would like the government to introduce within a few days in the Parliament of Canada this court challenges program. I know that all Hon. Members will recognize the importance of such a program which is valuable and indeed essential and which, I reiterate once again, Mr. Speaker, is urgent. It is absolutely essential that the government give us the assurance, thus eliminating any doubt, any concern we might have, that the federal government will step in to help minorities, be it in Manitoba, in Alberta, in Ontario or in Quebec or anywhere else in this country, in order for these minorities to have their rights recognized by the courts.

If I may hold the floor a few more moments, Mr. Speaker, I might add this: if the court challenges program is to be extended to include other provisions of the Charter, consideration might be given to including challenges to Section 15. I think that it would be a positive step that we on this side, would readily approve and heartily endorse. However, I repeat before concluding that it is extremely important to act without delay. The Government must assure us that it will act quickly on this matter, put forward a court challenges program and extend the former program if necessary. You can implement it as you like, but there has been enough talk about it already and it is greatly needed. I know that all Members agree with me. We are asking the Government to make haste in this matter.

• (1730)

[*English*]

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to and the Bill read the third time and passed.

Aeronautics Act

AERONAUTICS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-36, an Act to amend the Aeronautics Act, as reported (with amendments) from the Standing Committee on Transport.

Mr. Deputy Speaker: There are seven report stage motions to Bill C-36, an Act to amend the Aeronautics Act, notice of which has been given pursuant to Standing Order 79(5).

Motion No. 1 is a straight deletion of certain lines and I find that this motion is procedurally in Order. It will be debated and voted on separately.

However, Motion No. 2 is of concern to the Chair. The Hon. Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) is attempting to introduce an amendment of substance by way of an amendment to the interpretation clause of the Bill. This is contrary to the practice of the House and there have been many rulings from the Chair in this regard. I would also refer the Hon. Parliamentary Secretary to Beauchesne's 5th Edition, citation 773(10).

Motions Nos. 3 and 6, also standing in the name of the Parliamentary Secretary, seem to be somewhat linked to the proposal set out in Motion No. 2. However, it is the Chair's opinion that both of these motions can stand on their own merit and should be put to the House for debate. It would be my intention to group them for the purpose of debate, but, if necessary, they will be voted on separately.

Motion No. 4 will be debated and voted on separately.

Motions Nos. 5 and 7 will be combined for debate and voted on separately.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport) moved:

Motion No. 1

That Bill C-36, be amended in Clause 1 by striking out lines 1 to 8 at page 3.

He said: Mr. Speaker, without commenting unduly or unnecessarily on your interpretation of the other amendments, I would, with respect, suggest that they achieve exactly the same purpose. I can address all of them by addressing the first proposed amendment which Your Honour finds acceptable. The purpose of the amendment made in committee was to achieve a certain purpose. Those amendments were made to satisfy the demands of the industry and it was the intent of the committee to accept the interventions of the Air Transport Association of Canada in regard to this.

On reflection, it was found that it did not achieve the purpose of the committee, hence the amendments at report stage which are in front of you. They are there in part because officials of the department, members of the Air Transport Association of Canada, and members of the committee have become quite aware that the amendment moved in committee will not apply to all of the financing situations which could arise under this particular set of circumstances.

Consequently, with the same aim of first meeting the Air Transport Association's concerns with regard to the definition

of "owner", and to meet the intent of the committee, we have put forward a basic amendment and amendments that give effect as in other parts of the Bill.

The use of the term "registered owner" would have the effect of limiting the provisions to those who actually have control of the aircraft. Prior to the amendment it might have extended to those who have a security or other financial interest. Since Your Honour finds that that is a substantive amendment, I can only repeat that it was an attempt to meet the intent of the committee and the intent of the Act itself. With respect, if Your Honour finds the first motion in order, perhaps we could deal with that and I may have a word to say about the other three. However, I suggest, with respect, that they do not substantially change the Bill.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to echo the words of the Parliamentary Secretary (Mr. Forrestall). The committee heard very clearly that there were some problems with the definition as it was applied in the real world of aviation. A number of us recognized that in committee and encouraged officials from the Department, as well as members of the governing Party, to reconsider. I have some concern that your ruling, which I have respect for, means that unless Motion No. 2 is ruled in order and allowed to pass, all we will be doing is deleting one definition without replacing it with the other. I respectfully suggest that we consider that because there is a need for that definition to be in that Bill in order to ensure that this Bill can function in the way that it must. We will be supporting Motion No. 1.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The Hon. President of the Privy Council and Government House Leader (Mr. Hnatyshyn) on Motion No. 2.

Mr. Hnatyshyn: Mr. Speaker, I wanted to address your concern with respect to this motion. I believe there is a disposition to allow this motion to go forward by unanimous consent of the House. If that is agreeable to Members present we could have this motion accepted on that basis.

Mr. Angus: Mr. Speaker, what the Hon. Government House Leader (Mr. Hnatyshyn) has suggested is most reasonable. We will be happy to give unanimous consent.

[*Translation*]

Mr. Gauthier: Mr. Speaker, we also find that proposal satisfactory.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent to allow Motion No. 2 to go forward?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Since unanimous consent has been given to allow Motion No. 2 to be put to the House, it is my intention to group Motions Nos. 2, 3, and 6 for debate.

• (1740)

An affirmative vote on Motion No. 2 also applies to Motion No. 3 and Motion No. 6. However, a negative vote will necessitate a separate question having to be put on motions Nos. 3 and 6.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport) moved:

Motion No. 2

That Bill C-36, be amended in Clause 1 by adding immediately after line 12 at page 3 the following:

" "registered owner", in respect of an aircraft, means the person to whom a certificate of registration for the aircraft has been issued by the Minister under Part I or in respect of whom the aircraft has been registered by the Minister under that Part;".

Motion No. 3

That Bill C-36, be amended in Clause

(*a*) by striking out line 33 at page 7 and substituting the following therefor:

"both the registered owner and operator of the aircraft".

(*b*) by striking out line 37 at page 7 and substituting the following therefor:

"regulations requiring registered owners and operators".

Motion No. 6

That Bill C-36, be amended in Clause 1 by striking out line 4 at page 44 and substituting the following therefor:

"7.3 (1) The registered owner of an aircraft may be".

He said: Mr. Speaker, I am quite prepared for the question.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, in a few words I want to comment on the amendments which we will support. Very clearly these are as a result of representations made to us in committee by the industry, through COPA, and we believe it is an appropriate rephrasing of the wording and a way of ensuring that the intent of the Act is met.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I also wish to endorse the comments made by the previous speaker and confirm that we agree to the proposed amendment which is consistent with the representations already made by witnesses who appeared before the parliamentary committee.

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 2 standing in the name of the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motions Nos. 2, 3 and 6 agreed to.

Mr. Iain Angus (Thunder Bay-Atikokan) moved:

Motion No. 4

That Bill C-36, be amended in Clause 1 by striking out lines 20 to 46 at page 25 and lines 1 to 16 at page 26 and substituting the following therefor:

"5.5 (1) All holders of Canadian aviation documents that impose a standard of medical fitness shall as a requirement of their licensure, report on a regular basis as directed by the Minister to a physician and an optometrist recognized by the Minister for the purpose of determining medical fitness under this Act.

(2) All persons while receiving medical examinations under subsection 5.5 (1) shall be required to disclose to the examiner, the details of any consultations they may have had with other medical practitioners regarding their health including any treatments or drug prescriptions they have received since their last examination under this Act.

(3) All holders of a Canadian aviation document that imposes a standard of medical fitness who have reached the age of forty years, shall provide the Minister with a written disclosure of all prescribed medical treatments received on an annual basis for as long as they hold such a document.

(4) The Minister or a medical adviser designated by the Minister, may require the holder of a Canadian aviation document, to undergo more frequent examinations to those mentioned in subsections 5.5 (1) and may prescribe any further tests that may be necessary to determine the medical or optometric fitness of the licence holder, in accordance with accepted medical practice.

(5) The Minister may make such use of any information provided in section 5.5 as he considers necessary in the interests of aviation safety."

He said: Mr. Speaker, of all the aspects of this massive change to the Aeronautics Act, I suggest that this has probably been the most contentious. We have heard representations from a number of groups who were concerned first, with the initial wording in the Act, then concerned with the clause as amended.

It essentially involves a question of rights and obligations. It was my understanding that, according to the original clause, a private medical practitioner was required to have his patient, the holder of an aviation licence, to inform the Department of Transport of a medical condition within a specified period. Second, if this was not done, the medical practitioner would contact the Department of Transport.

As a result of discussions in the Transport Committee with a number of groups, and as a result of the circulation of draft wording by myself, with the assistance of the office of the Member for Regina East (Mr. Benjamin), the Government introduced an improved version of that clause. Quite frankly, when we sent to committee I was in agreement with the Government in its approach. However, as I listened to the witnesses and read material, I felt that we were making a fundamental error. We were removing the onus from the holder of that aviation licence to meet the requirements, particularly the medical requirements.

Therefore, we have before us an amendment which in effect amends my wording but changes the onus and puts it on the holder of the licence, whether it is a pilot or air traffic controller, where the onus belongs. The amendment states that the holder of an aviation licence must regularly report to a physician and an optometrist recognized by the Minister. Furthermore, that person must disclose to the medical examiner any medical consultations he has had in the past and indicate any medication he is taking. This will enable the Department of Transport physician to have all of the information he requires to make a technical evaluation of the capability of the individual to meet the requirements of the aviation licence.

Since the committee prepared its report we have heard representations again from the Canadian Owners and Pilots Association. Let me cite some of their comments with respect to Section 5.5:

We feel that we would be considered irresponsible and negligent if we failed to provide you, and the good members of your Committee, with the attached first-hand information as to how alarmed some knowledgeable and experienced physicians are over the subject matter. Dr. Bruce Lockhart, Dr. J. N. Armstrong, Dr. R. Webb and Dr. John Lockhart have all warned us that the present provisions of section 5.5 of Bill C-36 are contrary to the providing of a healthy atmosphere in which pilots may best perform their duties with utmost professionalism and care.

Furthermore, Dr. Webb wrote the following letter to COPA:

First, it has always been my understanding that every pilot is ultimately responsible for his aircraft and for his ability to fly it. This Act only serves to undermine this personal responsibility and place it in the hands of a Physician and of a Government bureaucracy.

A Physician already has too much paperwork initiated by third party requests which ask us to prove, in effect, that their client, our patient, is "not lying". We resent being placed in such a "big brother" position, which is what this legislation will do. If the medical problems being screened were of such significant frequency and importance, then ' would not object, but where is the documentation to support such a Draconian measure? Although improvements can always be made, the current system already serves us well.

Second, and probably more important, this proposal will ultimately impede access to preventive health care for pilots. Pilots are only human and if their livelihood is threatened by reporting a health concern to their family physician, they are more likely to try and treat the problem themselves. For most medical complaints, this approach is not unreasonable, but for something more insidious and persistent, the results could be tragic.

For example, a recurring stomach pain/indigestion might imply a peptic ulcer to a pilot, who knows that he might be grounded if this was proven correct. However, left untreated, it might progress to a severe haemorrhage, with serious consequences for the patient, and increased costs for the taxpaper; or it could be even more sinister—a carcinoma!

● (1750)

I would urge you to make every effort to have this portion of the Act altered. Pilots need encouragement to seek medical attention when necessary—not to be threatened by punitive legislation. Physicians do not want to be forced into a "spying" relationship with their pilot-patients.

Sincerely,

R. J. Webb, M.D.

Well, Mr. Speaker, we know the Government has good intentions in terms of how it has written this particular clause. The Government's intention must be to protect the travelling public as well as the crews, the pilots themselves, the air traffic controllers and also citizens at large who may be on flight paths. We heard of only one instance before the committee of a link between a medical problem and an accident. In that case, the Department of Transport know of the individual's medical condition and was unable to do anything about it. We cannot see on this side of the House how this forced reporting by the physician to the Department of Transport will change that. It certainly would not have changed it in the instance in Toronto.

In closing, I would encourage the Government to accept this modification to the Bill. I want to thank you for your ruling which finds that it is in order Mr. Speaker.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I have a few observations with respect to my distinguished colleague's amendment in this regard. This amendment, and the purport of it was moved while we were in committee. The Hon. Member is quite correct in bringing to the attention of the House the extent and the degree to which this particular section was debated with some liveliness and in some depth.

The effect of this amendment with respect to the medical reporting section of Bill C-36 would have the effect of deleting any reporting requirements on the part of doctors and optometrists and substituting an obligation on the part of a pilot to submit to regular examinations by these doctors and optometrists.

THE ROYAL ASSENT

[*Translation*]

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

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

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

And being returned:

[*English*]

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

Bill C-18, an Act to amend the Criminal Code, to amend an Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal certain other Acts and to make other consequential amendments—Chapter No. 19.

Bill C-15, an Act respecting investment in Canada—Chapter No. 20.

Bill C-41, an Act to repeal the Prairie Farm Assistance Act and to amend the Crop Insurance Act in consequence thereof—Chapter No. 21.

Bill C-2, an Act respecting the winding-up of the Canadian Sports Pool Corporation and Loto Canada Inc.—Chapter No. 22.

Bill S-3, an Act to implement conventions between Canada and the Republic of Zambia, Canada and the Kingdom of Thailand, Canada and the Republic of Cyprus and Canada and the Federative Republic of Brazil for avoidance of double taxation with respect to income tax—Chapter No. 23.

Bill C-54, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986—Chapter No. 24.

• (1800)

GOVERNMENT ORDERS

[*English*]

AERONAUTICS ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-36, an Act to amend the Aeronautics Act, as reported (with amendments) from the Standing Committee on Transport; and Motion No. 4 (Mr. Angus) (p. 6067).

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, when we were so graciously interrupted with respect to the due process of law enactment, I was replying to my colleague's comments and observations in support of his amendment.

As I was saying, the amendment presently before of us would have the effect of deleting any reporting requirement on the part of doctors and optometrists, which is proposed in the pertinent Section of the Act, Section 5.5, and substituting an obligation on pilots to submit to regular examinations by doctors and optometrists designated by the Minister and, during those examinations, to disclose details of all medical treatments or medications undergone since the last required or mandatory examination. The amendment also provides that the Minister may require pilots to undergo further medical tests or more frequent required examinations.

We suggest that this amendment would do very little to improve the existing situation, since the current legislation includes all the matters mentioned in the amendment by my hon. friend, except the compulsory optometric examinations and written reports to the Minister after age 40. Furthermore, the proposed amendment does not in fact address the issue that Section 5.5 was designed to answer, that is, how to make the Department aware of hazardous medical conditions. That principle lies at the root of this particular Section of the Act.

The Department, and I think all Canadians, are anxious that medical developments which occur between mandatory examinations in fact be reported. The small number of pilots who deliberately conceal dangerous medical conditions during required examinations is not so small as to make unimportant the provisions of the amendments before us to Bill C-36. As I said, only a small minority of pilots deliberately conceal medical conditions, but the effect of concealment on aviation safety can be tremendous. This problem has been recognized by the Department and by the medical profession itself.

In Ontario, coroners have found that undisclosed medical conditions were factors in at least four fatal accidents since 1978. In each case the coroner's jury recommended that there be some reporting mechanism available to all doctors who examine pilots and indeed holders of aviation documents.

In 1984 the Ontario Medical Association passed a resolution asking the federal Government to pass legislation authorizing doctors to report conditions on pilot patients that would make them unfit to fly and to protect doctors making such reports

from legal or disciplinary action. In fact, departmental doctors in every region of Canada receive calls each year from doctors inquiring wehther they will be protected from such action if they report a condition of a patient that makes his continuing to fly hazardous.

The provisions of Section 5(5) are similar to those found in the motor vehicle legislation of most provinces requiring doctors and optometrists to report conditions of patients that might affect their ability to operate a motor vehicle safely. In the case of motor vehicles, and even more so in the case of aircraft, the effects of an accident can be so serious to the public at large that the public interest requires that the usual principle of doctor/patient confidentiality be breached.

The section also makes it mandatory for a pilot to inform any doctor he consults that in fact he is a pilot. This is important because it may affect the choice of treatment prescribed by the doctor, since the chosen treatment may also have an effect on that same pilot's capacity and ability to safely fly an aircraft.

In short, I cannot accept the amendment as it fails to address the issues of providing a mechanism for doctors to make reports concerning conditions that may create safety hazards; protecting the reporting doctor from legal or disciplinary action and requiring the reporting of hazardous medical conditions that may arise between the required medical examinations.

Perhaps I should add, Mr. Speaker, that the report does not result in immediate licence withdrawal, or suspension. The only consequence will be that the pilot will be asked to undergo further medical examinations by departmental doctors. If the licence is withdrawn after these examinations the pilot will still have available to him the review procedures set out in the Bill itself. For those reasons we do not believe that we can accept the amendment.

However, I would like at this time, subject to your direction, to ask unanimous consent of the House for permission to introduce an amendment to the Bill. It addresses the concerns of the mover of the amendment in front of us, and goes some distance in dealing with part of the difficulties that we found with this.

• (1810)

The amendment I would introduce has to do with records, notices of decisions, application of certain provisions and a repeat of applications, limited by the fact that I would require unanimous consent to do that. I have had some consultations and I think the Chair would find an agreement to grant such unanimous consent.

Mr. Angus: Point of order. Mr. Speaker, I have listened to the Hon. Member, but I am at a loss because, while he did share with me a potential amendment that may come up later, I have not seen the amendment he has referred to. Although I would be more than happy to give consent, I think in fairness I should have an opportunity to take a quick look at it before I do that; I may be hanging myself out to dry.

The Acting Speaker (Mr. Charest): If I may just add, and maybe we can pursue the matter further, we should first of all dispose of the fourth amendment now before the House and then come to the amendment suggested by the Hon. Parliamentary Secretary.

Mr. Forrestall: Point of order. Mr. Speaker, my difficulty arises from my concern about the grouping by the Chair of Motion No. 5 and Motion No. 7. My difficulty is, without unanimous consent or served notice, and if we go past this particular part of the Bill you may not let me go back to that part where I might more properly deal with this. I am simply seeking unanimous consent to do that or giving notice, so that when we vote on this motion—and we lose both because a negative vote on this one will negative Motion No. 7—I will not lose the proper place to inject this amendment.

Mr. Baker: Mr. Speaker, I think perhaps to assist the hon. gentleman, the Parliamentary Secretary, are we given to understand that this is an amendment to an existing amendment that is being discussed in the House? It is a new amendment to a different section than we are presently dealing with. Perhaps the Parliamentary Secretary can explain what he is trying to do and what he is talking about.

The Acting Speaker (Mr. Charest): I am sure the Hon. Member for Gander-Twillingate (Mr. Baker) wishes to assist the Hon. Member, and also wishes to assist the Chair in this matter. If I understood the Hon. Parliamentary Secretary correctly, he seeks a reassurance as to his capability of presenting the amendment when we do reach Motions Nos. 5 and 7 which are grouped. If that is what he is seeking I can reassure the Hon. Member on that very specific issue.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I should like to deal briefly with Motion No. 4 which was moved by our colleague and which has just been turned down by the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall).

I regret the government's decision, because I feel this was a very good amendment. Members of the Official Opposition would certainly have supported this amendment which aimed at easing a difficult situation. Of all the provisions in this Act, this is probably the most controversial. This is the one about which we have received the greatest number of testimonies and objections. I had thought that, in a spririt of cooperation and understanding, the government would have accepted this amendment.

I am the son of a physician and so is my colleague the Hon. Member for Saint-Denis (Mr. Prud'homme). We both know the important and confidential role physicians play in the lives of their patients. Well, Clause 5.5 of Bill C-36 would require physicians to behave like inquisitors and obtain from their patients informations about their professional and personnal lives which I feel are not absolutely necessary in the present circumstances.

I think that the government's desire to protect the travelling public who uses airplanes is commendable. Its purpose is both important and acceptable.

I felt that Motion No. 4, moved by the hon. member, reflected a healthier physician-patient relationship. I suggest we should make pilots, air traffic controlers and other people involved in air transportation responsible for advising their physicians of their respective types of work and professional status. I do not think it is wise to require a physician to ask questions and obtain information about their professional lives.

I hope that the Parliamentary Secretary, while dealing later with another clause, will try to make up for it by proposing a sort of compromise amendment. I feel it is a small step in the right direction. It is not the big step we wish the government had taken, but at least we will be prepared later or to accept the amendment the Parliamentary Secretary has referred to.

● (1820)

[*English*]

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I just want to clear up something. I take it that the matter which the Parliamentary Secretary wants to present has nothing to do with Motion No. 4; that we are only dealing with Motion No. 4 and that the motion he wishes to present has to do with subsequent motions, is that correct?

Mr. Forrestall: Mr. Speaker, I rise on the same point of order. Of course my proposed amendment does not deal directly with the amendment that is before us. I dealt with that in a few words before. I said that because of the grouping, as I understood it, I wanted to simply serve notice that at an appropriate time after my distinguished colleague moves the next amendment, I will want to address that amendment by indicating to the House that while we do not support the precise wording of that amendment—and perhaps I should not anticipate but I would like to explain my concern to the Hon. Member for Regina West (Mr. Benjamin)—I would seek the unanimous consent of the House to introduce a somewhat comparable motion that would make the language of the next motion more compatible with the rest of the Act, and quite acceptable to us.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 4 standing in the name of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it. I declare the motion negatived.

Some Hon. Members: On division.

Motion No. 4 (Mr. Angus) negatived.

[*Translation*]

Mr. Ouellet: Mr. Speaker, there has been consultation with our colleague the Government House Leader, and I believe you will find that the House is ready to adopt a motion, provided that in the next few minutes we go through not only the report stage but also the third reading of Bill C-36.

I would like to know the House Leader's decision.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, it is a great honour for me to be asked a question by that great reformer, the member of the task force on reform of the House of Commons. He has worked so hard on reform of the House of Commons.

The Hon. Member has raised the question of today's Business of the House. I was approached by the House Leader of the Official Opposition who requested that when we complete third reading of the legislation now before us, we might seek the unanimous consent that at that time, the motion that the House adjourn for the evening, as if it were nine o'clock be proceeded with. We would then be able to deal tomorrow with the two items to which I had referred earlier. On the basis of the request of the House Leader of the Official Opposition that we adjourn the House after conclusion of third reading of this Bill, and after seeking the advice of the New Democratic Party, notwithstanding the fact that I love dearly sitting here, I think you will find the unanimous consent to have the House adjourn for the evening, Mr. Speaker.

Mr. Gauthier: Mr. Speaker, I would like to concur in that and tell the Government House Leader that we made some great progress today and, as usual, the Opposition has been very co-operative.

The Acting Speaker (Mr. Charest): Motions Nos. 5 and 7 will be combined for debate and voted on separately.

Mr. Iain Angus (Thunder Bay-Atikokan) moved:

Motion No. 5

That Bill C-36, be amended in Clause 1 by adding immediately after line 3 at page 44 the following:

"7.3 (1) An individual who has held a valid aviation document for a period of two years from the satisfaction of a suspension or other penalty imposed in relation to that document may apply to the Minister for removal of that

suspension or penalty from his record, provided that there have been no subsequent infractions on record in relation to that document.

(2) The Minister may, upon application to him by an individual pursuant to subsection (1), delete from the record of that individual any reference to a suspension or other penalty imposed under this Act where, in the opinion of the Minister, aviation safety would not be compromised thereby.

(3) Any decision of the Minister made pursuant to this section may be appealed to the Tribunal pursuant to subsection 6.1 (3).

(4) Where the Minister refuses to delete a suspension or other penalty from the record under subsection (1) and the Tribunal has, if appealed to under subsection (3), upheld the decision of the Minister, the individual may, upon the expiry of a further two year period from the date of the Minister's decision under subsection (2), again apply to the Minister for removal of the record of that suspension or penalty pursuant to subsection (1)."

● (1830)

Motion No. 7

That Bill C-36, be amended in Clause 8 by striking out line 25 at page 53 and susbstituting the following therefor:

"first occurs, but any such suspension of revocation of licences or certificates made prior to the coming into effect of this section shall be subject to the review procedure referred to in section 6.1 (6)."

Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Member for Thunder Bay-Atikokan (Mr. Angus) on a point of order.

Mr. Angus: Mr. Speaker, I wonder if the House would be willing, by unanimous consent, to agre to separate Motions Nos. 5 and 7 in order that we can deal with the matter which the Parliamentary Secretary will be putting forward.

The Acting Speaker (Mr. Charest): Is the Hon. Member for Thunder Bay-Atikokan offering to withdraw his motion?

Mr. Angus: I do not believe I can withdraw the motion at this point. However, I am willing to do that once the two motions have been separated.

Mr. Forrestall: Mr. Speaker, the difficulty is in the combining of Motions Nos. 5 and 7. While we are prepared to seek unanimous consent of the House to move an amendment which is somewhat similar, because we are in agreement with the principle in Motion No. 5, we are not prepared to accept Motion No. 7. That is the dilemma which I leave with the Chair.

The Acting Speaker (Mr. Charest): Is there unanimous consent to separate Motions Nos. 5 and 7?

Some Hon. Members: Agreed.

Mr. Angus: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Charest): The Hon. Member for Thunder Bay-Atikokan on a point of order.

Mr. Angus: Mr. Speaker, as a result of consultations with the Parliamentary Secretary, I would like to withdraw Motion No. 5.

The Acting Speaker (Mr. Charest): Does the Hon. Member have unanimous consent to withdraw Motion No. 5?

Some Hon. Members: Agreed.

Motion withdrawn.

Mr. Forrestall: Mr. Speaker, as a result of the consultation process, I believe there would be an agreement of the House to grant unanimous consent to permit me to introduce an amendment to Bill C-36 at this time.

The Acting Speaker (Mr. Charest): Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my colleague proposed an amendment which would allow any reference to a suspension of a licence, or any other penalty imposed under the Act, to be struck from the record after two years if no further infractions had been recorded within that period of time. We generally support the principle which is involved in the amendment. To that end, I would like to move the following amendment:

That clause 1 of Bill C-36 be amended by adding, immediately after line 3 on page 44, the following:

«7.21 (1) Any notation of a suspension by the Minister of a Canadian aviation document under this Act or of a penalty imposed in accordance with sections 6.6 to 7.2 shall, on application by the person affected by the suspension, or penalty, be removed from the record respecting that person kept by the Minister after the expiration of two years from the date the suspension expires or the penalty amount has been paid unless

(a) in the opinion of the Minister, the removal from the record would not be in the interest of aviation safety; or

(b) a suspension or penalty under this Act has been recorded by the Minister in respect of that person after that date.

(2) The Minister shall, as soon as practicable after the receipt of an application under subsection (1), by personal service or by registered mail, notify the applicant of the decision of the Minister in relation thereto.

(3) Subsections 6.1(3) to (9) and section 6.2 apply, with such modifications as the circumstances require, in respect of a decision of the Minister referred to in subsection (2) of this section.

(4) No application under subsection (1) shall be considered by the Minister within two years from the date of a previous application under that subsection in respect of the same applicant."

I think the point which was made by the distinguished Member is indeed a good one, and we are most pleased to join with him in making it part of the record.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I want to thank the Hon. Parliamentary Secretary and his colleagues for accepting the principle that we put before them in committee, and in the notice which we tabled in the House quite some time ago. The amendment is to ensure that a lot of the so-called minor infractions that individuals may have on their records will be allowed to be removed, as long as they are not habitual in the sense that every six months or every year they are found to have not filed their papers on time, or other infractions.

I want to indicate briefly why we proposed the amendment. In doing that, I would like to give an example. We have had several representations from pilots, mechanics and engineers whose careers have been damaged because they did not cross a "t" or dot an "i".

One example is that of the owner of a small engineering firm in northern Ontario. He has been a pilot for 15 years. In 1976 he was hired to ferry a small aircraft to another destination some 2.5 hours flight time away. He left with enough fuel for four hours, and was flying under normal conditions. However, two hours into the flight he had to make a forced landing because he was out of fuel. The landing was successful and there were no injuries. I would respectfully suggest that it was to his credit that he was able to do that.

He then received a letter from Ministry officials which alleged that he may have taken off without sufficient fuel for the trip. He advised them that the plane, which was owned by another individual, had a fuel pump problem and was pumping fuel overboard. No action was taken at that time. In 1981, he applied for his certificate of air worthiness for an aircraft which his company owned. The aircraft had not been in operation for some time. When he made his application, he forgot that that particular aircraft had a compulsory requirement to overhaul the propellers every five years. That period of time had elapsed a few days before he made his application to the CTA. His engineer's licence was suspended for 30 days for making an application for an aircraft which was not airworthy.

• (1840)

In the letter suspending him, he was told that the stiff penalty was necessary considering he may have taken off without enough fuel as a pilot almost five years earlier. This man's business came to a halt for 30 days. At that time his only recourse would be to the Federal Court of Canada. Through this amendment, at the very least, he will have an opportunity to have that record wiped clean. I say "opportunity" because clearly he will have to apply to the Minister and the Minister, according to this clause, has the right to say yes or no. If he says no, then the pilot will have an opportunity, as I understand, to take that to the appeal process.

I am pleased that we have once again been able to improve a very valuable Bill, to ensure that what passes this House is an effective instrument for doing what the Government, the Department and the industry wish it to do. I am pleased to have been a part of it and to have had this amendment accepted.

Mr. Forrestall: Mr. Speaker, my distinguished colleague has once again moved that document holders have access to the civil aviation tribunal which, in itself, is proposed in the Bill and which is one of the greater innovative aspects of this new measure. The amendment is unacceptable for a variety of reasons, not the least of which is the fact the Department processes some 700 suspensions—

The Acting Speaker (Mr. Charest): Order. With deep regret—and I am sure I am speaking on behalf of all Hon. Members of the House—but I believe the Parliamentary Secretary has already risen to address the motion and I cannot, therefore—

Mr. Forrestall: Oh, I am sorry.

The Acting Speaker (Mr. Charest): I say that with deep regret on behalf of all Hon. Members of the House.

Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): The motion is therefore carried.

Motion (Mr. Forrestall) agreed to.

The Acting Speaker (Mr. Charest): The House will now consider Motion No. 7 in the name of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I want to make clear at the outset that this amendment, combined with the amendment we just passed, in effect deals with the period between the day that this Act is proclaimed and a point two years prior to that. It is the only time when, realistically, it is to apply. The intention is to allow those individuals who have been found guilty and have had a sanction or punishment placed upon them in the last two years to have access to the very valuable appeal system which has been established under this Act.

Until this Act passes, their only recourse is in effect to the same people who investigated them, who analyzed the situation and who decided on the appropriate punishment. What we want to do, Mr. Speaker, is to give them an opportunity to have that reviewed. I know that the Parliamentary Secretary will say that there are too many, that we will open the floodgates. While I recognize the number of infractions may be 700 or more over the last two-year period, clearly there are two groups.

There is the group which will feel that the infractions are of a minor nature and are not worth the time, effort and dollars to take the matter to the appeal process, things like failing to put in documentation on time—which was the case I read into the record earlier of missing the deadline for the propellor check. There is a second group however, which in that two-year period may feel they have been grievously wronged and we believe they should have the opportunity to present their case to the independent appeal tribunal. They should be given the opportunity to say they think a mistake was made, that justice has not been served either by their conviction or by the penalty in terms of their business, recreation, or whatever. I think very clearly we should give them that opportunity.

I understand there are regional variations in terms of the kinds of sanctions, depending on the investigating officers and the officials involved, so that one infraction in Atlantic Canada may be treated differently than the same infraction in western Canada. Because of that situation, as we perceive it, there needs to be that independent body to appeal to.

In the Enforcement Manual of the Department of Transport under the Table of Sanctions it states under Guidelines:

> Although a purpose of the Table of Sanctions is to enhance consistency, the recommended sanctions are not hard and fast rules. Rather, they are suggested criteria from which deviations may be necessary according to the situation.

It is further stated, and I quote:

> Mitigating circumstances are events that do not constitute a justification or excuse for the offence in question, but which in fairness, may be considered as extenuating or reducing the degree of moral culpability. Mitigation does not alter the fact of a violation nor does it provide a defence. It relates not to the offence but to the sanction. The sanction may be moderated in light of mitigation.

They list the mitigating circumstances as: lack of intent, misunderstanding or misconception and honest mistake. And under "aggravating circumstances" which is a severe category, it states:

> Aggravating circumstances are events that show a significant degree of moral culpability in the violation. Examples are:
>
> (i) deliberate actions done with intent to commit a violation;
>
> (ii) negligence;
>
> (iii) Recklessness; or,
>
> (iv) habitual non-compliance shown by a series of recurrent violations.

When one compares the mitigating circumstances and the aggravating circumstances, one sees some similarities. A misunderstanding or a misconception could result in negligence. Which shall it be? An honest mistake may lead to recklessness. The point I am trying to make is that if we do not give those people who have been found guilty of an infraction over the past two years that option to go through an appeal, they are lost for at least two years. Clearly, they can wait for two years to decide to apply to have their record cleansed, but I do not think that we should set them aside as a separate category. I believe we should allow them access to justice. We should give them that opportunity, should they so desire, to appear before an appeal tribunal and state their case. The Ministry could then state its case and the tribunal could say yes, we agree, or no, we do not, or you are guilty but the treatment was too harsh.

● (1850)

In conclusion, I encourage the Parliamentary Secretary to throw away his notes and say yes, they will support this resolution.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary and his notes.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would be inclined to throw away my notes but my answer would be no. It is not a question of 700 impositions of penalties over a two-year period. That is roughly the number on an annualized basis. To allow these to come before the tribunal for resolution would have the effect of backing up the very important other work the tribunal is charged with doing. These suspensions are imposed in accordance with the rules of natural justice and only after the document holder has been provided with full procedural safeguards. To allow recourse to the tribunal with respect to previous suspensions would effectively in my judgment, tie up the tribunal not only in its ongoing and very important work, but for years to come.

I might just make one other point. In light of the fact that the suspensions would have already been served, nothing would be gained other than having the document holders' record amended. I might just note in connection with that, with respect to the length of time which might have passed since the suspension was imposed, it might be very difficult if not impossible to have all the evidence available to enable the tribunal to make a fair and just decision. I would also point out that the amendment proposed earlier today, as has been acknowledged by my colleague, has the effect in part of removing notations of any infractions on an individual's licence. For those reasons I regret, because I know of the care, concern and sincerity with which the amendment was put forward, that we are uanble to accept it.

Mr. Les Benjamin (Regina West): Mr. Speaker, I find the Parliamentary Secretary's arguments a little bit specious. Just remember that people who have these things on their record have been charged, tried, found guilty and penalized by the same outfit. I think that flies in the face of our democratic jurisprudence.

Mr. Forrestall: They will be removed within two years.

Mr. Benjamin: Take the case of, say, a mechanic working for an airline in northern Quebec who replaced a fuel pump on a Cessna 172. The fuel pump he used had more hours on it than allowed for the type of aircraft he was working on. However, it could have been used for another 400 hours in several other aircraft before it had to be replaced. He simply made an error in the type of aircraft he put it in. No failure occurred. Certainly there was no malice on his part. However, the Government suspended his licence for two weeks. Not only did he not have an income for that period of time, the fact he has a suspension on his record has caused problems in advancing his career and his present employers worry about having him as a mechanic in the future for fear there might be another mistake.

Surely that is the kind of situation where the person involved should not have to wait another two years. He should be able to go to a tribunal and present his case. In this particular case, it seems to me, he deserves the right to have his case reviewed without the expense of going to Federal Court, but without this amendment he cannot do that. He can only wait for another two years or go to the expense of applying to Federal Court.

Surely there must be dozens of instances like that. Under this new legislation, once it is proclaimed, the person concerned will be able to start with a clean slate. His record is clear. He has no further problems advancing his career. I do not understand why the Ministry is so worried about this section. I doubt very much that there will be hundreds and hundreds of appeals. Those who are guilty of serious infractions will know better than to apply. For those who have been

penalized in a manner which coincides with the remarks made by my colleague from Thunder Bay-Atikokan (Mr. Angus), being the difference between the honest error and negligence, a substantial difference I submit, surely the holder of a licence under this legislation should at least have an opportunity to appear before the tribunal and ask for his record to be cleared. Waiting another two years is that much more difficult for them in that kind of case.

I doubt very much if a tribunal will be handing out in a wholesale manner all kinds of forgiveness and wiping clean of records. I also doubt very much if the Ministry was 100 per cent right in all cases. I have yet to find anyone anywhere in this mortal coil who is 100 per cent correct or 100 per cent wrong. I will admit that even my friend, the Parliamentary Secretary, is not 100 per cent wrong, but there can be administrative errors. There can be extra zealous action taken in one instance but not in another. We all know that can happen. Therefore, there should be no reason why that ability to appeal to a tribunal immediately this act comes into force cannot be allowed to happen.

I urge the Parliamentary Secretary to say that the officials in the Department are worrying too much and there is no reason why this amendment cannot be accepted. I hope he will have a change of heart in the next few seconds and say that they will allow this change because of the instances my colleague and I have presented where redress should at least be considered or a wiping clean of a slate over something that occurred some time ago. Having the opportunity to do that at least is the full extension of just treatment. I hope his officials will drop a note over the balcony to the Parliamentary Secretary saying "sure, we can buy that". Then the Parliamentary Secretary can get up at his leisure and say that the Government can accept this amendment. That will make everybody happy, including the Parliamentary Secretary and the officials from the Ministry. I hope the points which my colleague has made and what I have just said will have some impact and weight with the Government and that it will now decide to accept this amendment.

• (1900)

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Forrestall: That last amendment did not carry.

Mr. Ouellet: Yes it did. Nobody said no.

Mr. Forrestall: I very clearly said no.

The Acting Speaker (Mr. Charest): There were no nays brought to the attention of the Chair.

Mr. La Salle: Really, he said no.

Mr. Forrestall: I clearly said no.

The Acting Speaker (Mr. Charest): Order. There were no nays heard by the Chair. The question may be put to the House again if there is unanimous consent. Is there unanimous consent of the House to put the question again?

Some Hon. Members: Agreed.

Mr. Benjamin: No.

Mr. Hnatyshyn: Come on, Les, for heaven's sake.

Mr. Forrestall: There was a no.

Mr. Hnatyshyn (for the Minister of Transport) moved that the Bill be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Transport) moved that the Bill be read the third time and passed.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I just want to make a few closing remarks. This is my first experience in the House of taking legislation through most of the stages on behalf of my Party. I would like to thank all Members of the Transport Committee, and particularly the Parliamentary Secretary (Mr. Forrestall) for the level of debate. There was agreement to disagree on some items, but it was at all times in a manner which was extremely parliamentary.

It is particularly pleasing to me that I, along with some help, was able to introduce some changes and have the majority of them, in one form or another, accepted by the Government and incorporated into this Act. In all, I think six specific changes were made, most in the section on the medical reporting provision, to improve the wording and the intent. Although I was not successful with a couple of amendments, I understand the rationale of the Government. Although I would have preferred it otherwise, I do appreciate that. We must now give approval to the Bill as amended and move on to other matters in the House.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, due to the fact that the Aeronautics Act has not been amended for 60 years, this is rather an auspicious occasion. I would like to recognize the work done by the departmental people in bringing this Act together, consolidating the regulations, and consulting from one end of the country to another. They prepared some of the finest briefing notes that I have ever had the privilege of dealing with with respect to legislation. Out of respect for this and a number of other things, I will not express my great disappointment. On at least five occasions in the last 45 minutes I indicated, through great difficulty in a procedural sense, our objection to the clause which you said was carried and which I negated, both by voice and shaking of the head.

Six associations submitted briefs and appeared before the committees and we should pay some attention to the work that they did. They were the Canadian Owners and Pilots Association, the Canadian Medical Association, the Air Transport Association of Canada, the Canadian Airline Pilots Association, the Canadian Association of Optometrists, and the Canadian Business Aircraft Association. All of these associations expressed their general support for the Bill and its thrust and indeed welcomed it. Submissions by the associations were limited to a relatively small number of issues, essentially of a housekeeping or clarification nature, except for Section 5.5, the medical reporting provision, which was the subject of much more comprehensive discussions of which you will be aware as a result of discussions here in the Chamber this afternoon.

A total of 11 amendments were made to the Bill at committee. These included a new definition for "pilots-in-command", an amendment limiting the Minister's authority to require a bond or letter of credit to where there had been a history of non or late payment of charges, an amendment clarifying the statutory defence of "due diligence" with respect to violation of the Act and regulations—

Mr. Prud'homme: We will give you your amendment. We will it to you.

Mr. Forrestall: As a result of consultations, my House Leader may be able to correct the matter. I will just thank the members of the committee for their co-operation.

Mr. Hnatyshyn: Mr. Speaker, I rise a point of order. There is something in the air. The Opposition Members are being the most reasonable and wonderful people in the world.

Mr. Prud'homme: Always.

Mr. Hnatyshyn: They continue in this wonderful mode tonight.

Mr. Benjamin: Don't overdo it.

Mr. Hnatyshyn: No, I won't overdo it. There was a question raised with respect to the last motion before the House at report stage. The observation was made that the position of the Government side was placed on the record by the Parliamentary Secretary (Mr. Forrestall) and you did not hear any dissenting voice with respect to that motion. By virtue of discussion, we have come to an agreement in the House. I think that by unanimous consent the House would revert back to report stage and the last motion which was in fact carried would, by unanimous consent, be withdrawn and recorded as a negative vote. We could then proceed to third reading stage. If you put that proposition to the House, I think you would find agreement.

● (1910)

The Acting Speaker (Mr. Charest): Is there unanimous consent to revert to report stage of Bill C-36?

Some Hon. Members: Agreed.

Aeronautics Act

The House reverted to the consideration of Bill C-36, an Act to amend the Aeronautics Act, as reported with amendments from the Standing Committee on Transport.

Mr. Iain Angus (Thunder Bay-Atikokan) moved:

Motion No. 7

That Bill C-36, be amended in Clause 8 by striking out line 25 at page 53 and substituting the following therefor:

"first occurs, but any such suspension or revocation of licences or certificates made prior to the coming into effect of this section shall be subject to the review procedure referred to in section 6.1 (6)."

The Acting Speaker (Mr. Charest): The question is on Motion No. 7 standing in the name of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): I declare the motion lost on division.

Motion (Mr. Angus) negatived.

The Acting Speaker (Mr. Charest): For the record, we will proceed to concurrence.

Mr. Hnatyshyn (for the Minister of Transport) moved that the Bill be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Transport) moved that the Bill be read the third time and passed.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I should like to commend the committee members for their work on this bill. I should also like to congratulate the minister, as I did on second reading, for his decision to introduce this bill which is similar in many respects to the one put forward by the former administration.

I want to thank the Department of Transport officials who worked for months and even years to prepare this bill and all those who submitted briefs to the committee supporting the bill or making proposals to amend it and make it better.

After so many years, it is appropriate that the Aeronautics Act be brought up to date. I hope that the sections on security, more particularly, will have a favorable impact on all air transport users in Canada.

On behalf of the Official Opposition, I want to support this bill.

[*English*]

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

The Acting Speaker (Mr. Charest): Shall I call it nine o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HEALTH—NATIONAL EPIDEMIOLOGICAL CENTRE PROPOSAL. (B) MONITORING OF BIRTH DEFECTS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, on April 23, 1985, I raised a question with the Minister of National Health and Welfare (Mr. Epp) regarding the funding for research in this country as it relates to the tracking, primarily of birth defects, but illnesses in general. I was referring to the Canadian Congenital Anomalies Surveillance System, and concerns raised about the lack of proper funding to do the kind of job that must be done in order to monitor birth defects.

My interest in the question stems from personal knowledge of situations, as well as an awareness of what is happening to our environment. While we know that particular forms of wildlife and plant life are indicators, or barometers, of the impact of man's treatment of the environment, we must also recognize that the human body is also a barometer. Unfortunately, some of those indicators show as defects in new born children. We see throughout the land what are called "hot spots". These are areas of the country where a particular defect in human beings is above average, whether it is congenital heart defects, missing limbs or other defects. There are hot spots out there and they are beginning to become documented.

It is my position that we should do what we can do to ensure that the necessary funds are available to continually track those defects that result from what we do to the environment but cannot see. For example, there are the effects of PCBs and radiation or lead poisoning that we cannot see immediately. One's arm does not drop off or one's skin does not change colour from low levels of radiation. However, in the long term, they may have some impact.

One method for sending a warning signal is by tracking birth defects. For example, there is very sound evidence of effects on unborn children as a result of mothers who smoke or consume alcohol. We warn expectant mothers to stay away from radiation from video display terminals. However, do we warn them to stay away from an area like Serpent River in Elliot Lake where the mine tailings were flowing into the river? What was the effect of that radiation on the young men and women who lived at Quirke Mine site, north of Elliot Lake, right beside the Serpent River? Do they have children today who are not completely formed or did they have children who did not live to see today?

I believe the time has come to put our efforts into this early warning system. While we may not be able to help those young children who are the evidence of the effects of what we have done to our environment, we should be able to use it to discover what caused this problem so that we can make changes in our laws that govern how we handle substances that have an effect on the human body.

We may find that man had nothing to do with these effects but that a natural phenomenon caused the high incidents of a particular abnormality. However, we have a responsibility to society to research this as much as we can. One technique is through full epidemiological analysis of births in this country.

• (1920)

I would like to see us go even farther than that and have a system in Canada that would compile information on diseases, on illnesses, on defects and put all of that in one computer with automatic sharing of information with the provinces and municipalities. It should include death records where there are high incidences of death from specific illness in certain communities.

We have to remember that something happening today does not impact tomorrow. The folks in Kenora who are worried about the PCB spill will not know for 20 years, for all intents and purposes, if that spill has had any effect on them. We need that kind of tracking system so we can work backwards and find out where the common element is.

Let me come back to Quirk mine site at Elliot Lake. Where are all the young people and the adults who worked in the Ontario Ministry of Corrections Institute today? We should track them. Let us find out what has happened to them. Is there an above normal incidence of birth defects in their offspring? We will never know the answers until we begin to track situations. That is why on April 23 I asked the Minister to consider this question. I note that he indicated at his Health Minister's meeting on May 16 and 17 that they would look to the future together. Perhaps the Parliamentary Secretary can respond and tell us that the Ministers have looked at the question and will be providing the funding necessary for such a program.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, the accidental PCB spill in Northwestern Ontario has created renewed interest in the immediate and long term effects of environmental contamination. For this reason, questions have been raised in this House regarding the federal of monitoring

programs and their role both in the detection of high occurrence diseases and the study of their causes. I would like to describe the goals and expectations of the monitoring program and clarify the Government's position as regards environmental diseases.

Health monitoring has been defined as a thorough and onging review of all the aspects of the outbreak and dissemination of a disease that are useful to the implementation of effective control measures. The word "control" therefore involves the collection and systematic and ongoing assessment of a whole range of data on health and the communication of information to all parties that take part in control efforts. A surveillance system serves two main purposes. First, it must help assess the various health risks and provide an opportunity to use information gathered to design specific programs to fight diseases or to adjust existing programs to new conditions. Second, it must help establish differences between various population groups as far as the risk they run to contract a disease is concerned and thus facilitate the gathering of essential information on the thrust to give to such programs as well as provide for the assessment of action which has been taken.

Without minimizing the Government's concern over the recent PCB spill, it should be clear that this type of accident is not a surveillance issue in the usual sense. In fact, no practicable disease surveillance program could be expected to detect health effects such as cancer or birth defects from such a spill. The timing, location and extent of the contamination is known, as is the toxicology for short-term health effects. Persons who may have been exposed can be medically evaluated and have their health status checked periodically.

[*English*]

Guidelines on the transport of hazardous chemicals are being strengthened. Also there have been new regulations under the Environmental Contaminants Act which govern the disposal of waste oils containing PCBs. The Department of National Health and Welfare is working with its provincial counterparts and is seeking their participation in an enhanced sharing of provincial health data and federal disease surveillance services. This type of federal-provincial co-operation is required to increase the sensitivity and efficiency of our current disease surveillance systems. In this way, we will be able to further refine out surveillance abilities.

[*Translation*]

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

The House adjourned at 7.26 p.m.

HOUSE OF COMMONS

Friday, June 21, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

RESOLUTION CONDEMNING BUDGETARY CUTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, last night the Glengarry, Prescott and Russell Federations of Agriculture met in my constituency to express their dissatisfaction and frustration with the federal Tory Government, and more particularly with the Finance Minister's Budget. These Federations moved the following resolution and asked me to read it to the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson):

Whereas Mr. Brian Mulroney during the last election campaign made a written promise to provide agriculture with long-term financing at stable and affordable rates, and

Whereas farm financing was not addressed in the recent Budget,

Therefore we, the members of the Glengarry, Prescott and Russell Federations of Agriculture jointly demand that the Prime Minister of Canada fulfil his campaign promises, and be it further resolved that we demand that the cuts of $60 million in the Agriculture programs announced November 8th 1984 and the proposed $50 million cut in the May 23rd Budget be cancelled and that full funding be immediately restored to the Agriculture Department.

It was evident that a feeling of anger and betrayal was expressed by the farmers of my riding last night. The agricultural community will not forget the unfulfilled promises of the Prime Minister.

* * *

POLITICAL PARTIES

STOCKHOLM MEETING OF SOCIAL DEMOCRATIC PARTIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this week in Stockholm, Social Democratic Parties from around the globe met to consider joint action to deal with the grim economic crisis in the world. The Members of the Socialist International endorsed a report from their economic policy committee stressing three broad conclusions.

The first of these conclusions is that, to spur world economic recovery, the industrialized countries must reject the prevailing approach of fiscal cut-backs and high interest rates, and plan a joint strategy of expansionary public expenditures focused on community needs. Second, the dangerous debt crisis of the developing countries must be tackled with what amounts to a redistribution of purchasing power to poorer countries to help revive world economic demand. Third, solutions to the debt crisis will require an international conference to forgive debts for the very poorest countries, reduce interest payments for others, and tie repayments to export earning levels in the Third World. I call on the Canadian Government to provide leadership in such international action to respond to this debt crisis.

* * *

SHIPBUILDING

SUPPORT SOUGHT FOR INDUSTRY

Mr. Joe Reid (St. Catharines): Mr. Speaker, the preservation and creation of jobs are uppermost in the minds of all Members of this House. The shipbuilding and repairing industry has a ready-made capacity to create jobs now. The most efficient Canadian yards are using modern technology and advanced systems of management.

Governments in other countries have traditionally supported their shipyards in ways which make free competition virtually impossible. Previously, through subsidies and grants, Canada supported the shipbuilding industry in an amount approximating $4,000 per employee per year. Yards were busy. Today Canadian yards are struggling to survive.

Work is going on offshore at the expense of Canadian workmen. Welfare rates for a single unemployed person amount to over $4,000 per year. Unemployment insurance payments come to another $13,000 annually. Support, therefore, for the shipbuilding industry would achieve a net gain for every additional job created. Those workmen would then be paying income tax and contributing to social welfare programs, instead of drawing upon them.

A buoyant shipbuilding industry would be the shot in the arm needed by our steel industry, and would have numerous spin-off economic benefits. The shipping industry in a country such as ours, with its miles of coastline and an inland waterway comparable to none other in the world deserves the support of a Government such as this which has always put its priority on jobs, jobs, jobs. It deserves more.

S.O. 21

[*Translation*]

HUMAN RIGHTS

WELCOME EXTENDED TO FRANCO-MANITOBAN DELEGATION

Mr. Léo Duguay (St. Boniface): Mr. Speaker, some twenty of my constituents left Winnipeg by train this week to come to Ottawa. They have come to join their friends from Ontario and celebrate the tenth anniversary of the Franco-Ontarian Festival.

Mr. Speaker, 1985 is also the centennial of the death of Louis Riel. This delegation has come to Ottawa precisely to celebrate both anniversaries and it includes the character of Louis Riel and of his Métis supporters who are with us today to commemorate that event.

The past century, Mr. Speaker, was a stormy period in the history of the West. Various cultures and religions came together and clashed for the first time. It should be remembered that Louis Riel put his foot down to prevent Canadian surveyors from imposing their foreign system on us. However, 100 years later, Canada has made tremendous progress as far as respecting human and cultural rights is concerned. Canada must keep on showing the way. In this spirit of tolerance, co-operation and faith in the future, I welcome Louis Riel and the Francophone delegation from Manitoba. Welcome in Parliament, welcome in Ottawa and enjoy yourselves at the festival!

* * *

PROVINCIAL AFFAIRS

RESIGNATION OF HON. RENÉ LÉVESQUE AS PARTY LEADER

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Yesterday, Mr. Speaker, Quebec Premier Lévesque announced his retirement after 25 years in politics. I am sure all Members of the House will agree with me that we must pay homage to this man who devoted 25 years of his life to the service of the people of Quebec. Let us recall that, 25 years ago, Mr. Lévesque began his political career with Jean Lesage's Liberal team and that he made a significant contribution to the quiet revolution, a step forward in the evolution of the people of Quebec.

Even though I did not share the political aspirations he entertained in recent years, I would suggest that Mr. Lévesque is to be commended for promoting the cause of all Quebecers, upholding the French language in Quebec and throughout the rest of Canada, and boosting Quebec's economy.

Mr. Speaker, I am sure all Members of the House wish him a happy retirement, active surely but perhaps less stressing than his political activities.

[*English*]

INDIAN AFFAIRS

LAC LA HACHE INDIAN BAND—EFFECT OF URANIUM MINING

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in the last few days Indian people from the Lac la Hache Indian Band, and environmentalists, have blockaded the road to the uranium mine at Wollaston Lake operated by Eldorado Nuclear Ltd.

The uranium deposits at Wollaston Lake are among the largest and richest in the world, and Eldorado Nuclear plans to keep mining there for at least 20 years. Then Eldorado will leave, but it will not take its garbage with it. Indian people will have to live with radioactive pollution for generations and generations.

● (1110)

Indian people take very seriously not only their aboriginal rights but also their aboriginal responsibilities to take care of the land for future generations.

When a 76-year-old elder toured the mine and saw what was happening, he said:

> I almost cried when I saw what they have done to the land. If I would have known I would never have let this happen to my trap line. They didn't tell me all the problems uranium makes. I didn't know the mining would pollute the water, or that uranium is used in nuclear bombs. The mining companies should not be here. This is Indian land.

As inhabitants of planet Earth, we desperately need to realize that the struggle of the Lac la Hache Indians is also our struggle. We too have a responsibility to preserve the earth for future generations. The mining and the pollution must stop.

* * *

MULTICULTURALISM

TORONTO INTERNATIONAL CARAVAN—A HERITAGE CELEBRATION

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, today is the first day of the Metro Toronto International Caravan. For the next nine days Torontonians and visitors will have the opportunity to sample the myriad cultural heritage that makes up Canada.

Caravan was born as the idea of Zena Kossar. The very first Caravan of 1969 had only 29 theme pavilions, and lasted five days. It has grown to 48 pavilions and nine days. The aim of Caravan is to promote the cultural traditions that contribute to the Canadian mosaic. As an international cultural festival, it brings together nationalities from the four corners of the world. During the nine days, Caravan's visitors will enjoy dance, folk art, cuisine, and music.

Toronto will be alive with the sounds of many languages and the music of many cultures. Caravan is not just a festival of cultural activities, it is a celebration of heritage. It is a reflection of the cultural kaleidoscope that is Canada. Canadi-

ans from many cultures can share with each other the riches of their traditions. I can think of no better way to celebrate life and to promote understanding than through this international festival.

I invite all Canadians to come and celebrate with us.

* * *

MEMBERS OF PARLIAMENT

Mr. Arnold Malone (Crowfoot): Mr. Speaker, there are rats in the House of Commons. They chew up the carpet. They make their nests in Rat Pack T-shirts. They leave tracks all over *Hansard*. They even crawl up on the television cameras to look at their reflections in the lens. As a result, Canadians from coast to coast have an infestation of rats on their television screens.

The rats are shrill; they squeak and they scream.

The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) speaks like Picasso paints. After listening to a speech by the Hon. Member for York South-Weston (Mr. Nunziata), one is left with the impression that if the Member were ever to play the violin it would sound as if the strings were still in the cat. It is sad that the Hon. Member for Hamilton East (Ms. Copps) sounds like a failed attempt to make her own perfume. The Member for Humber-Port au Port-St. Barbe (Mr. Tobin) uses statistics like a drunk uses a lamp-post—

Mr. Speaker: Order.

* * *

[*Translation*]

THE BUDGET

CUT-BACKS—POSITION OF NEW BRUNSWICK ECONOMIC COUNCIL

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, when the Liberal caucus of the Atlantic region recently visited Eastern Canada, Liberal senators and MPs were pleased to hear a most interesting brief submitted by the New Brunswick Economic Council, an organization held in very high esteem by the business community.

The Council's well-considered views certainly deserve the attention of all Hon. Members. The Council felt that the $2 billion tax credit which the Government has granted multinational oil companies will be only marginally productive. This tax credit should have been made conditional on new reserve discoveries and job creation, as a sort of incentive for the industry, which would have justified the government's decision to raise the price of gas by two cents a litre.

The Council was also concerned about the fact that small and medium-sized businesses, as well as medium and low income families are called upon to assume too big a share of the tax burden. It was also concerned about the impact the freeze on equalization payments will have on the less affluent provinces.

The New Brunswick Economic Council was equally concerned about the $200 million cut in the area of economic and regional development expansion, the $50 million cut affecting the agricultural industry, the $25 million cut affecting the fisheries, as well as cuts affecting the transport industry.

Finally, Mr. Speaker, I think that the government would have been well advised to listen—

Mr. Speaker: Order, please. I regret to interrupt the Hon. Member, but the time allotted to him has expired.

* * *

• (1115)

[*English*]

EXTERNAL AFFAIRS

MIDDLE EAST—RESOLUTION OF TRAGIC SITUATION

Mr. Howard Crosby (Halifax West): Mr. Speaker, once again world attention is focused on the Middle East and the political tensions which exist there. The plight of the innocent United States citizens who are being held hostage is a tragic result of unresolved national and international problems. While the welfare and rescue of the victims of these problems have to be our paramount consideration, we must look beyond that to the broader reasons for the situation which exists.

What can Canadians do, given this violent and difficult situation? First, we can declare our utter revulsion at the tactic of using innocent victims to advance a political cause. More than that, Mr. Speaker, we can look beyond that to view with sympathetic understanding the situation which besets the Middle East, and use the good offices of our Government and our government officers to take an interest in the tragic situation which has developed, and do what we can to assist in resolving the broad problem. We must consider the victims first, but we must consider the broad problem next.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

PENSION INDEXATION—REQUEST FOR FULL RESTORATION

Right Hon. John N. Turner (Leader of the Opposition): I understand, Mr. Speaker, there is an emergency cabinet meeting going on, and I can understand why, but Parliament sits five days a week and there is not much scope for questioning here.

An Hon. Member: They are flocking in.

Mr. Turner (Vancouver Quadra): Here they are. Good. Glad to see you.

An Hon. Member: You smoked them out.

Mr. Turner (Vancouver Quadra): My question is directed to the Minister of Finance. The attack on senior citizens is only one of the flaws, albeit a very major one, in the Budget. I understand there is an emergency cabinet meeting and I hope the Minister of Finance, or the Prime Minister, will be able to come out of that meeting today and tell Parliament, either today or on Tuesday, that there has been full restoration of the indexing of old age pensions for all old age pensioners in order to fulfil two promises of the Prime Minister, first, that indexation would be preserved and, second, that universality of our social programs is a sacred trust.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the emergency cabinet meeting to which the Right Hon. Leader of the Opposition refers was planned six weeks ago.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): So it is not a great emergency. There is wonderful imagination being expressed over there on the other side of the House. Since the premise of the question of the Right Hon. Leader of the Opposition is wrong, there is no point in answering the question.

Mr. Turner (Vancouver Quadra): I think there is every point in answering that question, Mr. Speaker. The Minister will be more and more rudely embarrassed over the next few weeks unless the issue is resolved soon.

PROVISIONS AFFECTING FAMILY BENEFITS

Right Hon. John N. Turner (Leader of the Opposition): The Minister of Finance should know that the combined effect of deindexing the baby bonus and the avalanche of new products to be covered by the new sales taxes means that the average Canadian family with an income of $25,000 per year will lose about $670 of disposable income per year. When the Minister of Finance attends the meeting of his colleagues this afternoon, will he also review a strong possibility—and we urge it—of restoring full indexation of family allowances?

Hon. Michael Wilson (Minister of Finance): Let me remind the Right Hon. Leader of the Opposition, as I have done practically every day—and it is not quite getting through his head—of the reason why we are making these decisions. There is a very, very serious financial problem with which the country has been faced, starting from his third Budget. This is the nature of the problem which we must address now or we are going to lose programs in the future, and not just scaling back on the rate of increase in these programs. I remind the Right Hon. Leader of the Opposition again of those numbers. The debt has been growing at the rate of 25 per cent per annum for the last three years. That means it has doubled in three years. If it continues in that direction, it will be doubled in another three years.

In 1979 we were paying $8 billion in interest on our public debt. It is now three times that amount, at $25 billion. We are now paying more for interest than the federal Government spends on medicare, Old Age Security, and the Guaranteed Income Supplement. Surely the Right Hon. Leader of the Opposition, who was a Minister of Finance for four years, understands that problem. Surely he, who spoke out against the deficit, who spoke out in favour of making some changes which would reduce the deficit, can get that through his head, take a leadership role in this country, and start to explain that to Canadians—

Mr. Speaker: Order, please. The answer is becoming very long.

• (1120)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I understand the problem of the public debt in this country. We undertook to do something about it, but never on the backs of the weak, the disadvantaged, the sick, the elderly, and the unemployed.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If the hon. gentleman wants to refer to my record he can look at the national accounts. He will see that during the four years that I had custody of the finances of the country there was an average annual deficit of $711 million and the last two surpluses in Canadian history. He could only wish for something like that.

EFFECT ON MEDICAL SUPPLIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question relates to the new sales tax on products like aspirin, antihistamines, bandages, needles for medical purposes, poison ivy treatments, and diaper rash treatments. Why is the Minister broadening his scope to tax sick people and babies? Why is he into that as well?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to make two points. The policies put in place by the Right Hon. Leader of the Opposition from 1972 until 1975, when he left, are the basic policies which have gotten us into the mess we are in today. He knows that.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I invite the Right Hon. Leader of the Opposition to sit down and discuss the finances of the Government of Canada at any time and any place, in order that he may understand them better than he does now, because he is not showing any awareness of the problems today.

[*Translation*]

REQUEST FOR DETAILS OF POSSIBLE CHANGES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a question for the Minister of Finance.

Mr. Speaker, today, Canadians are delighted to see that the Prime Minister got the message at last and has called an emergency Cabinet meeting to correct the injustice caused by the Budget proposal concerning the elderly and low-income families. Could the Minister of Finance give the House the assurance, first of all, that he will reinstate full indexation of the Old Age Security pension, as his leader promised on July 26, and second, that he will reinstate full indexation of the child tax credit and family allowance benefits, as his Minister of National Health and Welfare promised to do in January, and finally, is the Minister going to withdraw this idiotic proposal to levy a 10 per cent tax on soap, shampoo and drugs like cough medicine?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can understand that the Hon. Member who asked that question may not understand the finances of the country as well as his Leader should. I can repeat the same answers that I have given to similar questions before, but I do not think that would serve much purpose. He can refer to *Hansard* to read the answers which I have given, which underline the very serious importance of this deficit problem and the necessity of getting control of the government debt which will double every three years.

Mr. Nunziata: Not on the backs of the seniors.

Mr. Wilson (Etobicoke Centre): I know the Hon. Member for York South-Weston will never understand the problem.

Mr. Nunziata: Not on the backs of the seniors. When will you ever understand that? Show some compassion.

Mr. Wilson (Etobicoke Centre): I know the Hon. Member for York South-Weston will never understand the problem because he could never get himself out of the gutter.

Mr. Nunziata: We care about seniors on this side of the House.

Mr. Speaker: Order. Order. The Hon. Member for Montreal-Sainte-Marie on a supplementary question.

[*Translation*]

ALLEGED INJUSTICES CONTAINED IN THE BUDGET

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary. I think the Minister of Finance should realize that if he wants to save money, he can reverse his decision to send 1,000 soliders to Lahr and spend the $400 million over the next four years on the poor in this country. My supplementary is as follows, but first I can inform the Minister that I will be sending him a number of documents to help him correct the injustice caused by the Budget. Does the Minister of Finance realize, and I have a document here, does he realize that in a confidential document that is yet to be published by an advisory committee on social welfare, the point is clearly made that the Minister's Budget is making the poor poorer and the rich richer, and I quote: "Does the Minister realize that by 1990, a family with an income of $15,000 will lose $2,422 and a family with an income of $80,000 will make a profit of $6,287? Does the Minister—

Mr. Speaker: Order, please, that is long enough for this question.

• (1125)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind the Hon. Member again of the basic thrust of the Budget. It is first and foremost to create jobs to generate the wealth that is necessary to be able to support the social programs that the country wants. That is why we have done so many things in the Budget to encourage the generation of wealth by small business so that it will create those jobs and generate the revenues for the programs.

Second, I want to remind the Hon. Member—because he tends to forget—that there are many elements of fairness in the Budget. We will introduce a minimum tax in 1986. We are going to put a surtax on large corporations. We will put a surtax on upper income Canadians. We will put a special tax on the chartered banks. We are going to close a number of loopholes that have benefited upper-income Canadians.

All those measures are designed to generate a balance of fairness in the Budget. That is important for all Canadians to understand, and I hope that he will address that point himself.

* * *

PENSIONS

MINISTER'S 1980 STATEMENT

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Finance. In 1980 the Minister of Finance told a press conference that a proposal to deindex pensions would be the thin edge of the wedge, a move that could be followed by removing indexing of old age pensions, baby bonuses and other programs.

Does the Minister still agree with his statement then, when he said that "the Tories agree that the federal deficit must be reduced but believe there are other ways of achieving it". Does he still agree with that statement, and not the thrust of his Budget as opposed to what he said in 1980?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let us look back to 1980. I believe the deficit was $10 billion or $12 billion. It is three times higher than that now. The debt of the country was half of what it is now.

Surely the Hon. Member understands the significant and fundamental difference in the financial picture of the Government of Canada. During the five years between then and now the previous Government let the finances of the Government of Canada go totally to hell, and that is why we have to make some changes now.

They are changes with which I am not happy. I do not like making any cuts in programs. I do not like cutting indexation. But I look at the options that are available to us. I say to myself, to the Hon. Member and all Canadians, that we have tried to address this problem in the broadest possible way so that the load is spread as thinly as possible. That way we can address this problem fairly, equitably, and over a period of time to reach some solutions so that we can maintain these programs in the future.

REQUEST MADE BY SENIOR CITIZENS' ORGANIZATIONS

Mr. Neil Young (Beaches): Mr. Speaker, as the Minister knows, I have been talking to senior citizens across the country for the last three weeks and they are saying very clearly that they do not want the Government to do what the Liberal Government did to them and limit indexation on their pensions.

Yesterday some 13 organizations, representing 1.3 million senior citizens, said very clearly that they want indexation fully restored as of January next year. Will the Minister stand up in the House and give those seniors that assurance today, or certainly before next Friday?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have talked to senior citizens and senior citizen groups as well. I know what they are saying, and I have a good deal of sympathy for what they have said. If I were in their shoes I would say: "Yes, please restore the full indexation to the GIS recipients as well as the OAS recipients". But I also say to them that I cannot do that, looking at the finances of the Government of Canada and the nature of the problem.

I say to the Hon. Member that if he can give me some good idea of where we can find that money, we will have a look at it. However, I tell the Hon. Member that, in the course of developing the Budget, we have looked at every nook and cranny in government spending. Every Department of Government will be affected. We simply must look at this in the broadest possible way, broader than simply the impact on one group of Canadians.

• (1130)

TAX RATES INQUIRY

Mr. Neil Young (Beaches): Mr. Speaker, again my question is for the Minister of Finance. Last week members of my caucus gave 11 proposals by which the Minister could have raised the revenue to reduce the deficit without taking the money out of the pockets of senior citizens. Seniors understand that very well.

Would the Minister change the marginal tax rates for those individuals who paid a higher rate of tax prior to the Liberals changing it in 1982? In that way he can raise the revenues but will not have to rob seniors. That is exactly what he is doing now and seniors understand it. What the Minister is doing is taking a big chunk of money away from seniors and giving it to the wealthy. Will the Minister not reconsider that proposal?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I looked at the proposals which the Hon. Member and his colleagues put forward. There is one consistent theme through those proposals. Each one of them would result in some job loss.

The Hon. Member has to think back to the basic thrust of the Budget. On the one hand we are trying to create jobs. The reason for those jobs is to generate the wealth to pay for the social programs which not just the Hon. Member wants but all of us here on this side of the House want as well. That is a fundamental element of the Budget. If we cannot create the jobs, then we will not be able to afford the size of government we have today. That is why we have put the major thrust of the Budget on creating jobs, encouraging the small business community, giving it that encouragement to continue what it has been doing for the last nine months, which created 271,000 jobs.

Mr. Speaker: Order. Questions and replies are becoming speeches again. The Hon. Member for Trinity.

* * *

HEALTH

ARTHRITIS—RESEARCH FUNDING

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of National Health and Welfare. Can the Minister confirm that many thousands of Canadians of all ages, particularly older Canadians, suffer from arthritis and that his Department therefore allocates funds to research and treatment of this very painful disease?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I apologize to the Hon. Member. I did not get the last part of her question.

Miss Nicholson (Trinity): Mr. Speaker, can the Minister confirm that thousands of Canadians of all ages, particularly older Canadians, suffer from arthritis, and that his Department therefore allocates funds to research and treatment of this disease?

Mr. Epp (Provencher): Mr. Speaker, I thank the Hon. Member for her patience. I believe what she said is correct, that arthritis is a disease not only debilitating for Canada's seniors, but others as well. If she is asking me the exact amount beyond the medical research or the NHRDP, I do not have those exact amounts available right now.

SALES TAX ON PAIN RELIEVERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is very simple. Will the Minister of National Health and Welfare inform the Minister of Finance that the extension of the federal sales tax to pain relievers, such as ASA, used in the treatment of arthritis should be dropped, particularly at this time as senior citizens are losing income?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thought that was where the Member was going to in her first question but, as I said, I did not get the last part of it.

What the Hon. Member asks whether we want to look at sufferers of arthritis or other diseases. There is no question that part of people's disposable income is used for the purchase of drugs. She understands it. I understand it. A lot are protected through provincial pharmacare programs. Again, one can say that is not total or in every province, but there is that protection. I think the Hon. Member should also understand that these costs are not only borne by the individual but by society generally. There is no cut in seniors' income, as the Hon. Member likes to infer. There is a reduction in the escalation of the increase they would have had normally. I think, when one looks at balance, it is a position that has been taken by the Government over the long haul to try to get our finances back in order.

* * *

PENSIONS

REQUEST FOR RESTORATION OF FULL INDEXATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Finance. Just an hour ago the Minister of Finance met with Mr. Burt Hamner who is a member of the executive of the Ottawa-Carleton Senior Citizens Council, and who has met with thousands of senior citizens across Ontario over the course of the last month concerning the Government's deindexing proposal.

This Mr. Hamner was the last senior citizen the Minister of Finance will meet before the special Cabinet meeting this afternoon. The message he has was clear—restore universality on indexing and don't go part way—

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

Mr. Cassidy: —over—

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

Mr. Cassidy: Will the Minister of Finance assure the House that when the Government does reverse its proposal in the Budget it will restore full indexing, and not simply partial reindexing of the Guaranteed Income Supplement?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I had a very good and useful meeting with Mr. Hamner. He has met, as the Hon. Member suggests, with a large number of seniors over the last two or three weeks. We had a very worth-while discussion. I would say to the Hon. Member in response to his preamble that we are not doing anything about universality. Every senior citizen who is eligible for GIS will continue to receive GIS. Every senior citizen will receive an Old Age Security cheque. I caution the Hon. Member not to spread or imply these changes in policy which he knows are wrong.

[*Translation*]

REQUEST FOR FULL INDEXATION OF PENSIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary for the same Minister. He knows that universality is the maintenance of purchasing power and this simply means sending a $1 cheque to each senior in the name of universality. Does the Minister remember that in 1982, the Progressive Conservative Party opposed the measure taken by the then Liberal Government, which was to provide deindexing old age pensions while maintaining the purchasing power of the Guaranteed Income Supplement?

Could the Minister guarantee that the Progressive Conservative Government solution will not be to resort to the inadequate compromise of the Liberal Government in 1982, but rather to fully index all OAS pensions?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that question has been responded to on a number of occasions. I would suggest to the Hon. Member that there are a lot of issues Canadians are interested in today. Maybe in the interests of addressing matters of concern to all Canadians he might look at some of these other issues.

PRIME MINISTER'S LETTER

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Finance. In a letter dated February 16, 1984, the Prime Minister wrote to a senior citizen in my constituency:

> —clear and justified exceptions to the ban on indexing must be made for all social programs designed to protect the ordinary or disadvantaged Canadian from the ravages of inflation for which they are not responsible.

Why has the Government abandoned this position?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have not abandoned this position. I would ask the Hon. Member to be a bit more temperate in the comments he makes.

No changes have been made in the payments that senior citizens are receiving in July, August, September, and October. We have said quite clearly in the Budget that we are watching the progress of the economy. We are monitoring the

situation up until January 1. A decision will be taken in order to respond to any changes in circumstances that warrant any change.

PUBLIC SERVICE PENSIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I have a supplementary question for the Minister of Finance. In that same letter the Prime Minister said:

> Public servants have paid for and are entitled to indexed pensions, and our Party remains committed to the premise that pension contracts should not be altered unilaterally by the Government.

Is the Minister of Finance saying that senior citizens have not paid for and are not entitled to fully indexed pensions? Why has the Government moved away from fully indexed pensions for senior citizens? Will the Government not immediately drop this devastating position?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear to the Hon. Member, and through him to his constituents, that we are very sensitive to the plight of senior citizens and are worried about the anxiety that has been created by this debate. I would also say to him that the position of the federal finances is such that we have to look at a range of issues, matters, and measures to address the problem of the debt. I have gone through these numbers for him and for other Hon. Members before, so I will not repeat them again. However, if we do not start to save money today, we will lose total programs in 1990.

• (1140)

EFFECT OF BUDGET ON ELDERLY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance. Last evening I attended a meeting in Hamilton with about 250 senior citizens, sponsored by United Senior Citizens, and a lady said to me that at the end of each month she has absolutely no money left over from her old age pension. She is diabetic, and she pointed out that, with the government provision, she would either have to cut back on food or on needles. Is the Minister prepared to see that happen?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer is no, I am not prepared to see that happen. However, I think the Hon. Member also knows that there is a range of means by which that particular problem can be dealt with. I hope he discusses them with his constituent.

MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Minister perhaps suggesting a food bank, or some charity? How is it that the Minister can see the need for upper-income groups to have more money and better return on their investments, but he cannot see that that woman is representative of a large number of senior citizens who cannot afford to take a cut in their purchasing power? Why does the Minister not now admit that he made an error and that there is in fact a need to maintain the indexation in order that women, like that woman and others, are not forced to make those kinds of choices?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me try to respond to that question in the most reasonable way, and with some logic. Around the end of the war, for every person who was retired there were five people working. That is now down to about 3 or 3.5 people working for every one person retired. By the year 2010, there will be only two people working for every one person retired. Thus it is very important that those people who are working are working in the most effective way, and have jobs. That is why I say to him, and through him to his constituent, that it is very important that we generate economic activity in Canada, so that those two or three people who are working can continue to support the programs which are important to senior citizens.

For that reason we have said that there are elements of the Budget which are designed to generate jobs and economic activity. We will continue on those because they are proving to be effective—271,000 jobs have been created. We want to build on that, so that his constituents and others like her can feel secure that progress will continue—

Mr. Speaker: Order, please. I am afraid that again the answers are becoming long.

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TRANSPORTATION OF DANGEROUS GOODS

THOROLD TUNNEL TRAFFIC

Mr. Allan Pietz (Welland): Mr. Speaker, my question is directed to the Minister of Transport. There is concern in my riding about the transportation of dangerous goods through the Thorold Tunnel under the Welland Canal. In the absence of a provincial policy, what is the policy of the Minister of Transport regarding this matter?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am aware of the particular issue to which the Hon. Member referred. However, I have to advise him that this is a matter which falls directly within the jurisdiction of the Department of Transportation and Communication of the Province of Ontario. I understand, as well, that they are examining the problem and looking at ways and means of using alternative over-water routes, which would be appropriate in the circumstances.

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ATOMIC ENERGY OF CANADA LIMITED

CHALK RIVER NUCLEAR LABORATORIES

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for whomever is answering for the absent Prime Minister today. In the last election campaign the

Prime Minister made a clear-cut and positive commitment to the science community in Canada. To quote him specifically, with regard to the Chalk River Nuclear Laboratories he said:

A PC Government will not only maintain this facility, it will consider providing additional funds to allow greater involvement.

How can the Prime Minister honour this commitment to the science community at Chalk River Nuclear Laboratories when his Government has stated that it will cut $100 million, or 50 per cent of the Government's research and development funding, from Atomic Energy of Canada Limited? How does this honour his commitment to the science community?

Miss Carney: Excuse me, Mr. Speaker, but could the Hon. Member repeat the question part of his remarks? I did not know it would be directed to me.

Mr. Hopkins: Mr. Speaker, that is indicative of how much interest there is for the science community on the government benches.

How can the Prime Minister honour his commitment to the science community at the Chalk River Nuclear Laboratories when his Government stated that it would cut $100 million, or 50 per cent of the Government's research and development funding, from Atomic Energy of Canada Limited? How does this honour the commitment of the Prime Minister to the science community?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I asked the Hon. Member to repeat the question because I could not believe he would actually put that question when he has full knowledge, as a Member of Parliament, that the move we did on cutting the R and D funding was done with the assistance and the active help of AECL, which has a corporate plan that involves the privatization of some of its facilities, charging the users of its research fees to collect the benefits of the research, and other measures which will ensure that the R and D facilities continue.

The R and D commitment will continue. It is just that Canadian taxpayers will be paying less, and the users of the R and D will be paying more.

JOB SECURITY

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, that is exactly the answer I wanted to hear from the Minister.

Some Hon. Members: Hear, hear!

Mr. Hopkins: She knows full well, as do other Members on the Government benches, that no concrete arrangements have been made—none—to pick up the dollar cuts which the Government is about to implement. I have had meetings with those people—

Some Hon. Members: Question.

Mr. Speaker: Order, please, on both sides. Does the Hon. Member have a supplementary question?

Mr. Hopkins: How can the Prime Minister, the man who made this commitment to the science community, honour this further commitment, and I quote: "job security for employees of Chalk River Nuclear Laboratories and job security for their children"? What does the Prime Minister's failure to uphold this commitment really tell—

Mr. Speaker: With great respect, the Hon. Member has asked a supplementary question.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I did not hear a question in that rhetoric. However, I would make the point that the Hon. Member said he was happy with my answer.

Mr. Hopkins: I did not say that I was happy.

Miss Carney: AECL certainly would not have brought forward a corporate plan which allowed for the privatization of some of its assets and allowed for user-pay, without having some concrete program in mind to execute it.

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CANADA POST CORPORATION

POSTAL RATE INCREASES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Canadians have just witnessed a farce in which Canada Post printed new stamps before it received approval for postal rate increases, a farce in which the Minister paid more attention to the President of Canada Post than to ordinary Canadians. After such a performance, how can Canadians have any faith that the Minister has their interests at heart, when all he did was set up a study rather than hold the line on postal rate increases?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, the Hon. Member is quite correct in saying that Canadians have witnessed a farce. The last farce they witnessed was from the Hon. Member when he rose in the House of Commons and defended the unions and the illegal strike in Canada Post.

The Government was faced with the choice of allowing the increase in the price of postage, or increasing the federal deficit by a further $170 million, or cutting service to Canadians. I would be interested in knowing from the NDP what option it would have chosen and, in particular, what sort of leadership it is prepared to show workers in Canada Post by asking them to improve productivity.

Some Hon. Members: Hear, hear!

• (1150)

MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, Canadians want to know that the Minister is listening to them

rather than simply trying to get off the hook by bashing unions. Canadians over the last 60 days have made it clear to the Minister that they want improved postal service.

Some Hon. Members: Question.

Mr. Speaker: Order, please. This is again becoming a preamble to a supplementary. Is there a question, please?

Mr. Keeper: Yes, Mr. Speaker. My question is the question that all Canadians are asking. How can the Minister expect to be believed when he says that he has their interests at heart, when what he has done is listen to the postal corporation rather than ordinary Canadians, and why does he not improve service instead of raising postal rates?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I think the question that all Canadians are asking is how the NDP can get up in the House of Commons and defend the illegal strikes. I think, also, that Canadians are asking how the NDP intends to ensure that improved postal service is given to Canadians. I think Canadians are asking, as well, whether or not the NDP is opposed to a study which will ask some pretty fundamental questions about the nature and type of service that Canadians will be receiving between now and the turn of the century, for example, in terms of competition with the private sector, in terms of the exclusive mandate of the Post Office, in terms of improving competition, in terms of improving service. If the NDP has nothing to offer in those areas, that is fine, but I think the vast majority of Canadians will welcome that study and will say that it is high time that Parliament took a look at the Post Office to ensure that the mandate of the Post Office is brought up to date.

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AGRICULTURE

FARM FINANCIAL REVIEW BOARD RECOMMENDATIONS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the Minister of Agriculture. As the Minister is well aware, the policy of the former Government on agriculture has put the country in a devastating position. Could the Minister tell the House whether any of the recommendations that were brought forth by the Farm Financial Review Board in the Bruce-Grey pilot project will be acted on by the Government?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the Hon. Member's question, I certainly appreciate his interest in the pilot project and, indeed, the interest shown by other Members. I want to indicate to him that I received the final report of the pilot project from Bruce-Grey on May 17 and we have had an opportunity to review some of the recommendations. I want to compliment and congratulate those who participated, and in particular the Hon. Member for Bruce-Grey for the leadership which he demonstrated.

Last week we had a meeting in Ottawa of the Farm Credit managers across the country. Next week we meet the chairpeople of the Farm Credit Appeal Boards so therefore we will have the benefit of three different recommendations. I can assure you that we will look very seriously at moving forward with some of the recommendations because they indeed make a great deal of sense, given the problems in the industry.

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SCIENCE COUNCIL OF CANADA

SIZE OF BUDGET

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Deputy Prime Minister and it concerns the Science Council of Canada. The professionals and the business people who studied the Science Council recommended a review by disinterested parties in 1987-88. Yet the document tabled on budget night by the Deputy Prime Minister recommended gutting the Council without any form of consultation whatsoever. This flies in the face of the words of the Prime Minister at the Economic Conference that consultation cannot lead to consensus—

Mr. Speaker: Again the preambles are getting long. Does the Hon. Member have a question?

Mr. Berger: This flies in the face of the Prime Minister who said that consultation cannot lead to consensus unless the process is open and broadly based. Can the Deputy Prime Minister confirm that the final private sector report did not recommend cutting the Council's budget significantly? Who did make this irresponsible decision to gut the Science Council, and can he explain why?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the decision in respect to the Science Council as it was announced in the Budget Papers of May 23 was presented in the context of a review of a large number of programs having to do with support for science and technology and research and development by the Government of Canada. The review had shown that the government support system had grown overly generous over the years, and the Budget introduced a number of measures to provide support in a more rational and in a more relevant manner.

Mr. Speaker: The Hon. Member for Skeena.

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EXPO '86

NATIVE PAVILION PROJECT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Deputy Prime Minister. As he is no doubt aware, the Government of Canada funded the Teepee Pavilion at Montreal at Expo '67 to help promote national and international understanding of the vast and rich heritage of Canada's

aboriginal peoples. To date the federal Government has refused to fund the construction of the Native Pavilion at Expo '86. My question to the Deputy Prime Minister is this. Since today is the absolute deadline for construction to be able to proceed for the Native Pavilion at Expo '86, does his Government intend to provide financial assistance to the native people of Canada for their pavilion?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will take that question as a representation and ensure that the matter is considered. I must confess that the teepee program does not ring a large bell with me, but I will look into it immediately and take the question as a representation.

DEADLINE FOR FUNDING

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister again. The federal Government has spent about $250 million on the Expo '86 site. The Minister of Indian Affairs and Northern Development has been involved, the Secretary of State has been involved, as well as the Prime Minister's Office which indicated on June 4—

Mr. Speaker: Order. We are into a preamble to a supplementary. Is there a question, please?

Mr. Fulton: Mr. Speaker, since today is the final deadline for construction on the site, will the Deputy Prime Minister indicate whether his Government will be putting funds forward, or not, for the native people of Canada?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, the question asked by the Hon. Member for Skeena actually deals with a specific point when referring to Expo '86 in British Columbia. The application as originally submitted was not acceptable. Expo '86 being a transportation, a communication exhibition, the application was not appropriate to Expo specifically; this is the reason why it was turned down. I do not think it suited the program under which it was made, the Native Economic and Developing Board, and this is why it was turned down. But I can assure the Hon. Member that over these last two years, the previous Liberal Government only accepted 39 applications; over these last eight months—

Mr. Speaker: Order, please. The Hon. Member for St. Catharines (Mr. Reid).

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[*English*]

CONSUMER AND CORPORATE AFFAIRS

PROTECTION OF EMPLOYEES' PENSION FUNDS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Budget proposes an availability, or greater availability, of pension funds for investment purposes. May I ask the Minister what steps are being taken to protect or insure the pension funds of employees who are participating in a fund against bankruptcy, receivership, or dissipation of such funds?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to thank the Hon. Member for his question. As he probably knows, we have already some provisions in the Pension Benefits Standards Act for that aspect. However, we have created a special advisory committee to address this matter through the bankruptcy legislation and we are expecting recommendations from them in the near future. We hope to introduce these recommendations as well.

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THE BUDGET

TAX MEASURES—MINISTER'S POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, on March 1 on a television program called *Question Period* the Minister of Finance told the country that a general tax increase would dampen demand and he did not want to go that way. Can he tell us what has made him change his mind, recognizing that he is imposing more than $4 billion in additional taxes on the Canadian public next year.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have addressed this question in the House before, but I will do it again for the Hon. Member as he probably was spending some time back in Saint-Henri rather than being in the House. There is no question that when I made that statement, and I still would make that same statement, I was not in favour of raising taxes in the country, but we found that if we were going to be able to do as much as we thought was necessary to address the deficit problem, we had to get the deficit lowered. We had been looking on the spending side to meet that objective, but we are not able to do so without putting more pressure on the Atlantic provinces as well as some parts of Quebec and British Columbia by cutting programs further than we had. It is for that reason that we had to use some measure of tax increase in order to address the deficit problem.

• (1200)

REQUEST FOR RECONSIDERATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, we are talking about a declaration that was made on March 1, not last year but this year, shortly before the Budget was tabled. I suggest to the Minister of Finance that he knows that that was a mistake. We hope that during the summer months he will rethink his position and return here in the autumn with something that is more—

Point of Order—Mr. Nickerson

Mr. Speaker: I have already indicated earlier today with respect to the Hon. Member that he should ask his question, please.

Mr. Johnston: Mr. Speaker, can we look forward to having the Minister of Finance rethink his position on these additional taxes during the summer months?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, a tremendous amount of thought went into the Budget. Therefore I do not think that the additional thinking the Hon. Member suggests I do will result in any changes. I would suggest that the Hon. Member spend the summer months giving some thought to the general direction of the Budget which contains what we are trying to do to generate jobs and to address the very serious problem of escalating government debt. Surely when he returns to the House on September 9, he will ask better questions than the ones he has just asked.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of three, presented by Hon. Members on Thursday, June 20, 1985, meet the requirements of the Standing Orders as to form.

Two petitions presented by the Hon. Member for York West (Mr. Marchi) and one petition presented by the Hon. Member for Regina East (Mr. de Jong) do not meet the requirements of the Standing Orders as to form.

I have notice of a point of order from the Hon. Member for Western Arctic (Mr. Nickerson).

* * *

POINTS OF ORDER

RECORD OF PROCEEDINGS IN VOTES AND PROCEEDINGS OF JUNE 20, 1985

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have a point of order that will be of interest to parliamentary purists. In reviewing *Votes and Proceedings* for June 20, it would appear that the description of what happened during the debate in the Committee of the Whole examination of Bill C-36, particularly as it relates to Motion No. 7, is not a description of exactly what happened.

According to *Votes and Proceedings,* Motion No. 7 was negatived in the Committee of the Whole and then we went on to third reading. My recollection, as substantiated by the written record in *Hansard,* is that Motion No. 7 was in fact carried in Committee of the Whole, the report of the committee was concurred in and third reading debate began. At a point in time thereafter, by unanimous consent, I believe, the Committee of the Whole was reconvened, had further debate on Motion No. 7 and on that occasion negatived Motion No. 7.

I wonder, Sir, if you would be kind enough to review that situation and perhaps have *Votes and Proceedings* reflect what actually happened. At the same time, I would ask you to look at the electronic record of the last part of the debate on Bill C-36. I think you will see that there were several errors in procedure made, not the least of which was the holding of a meeting of the Committee of the Whole with the mace still on the table.

Mr. Speaker: I thank the Hon. Member for his intervention. I shall indeed examine the record.

Mr. Prud'homme: Mr. Speaker—

Mr. Speaker: The comments made by the Hon. Member need to be examined. If they are in fact true, we will have to make the appropriate corrections.

Mr. Prud'homme: Mr. Speaker, I rise on the same point of order. I was present last night. I would like to bring to your attention the fact that everything that was done was with the unanimous consent of everyone present.

Mr. Speaker: I think the Hon. Member's point was that I review the record, and of course I will do that.

DISALLOWANCE OF SUPPLEMENTARY QUESTION DURING QUESTION PERIOD

Mr. David Berger (Laurier): Mr. Speaker, I rise on a point of order. Earlier in the Question Period, you made a decision which effectively disallowed me a supplementary question. It is a point of order if not a question of privilege.

Mr. Speaker: It is neither a point of order nor a question of privilege. Is the Hon. Member objecting to a decision I made with regard to the allocation of questions during Question Period?

Mr. Berger: Yes, Mr. Speaker.

Mr. Speaker: That is entirely within the jurisdiction of the Chair.

Mr. Berger: Mr. Speaker—

Mr. Speaker: If the Hon. Member has a grievance to make, he can come to me to make it. However, it is neither a point of order nor a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

AGRICULTURE—SECOND REPORT OF STANDING COMMITTEE

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Agriculture in both official languages.

PUBLIC ACCOUNTS—SIXTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Public Accounts. If the House gives its consent, I intend to move concurrence in this report later this day.

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

* * *

PETITIONS

Mr. Speaker: Before I proceed to petitions, and I expect that there are a few to be presented, may I bring a small problem to the attention of Hon. Members who are presenting petitions? When Hon. Members present petitions in bulk and all on the same subject, something which has been occurring, unless the back of the first page of all of the petitions is signed, the Table Officers are having substantial difficulty identifying which petitions were presented by which Members. Could I therefore ask Hon. Members today and in future to make sure that they endorse the back of the first page of each petition?

DEINDEXATION OF OLD AGE SECURITY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, as you know, I have been signing the backs of these petitions as requested since we began presenting these hundreds of petitions asking the Government to reconsider its views on the deindexation of Old Age Security payments. I am at a loss to know where to start today because I have hundreds and hundreds of petitions and I hope you will be patient with me, Mr. Speaker. I will try to group them in order because they deal with two or perhaps three subject matters.

The first petition I humbly submit is presented by citizens of the Ottawa area who form part of a group of citizens known to be very active in the senior citizens' group, the Ottawa-Carleton Senior Citizen Council, and it is signed by a couple of hundred and perhaps even 300 people asking the Government to reconsider its view and to keep its promise that any savings which may result from program changes will not be applied to the reduction of the deficit, that deindexing of the old age pension, having a drastic effect on incomes of senior citizens, should be reconsidered and that the Government should maintain full indexing of pensions.

[*Translation*]

REQUEST FOR MAINTENANCE OF FULL INDEXATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I also have the pleasure to present a petition on behalf of many residents of the province of Ontario, which petition was signed in Ottawa this week by members of the Fédération des aînés francophones de l'Ontario at their seventh annual conference on June 17, 18 and 19, 1985. This petition humbly showeth, that in the opinion of the petitioners, the Budget of the Conservative Government is harsh and without pity as far as senior citizens are concerned since it removes full indexation of old age security pensions, and the petition asks the Government to maintain full indexation of all pensions and to abandon its deindexation proposal.

SPOUSE'S ALLOWANCE

Mr. Jean Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I also have another group of petitions which deal with the spouse's allowance and which, as you will note, have been signed by hundreds of residents of my constituency, who ask the Government to reconsider once again its proposal to restrict spouse's allowance to widowed people, thus excluding all single, separated or divorced people from the legislation to extend the spouse's allowance to needy people between the ages of 60 and 64. Mr. Speaker, I believe that you will find these petitions to be in order. I have numbered them as well as I could and the Clerk will be able to put them in order if need be.

• (1210)

[*English*]

REINSTATEMENT OF FULL INDEXATION OF OLD AGE SECURITY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition which has over 1,000 signatures and is mainly signed by the senior citizens of Ottawa-Carleton. The signatures were collected by the Senior Citizens Council of Ottawa-Carleton and it will continue to collect signatures over the summer. The petition protests the actions of the Government and states that requiring large numbers of low-income pensioners to suffer additional reductions in real income is heartless, especially as so many already exist on incomes which are below the poverty line. The petition calls on the House of Commons to reinstate full indexation of Old Age Security forthwith. Other copies of this petition are being tabled by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and the Hon. Member for Ottawa-Carleton (Mr. Turner).

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and the duty to present a petition which is signed by 271 citizens, mostly from the constituencies of Regina East and Regina West. There are also a few signatures from Humboldt-Lake Centre. The petition asks that the House of Commons and the Government retain full indexation of the

Old Age Security pension starting on January 1, 1986. Your petitioners are duty bound to ever pray.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have petitions with several hundred signatures from constituents in my riding, representing the towns and villages of Wadena, Claire, Southey, Quill Lake, Naicam, Watrous, Viscount, Colonsay, Meacham and Peterson. The petitions call upon the House of Commons to reinstate full indexation of Old Age Security pensions in Canada. Your petitioners humbly pray that the House of Commons accedes to their wish.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present several petitions which were signed by people throughout the riding of Algoma. They call upon the Government to reinstate full indexation of the Old Age Security pension. The petitioners call upon the Prime Minister (Mr. Mulroney) to keep the commitments which he made during the last election campaign. They point out that senior citizens should not be responsible for providing income to the multinational oil companies and high-income groups. The petitions are signed by people who live in the communities of Hilton Beach, Bruce Mines, Spragge, Spanish, Blind River, Manitowaning, Sault Ste. Marie, the Spanish River Indian Reserve near Massey, and Espanola, Ontario. The petitions are signed by several hundred constituents from the riding of Algoma.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wish to present a petition which contains in excess of 4,000 signatures. It was signed by residents of the City of Hamilton. It is the first of what I anticipate to be a number of similar petitions. The petition asks the House of Commons to impress upon the Government the need to stop the proposal which will deindex old age pensions. The petition asks that the Government maintain in full force and effect the indexing provisions which presently exist for both the Old Age Security and the Guaranteed Income Supplement.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have the honour to present a petition which was signed by a number of people from the riding of Yorkton-Melville. The petition also protests the very regressive move which was made by the federal Government to deindex pensions partially. It is something to which I am sure the Hon. Member for Kingston and the Islands (Miss MacDonald) is very much opposed, and she has the freedom to speak in the House on it. I am very pleased to table this petition in the House which protests the partial deindexation. It calls upon the Government to index fully the OAS and the GIS for all the senior citizens of the land. Those people have built this land and have made it the great country which it is today.

[*Translation*]

DEINDEXATION OF PENSIONS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would like to present to this House a petition signed by 60 residents of Orleans and of the ridings of Glengarry-Prescott-Russell and Ottawa-Carleton, who want to tell the Government that they disagree with the cutbacks in old age security pensions.

Mr. Speaker, I also have a few more petitions signed by 34 residents of the village of Embrun in the beautiful riding of Glengarry-Prescott-Russell and by 103 residents of the village of Wendover, which you probably know well, also in Glengarry-Prescott-Russell.

An Hon. Member: It is a nice village.

Mr. Boudria: These people also want to express their disagreement about the Government's proposal to reduce the pensions of senior citizens.

Mr. Speaker, I shall have several hundred more petitions to table in coming days to convince this Government to change its mind and to give back their pensions to senior citizens.

[*English*]

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, it is my honour and duty to present two petitions, one on behalf of a group of senior citizens from a building in my riding at 2100 Russell Road in Ottawa. They call upon the Government to reinstate full indexation of the Old Age Security benefits.

I have another petition which was signed by hundreds of senior citizens within the National Capital Region, under the sponsorship of the Senior Citizens Council of Ottawa-Carleton, which also requests the Government to reinstate full indexation of Old Age Security payments.

[*Translation*]

REQUEST FOR FULL INDEXATION OF PENSIONS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour to present two petitions I received in the mail this morning. The petitioners humbly call upon this House to urge the Government to reinstate the full indexation of old age security pensions in Canada.

[*English*]

Mr. David Daubney (Ottawa West): Mr. Speaker, it is my duty to present a petition on behalf of approximately 150 residents of the Lepage Senior Citizens' Home in my riding. They call upon the Government to maintain full indexation of Old Age Security payments.

[*Translation*]

PROJECT FOR WORLD PEACE

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, I have the honour to present a petition signed by Trois-Rivières Keranna Institute third year students who call upon the federal Government to promote world peace.

[*English*]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have the honour to present a number of petitions which protest the deindexing of Old Age Security payments. The petitions are signed by numerous communities in the riding of Comox-Powell River. The communities include Powell River, Lund, Saltery Bay, Gillies Bay, Campbell River, Sayward, Zeballos, Kyuquot, Gold River, Tahsis, Courtenay, Comox, Cumberland, Fanny Bay, Union Bay, Royston, Merville, Black Creek, Oyster River, Port McNeill—

Mr. Speaker: The Hon. Member is extending the usual practice. Would he finish his list quickly, please?

Mr. Skelly: Yes, Mr. Speaker, as quickly as I can. The petition is also signed by people from the communities of Port Hardy, Port Alice, Mahatta River, Holberg, San Josef, Winter Harbour, Bella Coola, Bella Bella, Ocean Falls—

• (1220)

Mr. Speaker: The Hon. Member knows that what he is doing is extending the normal practices of petitions.

Mr. Skelly: Mr. Speaker, if I might quickly—

Mr. Speaker: The Hon. Member can simply indicate he has a number of other communities in his petitions and end the matter.

Mr. Skelly: If I might just complete the list and then we can—

An Hon. Member: Come on.

Mr. Speaker: It was a very simple request made to the Hon. Member that he simply indicate he has a number of other communities and get to the substance of the petition, please.

Mr. Skelly: Then I will possibly raise the rest of them on Tuesday and be willing to submit the petitions which, basically, outline a substantial concern with the failure of the Government to live up to its promises to provide security of income. The petitioners also feel that there are many other people being exposed to deindexing and there is a lack of protection of pension income, which is contrary to the promises made and that it is an extremely serious situation.

* * *

PUBLIC ACCOUNTS

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I move that the sixth report of the Standing Committee on Public Accounts, presented to the House on Friday, June 21, be concurred in.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY FISCAL EQUALIZATION PAYMENTS 1982-87 ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Ray Hnatyshyn (for the Minister of Finance) moved that the Bill be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Finance) moved that the Bill be read the third time and passed.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, our Government provided the Opposition lets us to do so quickly, will authorize payment of $285 million in lump sum supplementary fiscal equalization payments to the six provinces that are receiving equalization payments. This is in addition to some $5 billion the provinces will be receiving annually under the fiscal equalization program.

In making this announcement, our admirable Minister of Finance (Mr. Wilson) stated, and I quote:

> These payments are substantial and should be of considerable assistance to the poorer provinces in meeting their commitments, especially with respect to essential services.

The Minister of Finance also mentioned that these amounts were the most the Government was able to afford in this respect, in light of its own serious financial situation, something the provinces can appreciate.

The decision follows consultations held with the provinces in recent months. It takes into account the concerns of the provinces about the level of equalization payments resulting in some cases from the expiry of the special transitional guarantee introduced in 1982 by the former Government, and which has brought about a significant decline in federal transfer payments, especially for Quebec and Manitoba. Our most

admirable Minister of Finance will soon be reviewing the equalization program with the provinces, in connection with the general review of fiscal arrangements between now and March 31, 1987.

Generally, the equalization formula is based on the population of a province and on its capacity to raise revenues, so that payments vary from province to province. The Minister of Finance has stated that the Government will make these supplementary lump sum payments which in fact it did not have to make under the present fiscal arrangements, in its concern to be fair and equitable to the provinces, at a time when financial restrictions are the order of the day at all levels of government. The Minister noted that over-all Federal transfers to the provinces, within the framework of equalization and established programs financing, are estimated to rise from $19.7 billion for the past fiscal year to $20.7 billion for fiscal 1985-86. For 1984-85, equalization payments would total $5.403 billion.

Mr. Speaker, the Bill will eliminate the shortcomings in a formula which is no longer readily applicable as a result of changing trends in the economic situation since it was first implemented.

The provinces have been made aware of the situation, of course, and some of them were not in complete agreement. Other provinces endorsed the measure since they considered that we had established a program which took their concerns into account.

The most significant consideration at this third reading stage is that the provinces are waiting for their payments. The Government is prepared to make those payments should the House co-operate and give speedy approval to the Bill. Since we do have a number of Bills to study and pass before the House adjourns next week, I seek the co-operation of all Hon. Members. I should think that everything has been said about this issue, so I urge all Parties in the House to show goodwill and adopt this Bill as soon as possible.

Mr. Raymond Garneau (Laval-des-Rapides): In response to the invitation of the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), Mr. Speaker, I am quite prepared to co-operate on behalf of the Party I represent. But there are still some disturbing facts which, in 1986-87 and even in 1985-86, will put some provinces in a difficult situation. We are now at the third reading of Bill C-39, the Supplementary Fiscal Equalization Payments (1982-87) Act.

Mr. Speaker, I must point out that no amendment has been made to this Bill even though the Opposition did make strong representations. We came up with particularly convincing arguments during the second reading debate and before the committee, and the Minister of Finance of Quebec had made serious representations of his own. In these circumstances, the arguments I made last April 18 are still valid, mutatis mutandi, in the sense that although this measure does provide equalization payments for certain provinces, as it is drafted it falls far short in the case of the Province of Nova Scotia.

It is unfair as well to the Province of Manitoba and, as far as Quebec is concerned, I think that the qualifier I used last April has lost none of its appropriateness—this Bill is inequitable.

The Parliamentary Secretary mentioned the interim payments formula. Hon. Members will recall that the interim payments formula had been included in the 1982-87 fiscal arrangements as a kind of guarantee to the provinces in case the new formula that had been adopted did not produce results.

It was obvious, that whatever happened, the Government in power from 1985-86 would have to review this formula since the results were positive in some provinces and negative in others. It would therefore be necessary to amend the guarantee formula so that the provinces would not have to come back once more in 1986-87 to wait in line before the Office of the Minister of Finance (Mr. Wilson) or the Office of the Prime Minister (Mr. Mulroney) to try to obtain a more equitable treatment.

• (1230)

[*English*]

Mr. Speaker, the Province of Nova Scotia, for example, received $620 million in 1984-85 in equalization payments. This includes the $72 million which Nova Scotia received in transition payments. As of 1985-86 these transition payments will no longer exist. Bill C-39 offers only temporary compensation to the Province of Nova Scotia. The compensation will only apply in the fiscal year of 1985-86. The federal Government has announced that it will renegotiate fiscal arrangements with the provinces by March 31, 1987. This means that no provision has been made for Nova Scotia for the fiscal year 1986-87. Nova Scotia is left at the mercy of the federal Government and will have to count on a special lobbying effort in order to defend its own interests.

The fact that Nova Scotia must now rely on political lobbying is particularly unfortunate. Equalization was established precisely to avoid the need for poorer provinces to come begging on a discretionary basis to the federal Government.

I am sad that the Conservative Government is politicizing the principle of equalization. This is particularly unfortunate for Nova Scotia at this time because it is highly unlikely that the Government will undertake the very political energy talks without consideration to the equalization negotiations. Equalization is in danger of being used as a carrot, or a stick, rather than as an instrument of national unity.

The financial and economic agenda of Nova Scotia has not yet been addressed. The Budget heralds a new era for the Canadian energy industry. Next year's financial and economic situation of Nova Scotia is still up in the air.

Bill C-39 is also unfair to the Province of Manitoba. Under the new equalization formula Manitoba received $439 million

in 1982-83, which included $169 million in transition payments. In 1983-84, Manitoba received $466 million, of which $163 million were transition payments. In 1984-85, the province received $479 million, of which $138 million as in transition payments. In general, Manitoba received 30 per cent of its equalization thanks to these transition payments.

Now that the transition program will be ending, the equalization payment to Manitoba will decline from $479 million to $407 million. This is a reduction of $72 million. Despite the fact that this Bill will provide some compensation for this current fiscal year, equalization payments to Manitoba will be reduced substantially in the fiscal year 1986-87.

[*Translation*]

As for Quebec, the formula proposed by the Minister of Finance in Bill C-39 is completely inequitable. Because the Government of Canada did not want to maintain, for the last two years of the fiscal arrangements, the transitional guarantee provisions which had been in effect during the last three years of these arrangements, the Province of Quebec will incur very substantial losses. For instance, after receiving $3.7 billion in 1984-85, Quebec will get only $2.7 billion in 1985-86, which means a loss of $290 million. In 1986-87, it is forecast that the equalization payments received by Quebec will amount to $2.9 billion, or $172 million less that in 1984-85.

If we consider the normal growth in equalization payments which should be generated from one year to the next, the loss for Quebec is substantial, and Bill C-39 only makes up 15 per cent of the equalization losses suffered by Quebec because the transitional guarantee provisions no longer apply.

During the debates on this issue, the Quebec Finance Minister had clearly indicated how the decision of the Conservative Government would affect the cash flow of the Quebec Treasury. Following the comments made by the Quebec Finance Minister, the Prime Minister of Canada said that the door was still open and that further negotiations could take place. For all practical purposes, he suggested that there would be some improvement, but as usual, this was only a smokescreen, statements for the press which had no concrete results since the Bill has come back to us in the same form.

To my knowledge, there were no further intense negotiations with Quebec, but it is quite clear and obvious that the Government of Canada did not change its approach and that Quebec will lose hundreds of millions of dollars in 1985-86 and 1986-87, which will result eventually in a heavier tax burden for Quebec residents.

When we considered Bill C-39 at the second reading and committee stages, the Budget had not yet been brought down. However, Mr. Speaker, according to the indications given by the Minister of Finance of Canada last May 23, provincial transfer payments will have decreased by $2 billion in 1990-91. This means that Manitoba, Nova Scotia and Quebec will be affected not only during the next two years under the present fiscal arrangements, but also that they must expect other cutbacks beginning in 1986-87. The same will be true for all the provinces who receive equalization payments and transfers.

I respectfully submit, Mr. Speaker, that those two measures, the one introduced in Bill C-39 and the announcement made in the budget, raise financing problems for our Confederation as a whole.

Unless the Canadian Government is ready once again to renege on its election promises and jeopardize the universality of social programs, I do not see, once the Conservative Government has slashed $2 billion from its payments to the provinces, how the latter will manage to administer the post-secondary education programs, health care, medicare, and the Canadian Assistance Plan without increasing their own taxes, or imposing user fees which the Progressive Conservative Party fought when they were the Opposition.

Let us not hide our heads in the sand. The message set out in Bill C-39, and driven home by the Budget, is telling Canadians the Conservative Government is getting ready to renege on another of its election promises, even though in December 1984 the debate on the universality of social programs seemed quite clear.

This Conservative Government is sending out the message that it will try and do indirectly what it would not do directly last December.

Successive Liberal Governments have developed over the years a series of programs aimed at strengthening Canadian unity with a balance of services offered to all citizens of Canada, in whatever village, town, city, region or province they lived.

Those programs brought in a whole concept of funding for this confederation of ours, a concept which is jeopardized not only by Bill C-39 but by the message the Minister of Finance delivered to this House and the Canadian people on May 23, 1985.

I do not believe Canadians are ready to accept such a change without a substantive debate amongst the Canadian people and the Governments that operate those programs, whether provincial or federal. I do not believe that Canadians are willing to see their medical care, hospital care, and post-secondary education programs slashed, but they are not willing either to shoulder the fiscal burden of those programs that have been contracted between the national Government and the provincial Governments, either to have the axe fall on those programs or to alter the funding and transfer the full fiscal burden of the administration of such programs from the federal Government to the provincial Governments.

This is why the Official Opposition will not support this Bill on third reading, because it is inadequate and because it is not fair to the provinces of Manitoba, Nova Scotia and Quebec, not only for fiscal year 1985-86 but also for fiscal year 1986-87.

● (1240)

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I intend to be fairly brief in speaking to this matter.

First, I want to commend my friend, the Hon. Member for Laval-des-Rapides (Mr. Garneau) for his very careful analysis of the present situation and thoughtful review of what might well be the consequences of what essentially is a stopgap measure. We cannot provide adequate financing to the provinces in this way and expect them to be able to do any long-term planning.

Quite clearly, the intent of the equalization payment program was to allow provinces to be able to plan for their health care needs, educational needs and housing needs to an extent with some degree of assuredness. Therefore, they would need to know what kind of equalization would be available on a long-term formula basis so they could anticipate what financing would be coming from the federal Government. My friend from the Liberal Party has set that out well.

When there are gaps in the federal Government's commitment to ongoing finance, it causes concern because the provinces are left in a position of subservience in making representations on an annual basis to the federal Government. They must try to accommodate the federal Government's desire to establish new budgetary provisions. It will be very difficult for at least two of the provinces most directly affected to anticipate their revenues for the fiscal year 1987.

I would be remiss if I did not point out the battle that was fought by all provinces, particularly the Province of Manitoba initially, to confront the federal Government when it became apparent that the payments that had been proposed were woefully inadequate. I think it is fair to say that some degree of recognition should be paid to that province's Government, as it must to all Governments of the provinces, that they managed to exert the pressure that brought us to this point today.

Let me repeat the intent of the equalization system because, as the name implies, it is a way to try to provide a share of the substantial wealth that is generated in the balance of the country to those provinces which do not have the same economic capacity. The purpose of this plan is to assure the citizens who live in those less advantaged areas of an opportunity to enjoy an adequate level of public service for themselves and their children. It will enable those who live in the less economically fortunate areas of the country to have a standard of education that will enable their children to have the same employment opportunities in any part of the country and to participate in the ongoing events of Canada.

When we tamper with equalization payments, it is not simply a Government to Government arrangement. It involves people, a commitment from people who live in the more fortunate areas of the country to share with the people who live in the less economically fortunate parts of this country. In this way, growth will take place from coast to coast.

I want to caution the Government that in the case of Nova Scotia, as with Manitoba and probably Quebec, there will be problems in two years unless a new regime is put into place before 1987. Negotiations must be completed and a long-term proposal for equalization that is acceptable across the country put in place before we reach that period of uncertainty when it may once again be necessary to lobby the Government to become the main instrument to achieve fairness.

The fact is that this Bill must be viewed as a stopgap, and therefore inadequate. However, it is with that in mind that we accept the commitment of the Government at this point that it is prepared to move to negotiate an arrangement that will ultimately result in a fair distribution of wealth, which will ultimately provide the maintenance and advancement of many programs provided in those areas that are so dependent on equalization payments to sustain their economy.

I believe that there will be a much more intense debate on this subject in a year and a half to two years from now. I anticipate that debate to be centered on what will take place as we enter the 1990s. It will primarily reflect the intransigence that the Government has displayed in recognizing the necessity for the maintenance of the social system in Canada. If the Government takes the same approach to equalization as it has with respect to the financing of social policy and reneges on its commitment to fair and equitable economic growth through equalization, we will see a battle being fought not unlike the battle presently being waged against the deindexation of pensions.

Mr. Crosby: The OAS.

Mr. Deans: The deindexation of the OAS. I might say, with respect to that matter, that I am somewhat concerned about the deindexation of the GIS with the ultimate deindexing of the CPP and other matters that the Government has fixed upon as being necessary in order to achieve its long-term goals. However, I do not intend to debate that here today.

We hope that the Bill will pass today and that the Government will make a serious attempt between now and 1987, presumably when a new agreement will be achieved, to rethink its views on the fair distribution of social systems, with particular emphasis on making sure that the educational system in the provinces that have less economic stability will be able to grow and provide for the needs of the people in that area. Furthermore, we must ensure that, in the case of health, the Government will be able to provide adequate health care facilities in areas where health care facilities even now are in need of upgrading. With those comments, we will allow the Bill to pass.

● (1250)

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I want to say just a few words. The hon. gentleman said there was a deal made. I can assure the hon. gentleman that there are no deals with regard to my expressing a few words of concern.

Mr. Turner (Ottawa-Carleton): The House Leaders agreed.

Mr. Baker: I am going to say a few words regardless of any deals that have been made behind the scenes because we are talking about a very important subject. We are talking about equalization payments. We are talking about equalization payments that are supposed to equalize opportunity across the nation to provincial Governments for the amounts of money needed in order to get an equalization of services across the country. In other words, what the provinces cannot make up for in their normal tax revenues, what they cannot raise locally within a province to make up the average amount necessary, is given to them as an equalization payment every year. In other words, the rich give to the poor. The federal Government, through this mechanism, is supposed to go a long way in trying to give the poor provinces of Canada adequate funds to allow them to have some semblance of services. Regardless of whether you live in Newfoundland, Alberta or Manitoba, at least the services given to the people should be approximately the same.

The Parliamentary Secretary, in introducing this Bill, condemned the former Liberal administration and said there had been cuts.

I would like to remind the Parliamentary Secretary, as far as this Bill is concerned, of what is contained in the Budget in one sentence on page 18, which reads:

> To spread the burden of expenditure reduction fairly, the Government will also be seeking to limit the rate of growth of transfers to provinces to yield annual savings of $2 billion by the end of the decade.

It says, "To yield annual savings of $2 billion by the end of the decade." It goes on:

> In 1990-91, they would represent about the same share of total program expenditures as they do today.

In other words, there would be an extreme limitation from what the former bad, terrible Liberal Government had in place. This Government in the Budget it had just presented is going to have annual savings of $2 billion by the end of the decade. That sets it in focus. If the Liberals reduced equalization payments, then there is now going to be a further substantial reduction in the rate of increase.

If you look at the services provided across this country that are supposed to be subsidized through the equalization formula so that they will be approximately equal, you will see a great diversity of them. You could go to the richest province, some people claim that that is Alberta, and you would see assistance in the form of workmen's compensation that is not as good as that which you would see in Newfoundland. There is a great divergence. You would see less of a minimum wage in Alberta than you have in Newfoundland. You would see great differences in the services given to the general public.

It must be borne in mind that a lot of the measures serving the public are the decisions of the provincial administrations. When you get into the payment of welfare, of social services, you see a great difference. Sometimes you see the poorer provinces receiving equalization payments giving better services than some of the richer provinces.

If you get hurt in Alberta and you have to go on workman's compensation and then you go back home to Newfoundland to live, you discover that your payment is less than if you had been hurt in Newfoundland and were still living in Newfoundland. If you were working in Newfoundland at minimum wage, you would find it higher than the minimum wage paid in Alberta. By the same token, if you were in any other province in Canada you could have some services in daycare centres, the cost shared by the federal Government, but in Newfoundland you would not have that same service. That is a decision of the provincial administration.

Where you really see the difference in services to the general public, Mr. Speaker, is in the area of infrastructure. A provincial government Department tries to do certain things. If its responsibility is in transportation, it would try to upgrade and pave roads. If its area is municipal affairs, water and sewer services, the Department would try to improve that. Where do they get the money from? If you looked at provincial Governments, in the poor provinces you would see that half of the money given, if you took the percentage, comes from the federal Government in equalization payment. That is the purpose of the equalization payment, to have an equality of services even in infrastructure.

The Newfoundland Government, the Nova Scotia Government or the New Brunswick Government could not pave the number of roads they are paving or what they are doing without these equalization payments. It boils down to what their priorities are. It boils down to what happens in their Cabinet meetings and what happens to the equalization money, because it represents a blank cheque, Mr. Speaker.

Transfer payments over the years have become blank cheques. It was not too long ago that you made a payment according to a percentage of what a provincial Government spent, say, on senior citizens' homes or nursing homes. Then we changed it to block funding, so provinces got the funding which increased as a percentage every year. It was given with no strings attached. The provincial Government could decide what it was going to do with the federal money. We saw provincial Governments throughout Canada putting a freeze on building senior citizens homes but still receiving the money and the increase and then redirecting it in different directions.

When you talk, as the new Budget does, about reducing these transfer payments to $2 billion annually, you are not really giving the provincial Governments a chance to do what they are supposed to do and I am not saying they are doing what they are supposed to do because they are not.

Take a look at some of the so-called poor provinces, Mr. Speaker. There are people in Canada today in 1985 who do not have community water systems, yet there is supposed to be equalization under the equalization formula. People in some communities are drinking contaminated water out of an existing system or from wells that pick up surface water from the highway. When you realize that that is the case today in 1985 in a great many ridings represented by MPs in this Chamber, you have to say that something is wrong. Somebody's priorities are wrong. It just so happens that it is the priorities of the provincial Governments that are wrong. No matter how much money is given to the provinces in equalization payments, they have formulas for supplying services to the general public.

Perhaps there should be even more strings attached to equalization payments.

• (1300)

People in Ottawa and in other major centres across Canada think nothing of turning on taps and drinking tap water. It is a normal occurrence. They do not think about it until they visit communities such as some in my riding of Gander-Twillingate and discover that they cannot turn on taps because they do not exist, or when they turn on taps that the water is not drinkable.

When we look at equalization of services across the country, at equalization formulas and at the Act, they look great. It sounds good to equalize payments across Canada and to equalize services to the general public. However, when we look at some of the smaller communities in the country, we discover that they have no drinking water. In 1985, in this great country of Canada, there are schools with no drinking water and there are wells which contain contaminated water. We have to wonder about equalization in services when we drive down unpaved roads in some communities and there is dust everywhere. The women in those communities will tell us that they cannot hang out their clothes or that it is difficult to paint their houses because of the dust. We must remember the actual rationale behind equalization payments.

No matter what is the decision of a provincial administration, whether it is good or bad, whether it tries to save money when it should not be trying to save money, and regardless of how it treats the poorest within its provincial jurisdiction, the federal Government cannot say that it will try to save $2 billion annually under the equalization formula. In the meantime, it introduces a Bill in the House and kicks in $200 million to make it look good. However, in reality, it is cutting back $2 billion annually from the equalization formula.

When we look at the services to the general public and at what Members of Parliament have to deal with every day, we see some incredible differences in provincial legislation dealing with payments to individuals. For example, we find that some provinces have 90-day rules respecting welfare or social assistance. When individuals attend welfare offices, they are asked what amount of money they made in the last 90 days. If a person has made more than he would receive on welfare, he has to wait until it runs out. In the meantime, what is he supposed to do if he has children attending school and has to pay perhaps as much as $100 per child for school books? He has to live, but he is faced with the 90-day rule. We must remember that the Government of the province in which he lives is obtaining half its budget from the federal Government in equalization payments. The rules indicate that there must be an equalization of opportunity in Canada, but we see, for example, a Tory Government in the Province of Newfoundland with the audacity to turn around and make the 90-day rule.

Other provinces will tell welfare recipients who are living with people over 18 years of age that they cannot obtain anything from welfare. What does this mean to a woman on widow's allowance with three children over the age of 18 years living at home, who cannot find work, and is not receiving payments from a provincial Government which is receiving massive equalization payments from the federal Government? However, if she moves to Ontario or to some other province, she discovers that the system is completely different.

I could point to things like minimum wages and workmen's compensation. They are much better in Newfoundland than they are in Alberta, Saskatchewan or British Columbia. They are equal to those in Ontario, but they are not better than those in Manitoba or in Quebec. In fact, Quebec has one of the best minimum wage schemes in Canada.

My point is that regardless of what provincial Governments do with their money, regardless of how bad they are—and just by accident, they are Tory Governments and there is no equalization in services to the general public across the country—we cannot have a federal Government which is prepared to cut back even further or will not even give provincial administrations a chance. The new federal Government is saying that it will cut back by $2 billion annually to provincial administrations.

It is all right for the Government to introduce this Bill which provides a momentary increase, a drop in the bucket, a smidgen of hope, but we must keep in mind what it did after it introduced this Bill—it slashed by $2 billion annually.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act, as reported (without amendment) from the Standing Committee on National Resources and Public Works.

Hon. Sinclair Stevens (for the Minister of Energy, Mines and Resources) moved that the Bill be concurred in.

Motion agreed to.

Mr. Stevens (for the Minister of Energy, Mines and Resources) moved that the Bill be read the third time and passed.

[*Translation*]

Mr. Michel Champagne (Champlain): Mr. Speaker . . . do sit down my friend!

Mr. Speaker, we are about to complete our study of Bill C-24, a legislation providing for the termination of the Canadian Home Insulation and Canadian Oil Substitution programs.

Hon. Members from both sides of the House will agree, I am sure, that this bill has been fully considered. On more than 90 occasions, comments were made during debate on second reading.

The closer we look, the more we realize that the current state of the economy compels us, as the Government, to speed up the rationalization process of the budgetary spending under various programs, including the Canadian Oil Substitution Program and the Canadian Home Insulation Program.

Our Standing Committee on National Resources and Public Works has held most constructive hearings and heard testimonies from such organizations as the Canadian Gas Association and the National Association of Insulation and Energy Conservation Contractors. There seems to be general support for the government's decision to phase out these programs.

The years during which the need for these programs was the greatest are long gone, a fact that is well recognized both by the public and the industry. And I dare hope, Mr. Speaker, that it is also acknowledged by Members opposite.

Since it is necessary indeed, essential, to reduce the national debt, it would therefore be utopian at this stage to try to lessen the deficit burden while advocating a welfare state.

Thus, Bill C-24 represents the will of this government to strive even more to stabilize its spending and balance its budget as any conscientious administrator should do. Moreover, it should be kept in mind that the decision to bring to an end sooner the COSP and CHIP programs is also due to the fact that conditions have greatly changed since their inception. Our government recognizes, Mr. Speaker, that since the Canadian market place has undergone a change, the state's role in the substitution of oil and the conservation of energy must also change.

The CHIP program has created a market for home insulation products and has led to the sitting up of a specialized installation industry throughout the country. Moreover, the CHIP program has succeeded in making owners aware of the importance of energy conservation and of the benefits of insulation in terms of greater comfort and lower heating bills.

Mr. Speaker, it is of the utmost importance for all Canadians to understand that future conservation depends on present investments. Some 2.8 million Canadian homes have received financial aid and before the program is terminated, over $1 billion will have been spent. Substantial energy savings have been made and the over-all assessment of the program shows that such expenditures have proved worthwhile.

The COSP program has shown that since 1980, significant savings have been made in terms of heating costs through the conversion from oil to natural gas, electricity or wood. The program has promoted the development and marketing of high performance systems, for example, slow-combustion gas heaters, electric heat pumps and controlled combustion stoves.

The COSP and CHIP programs have made it possible to conserve some 75,000 barrels of oil per day or its equivalent in other energy forms.

• (1310)

Of course, Mr. Speaker, this is an outstanding achievement in the management of our energy ressources. Further progress must be made with regard to oil substitution, the upgrading of heating systems and energy performance of existing houses, and this, by reinsulating them and making them airtight. Such progress will require different environment and energy markets than those existing when the COSP and CHIP programs were implemented.

The role of our Government in this new process will not be to subsidize but to educate the consumer. Energy conservation measures will enable consumers to enjoy substantial cuts amounting to 30, 40 and even 50 per cent of their heating costs. It is about the best investment available to homeowners which would be worthwhile without government assistance. Of course, as some ministers have already pointed out, the industry will still get assistance for the research and development of products resulting in lower heating costs for our Canadian families.

Mr. Speaker, we cannot expect the Treasury to use borrowed funds to provide grants for consumers to invest in energy conservation. It is obvious and logical that the government should play a more limited and balanced role and should be aware of the need for information of users and suppliers on unresolved technical problems and on improved energy use.

I am convinced that this is the path we must follow, away from massive intervention and Government subsidies which can so easily result in arbitrary decisions and abuse, and that we should opt for government guarantees for better quality work and better decisions by home owners for reducing energy consumption.

Mr. Speaker, we have believed for too long that our prosperity was due to our natural resources, to governments and to foreign investment. We came to believe, and some of us still do, that we could stop being a working society and become a leisure society. We have become used to enjoying the profits instead of taking pride in our work. We will have to realize that our strength lies in our human resources. When individuals are strong, our institutions are strong as well. If our institutions are strong, the country will be strong. Mr. Speak-

er, that is why I feel I must support Bill C-24, because it arises from that sense of responsibility that all Canadian men and women must have if they are to take an active part in the economic development of our country.

Mr. Speaker, Bill C-24 is a very clear expression of our desire to stop the increasing balkanization of the energy sector. To do this, we must confirm the present division of powers and jurisdictions with the provinces and put an end to the tradition of interference in this area, a legacy from the previous government.

Bill C-24 arises from the present Government's desire to build a national, not a federal, consensus on our goals for developing our energy resources.

Mr. Speaker, I have said before that there is still a lot of potential for oil substitution and energy saving in Canadian homes. Although conversion is fluctuating in this country, far more than was the case when the COSP was introduced four and a half years ago, and especially in key markets in Ontario and Quebec, where three-quarters of the conversion potential is located, we believe that oil substitution will proceed at a steady pace.

Mr. Speaker, I would like to recall the Government's role with respect to energy savings: its responsibility is to educate consumers and to guarantee better workmanship. The Government has indicated that a program based on these principles is being considered.

Bill C-24, Mr. Speaker, paves the way for more worthwhile energy savings measures, with the help of a strong and independent private sector. This is far more desirable than massive intervention in the market and is also entirely compatible with the new challenges and measures resulting from the energy accords with Newfoundland and Alberta, which will provide a much stronger basis for Canada's energy supply industry.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Hon. Member made a nice speech, but he operates more or less like his colleague from LaSalle, in that he read a speech prepared by Government employees.

An Hon. Member: They can read!

Mr. Malépart: They can read, but they can't write!

Mr. Speaker, unfortunately, what the Hon. Member for Champlain (Mr. Champagne) just said is full of inaccuracies. He says that the Government's finances are such that it is obliged to put a stop to insulation programs, to deprive citizens on modest and low income of the means to insulate their homes, which makes heating bills more expensive. Their bills are going to go up even more because of the 9 cent tax for carrying one gallon of heating oil from one location to another, and at the same time, the Hon. Member, together with his Prime Minister, would rather spend $56 million just to change the colour of our soldiers' uniforms, instead of maintaining programs to help Canadians insulate their homes and create jobs in Canada. That same Member, along with the Hon. Member for LaSalle (Mr. Lanthier) and the Prime Minister, thought it would be better to do away with programs which made it possible to insulate the homes of senior citizens and middle and low income families. He supported cut-backs even though these programs did create jobs throughout Canada. As to the aspiring Minister of Finance from LaSalle, he has decided to spend $100 million a year—that is $400 million over the next four years—to send additional troops to Lahr. That is a paying proposition for Lahr's Tiffany Club, but it is not going to create employment in Canada, in Quebec, or anywhere else, Mr. Speaker.

• (1320)

That is the kind of reasoning we get from the Member for LaSalle, Mr. Speaker, a Parliamentary Secretary yet, and the same thing goes for the Member for Champlain. I can hardly wait to see him leave for his riding this weekend so he can tell his constituents how much money he has wasted. A million dollars for the Economic Summit where our national president and Prime Minister acted as master of ceremonies, $1 million for that summit means a waste of $1,000 a minute, half a million dollars for the Tory show in honour of the President of the United States in Quebec City! Then the Member for LaSalle, the Minister-in-waiting, tells me he has no money left. He would be well advised to go back to school because the Government did have money. It is true, we all agree that the deficit has to be reduced, Mr. Speaker, but not at the expense of poor Canadians.

The Member for LaSalle, I mean the Member for Champlain will explain to his constituents why he would rather hand out $2.5 billion to the multinational oil companies—they have posted profits of $130 million—than help middle and low income people.

The insulation program was a source of employment in all regions, his riding included. Not only is he satisfied with that, Mr. Speaker, not only does he support cut-backs in those programs, but he even learned recently that, because of the stand-pat approach of those Members, the CMHC offices in his region and in the region of Sherbrooke are going to be administered by the offices in Longueuil and Laval.

Mr. Speaker, housing programs such as RRAP have also been adversely affected, so there will be no more rehabilitation and insulation projects in most rural areas, but fortunately there are good Liberal Members in Montreal and we managed to salvage some of that money.

Mr. Speaker, I am looking at my Member for LaSalle who is behaving like a jerk, showing off as he usually does. I think that the Hon. Member for Champlain this weekend . . . I can understand why the Prime Minister decided to keep all of you here in Ottawa last weekend, you could not show your faces in

your ridings where the people were waiting for you. Mrs. Denis explained here on Parliament Hill that, since the Members did not go to their ridings—

Mr. Champagne: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Champlain (Mr. Champagne) rises on a point of order.

Mr. Champagne: Mr. Speaker, I can very well understand the frustration expressed by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). I realize that for the past four years he has had to keep his mouth shut, but I should like him, under these circumstances, to deal expressly with Bill C-24, and quit talking about deindexation.

Mr. Deputy Speaker: I think that so far . . . No, I am not going to hear any more views on this point of order. I think that so far the remarks made by the Hon. Member for Montreal-Sainte-Marie have generally been to the point. In view of his long experience of the House, he will continue to deal with the bill. I feel that comparisons are in order. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has the floor.

Mr. Malépart: Mr. Speaker, once more the Hon. Member for Champlain (Mr. Champagne) got his lesson smack in the face. Next time before you stand up, I hope you will remember this lesson.

Coming back to Bill C-24, Mr. Speaker, I think that the Home Insulation Program provided an important and essential service to Quebec—Quebec especially—and other parts of the country. But job creation was an equally important factor. This program made it possible—

Mr. Waddell: Mr. Speaker, I rise on a point of order.

Mr. Speaker, the Hon. Member from the Liberal Party will have the opportunity later on, during debate, to make a speech. This is a period for comments and questions, and some of our own people, among others, would like to ask questions.

Mr. Malépart: Mr. Speaker—

Mr. Deputy Speaker: The Hon. Member has been allotted a 20-minute period.

Mr. Malépart: Mr. Speaker, I was just about to—

[*English*]

Mr. Waddell: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: I understand the point made by the Hon. Member for Vancouver-Kingsway (Mr. Wadell). I think that the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is speaking on debate.

Mr. Waddell: No.

Mr. Deputy Speaker: I understood him to be on debate.

[*Translation*]

Now, if the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) would kindly ask a question, then we could continue with the debate, and the Hon. Member would be recognized.

[*English*]

I thank the Hon. Member for Vancouver-Kingsway for raising his point of order.

[*Translation*]

Mr. Malépart: Mr. Speaker, you must have noticed that the Hon. Member for Champlain (Mr. Champagne) is hard of hearing and only seems to understand after being told repeatedly. Today, I should like him to tell me why he is so pleased to terminate a program which created jobs in his own riding, helped improve there the quality of lodgings, and why he would rather spend $56 million for new uniforms and $400 million for more troops to patronize the "Tiffany" establishment in Lahr.

Mr. Champagne: Mr. Speaker, when I hear the demagogic comments of my colleague for Montreal-Sainte-Marie (Mr. Malépart), who told us—listen for once, my friend for Montreal—Sainte-Marie—that we are wasting millions of dollars, he should remember Sport Select and Maislin. As for blaming anyone for the $211 billion deficit, the Hon. Member for Montreal-Sainte-Marie should first look in the mirror, and he should do the same as far as deindexing is concerned.

As for Bill C-24, we said that it had been good, but you are too deaf to hear. We said that this legislation had been good, but the situation in Canada can change, like it did last September 4, and the Hon. Member should be aware of it. You should take better care of the business in your own constituency instead of looking at what our Minister of Finance (Mr. Wilson) is doing. Things will go much better that way. As for the $56 million on one side or the other, as you say youself, you do not even though from where these figures come. They are simply plucked out of thin air. You should mind your own business, my dear colleague, and it will be much better for Parliament!

Mr. Waddell: Mr. Speaker—

Mr. Speaker, I have two questions for the Hon. Member and while it is rather difficult for me to ask them in French, I shall try. Wait until I have finished asking the question.

Here is the first one. The Hon. Member said that it was impossible for the Government to continue to allocate funds to such programs for ordinary Canadians because of the deficit problem. I would like to know in that case how the Government could find money to give to the big oil companies in Canada. The *Financial Post*, which is not an NDP newspaper, said that probably $9 billion would go to big oil companies. At the same time, it is impossible to continue to provide subsidies for ordinary Canadians to conserve energy. Why is this?

For my second question, I want to refer to a letter dated January 15 of this year in which the Hon. Member stated: I am beginning to believe that we are being held hostage by these companies which think only of their own profits and that the Federal Government is letting us down.

[*English*]

In other words, he writes to the Minister of Finance (Mr. Wilson) and says that we are being held hostage by these large oil companies which are only concerned with personal profit. Then the Government gives away $5.6 billion through the PGRT taxes to the oil companies, another couple of billion dollars in windfall profits on old oil, and at the same time it takes money from the ordinary people by discontinuing the $500 grants for home conservation and $800 grants for converlting furnaces. How does the Hon. Member square that with the problem of attacking the deficit?

● (1330)

[*Translation*]

Mr. Champagne: Mr. Speaker, as far as the first part of the question is concerned, it is quite clear, and I believe that the Minister told this herself to the Hon. Member in committee, that we were confident that these companies would launch new projects, that many jobs would be created and that, with new tax revenues, we would be able sooner or later to offer programs of a better quality than the existing ones. At the time, the Hon. Member had seemed to agree with the Minister. I do not know why he is asking me this question today.

As for the second part of the question, Mr. Speaker, I recall very clearly the letter read by my colleague, and I call him my colleague because he is a Member of Parliament and not because we belong to the same Party. In this letter dated January 15, if he goes back to the facts and quotes me properly, he will realize that we were then talking about the price of gasoline. To my knowledge, and the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) would do better to listen to what I am saying, Bill C-24 does not concern the price of gasoline, but two Canadian programs, namely CHIP and COSP I can understand that the Hon. Member opposite would like to read my letter time and again, but could he please refrain from quoting it out of context? This letter dealing with gas prices is no way relevant to a bill on home insulation. Let me tell you, Mr. Speaker, since this letter has been mentioned, that it should have been sent out in the ridings of Montreal-Sainte-Marie and Ottawa-Vanier as well, because the price is 47 cents in my own riding, less than in the Ottawa-Vanier riding.

[*English*]

Mr. Hawkes: Mr. Speaker, the Hon. Member for Champlain (Mr. Champagne) made such a good speech that is inspired me to make a comment.

The Hon. Member for Vancouver-Kingsway (Mr. Waddell) fails to understand the Western Accord. I thought the Western Accord was designed to stop giving money to the oil companies and, at the same time, stop unfair taxation. I did not think that he understood that, and today he has confirmed it. To accuse the Government of giving money to the oil companies is nonsense. We are stopping that. That is what the Western Accord is all about.

I was in the Chamber when we presented a Budget which would have placed a tax of 17 cents on a gallon of gasoline. That was a heavy tax for someone who drove a Cadillac, but for someone who drove a Toyota it would not have amounted to very much. The senior citizens of the country who did not have a car would have paid no tax. That Budget was defeated by the opposition Parties and replaced with a Budget that took the tax from the Cadillac and placed it on home heating fuel, which every senior citizen had to pay. That was the rhythm of 1979 and 1980.

Having done that, the Government then brought in a program which gave bonuses to people who wanted to insulate their homes. That means that it was collecting more money from senior citizens through the home heating oil tax, and giving it to people who were rich enough to own a home in the first place. Their property values and their profit increased. However, the program took money away from those who were living in rental accommodations. It took the money away from the poorest in the country and gave it to those who really did not need it.

I am proud to belong to a Government which is now going to end that. I was pleased to hear the remarks of the Hon. Member for Champlain (Mr. Champagne), which supported what the Government is doing.

Mr. Deputy Speaker: On resuming debate, I will recognize the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan).

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am very pleased to speak today on Bill C-24. I feel the Bill is typical of the kind of Government which we have. It is a Government that takes from those who need the most. What does it offer in return? It offers studies, proposals, and a promise to look at the impact of its actions. It is a Government that lives on hindsight. It does not care about the future.

This Bill ends the hope of energy security in the country. The Government says that it is okay to cut off incentives for consumers, because Canadians are energy conscious now. That is far from the truth. This week, the International Energy Agency said that Canada was one of the most inefficient users of energy resources in the western world. What did the Government do? It cut off the incentives which helped Canadians to conserve energy and save on their energy costs.

The report of the International Energy Agency was very interesting. It said that Canadian energy efficiency started out at the same level as the United States ten years ago, but has become an energy waster since that time. The International Energy Agency is a very reputable organization. It has criticized the Government for ending the Canadian Oil Substitution Program and for phasing out the Canadian Home Insulation Program. In fact, the report predicts that under the

Government's current policies, Canada is likely to maintain its poor performance on energy efficiency through to the year 2000, unless the Government changes its policies.

The Government is gambling with our energy future. It is becoming complacent. It says that we have enough oil and gas. It says that we do not have to worry about the future. That is wrong. That is the attitude which the report warns against. The International Energy Agency forecasts a tight oil market by the end of the century with an "increasing risk of massive upward price movements in the event of any disruption of supplies". Yet, the Government is cutting off the incentive to conserve energy, not only with this Bill, but with the many other worth-while energy conservation programs which have been cut.

The Canada Energy Audit Program will be ended. That program featured 10 specially-designed energy buses which provided special mobile energy audit services throughout Canada. That is another program for Canadian consumers which has been cut.

The Government has ended the Atlantic Canada Capital Investment Program. It is hard to believe that it could find more things to cut in Atlantic Canada, but somehow it managed. That program provided financial assistance to companies undertaking energy conservation, with a three to six-year pay-back period.

In addition, the Government has ended the Industrial Conversion Assistance Program, which helped industry to convert from oil to natural gas-fired boilers. Not only has it decided to cut the program, the Government has now said that it will pay only 50 per cent of the costs for those who have taken part in the program in good faith.

The Government does not care about people. All it cares about is the establishment. It wants to take money from Canadians—just like it is doing to our senior citizens—and give it to the multinational oil companies.

The Government has taken yet another service away from consumers. It has decided to end the Energuide labelling program. That provided consumers with energy consumption data for home appliances. The program did not cost the Government very much, but it helped consumers quite a lot. That does not seem to matter to the Government.

What did the Minister of Energy, Mines and Resources (Miss Carney) offer Canadians in return? After cutting all the programs she said that the Government would announce the details of its conservation program "after discussions with the provinces". How considerate! In the meantime, consumers lose. They will not get anything back.

What is the Government doing to ensure that our energy future will be secure? It is doing nothing. The Minister of Energy, Mines and Resources promised, on a number of occasions, that she would replace the Petroleum Incentives Program. However, when she talked to the Minister of Finance (Mr. Wilson), he said no. He is too busy taking money from the pockets of pensioners. What incentive is there in the country to look for new sources of oil and gas? The Government is not planning for the future. In fact, the Government is setting us up for a potential oil and gas disaster by encouraging Canadians to become more dependent on foreign, imported oil. Where will that leave us in Canada? If the price of oil shoots upward rapidly, as it has in the past, where will that leave Canadians? It will leave us, as once was predicted, "freezing in the dark".

• (1340)

This Government is making us more dependent on oil and our non-renewable energy sources while it is completely ignoring the development of renewable energy sources, and the Government is going to make things even worse. In its Budget or, as it is now called, "a set of proposals", this Government says it will begin putting taxes on goods which have been exempt in the past. Not only does it have the nerve to take away the grant which helps consumers insulate their homes, but Government is now making it more expensive to insulate by putting taxes on insulation. It is putting taxes on wood stoves, which is a viable alternative to oil. It is becoming more and more obvious that the Government does not care about this country's future energy needs.

Last November the Government cut the energy division of the National Research Council so that the momentum which had been built up in the past into developing new forms of energy has now been lost. The Government tells us the private sector will look after research and development into new forms of energy. That is how this Government looks after our energy future.

When we debated this Bill during the winter, we asked that the Government at least consider extending the Canada Oil Substitution Program for six months because there were so many problems in trying to instal gas lines in the winter when the ground was frozen and covered with snow. It was bad enough that it was cutting the program, it did not give Canadians a chance to take advantage of the it. However, it did not budge. It did not allow an extension of the program, even though it knew many Canadians were going to be disappointed. The Deputy Minister of Energy, Mr. Paul Tellier, told us why. He said, and I quote:

> The Minister was under pressure to extend . . . as you know in the case of CHIP the program is being reduced, scaled downed and is being terminated at the end of this fiscal year. In the case of COSP, the program was terminated last March 31. Because of the difficulty of doing some connections during the winter months, the Minister was under pressure to extend that program until June 30. I know that three month extension would have cost $40 million.

The Deputy Minister went on to say, and I quote:

> In the context of general government restraing programs, the Minister decided not to reopen that decision that was taken in the context of Mr. Wilson's economic statement of last November.

The Government could not find $40 million to help out Canadian consumers, but the Minister of Energy, Mines and Resources (Miss Carney) could find $1.3 billion to give to the multinational oil companies this year. This Government is becoming quite expert at taking away from ordinary Canadians who cannot afford to be picked on by this Government. It

does not matter to this Government that the CHIP and COSP programs have been estimated to save at least 115,000 barrels a day of oil equivalent.

The Department of Energy, Mines and Resources admits that without these two programs, 75,000 barrels of oil equivalent per day would have been used. That is a reduction in equivalent oil demand of 25 to 30 million barrels a year, but that does not matter to this Government. It seems to think that we will always have plenty of oil and gas to look after our needs, so why worry about conservation? Why worry about looking for new sources of oil and gas? Why worry about trying to find new ways of heating our homes and saving on energy costs?

We have to start worrying about this Government, Mr. Speaker. Our energy future is very insecure with these kinds of policies. No one likes to predict the worst, but at least we should be prepared so that we do not make the same mistakes after learning from the OPEC crisis in the early 1979s.

I would like to go back to the International Energy Agency and its report of this week which was released at the close of meetings of the agency's governing board which elected Mr. Paul Tellier, the Deputy Minister of Energy, Mines and Resources as its next chairman—and I would like to congratulate him on his appointment. The report warns that a surplus of energy resources, which is what we are now experiencing, may turn to shortages which could spark a new energy crisis like the oil shocks of the 1970s. We have to be prepared for that. We cannot let our reserves sit and wait for a better price.

We need incentives for offshore and frontier development. We need to bring on Venture, Hibernia and the Beaufort Sea and, of course, continue to develop the rich resources in the west. We must be prepared for shortages, we must have the resources developed, and this Government must provide the incentive. The Government cannot look at the present situation, when OPEC is having trouble keeping the oil price stable and there is a possibility that the world price for oil could go as low as $20 a barrel. The Government cannot be fooled by the present surplus in energy resources which we are now experiencing because things change and they can change very quickly.

The International Energy Agency states, and I quote:

> Unless the IEA countries achieve further major improvement in the efficiency with which energy is used, and a major expansion in the production of energy resources, they could once again become vulnerable to oil supply disruptions in the 1990s similar to those of 1973-1974 and 1979-1980.

Canada is one of the most inefficient users of energy. The Government must listen to the predictions of the International Energy Agency because, after all, the agency was formed in 1974 in response to the OPEC oil crisis in an effort to co-ordinate the energy policies of western countries and avert further instability in the energy market. Now the agency is telling us something. It is time the Government listened instead of taking the grants and incentives away from consumers which would help them save on their energy consumption and energy dollars. What is this Government doing? It is doing the opposite.

This Government plans to take money away from our senior citizens and plans to offer great tax incentives to anyone who may want to invest, even if the investment is in a condominium in Florida. We cannot afford to gamble with our energy future. The Government has to act. We need incentives to conserve. The Government owes Canadians the right to a secure energy future. We need to develop new sources of oil and gas. We need to find ways of using alternate and renewable energy sources and we need to conserve the sources we have.

This Government should not be taking away from Canadians, which is exactly what this Bill does. The Government should be giving us policies which let us know it cares about the future, that it cares about Canadians. This Government does not care about Canadians. Its idea of making the public energy conscious is to increase the price of gasoline by two cents a litre. That is the way it impresses upon Canadians that they should conserve; it ups the price of gasoline.

The Government has been receiving a lot of strong messages lately. It is time it acted on the good advice it has been receiving from seniors and now from the International Energy Agency which has criticized the Government for cutting the programs in this Bill and gambling with the energy future of this country. The agency says this country must start to conserve its energy sources. This is not going to happen with the introduction of such a Bill. This House cannot support a piece of legislation which does this to our country.

• (1350)

Mr. Hawkes: Mr. Speaker, I believe that that Member, who studied this issue, is reading someone else's speech. He could not have delivered that from his own knowledge base because it is the complete opposite of reality. The Member said that Canada is an inefficient user of energy. That may or not be true, but it is certainly the conclusion of a report. The Member knows that high prices for any commodity, particularly oil, leads to conservation, and that low prices lead to inefficient use. He sat in this Chamber and voted for those low prices which have created the problems we presently face.

The Member voted for a policy which provides for companies to sell their oil and the Government to take their money, leaving no money to search for oil. This Government is introducing a policy which would impose high taxes unless the companies continue to look for oil. That will lead to exploration for that commodity about which he is so concerned. How can the oil company look for oil if the Government takes all its money? He was told that in 1980. He lived through the period when the companies stopped looking for oil because it was not profitable and they did not have the funds.

To say that you are in favour of conservation, and therefore prices should be low, is a complete contradiction of the reality of the market-place. This applies not only to oil but to chairs, tables, and typewriters. If they are high priced, people will buy fewer of them and if they are low priced, people will buy more of them. The Member knows that one-third of the known oil in the world is found in the tar sands. The only way in which that

can be economically processed is to raise prices. If the Member is truly concerned about security of supply in this country, he must realize that oil must be sold at a price which will create jobs to develop it. If we move in that direction, we could begin to export energy which would bring revenue into the country which would, in turn, create more jobs. That is what the Government is devoted to.

I would like the Hon. Member to stand in his place and admit that high prices lead to conservation, job creation, and the development of security of supply. Low prices lead to consumption—

Mr. Waddell: No way.

Mr. Hawkes: —job loss and fear about the future because the oil will not be processed. Surely the Hon. Member has the guts to stand in the Chamber and admit to those very basic realities.

Mr. MacLellan: Mr. Speaker, at no time did I talk about the need to have a low price. That is another subject altogether. The Member said that I was in the House and voted for the National Energy Program. He is right, I did, and the National Energy Program did an awful lot for the country.

Mr. Hawkes: A lot of damage.

Mr. MacLellan: It did a lot of good for this country. It may not have done as much for the multinational companies, but it did an awful lot for Canadians. They are realizing this more now as time goes on. Under that National Energy Program was the Canadian Home Insulation Program and the Canadian Oil Substitution Program.

The Member talks about developing the heavy oil of the tar sands. How are they going to be developed? Is the Hon. Member saying that the philanthropic oil companies are going to develop them without squeezing everything they possibly can out of the Government first? If they don't get everything they want, they won't do it. Give me the guarantee that these developments will ensure a secure energy future and the development of Hibernia and Venture. The newspapers have been reporting that the oil companies feel that the Western Accord has been good but does not give them enough. They want further benefits including lower royalties from the provinces. I believe that the Government will knuckle under again and give further benefits to the oil companies to the detriment of policies and programs for ordinary Canadians. I will be the first to have told you so.

Are the jobs which we need going to be created? We have asked the Minister of Energy, Mines and Resources how many jobs will be created. She has no idea. We have asked in committee whether any studies have been done. The Deputy Minister of Energy, Mines and Resources said that they had not. Members opposite say that we will be able to export oil. We are already exporting more oil than we are importing. We are exporting light crude oil which is taken out of the ground without any windfall profits for the multinational oil companies. It is piped into Chicago, depleting our reserves of oil, without any assurance that it will be replaced. The Hon. Member tries to say that the policies of this Government are good.

Mr. Baker: Mr. Speaker, we now see the difference between the Liberal Government and the Conservative Government. They are exporting oil, Mr. Speaker, but the Hon. Member did not complete the analysis. They are exporting oil to Chicago for less money than the refineries of Canada are paying. Since this Government took over we have been exporting oil $7 or $8 a barrel cheaper to American refineries than we are selling it to Canadian refineries. Did the Government promise that to the Canadian people when it ran for election?

The Member of the Conservative Party says that the Liberal Government kept the price too low, thereby encouraging consumption, and therefore the Conservative Government will raise the price to discourage consumption. Did the Government say that when it ran for election last September?

Mr. Gauthier: He said "freeze, freeze".

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on behalf of the New Democratic Party to speak on third and final reading of this Bill. I would like to congratulate my colleague, the Member for Cape Breton-The Sydneys (Mr. MacLellan), who covered the waterfront in his debate. I hope the Member for Calgary West (Mr. Hawkes) will not leave because I have a couple of comments to address to him. He said that the purpose of the Western Accord was to stop giving money to the oil companies. He should look at the reality of the Western Accord. The Western Accord in fact gives straight windfalls to the oil companies. Oil found before 1974 in Canada was called "old oil" and was priced at about $28 a barrel, much lower than world price. The price of that oil was raised to world price, about $37 or $38, on June 1 as a result of deregulation through the Western Accord. That resulted in a big windfall.

The Independent Petroleum Association of Canada reckons that there was a windfall of about $400 million to $500 million to the holders of that old oil. The old oil is held by Texaco, Shell, and Imperial.

Mr. Hawkes: Pensioners.

Mr. Waddell: Sure, pensioners. Imperial is owned by Exxon, and Texaco is owned by Texaco in the United States. That was a straight windfall for those companies. The price of new oil, that found after 1974, went down slightly. That oil is held by small Canadian companies.

There is a recently formed group called the Small Explorers Association of Canada. They wrote a letter to the Alberta Energy Minister and said that as a result of the Western Accord's favourable treatment of the big oil companies, the smaller ones could be moved off the property. These are small companies in his home province of Alberta. Therefore, they lost as a result of the Western Accord while the big companies won.

● (1400)

The Hon. Member claims that the Government stopped giving money to the oil companies. The second effect of the Western Accord is that it will remove some $5.6 billion in taxes from the oil companies by 1990, according to the Government's own figures. It will not collect those taxes under the PGRT that it could normally collect.

Third, the Government is giving money to the oil companies through other forms of tax relief. It will end the PIP grant system which is direct grants to explore in the frontiers and offshore. However, I predict that it will be replaced by the old super depletion allowance and other tax advantages which the oil companies had.

Let me quote the President of Texaco Canada, William Gatenby, who was speaking to the annual meeting of the Regina Desk and Derrick Club. He said that the oil industry "supports and confirms all the concessions agreed to in the Western Accord" and the Budget, especially the fact that the industry would no longer be singled out for a high rate of corporate taxation. The poor oil companies had a 10 per cent increase in profits between 1983 and 1984, totalling approximately $32 billion. They have been given windfalls and tax advantages, subsidies and favourable treatment.

We forget that the Western Accord allows the oil companies to export and sell off some of the cheap Canadian oil now so that they can make a quick dollar from those exports. The Canadian consumer will have to pay for the more expensive resources from the Arctic and tar sands. There are winners and losers in most games of life. During the last two weeks in Question Period, we have heard that the losers are clearly the pensioners because the deficit must be reduced. It is the pensioners and consumers who must pay as a result of a two-cent per litre increase at the gas pumps and an increase in sales tax.

The Conservatives, who talk so much about research and development and small business, have attacked those small, lean and efficient Canadian alternate energy companies. Therefore it is the pensioners, the motorists and the alternate energy companies who are the losers as a result of the Government's actions.

I am holding the brief of the Canadian Petroleum Association that was presented to the Senate Energy Committee in April of 1984. When I reread it, it became clear that the Conservative energy policy, the Western Accord, was in this brief and written by the big oil companies. The Canadian Petroleum Association promotes a two cent a litre increase at the pump, the abolition of the PGRT and the phasing out of PIP. The companies ask for more tax incentives.

The oil companies want to get rid of the back-in provisions on the East Coast. That will be the Government's next step. The Minister's prediction of the creation of 300,000 jobs was taken from this brief in which the oil industry says 300,000 jobs will be created. We heard it said that this industry would be the engine of economic growth. I am from the West Coast and realize that the oil industry will help provide jobs, but it is a capital intensive industry that is primarily foreign controlled. How do we know that they will not take this money and run? The Minister disagrees. I suggest he look at past investment figures to see that smaller Canadian companies have invested more than the large multinational oil companies. The interests of the multinationals are not necessarily the same as ours. They have a world-wide interest, basically an American interest.

According to the *Financial Post*, the Government's energy policy will give $9 billion to the oil companies without the benefit of a study as to how many jobs will be created. It takes these steps on the hope and prayer that money will be reinvested. What kind of policy is that in view of what the Hon. Member for Cape Breton said about the world oil picture? There will be a drop in demand and then an increase which will cause supplies to drop. In 1969, Bruce Wilson, a distinguished former oil industry executive, told the committee dealing with this Bill that since 1969, Canadian supplies of light crude oil, which is the basis of our transportation fuels, is declining and will continue to decline.

We are about to make the same mistake that we made before the first energy crisis. Before the first oil crisis in 1971, we exported oil. The oil companies, which want to export, ask for more money and more tax breaks in order to find more oil. When they find more oil, they say that they must export it and then ask for more money. Although they may create some jobs in that process, it is nothing compared to the jobs that can be created by the manufacturing and alternate energy industries.

Presently, the world is burning oil at 900 billion gallons a year. One-fourth of the recoverable oil that existed when the first well was drilled just over a century ago has been burned. Exploration has already found about two-thirds of the oil that we will ever discover. At the present rate of consumption, there is roughly a 60-year supply.

The United States, which consumes one-fourth of the world's oil supply, and which has only one-tenth of its oil reserve, will look increasingly for its oil supplies to the Persian Gulf where what is left of the world's oil will be increasingly concentrated. In the next six years, the supply will be concentrated in the Persian Gulf, which is perhaps the most instable area of the world today. That is the energy fact to which my friend was referring.

Quite frankly, I believe that we have the seeds of the next energy crisis in the Western Accord. It gives more money to the oil companies in vast windfalls, favours multinational companies over Canadian companies and favours the export of oil. Between 30 per cent and 44 per cent of our light crude oil production is being exported. We are the second largest customer of the United States. We supply approximately 12 per cent of their oil and Mexico supplies approximately 14 per cent. For that reason, it is important to consider what has been said by the International Energy Association. A story in *Canadian Press* states:

> Canada is one of the most inefficient users of energy resources in the West and will continue to be through the year 2000 if the federal Government sticks to

its current policies, the International Energy Agency warns in a report released yesterday.

What does the federal Government do? It cuts back on home insulation and off oil programs. It cuts back on research and technology conducted by the NRC, one of the world leaders in photo voltaic cells, solar wind and small scale hydro. These are fields in which we can make money on export markets but must research now. However, the federal Government cuts back in these areas because it is preoccupied with the deficit. It is against subsidizing industry purely on ideological Conservative principles, but will give money to the oil companies through the backdoor with such things as tax breaks and windfalls.

There is no energy policy in this country. Its energy policy is simply to follow the advice of the Canadian Petroleum Association, as evidenced by this Bill. It is clear from this debate that the Government is not amenable to change. I accept some of the remarks by the Parliamentary Secretary when he said that there was some consensus in the hearings, that perhaps these programs should be phased out, but phased out when?

• (1410)

I will give three examples from Minutes of the committee meetings. Gordon Patterson, chairman of the customer services division of the Canadian Electrical Association testified that the Canadian Electrical Association has sent a telex to the Minister requesting an extension of the program until the end of August. The Parliamentary Secretary admitted that the program was cut off in March because that was the end of the fiscal year, forgetting that it was still cold in March in some areas of Canada. The Association was prepared to accept cancellation of the program, but felt that an extension should be granted to permit installations where contracts had been signed before the March 31 deadline.

I draw Your Honour's attention to page 19:10 of the committee minutes for Tuesday, April 16, 1985 for the evidence. I have another piece of evidence. Jeff Passmore, Director of Conservation, Renewable Energy Council, said that the termination of the Canadian Oil Substitution Program should have been given a one year warning as was the case with CHIP and, failing that, at least an extension until June or July, 1985. He spoke at the committee meeting on Tuesday, April 2, 1985. He said:

It was very bad timing from the woodstove industry point of view to end the program on March 31, right in the middle of the season.

Third, John Guenin, Executive Director, Canadian Wood Energy Institute testified on Tuesday, April 2, 1985 that March 31 was not the best time to end the program. He suggested that June at least would be a better time. Fourth, there was a letter from the Electrical and Electronic Manufacturers Association of Canada. This association called for an extension of the program to August 31, 1985. A telex was sent to the Prime Minister (Mr. Mulroney) in that connection.

The Canadian Gas Association appeared before the committee hearing. It requested an extension of the deadline. This goes on and on. These were not difficult requests. The Hon. Member for Churchill (Mr. Murphy) wrote to the Minister of Energy, Mines and Resources (Miss Carney) and said that in parts of his riding it was difficult to buy equipment. He said in the Flin Flon Electric Shop there were a number of applications on which they were prepared to commence work. The company could not because there was no equipment in stock. It would have to come from Toronto and Montreal. They asked for the program to be extended, but no, the Government would not.

The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) wrote to the Minister of Energy, Mines and Resources and said that many home owners wished to take advantage of COSP but there was a delay in installation and they needed assistance. He said that Northern Ontarians seeking shelter from rising oil prices deserved special consideration.

I have a letter from a person who lives in West Vancouver, a Mr. Michael Down. The letter was sent to the Minister of Finance (Mr. Wilson), with a copy to me. He said that the Government should not terminate the Canadian Oil Substitution Program because it contributes to conservation. This view is supported by the Economic Council of Canada. Mr. Down goes on to point out the benefits and the difficulties with megaprojects and how small scale energy is so important. He asked for an extension of the program.

Why would the Government not extend that program? Would that not make sense in view of the International Energy Agency saying that Canada has a real problem in energy consumption? My friend from Calgary said that one way you deal with it is price, that price leads to conservation. I agree. Price does lead to conservation, but there are penalties for price. If we want more conservation, let us triple the price of oil or quadruple it. Obviously that does not make any sense. It hurts the economy.

I have some evidence from John Helliwell, the distinguished professor of economics at UBC. He is an energy economist who suggests that the Western Energy Accord, the rising prices and the tax advantages will lose jobs in the long run in Canada. As we have to pay more money for energy, it will hurt parts of the economy, obviously. There are countries such as Saudi Arabia and Mexico, oil producing countries like Canada, which hold down the price of oil as the National Energy Program did. You can make the argument that it is a subsidy, but there are other ways of subsidizing.

We can go to higher energy prices. There may be ways of subsidizing by giving the home owner a break, and what about the pensioners? We could give an energy credit or we could give a subsidy to people to insulate their houses or to switch from expensive oil to more abundant natural gas, to wood heat or electricity, which is renewable, or to solar energy, which is also renewable and is the energy wave of the future. I think that is uncontested.

My colleague, the Hon. Member for Cape Breton-The Sydneys dealt with the International Energy Industry which is an indictment of us in Canada. We should all be worried. We are all complacent. We are being lulled to sleep. We alternate between complacency and panic when it comes to energy. We

should be very careful as to what is being said to us. The President of Mobil Oil of the United States was quoted in the Washington *Post* a few months ago as saying that another energy crisis could be in the making. Mr. Edge, Chairman of the National Energy Board, said to the Energy Resources Committee the other day that in real terms, oil prices will be higher in the 1990s. Why then are we cutting back on alternates and conservation? Why? I guess to deal with the deficit. Why did we not put a windfall tax on the $500 million we give to the oil companies? That is the choice governments have to make. That is why they are Conservatives and we are not. We take a different view of the situation.

Let me talk about sacrifices in conclusion. This Bill is causing the alternate energy industry to make some sacrifices. It is just like the Budget. The Minister of Finance on September 27, 1980 said to get rid of indexing for old age pensioners that would be:

—a very sneaky way of bringing in a tax increase.

He also said:

—the federal deficit must be reduced but believes there are other ways of achieving it.

What hypocrisy. He said that in 1980. Now the Minister turns around and attacks the pensioners. In this Bill, the Government turns around and attacks small business, the ordinary Canadian with the $500 or $800 grant, one of the few things he gets from the Government.

The oil and gas belongs to us. It does not belong to the multinational oil companies. It belongs to the people of Canada generally. They are entitled to a good rent for it. The people of Canada generally have a responsibility to conserve it. We should not be exporting it at the rate we are because we will run short. We will have to go to the tar sands and the north and deal with very expensive energy.

This Bill today is a failure because it is based on ideological reasons. It does not make sense practically and in light of what the International Energy Industry has said about Canada needing to conserve. This comes at a time when we have lulled ourselves into believing, because of temporary market forces, that oil prices are going to go down. I say in the long run we are flirting with another energy crisis.

I have suggested to the Government that it postpone the Bill for three or four months to give those people some more time who want to conserve and take advantage of the program. The evidence in committee is overwhelming that people wanted that extra time. I do not see why the Government cannot accede to that request. We cannot propose an amendment because of the Royal prerogative in spending money.

A country that makes the same mistake twice is really a fool. That is what I think we are in this Bill.

● (1420)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to make a few brief comments on third reading of Bill C-24. The last time I spoke on this Bill, we were 15 days away from the implementation of one of the measures proposed in the Bill, namely the termination of the energy conservation program. I simply want to add a few comments on the scope of this measure, especially with regard to energy conservation, and to deplore the fact that the government is compelled today to introduce a measure which I believe will in fact discourage consumers who still need government assistance in order to insulate their homes.

[*English*]

As I said, the last time I spoke on this matter, it was about 15 days before COSP was to terminate, and CHIP was to terminate in about a year from then. I indicated that we in my riding felt particularly bad. I represent a riding in Ottawa which has some of the city's oldest housing stock. Although we have used these programs to better our housing stock and to conserve energy, we still have a lot of housing which requires attention and would have benefited from a government assistance program that encouraged insulation of our homes.

[*Translation*]

I would like first of all, Mr. Speaker, in the brief comments I have to make, to join all Hon. Members of this House in congratulating the Deputy Minister of Energy, Mines and Resources, Mr. Paul Tellier, who was elected President of the International Energy Agency, based in Luxembourg, and to wish him the best success in his new role.

I regret that Canada ranks today, along with Luxembourg, as one of the countries which conserve the least and waste the most energy. This statement does not come from myself, it was made by the Agency in a recent report. I read in *Le Droit* newspaper dated June 17, and I quote: "The Agency—referring to the International Energy Agency—was critical of the Canadian government's decision to terminate the subsidy program for home insulation and to reduce the scope of the measures aimed at encouraging industries to conserve energy and to switch to alternate sources of energy".

Mr. Speaker, I think that at this point where we must take special care to preserve for the future generations the natural resources which we inherited, it is important that this Government should seriously consider the comments made by such an important body as the International Agency, set up in 1974 if my memory serves me right, for the purpose of advising and counselling member countries on matters of energy.

When he addressed the issue, the Minister told us that Canadians are aware of federal programs, of the need to conserve energy, of the benefits of insulation, of the benefits to be derived from better conservation. I have no doubt, Mr. Speaker, that some Canadians are aware of all that, but I would point out to the Government that in January 1985, we had here in Ottawa some 13,000 applications for natural gas, for converting from oil to gas, filed with companies, and of course they could not all be processed. Because of winter and bad weather conditions, the companies involved did not have

enough time to make the necessary changes to the systems, furnaces and, heaters before the program ended.

Therefore, we had unprocessed applications from a number of Canadians who wanted to benefit from the insulation programs, the conversion programs, but could not because the Government cancelled those programs introduced by Liberal Governments.

Mr. Speaker, what struck me during the second reading discussion of Bill C-24 was the near-unanimity on the value and benefits of those two programs. I do not think there was one Member, at least whom I heard, who condemned or criticized those two programs. I think both those programs had their usefulness and still have, and I had hoped the Government would have given greater attention to the issue of insulation and oil substitution.

I remember the Hon. Member for Brampton-Georgetown (Mr. McDermid), speaking for the Government, used up quite a number of minutes explaining where and how those programs had tremendously promoted public awareness of energy needs. I was therefore surprised to find that his Government was terminating two programs which, to everyone's satisfaction, were good, needed, worthwhile, and meeting modern and basic requirements.

[*English*]

I am at a loss to explain why some Members rise in the House and start talking about the cost of oil or gas, using the argument that low prices will encourage waste. Actually, I do not think any Member would disagree with that statement. If we put it into context and go back a few years, we realize that the price of oil in 1973, if my memory serves me correctly, went from some $3 per barrel to some $38 per barrel today. If the Government of the day had not intervened at that time, God knows that inflation would have been much higher, much more serious and much more severe than it is today.

The Hon. Member for Gander-Twillingate (Mr. Baker) made the point to the Hon. Member for Calgary West (Mr. Hawkes) that today it is a reality that this Government is selling oil at the Chicago price. This means that Canadian refineries in Toronto are actually purchasing oil at about $7 per barrel more than Americans have to pay. Perhaps he could explain that to the House. How can he argue that it will contribute to energy conservation? Perhaps he has some wisdom which I fail to understand.

In any event, there are four points which I should like to make. I believe a great number of people still want to convert from oil to gas and would like to have a program which encourages insulation. As I said before, Mr. Paul Tellier will be presiding over the International Energy Agency. He is one of our good, solid Deputy Ministers, and was chosen as chairman of an agency which told us in its annual report that we use energy very inefficiently in Canada and that we should move to correct this problem now. As far as this agency is concerned, it sees nothing in the way of government policy or Canadian policy which will change things. We will still be inefficient and facing a difficult problem come the year 2000, and we should anticipate the difficulties which will arise.

I am sure Members on all sides of the House will agree that the programs have been useful and effective. Many of us think that the cancellation of CHIP and COSP will have an adverse impact upon employment, because the bottom line is jobs. If jobs were created by encouraging insulation of Canadians' residences and if jobs were created by converting programs from oil to other sources of energy, that was good. This Government cancelled them.

• (1430)

Fifth and last, we will fall further behind in our efforts to achieve energy self-sufficiency and meet our energy goals, but I think we all agree that we have to be self-sufficient. God knows we have tried hard to do that and I would hope, Mr. Speaker, in closing, that the Government would seriously consider putting forth measures that would encourage energy conservation. If they do not like the programs that the Liberals put forth, then let them come in with something different, but with the same purpose in mind, to encourage Canadians to better conserve, to encourage Canadians to see that we make sure that the generations that follow us will have the same advantages, the same resources and at least have the benefit of some security of Canadian resources.

Mr. Hawkes: Mr. Speaker, two speakers have mentioned the difference in selling price in Chicago. I guess they have persuaded me that perhaps they really do not understand the difference, and I would just like to put it into context.

If one went out to buy a case of apples and the apples were fresh and prime, they would cost more than a case of apples that were bruised or getting old. It is the same with crude oil. Some crude oil is a good barrel of crude oil which refines into such things as aviation fuel and gasoline for cars. That kind of barrel sells for a much higher price than a barrel of heavy crude which breaks down into, for instance, asphalt rather than aviation fuel. That is the difference in the price of a barrel of oil. It is very difficult. There are in the pricing market in Alberta something like 32 different types of barrels, each priced separately. If you start comparing, if you like, the bruised apples with the good apples, that is the kind of problem you are going to have with a price comparison. The price of Canadian crude as of the Western Accord is simply the world price for the quality of the crude, whether it is good or not so good. Wherever it is sold, it is sold at that price.

Mr. Baker: Mr. Speaker, to put this whole question in context, the fact of the matter is that last year the federal Cabinet gave approval to the National Energy Board starting in December, to reduce the export charge. That is what it is called, an export charge on oil exported to the United States. It is a mechanism that is there to encourage exports of oil from

Canada to the United States. There are two charges. One is an export charge for exports and the other is a Canadian charge, both levied by the federal Government. It has nothing to do with the National Energy Board, the oil companies or anybody else. They did not reduce the charge to Canadian refiners.

Since that time it has gone from a 48 per cent, 49 per cent reduction to total elimination now in the Budget. What you saw, starting in January, was a $7 a barrel difference between oil delivered at the gate in Chicago and that same oil delivered at the gate in Toronto. That is $7 cheaper to the United States than to Canada. That is the export charge, that is what we are dealing with.

The hon. gentleman brought up the matter of heavy crude for asphalt and so on, and that is quite correct, but let me remind him that in the Minister's own province all seven refineries produce asphalt from heavy crude and those refiners were having to pay $7 and $8 more a barrel for Canadian oil than did the Chicago refiners. That is an incredible system, Mr. Speaker, a disgraceful system. To have that total export charge on exported oil eliminated while Canadians still have to pay the charge at the refinery is absolutely disgraceful, a first I suppose for any country in the world. Then, again, good relations with the United States, and the Canadian consumer have to suffer.

Mr. Waddell: Mr. Speaker, I have some comments on the Hon. Member's discussion of the National Energy Program. We have debated everything else and I will tie it in with the particular Bill.

I might say there is nothing that has been more maligned than the National Energy Program. A lot of myth has built up around it. The fact is that the National Energy Program wanted to make Canada self-sufficient by 1990. So did the Clark Government program in 1979. We are self-sufficient. This is June 1985. The reason we are self-sufficient is that we have had an economic downturn, we found more oil than we thought was available, we have practised conservation, but we are self-sufficient right now and that is something to be pleased about. We are also the most wasteful user of energy in the industrialized world, next to Luxembourg.

The National Energy Program wanted to have 50 per cent Canadian ownership. We have the most foreign-owned industry of any of the industrialized countries. Right now the figure is about 44 per cent Canadian-owned and about 56 per cent owned by countries abroad. That is still bad.

The National Energy Program erred in that it brought in PIP grants, these very rich grants that moved a lot of the exploration from the western sedimentary basin, and I hope some of the central Canadian Members will listen to this, out to the frontiers in the north. That hurt Alberta and Saskatchewan. The grants were ill-advised in the sense they were very wasteful. They totalled less than $8 billion. They helped some small Canadian companies to get into the major play so they were successful there, but for $8 billion we could have bought Imperial Oil and had instant 50 per cent Canadianization.

The problem with the Petroleum Gas Revenue Tax was not that it was getting money from the oil industry. For the first time the oil industry was really paying taxes. That is what they did not like, that is what they hated, but there were some problems with the tax because it was like a provincial royalty. We western Canadians do not like the federal Government to have royalties because they are our resources, they belong to the provinces, although they are to be shared with the rest of Canada, under the Constitution. They are the vehicle of economic growth in western Canada if they are used properly. That is why we were critical of the PGRT.

What does this Government do? It attacks perhaps the most successful aspect of that National Energy Program, which was the conservation programs. They were working.

Mr. Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) might like to respond to the comments. I am sure they were all directed at him, since it was his speech that everyone was commenting on.

Mr. Gauthier: Mr. Speaker, I do not want to prolong the debate, but I just want to say that I think the Hon. Member for Gander-Twillingate made the proper response to this. He knows a lot more about oil prices than the Hon. member for Vancouver-Kingsway (Mr. Waddell). Also, I have a lot of respect for my hon. friend from Calgary West. I think this whole debate is an interesting one, but I would like to finish my remarks. I still deplore that the Bill has to be passed by the Government today and it is, I think, going to cut off a lot of incentive for conserving energy.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

Mr. Dick: Mr. Speaker, there have been some consultations, and if you look closely at the clock, you will notice that it has just struck five.

Mr. Speaker: Do I sense that there is unanimous consent for this proposition?

Mr. Gauthier: Mr. Speaker—

Mr. Speaker: I think the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is rising not to indicate disagreement but to

ask me to say something traditional at this moment because of the specialness of Monday for many Members of the House of Commons. I would wish everyone an especially happy Saint-Jean-Baptiste Day and a happy weekend. It being five o'clock p.m., pursuant to order made Thursday, June 13, 1985—

[*Translation*]

—perhaps because it is Saint-Jean-Baptiste Day, I can say: It being 5 p.m., pursuant to the Order of Thursday, June 13, 1985, this House stands adjourned until Tuesday, June 25, at 11 a.m., pursuant to Standing Order 2(1).

The House adjourned at 2.41 p.m.

HOUSE OF COMMONS

Tuesday, June 25, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

NORTHERN TRANSPORTATION COMPANY LIMITED DISPOSAL AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Minister of Transport) moved that Bill C-53, an Act to authorize the disposal of the Northern Transportation Company Limited and the forgiveness of its debt to Her Majesty and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

He said: Mr. Speaker, Bill C-53 authorizes the federal Government to dispose of the Northern Transportation Company Limited. Agreement in principle has been reached with the Innuvialuit Development Corporation and the Nunasi Corporation. The agreement is being finalized this week and the enabling legislation will give the Government the authority to complete the sale.

By way of background, Mr. Speaker, let me say that the Northern Transportation Company Limited was established under private ownership in 1931 as the Northern Waterways Limited. It operated several small vessels from Waterways, Alberta to Lake Athabasca, Great Slave Lake, the Mackenzie River and Great Bear Lake. In 1934, the company was renamed the Northern Transportation Company Limited, still under private ownership. In 1936, NTCL was acquired by Eldorado Gold Mines Ltd.—later Eldorado Mining and Smelting, now Eldorado Nuclear—which was then a private company involved in mining on Great Bear Lake.

Under Eldorado ownership, the NTCL served Eldorado needs and continued to operate a common carrier service in the Athabasca and Mackenzie area. In 1944, Eldorado Mining and Smelting was nationalized under the War Measures Act because of its radium and pitchblende mining operations at Great Bear Lake. NTCL came under government ownership as part of the Eldorado package.

From 1945 to 1957, NTCL slowly grew as traffic increased. Community resupply became an important activity and thereby NTCL was fulfilling a very important public role.

In 1949, NTCL was declared an agent of Her Majesty, pursuant to the Government Companies Operations Act. In 1957, NTCL began operating into the Canadian western Arctic to resupply the Distant Early Warning Line radar stations established by the U.S. Air Force. This was a further example of NTCL's contribution to government objectives in the North.

In 1957 to 1972, NTCL traffic continued to grow, particularly in later years, as oil and gas exploration was developed in the Mackenzie Delta. In 1962, the NTCL main operating base shifted from Fort McMurray, Alberta, to Hay River, Northwest Territories, with the completion of the Great Slave Lake Railway. Athabasca operations continued but there was no operational link between the Athabasca and the remainder of the NTCL system.

In 1965, NTCL acquired the assets of Yellowknife Transportation Limited, one of its competitors on the Mackenzie River. In 1972, NTCL reached a peak of over 400,000 tonnes of cargo carried. In expectation of further increases, NTCL engaged in a major capital expenditure program involving purchase of new tugboats, barges and shore equipment. In 1973, NTCL bought Grimshaw Trucking and Distributing Ltd. of Edmonton. Between the period of 1972 and 1976, NTCL traffic declined drastically, owing to the failure of the anticipated Arctic gas pipeline to proceed and to reduce exploration activity. In that period of time NTCL suffered some severe financial losses.

In 1976, NTCL was recapitalized through conversion of some $24.9 million of federal government debt into equity. Between 1977 and 1981, NTCL recovered its financial position, which peaked in 1981 with net earnings of $4.3 million and a return on invested capital of 11 per cent.

In 1981, NTCL incorporated Nortran Offshore Ltd. and refurbished two vessels for seismographic geotechnical work under Nortran. From 1981 to the present, NTCL has remained profitable, although at a somewhat lower level than the 1981 peak.

That gives you a brief history, Mr. Speaker, of the development of the Northern Transportation Company Limited.

Presently, NTCL is a federally incorporated company under the Canada Business Corporations Act. The company's head office is in Edmonton, Alberta, with its main operating base at Hay River, Northwest Territories. It is the largest operator of tugboats and barges in northwestern Canada and is the primary means of marine transportation for residents of the Mackenzie River watershed, the western Arctic, and the Keewatin Hudson Bay coast. NTCL operates 26 tugboats and 171 barges. NTCL owns Grimshaw Trucking and Distributing Limited, a trucking company operating in Alberta and the Northwest Territories. It also owns Nortran Offshore Limited

which offers seismographic-geotechnical vessels for charter in the Beaufort Sea.

• (1110)

In 1984 NTCL carried 236,000 tonnes of cargo on its 5,000 mile marine system and employed 564 people during its peak summer season. Some of the highlights of its 1984 financial performance are that it generated revenue of $40.9 million and it earned $1.55 million from operations, with net earnings of $1.34 million, a return on invested capital of 5.1 per cent, and a return on equity of 3.6 per cent.

What is the justification for privatizing the Northern Transportation Company Limited? NTCL was not made a Crown corporation by design, but rather by accident through the nationalization of its then parent company, Eldorado. NTCL never had a clearly defined public policy mandate. Although the resupply activities carried out by NTCL are very important to northern residents, there is no reason why resupply operations cannot be carried out by a privately owned company. We believe that the private sector is capable of and willing to provide the service required.

NTCL itself has had aspirations in the past to diversify into related business areas. These aspirations were discouraged because it was not thought appropriate for NTCL to become involved in new areas already well served by the private sector. Privatization of NTCL would free the company to pursue entrepreneurial opportunities.

Northern Transportation Company Limited has been a candidate for privatization on several occasions already. The company was on the short list to be privatized in 1979, and in 1984 the previous Government announced plans to sell NTCL. The process for the sale of NTCL has been public for some time and there have been no expressions of public concern over the issue of privatization.

Mr. Benjamin: Oh, you're kidding.

Mr. Mazankowski: As I said, the previous administration offered NTCL for sale in August of 1984 and, after a lengthy process of providing information to interested parties, three offers were received in November of 1984 for the purchase of the company. The offers were evaluated on the basis of price, native-northern participation, and commitment to community resupply. Northern Industrial Carriers Limited of Edmonton was selected as the preferred offerer provided it could attain a satisfactory level for northern-native participation. Other offers came from the consortium of the Denendeh Development Corporation, the NWT Metis Development Corporation, and Arctic Transportation Limited, and a consortium of the Inuvialuit Development Corporation, the Nunasi Corporation, and NTCL management personnel. After lengthy negotiations, the final offer of NIC was rejected in March 1985. The rejection was on the basis of an inadequate level of native and northern participation and a reduction in price from the original tender.

It was then decided that new offers would be invited from groups that had earlier been involved in the sale process. Three offers were received: one from the consortium and the Denendeh Development Corporation, the NWT Metis Development Corporation, and Arctic Transportation Limited; the second from the consortium of the Inuvialuit Development Corporation and the Nunasi Corporation; and the third from Arctic Offshore Limited and Northern Arc Shipbuilders Limited. Again the offers were evaluated on the basis of price, native-northern participation, and commitment to community resupply. The IDC-Nunasi offer met all of the criteria set for evaluation. In addition, it presented several other attractive features, notably the fact that IDC and the Nunasi represented the majority of NTCL's resupply customers.

• (1115)

At present, six Inuvialuit communities and 12 Inuit communities are served. Whether one applies revenue-tonne miles or tonnage as compared to NTCL's over-all community resupply services, the percentage attributable to these communities is in the range of 90 per cent to 95 per cent. The offering group is made up entirely of the northern Inuit.

Just to give you a brief run-down on the IDC group, this corporation was created by the Committee for Original Peoples Entitlement to pursue entrepreneurial opportunities on behalf of the Inuvialuit people of the Mackenzie Delta and the Western Arctic. These people live in communities as far east as Holman Island and Paulatuk. The IDC received its current capitalization of the Inuvialuit land claim agreement signed in 1982. This involved a number of businesses, including aviation, catering and support for the Beaufort Sea oil operation. The corporation's head office is in Inuvik, Northwest Territories. Its president is Randal Pokiak and its general manager is Peter Coolican. The Nunasi Corporation pursues entrepreneurial activities on behalf of the Inuit people of the central and eastern Arctic, and acts on behalf of Inuit living in Coppermine and east, and Keewatin, as well as throughout the eastern Arctic. Nunasi has not been the beneficiary of land claim funding since no land claims agreement has been reached with the Inuit. The company owns a small airline in the Keewatin, and until recently had a significant shareholding in a gold mine. The corporation's head office is in Ottawa and its president is John Hickes.

Also involved is the firm of Trimac. Although not a shareholder in the IDC group, Trimac will play an important role by providing administration and management advice to the company. Trimac is a large diversified Calgary-based company involved in bulk trucking, general construction, pipeline construction, oilfield drilling and consulting. The company is very well respected in the western Canadian transportation industry.

The IDC-Nunasi group has agreed to a binding commitment to maintain NTCL's community supply. The fact that the ownership will represent the majority of NTCL's customers strengthens the degree of commitment even further. In addition, NTCL's long-term debt to the Government, currently some $27 million, will be retired on closing, using cash in the company. As I said, closing of the deal is planned for the

end of June. Negotiations between Government officials and the IDC-Nunasi are going on and progressing well.

I hope that all Hon. Members of the House will agree to give this particular legislation speedy passage. I should say that I will be offering a couple of amendments at some point with respect to the impact on the company as it relates to income tax. The thrust of the amendments are that, for income tax purposes, the company will be in the same position after the sale, with the transfer of property, as if it had always owned the property. The portion of the amendment dealing with the debt recognizes that the debt, which is now owed by an agency of Her Majesty to Her Majesty, will not remain with the privately owned company. Really, what the amendments do is to clarify the technical issues involving NTCL's tax status. It is not a change in the substance of the Bill whose purpose remains unchanged.

I hope there might be some disposition to proceed with this Bill in all stages in the House. If not, I would certainly be prepared to appear before the standing committee to offer further elaboration at that time. But perhaps there may be some discussions about how we might proceed in order that we might receive passage of this legislation before the end of the week.

• (1120)

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I know that the Minister has been very busy with many things this morning. However, the Transport Committee met and we agreed that we would be meeting tonight on both the Western Grain Transportation Act amendments and the Northern Transportation Company. I have no knowledge of any discussion about the latter Bill going through all stages in this Chamber. We have agreed that we would deal with both Bills tonight.

Mr. Mazankowski: Mr. Speaker, if that has been the arrangement, I would certainly have no objection. I merely want to stress the urgency and importance of having the Bill passed before the end of the week. I would certainly be glad to appear before the committee this evening.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, let me add my words of appreciation and some sympathy to the Minister of Transport (Mr. Mazankowski). We know that he has had a very harrowing weekend and we recognize the difficult circumstances under which he is operating. Therefore, we appreciate his being in the House today to introduce the Bill and provide us with information related to the sale of the Northern Transportation Company Limited.

However, there are a number of questions that should be answered. Therefore, we would appreciate his appearance at the committee as well as the provision of somewhat more enlightened and expanded comments during the second reading and report stages.

We treat this Bill seriously, not only because of its importance to northern Canadians but also because it is an important precedent in the ways and means of the privatization of a number of Crown corporations. I would give the Minister of Transport a somewhat backhanded compliment by saying that at least he has been able to privatize one Crown corporation, while his colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), has made more than enough speeches throughout the country about what he will do but has done nothing in ten months. However, while the Minister of Transport has at least been able to bring this privatization almost to fruition, I would add that one reason he has been able to do so is that it was an initiative begun by the previous Government. Obviously his achievement is a result of having a major advantage as a result of the foundations being well laid approximately a year ago. That would explain the difference between his level of accomplishment and that of his colleague, who is absolutely floundering and staggering in his attempt to accomplish his goal. I read recently a speech made by the Minister of Regional Industrial Expansion in October in which he said that all these Crown corporations will be signed, sealed and delivered by Christmas. However, one has yet to pass by the hallowed portals, which only shows that the large sip between the sip and the drink of the Minister of Regional Industrial Expansion must be carefully watched.

When our Government introduced the Crown Corporation Bill over a year ago, it was our belief that it was an important principle that any sale of a Crown corporation had to be examined by Parliament. We believed that it was an essential ingredient in a process that any Government undertook in providing for the sale of a Crown corporation. I suggest that the wisdom of that belief is borne out in today's legislation because it gives us an opportunity to have a greater degree of public scrutiny and examination of a very important issue concerning the way in which the Government sells a Crown corporation.

As the Minister pointed out, these matters should not be approached in an ideological fashion but, rather, in a pragmatic way. We must ask if the existing Crown corporation is serving a public purpose. While that may be defined in different ways by different Parties and Governments, it is a primary test.

Although most Members in the House believe that history began last September 4, that was a test which we applied in November of 1983 when we first announced that we had commissioned the board of directors of Northern Transportation Company Limited to examine the prospects or reasons for the sale of the Northern Transportation Company Limited.

I want the Minister to consider carefully the fact that we asked the board of directors to become directly involved in the assessment and evaluation and to become major partners in the sale. It is my understanding that since the new Government came to power, the board of directors has been basically frozen out of any involvement in this particular sale. That is of some concern. Under basic corporate law in this country, the board of directors, whether that of a private or of a publicly held company, has major responsibilities to act not only as stewards for the shareholders, which, in this case, is the Government, but also to provide for a more sensitive and at

times knowledgeable appreciation of the intricacies of a company than you might have from a government Department.

• (1125)

The board of directors is a very important policy-making body, a very important monitoring body and a very important decision-making body. One of the key questions I want to raise and bring to the attention of the House is, why was the board of directors of this Crown corporation, which had been initially involved last year in the preliminary discussions of the sale, according to its President and chief operating officer, Mr. Cameron, not been directly involved? The experience gained and the background enjoyed in running this company has been ignored. I think it may have something to do with the fact that there was a substantial hiccup in sales when the Government made its first overture to northern carriers. It then had to withdraw and move on to a second range of buyers simply because it did not use or exploit the background information that might have been supplied by that board of directors. I do not think it is necessarily within the purview of a government Department to be in the sense the vendor of such a thing, because it is unquestionably the responsibility of the Minister. I believe the initial judgment or assessment that we have to make in this case is that when one comes to making choices about privatizing, it is very important to follow wisdom, which is to involve the interested parties who are essential to a sale. In this case to sidetrack the board of directors from the outset is a very serious mistake and one for which I hope we would receive some rationale. It suggests some of the reasons for the problems that were encountered when bringing this sale to fruition.

I am a little concerned that the Minister did not share with this House the kind of information gained by the initial assessment and evaluation done by First Boston, which had been set up to do a proper financial accounting of the company to determine its level of assets, prospects and so on, which would help Parliament, and in particular the standing committee which will be working in a very strict time frame, to get a better financial judgment as to the pluses and minuses of this sale. I go back to the Minister's own words. Is the Government undertaking the right kind of financial deal in making this sale? We do not know because we do not have First Boston's report. I do not think there is anything particularly confidential there. If there were, it could be raised, but I say to the Minister across the House that it may be of some importance to the committee to have access to the results of the First Boston study. I think it would give us some proper background as to what were the various financial statements and results. I say this in particular because it is important to go back a little in history to clear the air. Certain of the Minister's colleagues a year or so ago raised a number of questions when they were on this side of the House concerning the financial arrangements of NTC sales and made some fairly strong charges concerning the management of the company.

As we said at that time, that was something which, in a way, was an attempt to put these people into a precarious position and to assess their reputation. I think the responsibility of the Minister should be at least to give us the results of the First Boston study to clear the air and not to leave some of those questions outstanding as they were last year. At that time when I held his position I said I could not answer those questions until we had done the proper financial study, which we were prepared to do through an independent party. Many of those individuals, among them the past President, Mr. Montpetit, deserve and have the respect of this House, and we should recognize that by attempting to come to deal with those financial issues.

I do commend the Minister of Transport for following through on the original terms of reference. They were to ensure that there was substantial participation by northerners and native people. When we initially examined the concept of the sale, we thought it was an ideal opportunity to provide incentives for the newly emerging entrepreneurial class of native people in northern Canada. We thought it would provide them with an opportunity to have a good stake in a company which directly affected their interests. At that time we had several discussions and participated in negotiations with native organizations. They made a very strong case that NTCL was a prime candidate to enable them to get a major toe-hold in a northern transportation system which they could own and operate. That was one of the primary justifications we used in November 1983 to begin the process leading toward the privatization of this particular company.

• (1130)

When the Minister originally made his announcement concerning the sale to Northern Industrial Carriers, at that time it did not contain participation or involvement of northern native organizations in particular. Obviously the second bid which has been accepted by the Government, at least on its face value, fully meets that test and the criteria which we put forward as being a justification for the sale.

I hope Hon. Members of the House will take full recognition of the fact that this is a very important step in northern Canada. As some Hon. Members who represent northern constituencies are fond of saying, and rightfully so, sufficient attention is not paid to the affairs and interests of northern Canada by Members of the House. They tend to be pushed off to the sidelines too often.

One of the most important and exciting developments which I witnessed when I was in the Ministry of Transport was the way in which a number of native organizations, partly using money from land claims as their basis of capital, were undertaking a new way of meeting their economic objectives. They were moving toward the notion of self-sufficiency, not only in local government terms but also in economic terms. My Party and I believe very strongly that this is one of the signposts for the future. If we are to alleviate the severe economic deprivation of northern native people, perhaps one of the most important ways in which Government can assist them is by giving them the equity, capital and operations which allow them to grow, expand and develop economic investments in their own community. As any number of groups at the bottom of the

economic ladder try to climb up it, they do so by developing a stake in their own community and by developing the ability to obtain a good capital base upon which to build.

This sale of NTCL is a very important step forward. It will enable native people in northern Canada to acquire an important company. It is an important company in that it supplies a very important service. With the right kinds of conditions, it can be a real foundation for the expansion and development of a number of other offshoots, not only in transportation. It will at least give them the basic capital and the administrative development and experience upon which they can grow and evolve into fairly major economic operations.

The Bill is important in terms of being a first step in privatization and the principles adhered to. It is a very important example of the way in which Government can assist native people—and for that matter other groups—in their economic development. Rather than divorce itself from them, it can facilitate their development of economic self-sufficiency.

This raises several questions which I hope the Minister will answer. He mentioned in his statement that the $24.5 million outstanding loan to the Government would be written off. I believe he said that it would be written off by the proceeds from the sale. If that is the case, we would want to know the sale price. Also we would want to know what kinds of conditions and arrangements have been made. Is it simply a write-off trade? Will further equity be coming back to the Government? In other words, what kind of financial arrangement has been arrived at?

The second component would be: What kind of continuing commitments has the Government made, particularly in terms of resupply in the Keewatin area? As I recall the situation, the present contract went into 1989. I believe that is the present arrangement. In some years, in particular in 1983, the level of subsidy for that was over $600,000. I believe last year, if I am not mistaken, the company paid some money back to the Government, about $300,000. As a result of the way in which the resupply agreement has been worded, there is a back-up commitment by the Government of Canada to ensure that the resupply continues to pay any additional costs over what is returned by way of revenue. It is very important to know at this point in time whether that is simply running until 1989. Is there a long-term commitment from the Government to maintain that subsidy? In particular—and I do not believe the Minister mentioned it in his opening remarks—to what degree has a term of reference or a set of directions been given to the Canadian Transport Commission to ensure that the agreement is lived up to in terms of resupplying essential communities, to ensure that it will be honoured? I am not saying that there should be any mistrust, but we must remember that it is the only source of supply for certain parts of northern Canada, including the northern part of Manitoba, the province from which I come, and the Churchill supply area. What kind of agreements or arrangements will be made with CTC to monitor the performance of the company in its resupply commitments and in redefining its terms? What commitment is being made by the Government in the long-term interests of the area?

When we talk about privatization, there are many private companies which receive transport subsidies. I have heard Hon. Members opposite say that perhaps too many companies receive such subsidies. However, I want to express a note of caution. In the last Budget papers tabled by the Minister of Finance (Mr. Wilson), there was a very clear statement that the Government intended to reduce the number of subsidies under transportation. Of course, we assume that that would primarily mean in Atlantic Canada. The key question would be: Would this affect or have an application to the Keewatin supply area under NTCL? I think it is very important for the Minister of Transport to outline clearly those conditions.

I should like to refer to another set of issues, those affecting or impacting on local residents, particularly in the Territories. As I understand it, some real concern has been expressed over the last several months about the need to undertake impact studies of both an economic and environmental kind in terms of the consequences of the sale. The Minister did not indicate whether such studies or impact assessments had been made. Some assurances should be provided to the affected communities which have a singular reliance upon the company for their well-being and livelihood. We require further information and clear guarantees from the Government as to what in fact has been done. What kind of assurances have been given to these communities as a condition of sale? Has CTC been assigned a role to determine the conditions of licence and the performance of these conditions?

Those are very clear-cut questions. When this company has been privatized, the only two areas in which the Government will be able to provide some continuing level of guaranteed assurances would be through its subsidy payments on the Keewatin supply route and through the licensing arrangements under CTC. We have not received any information from the Government in either case as to what it intends to do. There are a number of questions related to the sale, but I want to make clear that we as a caucus and as a Party support its basic principle, because in fact it was an initiative which we took. We did so because it made good sense at that time. I suspect it makes even better sense now. One clear question had to be answered at that time, and I believe the Minister referred to it in his opening address. If the company were to expand its operations, if it were to diversify and supply alternative services, it would need more equity to do so. There seems to be no good reason why the Government of Canada should be paying for that new infusion of equity capital. That comes back to what the conditions of sale are and what in fact are the financial arrangements that have been made; to what degree the reserves of the company have been used up; what kind of capital will remain and what kind of return on the capital will be allowed so that it will not be so totally stripped that it would not be able to take advantage of that area.

● (1140)

The second major reason, as I said, that we strongly endorse this Bill, is the opportunity that this provides for self-sufficiency for native organizations in northern Canada. I think that, in the long term, that might prove to be a valuable and important segment of this area.

We would say, by way of an opening of a series of comments, that we support this Bill in principle but many questions need to be answered. We will try to assist the Minister as much as we can so that this transaction can continue, as long as we are able to receive the kind of assurances that I have requested this morning.

Mr. Les Benjamin (Regina West): Mr. Speaker, I ordinarily would not welcome any opportunity to speak on a Bill which allows the Government to get out of its obligations to provide guaranteed and essential services to the residents of northern Canada, or to any part of the country for that matter. I am happy to say that the Government's initial plan to sell to a southern private company fell through and it is in fact now planning to sell this company to a consortium of two Inuit corporations. I want to say to the Minister that had he done otherwise, he would not be getting this Bill through in the eleventh hour of this session.

The whole issue of privatization, like deregulation, has been a matter of some debate in this House and all over the country for the last several years, ever since the Proposition 13 syndrome and Reaganomics were imported into this country and grabbed on to by both the Liberal Party and the Conservative Party.

It does provide an opportunity to consider the purpose and the value of Crown corporations, particularly in the instances where it covers part of the economy that is a natural monopoly, small markets or isolated areas where an essential public service has to be provided. Over the years, in this country as well as others, Governments of the stripe of the Liberal or Conservative Parties have got into Crown corporations, not because they believed in them, not because they thought there was an essential public service that Government could best provide through ownership by the taxpayers of the nation, but for a number of other reasons. One was to bail out some outfit that was going broke and to help out the banks and the bond holders and private investors, and the other was because the private sector could not or would not fulfil an essential public need. Where was the private sector in the 1930s when it came to fulfilling essential public need in northern Canada? It could not or would not provide that essential public service, and starting in 1934 the people of Canada began providing that essential public service in the thinly populated northern isolated area.

The other thing is that in the mindless drive toward privatization there seemed to be a strong tendency under the previous Government as there is under the present Government to sell off the winners and leave the taxpayers stuck with only the losers. Hardly anybody is going to rush forward to buy a Crown corporation that is losing its shirt, although the Government may well end up having to sell parts or all of several other Crown corporations. I am thinking of a couple of aircraft manufacturers and a few others that were taken into public ownership, not because the Government believed there was an essential need to have a Crown corporation in the aircraft industry to preserve a qualified capacity for the manufacture, production, research and development in the aircraft industry. It was done for other reasons. Those reasons were part of it, but there were other reasons as well, partly to preserve jobs and partly to bail out those who were losing their shirts and stop them from pulling out of the country or just folding up completely.

The taxpayers are just as entitled as any private investor to the opportunity to obtain a return on the investment they make. That is why I do not understand the rush to sell the winners. I know they are easier to sell because they are making money. NTCL has been very profitable, certainly for the last five or six years. Those are easier to sell. If it were only as easy to sell off the losers! There is no imperative that the Government be in the kind of business that some of those losers are in, but it is in for a variety of other reasons, and they remain losers.

Those public corporations that provide essential public services, that fill a public need and serve the national interest, and at the same time obtain a return on investment in a profitable situation for the taxpayers, are surely the kind, given the combination of all those three things, for the keeping in the public sector of which there is total justification. They should be kept as Crown corporations.

As a matter of general principle, my Party believes that there are certain sectors of the economy, and particularly in isolated or thinly populated areas or areas with a small population and small markets, where the private sector cannot or will not provide the services that people need. Those are legitimate areas for Government to establish Crown corporations on behalf of not only those people in the areas affected or in the services that they require but also to serve the national interest. Otherwise we would never have built a railroad.

We make an exception in this case because at least NTCL is being sold to the people of the North. It is too bad that all of the aboriginal groups who bid on this company could not have got together and been given joint ownership and joint control. Then they would all be involved and we could be certain that all areas of the North currently served would continue to be served as well as they are now, if not better, and that any changes in the future because of development decisions and needs of corporate development would be made by those people themselves with all the interests of the North at hand. Just the same, we believe that the IDC and Nunasi corporations will do a better job than some private sector outfit from the south who would go into it to make a buck, get rid of the parts that lose money, and give little or no attention or consideration to the needs of the people in all parts of northern Canada.

What we would really have liked to have seen in this bill are clauses which would guarantee services to the North, guaran-

tees that the purchasers, whoever they might be, would continue to provide the excellent services that the company has been providing and some guarantees that the company will continue to invest its profits. The company has been very profitable over the last number of years and its profits should continue to be invested in the further development and improvement of the Northern Transportation system.

● (1150)

We believe that the proposed purchasers will do all of those things because doing so affects all of them. It will be in their own best interests to reinvest profits and to improve the operations of the company so that it will be even better than it is now. There can be no question that NTCL has been doing a good job and has been meeting an essential public need that up until now the private sector has been unable and unwilling to meet. We do believe that the proposed purchasers will do these things, but we want a guarantee that they or anyone to whom they may sell all or part of the company in the future will continue to do the same. However, there is nothing in this Bill that provides for that. There may be something in the agreement of sale providing for that, and I understand that the Minister has said that there is. I wish that he would show us the agreement of sale. Perhaps he will do so later. The Bill itself is completely vague on that matter.

Over the last five years NTCL has made profits of somewhere in the order of $20 million. It has certainly made profits of over $14 million in 1979, 1980 and 1981. I do not have at hand the figures for the last couple of years but I believe the profit picture was good in both of those years as well. I also recognize that the company indicates in its annual reports an extraordinary item, it being payments of debt to the Crown. Even so, it has still reported a profit in each year. Of course, the Bill provides for the forgiveness of the Crown debt so that it will not be an expense that will have to be borne by the new owners. That brings me to two questions.

First, as I mentioned earlier, should the Government be selling a profitable operation for which there are no competitors? In fact, the economic reality is that there is no room for competition because of the high cost of providing services in the North and because of the smallness of the market. The question to be asked is, should the Government be selling the company no matter to whom, particularly when it is a winner both in terms of the services it provides and the profits it makes? Can the Government not provide this service at a reasonable rate itself and still make a return on its investment, no matter how small?

After 50 years of efforts by the Government and investment by the taxpayers, this company has finally become a very successful and worth-while operation. Then and only then does the private sector rush in saying that it cannot have all these publicly-owned corporations interfering in the private sector. The private sector wants to pick up the action and it wants the gravy off the top. This applies not only in this instance but in the case of airlines. Where the hell was Canadian Pacific when we needed it? As soon as Air Canada started making money, then the pressure was on and the demand was there for the private sector to involve itself in air transportation to provide competition.

Mr. Mazankowski: You helped build that private sector.

Mr. Benjamin: The taxpayers built it, paid for it and they are still paying for it. Where is the private sector when we need it in areas of essential public services?

I do not question the intentions, motives and abilities of those who are proposing to purchase the NTCL, but even they, through their representative organizations and institutions, have over the years told Parliament and said publicly that they would prefer the Government to continue to operate this company and provide its services. I suspect that if it had not been for the efforts of the southern private sector to purchase this company under the previous administration and again under this one, the native organizations in the North would not have moved to purchase it themselves. I doubt if many Inuit and Dene people would want to be entirely at the mercy of southern private-sector corporations. When they were faced with a policy under the previous administration and now under the present one to privatize this corporation, it seems to me that they had no choice but to get together to offer to buy it in order to keep it in northern hands. Therefore, what is provided in the Bill is the next best thing to leaving it the way it was.

Second, if we decide to sell this corporation, will the taxpayers get fair value for their investment? After the Crown debt is forgiven—and we can only assume that the Minister plans to do so since there is a provision in the Bill to do so and a Royal Recommendation to appropriate the funds to do so—this company will have net assets of some $68 million, if my calculations are correct and I think they are. Yet all we have heard through the news media—not from the Minister or from the agreement of sale—is that the Government expects to receive about $25 million. If that is so, we do not know, because the Bill does not tell us and the Minister does not tell us, why that does not appear in the Bill itself.

Finally, the Minister has asked the House to give an order of reference to the Standing Committee on Transport to study the role and responsibility of the Government of Canada with respect to northern transportation services and infrastructure, and the standing committee will be meeting and travelling to the North in September and perhaps October to study all of that and report back to the House. The committee will be meeting to study this issue over the next weeks and months. While it is doing that, the Minister will be selling off the primary instrument of national policy with respect to transportation in the North. Does the Minister not think that he should not, on the one hand, ask Parliament to study something and then, on the other hand, go ahead and do whatever he was planning to do in any event? We know that the Government has done that with acid rain, with star wars and with free trade. Therefore, we are not surprised, but we are upset and disappointed.

I do not suppose that there would be anything drastically wrong with postponing the implementation of the agreement of

sale until the study of the northern transportation infrastructure is completed by the Transport Committee. The Government could then proceed to implement this Bill. I would be happy if the Minister would agree to make sure that the Bill reads that it will only be put into effect by Royal proclamation and not until after the Transport Committee has made its study, reported to the House and the House has dealt with that report. In fact, there might even be some things in that report that would lead the Minister to adjust the legislation.

● (1200)

I believe, when all is said and done, that the Government ought not to sell Crown corporations, particularly the winners, and Parliament ought not to support such sales, generally, especially without any guarantees in legislation about just who the purchasers are going to be—and I am speaking generally here because we know who it is going to be in this case—just how much the Government—meaning the people of Canada—will receive in return for the sale of the investment they made, and what will happen in the future if the responsibilities formerly held by the Government in trust to the people of the North are not met by future owners. I want to tell the Minister through you, Mr. Speaker, that we will have amendments to this effect when the Bill goes to committee, and I will give the Minister copies as quickly as I can. We are afraid that the government majority in this place will not be persuaded by logic, good thinking or anything else in its suicidal mission to rid the people of Canada of all their hard won and profitable operations, such as it did with the patent office and with Teleglobe Canada.

The Minister waited quite a while to bring in this Bill. I believe the announcement was made of the completion of the agreement on May 17, but, obviously, the negotiations had been going on for a long time prior to that.

Mr. Mazankowski: It wasn't by design.

Mr. Benjamin: The Minister had an agreement in principle with a previous purchaser three or four months ago, but that sale did not go through. There is nothing in this Bill that appears to be specific as to any particular offer of purchase. Nowhere is it mentioned who will buy the corporation or which parts of it or how much of it. The Bill could just as easily be used to sell off any other Crown corporation by simply changing the name of the Bill, because the Bill is that general and vague. So the minister waited until June 12 to introduce the Bill and expected that seven days later it would be debated and passed. Of course, when we are into the dying days of a session of Parliament, the pressure is on the Minister, on every Hon. Member of this House and on the standing committees to rush through as much legislation as possible by the end of the month.

There are a number of clauses in the Bill which give the Minister the power to do practically anything he wishes with this company. If this Bill was introduced for other Crown corporations, Ministers of the Government could sell them for a song to whoever, including perhaps their friends. They could sell our Crown corporations to someone other than the stated purchaser in press releases. They could sell them for more or less than initially indicated or for much less than the fair market value of the company. Perhaps the rush to get this legislation through is more related to giving the Minister this power than to selling the company before the summer. That is hard to say. While we agree that the purchasers we know of are going to be the best kind of purchasers, we feel that the Bill could serve as a model—all one would have to do is to change the title—for future sales of all other Crown corporations. We worry about that. If that were to happen in subsequent months or years, I can assure the Minister that he will have difficulty getting it through at the beginning of the session, let alone during the last couple of weeks.

Clause 3(3) allows the Governor in Council to exempt any parts of the corporation from sale and allows the Minister to transfer the control of those portions, so exempted, to any government agency or other Crown corporation. That is not so bad because we would like to see him keep the whole thing, but he may also give it to "to any other person or body", to quote the Bill. We find that a little disturbing. If the prospective purchasers were to decide that they do not want some portion of the company, the Minister has the authority under this Bill to let anyone else have that portion. Why has the Minister not indicated in the Bill to whom he is selling NTCL? He has a buyer. He has made various announcements. Why could he not have given us all of the details? If he wants to sell a corporation to someone, why can he not be specific? If the Bill had been specific, the Minister of Transport (Mr. Mazankowski), any other Minister, or the Cabinet could not change the terms. They could not dispose of some parts and not others. They could not sell off or give away parts of a corporation to any other persons known or unknown.

We do not want to obstruct this legislation, but we will want the Minister to give us more detail in committee this evening. We would like him to be a lot more forthcoming and open than he has been. Now that the Government has decided to whom it is going to sell, there is nothing wrong with making all the terms of the purchase agreement fully public. Once this Bill passes, the Minister, I am confident—I accept his word—will proceed to sell to whom he is saying he will sell. I do not know if I would be that trusting of other Ministers, but I believe this Minister and I accept his word.

Initially, the Government had accepted a bid from an Edmonton trucking company but requested some native involvement in order to soothe the native community in the North. That failed to happen and, thank goodness, bids were reopened. Another consortium of southern controlled development companies entered into the bidding. Again, the Government—and I compliment the Minister on this—decided to sell to two of the native corporations which had offered to buy, namely, the Inuit people. That agreement was announced in principle on May 17. But we must prevent this Bill, as is, to be used to sell off other Crown corporations, particularly winners, in the same manner. I can accept this sale in this instance, and in this instance only, because I trust and believe in the

Minister's intention to sell to whom he says he will, but, as I said before, Mr. Speaker, the same Bill could be used, by changing its title, to sell of almost every other Crown corporation, winner or loser. The Government is determined to make its point about privatization by selling off this corporation because it feels that since it is in the North, no one in the south will care much, but those people up North will, no matter how few they are. Either way, as a matter of general principle, our Party would be opposed to selling off Crown corporations, particularly those which are winners, and the people of Canada can share in the cost of those losers which provide an essential public service to a small market, an isolated area or a thinly and widely scattered population. However, the bid which has been accepted appears to us to be the best. While co-operation between the Inuit and the Dene would be nice, I suppose a thousand years or more of conflict is not likely to be resolved over a joint board or a split sale in the operations of NTCL.

• (1210)

Finally, Mr. Speaker, the Minister can let me know this evening, or now if he wants, whether any consideration was given to retaining a minority interest in the company of 15 per cent, 20 per cent or 25 per cent. The Government would then have representation on the board of directors and would therefore have first-hand knowledge about what is going on. Another thing, which I know the Minister would be conscious of and conscientious about, is the fact we have heard nothing about what protection there may be for the very experienced management and the employees of the company once the sale is completed and down the road a number of years. This is not an easy operation to run and it is obvious that the management and the employees of the company have been doing a darn good job. We are not suggesting it is perfect; there are always going to be some complaints, always some areas where new or additional services could be or should be provided. But, generally speaking, they have done an excellent job and we want to know what protection there is for the management and the employees of the NTCL.

I would like to close by saying that the Government will not find any obstruction on our part over this Bill for the simple reason that we know or understand who the purchasers are. Had it been otherwise, this Bill would not be going through in this session of Parliament, I can assure the Minister of that. We hope the Minister will accept some if not all of our amendments later this day. Even if he does not, we are prepared to proceed with this because it will serve as an experiment where the people of the North own and operate something which is so essential to their own as well as the general public good.

On the assumption that this will go through by this Friday, we wish the new owners well. We hope the Government will, in subsequent years, provide all the co-operation necessary, including any assistance they might want or need or ask for to help improve and make a better success of the company's operations. I hope that eventually other residents of the North, particularly the Dene, will become involved in ownership and operation of this corporation. That is something I hope the people of the North can work out among and between themselves with the assistance and co-operation of the Minister and his Department. I also hope, Sir, that the Minister will give serious consideration to retaining some percentage of ownership in order to maintain the national presence, not just for the sake of doing so but in support of the provision of an essential service in northern Canada. I believe everyone in Canada is willing to provide that support and participation through the Government. I do not think it was necessary to sell off 100 per cent of the company, but if that is the Government's intention, I am confident that this Minister at least will provide all the help and assistance he can in the years ahead to make sure that those people can proceed to improve and enlarge upon this vital element of northern Canada.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is my pleasure this afternoon to speak in favour of Bill C-53 which would grant to the Minister of Transport the authority to divest himself of equity in the Northern Transportation Company Limited. I guess there are two points for discussion. First of all, the Bill grants to the Government of Canada that authority; the second part is the actual sale itself. I think it will be essential at this evening's meeting of the Standing Committee on Transport, when we delve into the sale, that information requested by both the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and the Hon. Member for Regina West (Mr. Benjamin) be made available. We should have before us the sale agreement and the memorandum of sale so that parliamentarians can be aware of what we are really getting ourselves into.

I believe that NTCL should be privatized. There is no reason why the Government of Canada should be in the business of operating barges on the Mackenzie River to the Beaufort Sea, Hudson Bay or anywhere else. It can be quite reasonably and sensibly done by Canadians in a private capacity. Why should the Government of Canada be operating trucking companies such as the Grimshaw subsidiary of NTCL? There is no reason for it. The Minister explained that the Government had got into the business by accident when it took over the old Eldorado uranium operation in the war years. Before that time, water transportation services had been provided by private companies and by the Hudson Bay company at one time. Roman Catholic missions operated their own water transport system from time to time. So the service had been provided by the private sector prior to nationalization by the Government of Canada. There is absolutely no reason why we cannot go back to the private system.

As a Crown corporation NTCL was in a very privileged position. It had certain friends in Ottawa who made sure that it was protected when it came to matters such as the issuing of water licences. Other firms which wished to get into the business found that their applications were not dealt with at the same rate of speed and with the same alacrity that NTCL's applications had been dealt with.

I think that at the same time as we are putting NTCL back into the private sector, we should take an over-all look at the

regulatory regime which governs water transportation in northern Canada. No longer should NTCL be in this privileged position, enjoying what is tantamount in certain areas to a monopoly. We should allow proper competition. We should allow small operators to get into the business to provide specialized and localized services. I foresee that in the immediate future we might have what you might call two trunk operators, NTCL and ATL. They would provide service throughout the whole waterway. Specialty services such as stand-by supply vessels for the Beaufort Sea oil and gas industry can be provided by others. For service into small communities there is no reason why local operators cannot get themselves smaller barges. You do not have to run 1,500-ton barges into snowdrifts. You can operate more effectively with smaller barges. This would be a good opportunity for local entrepreneurs to set up business and provide a valuable service to the smaller communities. I hope the Canadian Transport Commission will take a new view of the regime and open up the market. Let us have competition in the market for water services. Let us have flexibility so that services can be changed rapidly to meet rapidly changing demands.

● (1220)

Many customers of NTCL and other firms are in the oil and gas business. One year they need delivery to one point, but in the next year the market has changed and they need delivery to other locations. It is necessary to have a system which can respond rapidly to changes in demand. Small operators must be allowed to set up easily.

The Government should ensure that vessels in operation are seaworthy and that the crews of those vessels have the necessary qualifications to operate the vessels safely. However, the Government should not concern itself about what charges are made to transport goods from place to place in particular vessels. And that is not a concern of the Government of Canada.

The Hon. Member for Regina East takes a very patronizing attitude—

Mr. Benjamin: Regina West.

Mr. Nickerson: I am sorry, the Hon. Member for Regina West, I stand corrected. I have heard him on a sufficient number of occasions to be able to remember his constituency. He has a very patronizing attitude to the people in the North. He says that the people who live there are not quite up to scratch as compared with the intelligent people who live in Regina West.

Mr. Benjamin: Come on, I didn't say that.

Mr. Nickerson: He says that the Government has to help us out by keeping a handle on things up there. I can tell the Hon. Member for Regina West that the operators and businessmen in the Northwest Territories are just as competent as are those in Regina or anywhere else in the country. We do not need the Government to hold our hands, thank you very much.

In the near future there will be some changes in the nature of the industry as there have been already. The resupply of communities is not as important in the general scheme of things, especially in the revenues generated for the shipping companies, as it was previously. There is no reefer service on the Mackenzie or the Beaufort Sea any more, as far as I know. Produce and groceries are not transported by water any more but, rather, by truck, air, or other quicker methods. The supply of petroleum products to some of the more remote communities is very important. They would like to be assured of having petroleum products delivered on a regular basis.

However, the future of the shipping industry is not so much in the area of community resupply as it is in the area of service to the oil and gas industry. That is the big customer of NTCL and other operators. The future may be in the transportation of heavy machinery for the oil and gas industry and there may be a greater concentration on coastal routes than on river routes. NTCL no longer has a real presence on Lake Athabasca, especially since the uranium mine there has been closed down. As roads push further north along the Mackenzie River, water supply in those areas will not be quite as important as hitherto. The centre of the industry is moving northward, with a greater emphasis on service to the oil and gas industry than there was previously when community resupply was the biggest activity in which NCTL and its few competitors engaged.

As a politician I cannot resist the temptation to make a few remarks about the inconsistency of some of my friends in the Liberal Party. Liberal policy has always fluctuated with wide swings. When the Liberal Party said one thing, one could never take for granted that that would be done as opposed to something entirely opposite. Privatization has always been the policy of this Party. NTCL was on a short list in 1979 when the Progressive Conservative Party formed the Government for much too short a period.

During the 1979 and 1980 election campaigns my Liberal competition went to places like Hay River, which is the centre of operations for NTCL, and tried to put the fear of God into the employees of NTCL. They said that the PCs would sell the industry out from under the feet of the employees and sell them down the river. The Liberal pitch was that they would not sell NTCL but would keep it as a Crown corporation guaranteeing all the jobs for life whether they were needed or not. They said that there was no way they would privatize NTCL.

Only a couple of years later when the Hon. Member for Winnipeg-Fort Garry became the Minister of Transport, his very first act was to reverse totally the Liberal Party policy. He said that they were going to sell NTCL. That makes one wonder whether you should ever vote for Members of the Liberal persuasion having seen them swing around 180 degrees in a matter of months. Their words are not really to be believed. However, I believe the Member for Winnipeg-Fort Garry was correct in coming to the conclusion that NTCL was a prime candidate for privatization and that the interests of northerners and of all of Canada would be best served by having northern water transportation in private hands.

Let us look at how this policy decision has been effected in private practice. If we were to be honest with ourselves, we would have to admit that the whole issue has been a comedy of errors from start to finish. The privatization process has dragged on for well over a year. People have not known where they stood. This has been particularly hard on the employees of NTCL who did not know what was going to happen to them. They could not get a straight answer from anyone. It all started when the former Minister of Transportation appointed an American firm of financial consultants to carry out the privatization of a Canadian corporation. I cannot understand why he had to choose an American firm. Are there no Canadian financial consultants who could have done the same thing?

I have heard many prospective buyers of NTCL complain that they were unable to get the necessary information to put in a rational bid. Prospective buyers could not get that information and I know that Members of Parliament could not get it. There is no way that people in general could find out what the Government had for sale. Not only have the customers of NTCL been left up in the air for that period of time, they still do not know what will happen. The whole decision-making process during both administrations has been shrouded with secrecy. Nobody knew what was for sale or what the perspective bids were. Why could we not have had a system which would provide a form indicating what was for sale and which listed all of the assets and necessary information? In that way, there could have been a process whereby the bids were opened publicly to show who bid for what and for how much. The whole process would have been open and would have prevented any complaints about political persuasion in particular circumstances.

• (1230)

We saw the Northern Industrial Carrier fiasco when apparently a conditional sale was made and the prospective purchaser could not then meet the conditions of that sale. I suspect the purchaser did not know what he was getting into the first place, but that delayed matters even more. The employees, customers and others did not know what was happening.

If it is this difficult to privatize a rather small Crown corporation like NTCL, I certainly do not envy the Minister when he tries to privatize Air Canada. I hope he has learned some of the difficulties and how to overcome them when he goes to bigger and better things.

Mr. Mazankowski: You have to admit that I am a cautious man.

Mr. Nickerson: The Minister says he is a cautious man. He certainly has been cautious for many months in this respect. One reason why it is difficult for the Minister is that there are many small details to address even in a small privatization exercise like this. The Minister is extremely busy and it is difficult for him to devote the necessary amount of surveillance to what is going on in this privatization process.

As all Members of Parliament know, there are a few of us who are overworked, 18 hours a day for seven days a week, and others who are essentially underworked and do not have that much to do. If we ever go through an exercise like this again, perhaps it would make sense for the Minister to give a parliamentary secretary or other Member of Parliament some responsibility to oversee what is going on with a particular piece of legislation or a privatization such as this. I am sure it would assist the Minister to make use of a Member of Parliament who is konwledgeable in the area and knows the actors in the game. It would prevent the occurrence of a situation such as this and the procedure would go much more smoothly if the Minister had someone with political and economic expertise overseeing the procedure.

I have some questions relating to the prospective purchase. I hope they will be answered later tonight but let me put them on the record now, as has been done by previous speakers. We would like to know why this particular bid was chosen rather than others. I understand that my time is almost up. May I request unanimous consent of the House to carry on for another five minutes?

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member to continue?

Some Hon. Members: Agreed.

Mr. Nickerson: Thank you, Mr. Speaker. We would like to know where Trimac fits into the picture. That is a Calgary based trucking company which is involved in oil field hauling and pipeline construction. Some people are rather suspicious of its role in this plan. They feel that Trimac may be attempting to acquire Grimshaw and use it as a backdoor means of obtaining operating authority for their trucks into the Territories. This would be of great concern to the territorial trucking industry and the Government of the Northwest Territories, whose policy it is that an indigenous trucking industry be developed and big operators from the south do not come in and ride over the local operators, some of whom are very good and have developed much expertise in the various aspects of trucking. It is to be hoped that they will develop even more expertise in oil field hauling.

The interest of Nunasi in the Keewatin operation is very easy to see. That is obviously where they have their great interest. They are very concerned with the operation in the Hudson Bay area, servicing the various Keewatin communities. I wonder whether any thought was given to the possibility of splitting off the Hudson Bay operation of NTCL, which is quite different from the Mackenzie River-Beaufort site of the operation, and having that divested separately, perhaps into the hands of Nunasi. They would be a very likely purchaser of that part. Was any thought given to divesting the NTCL operation to people with particular interest in those various aspects of the service that it delivered?

The question of divestiture to collectivities rather than individuals is cause for some concern. The Government in the North has always looked upon people in terms of groups, particularly ethnic groups, rather than individuals and Canadian citizens. I believe that sometimes it might be better if we

could deal with individual people, regardless of race, who come together to form a business corporation rather than having an over-all emphasis on groups put together because of ethnic origins.

Other speakers today have referred to the difficulty with having ethnic groups bidding for private corporations which service areas inhabited by ethnic groups. Undoubtedly it would be preferable to have someone running a shipping company who simply has business and commercial interests rather than being concerned with such things as land claims and aboriginal rights.

Whichever ethnic group would have been successful in bidding on this commercial venture, it is likely that it would have left a rather bad taste in the mouths of others. If we do anything like this in the future, I would like to see a more business oriented approach rather than looking at it in terms of ethnic collectivities. Inuvialuit Development Corporation has showed itself in the past to be a rather efficient business organization, but it is associated with the COPE organization which has been known, from time to time, to play hardball politics. There is some alarm on the part of people who are not in that COPE area as to what might happen in the future. I hope that their fears are unfounded, but when much of the service area of NTCL is not represented in the new ownership, one can certainly understand why some of that alarm might exist.

My final point deals with the future of the Town of Hay River. It is a transportation centre and does not have much else going for it. The Government has gone out of its way to virtually destroy the fishing industry in that town. Its only real *raison d'être* is transportation. The centre of the transportation element there is the Northern Transportation Company Limited. People in Hay River are very concerned about what will happen as a result of this privatization. Most of the employees of NTCL, in fact a good proportion of them, especially those involved in maintenance aspects and the loading of barges, live in Hay River.

● (1240)

Under at least one of the proposals, Hay River would also have become the head office of NTCL. People in that community were looking forward to that eventuality. Now they do not know what will happen. Some of the feelings of mistrust that have been generated in Hay River must be resolved. People must be aware of what is going to happen to them. Governments must not abandon Hay River and the people of Hay River in their eagerness to divest themselves of NTCL.

Mr. Deputy Speaker: Are there any questions or comments? We will now resume debate. The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I will be relatively brief with my remarks. I must say at the outset that I am in agreement with the sale of this Crown corporation, but I have a number of points I want to share with the Minister while he is in the House. They are concerns and queries about what is taking place. Much has been said with regard to the contents of the Bill and the effects this particular divestiture, if you will, of Crown assets will mean to the Government of Canada and to the people affected.

I hope this piece of legislation, which is in essence a selling of a Crown corporation, will not serve as a precedent for the selling of Crown corporations. In this Chamber and indeed on many other occasions we have heard the Minister of Regional Industrial Expansion (Mr. Stevens) talk about his desire to sell various Crown corporations of the Government of Canada. We have heard him in the House. We have heard him on the campaign trail and more recently we have heard him talking to the Canadian people when criss-crossing the nation. Unfortunately or fortunately, however one views the issue, that particular Minister has not met with very much success.

I guess it is in order to congratulate the Minister of Transport (Mr. Mazankowski) for being able to put this package together and ultimately consummate a deal with the new purchasers, although I think it would be fair to say that this deal and package commenced some time ago and he, as the Minister responsible for transport, has picked up the file and seen it through to its conclusion.

There are a number of items in the Bill, well intentioned as it is, that ought to be reflected on by members of the Government as indicated by Party spokespersons for my Party. We are not going to oppose the Bill in a very drastic way, in fact, we will approve it, but I ask the Minister to reflect for a moment that if the Crown is to purchase the assets of a private company, whether the assets are fixed, real assets or what have you, that it be clearly spelled out in the legislation as to what Department of the Government will be acquiring them and what Department and Minister will be responsible. I think also the legislation should make mention of the tabling of the annual report and which standing committee of the House of Commons the matter would be referred to. When you have the reverse, as in this case, the same degree of clarity or specificity is not provided for.

I say to the Minister in all good faith that the legal draftspersons would argue, and maybe with some justification if one looked back over a period of time and viewed precedents with regard to the divestiture or the selling of a Crown corporation, that perhaps some of the things my Party and indeed Members of the New Democratic Party have referred to ought not to be included in the legislation.

I say to the Minister through you, Mr. Speaker, that this is an opportunity for the Minister not only to consummate the deal that he and I believe is important for all Canadians to take place, but also it is important that the Minister and his Department reflect upon the broader picture with regard to the selling of Crown corporations. In the substance of the Bill and the way in which it is written, it ought to be changed. For instance, why can the purchaser not be named in the Bill? I pose that question to the Minister. I hope he will have an opportunity later to wrap up and respond. If by naming the purchaser in the Bill itself will in some way affect the agreement of a sale that has already been consummated, I think

that should be clearly stated and spelled out. If not, if there is no damage nor effect with regard to the selling of the Crown corporation by stating the name of the purchaser in the Bill, why can the purchaser not be named in the legislation?

Concerning the impact study, I am not very clear in my own mind about a certain aspect and perhaps the Minister will afford himself the opportunity to elaborate. It seems to me to be logically consistent that in selling off assets which will affect Canadians in the northern part of Canada, that Canadians and Parliament, either before a standing committee or on the floor of the House of Commons, ought to have in their midst the results of an impact study.

I share some knowledge about these matters. Confidentiality has to be first and foremost with regard to negotiations. I want the Minister to think, and perhaps when he has an opportunity, he can comment on whether the results of an impact study impact negatively with regard to the agreement of purchase and sale he has now consummated. I would think that it would not. If it does, I believe there is an onus upon the Minister of Transport to state that clearly as early as possible so that Members who will be asking questions will know in advance that the answers are not readily available and are not readily available because of good and valid reasons. The whole issue of confidentiality pertaining to what is included in the agreement of purchase and sale ought to be looked at very carefully.

Often governments and representatives of Government Departments will say without ample justification if there is the slightest doubt, "We are going to earmark this as confidential. Therefore, it ought not to be referred to or included in the Act itself." An impact study should be the first step the Minister ought to proceed under and that that impact study should be shared with Members of Parliament. Perhaps my comment may not be valid in that the Minister may in fact appear before the committe and in his usual articulate way answer those questions and in fact table an impact study. Perhaps he could rise in his place today to explain whether or not one has been conducted and, if so, whether Hon. Members will receive copies of it.

● (1250)

The Bill indicates that the terms and conditions of the sale are to be approved by the Governor in Council. It is my understanding that the deal has been consummated. Would the Minister table, with the consent of the other party, the terms of the agreement? I should like to return to Section 99 of the Financial Administration Act which indicates, if my memory serves me correctly, that the Government of Canada gives a directive to Crown corporations through the auspices of their boards of directors. I would like to ask the Minister whether there has been such a directive and, if so, whether he will table it. That is not to suggest that it will contain each and every item in the agreement of purchase and sale, however it may provide us, as Members of Parliament, with a better understanding and a clearer view of some of the general subject matters touched upon by the Minister in his dealings with the purchaser. The Minister has been in the Chamber a lot longer than I have.

Mr. Baker: Too long.

Mr. Dingwall: Some may say: "Too long". I would not necessarily agree with that; we will have to wait and see. However, in the spirit of a good debate and in the spirit of being knowledgeable of the subject matter, I think it would be helpful if parliamentarians could see the items to which I referred. It would be helpful to us not only in terms of this particular debate, but they could be used as well in future debates. I should like to know, at the earliest convenience of the Minister, whether a directive pursuant to Section 99 of the Financial Administration Act has been given to this particular corporation and, if so, whether he will table it.

My final point concerns the board of directors of Northern Transportation Company Limited. There are specific provisions in the Bill to exclude certain provisions of the Canada Business Corporations Act. However, could the Minister elaborate at some point in the proceedings on why the board of directors seems to have been prohibited or excluded from the sale which is taking place? I have yet to hear a reasonable explanation as to why it would be excluded. Pursuant to the Canada Business Corporations Act and to the Crown Corporations Act, members of boards of directors are liable for the actions of Crown corporations.

I hope the Minister will answer my concerns relating to Bill C-53, for I believe they are important for the purposes of debating the subject matter at hand. It could be argued effectively that they could have effect upon subsequent sales of Crown corporations and how the formats of Bills will be drawn up. I do not want the Minister or his departmental officials to use the old adage that some of this information is confidential and therefore they ought not to include the name of the purchaser, that they have already consummated the deal and ought not to include it because it may have an effect 99 years down the road. I think we have to be a little more aggressive, a little more liberal, in making certain that legislation, whether it be this Bill or subsequent ones, is right, just and in the best interests of Canadians.

I am not clear as to the mechanics of the loan which will allegedly be written off by the Government, nor its exact dollar amount. I think the figure of $24 million has been used, but if there is additional information available on that aspect, I hope the Minister in his wisdom will share it with Hon. Members while he is present in the House today. I hope the terms and conditions of the sale approved by the Governor in Council will be explained either here today or referred to the standing committee for examination. It is important for Canadians to know these terms and conditions, not 10 years after the sale has been finalized, but at the same time the sale takes place.

I know there are a number of consequential amendments to the Canada Development Corporation Act, the Financial Administation Act and others, which will flow from this particular piece of legislation. I am happy this Bill is before the House. I agree with its general thrust, the selling of a

Crown corporation. I hope the Minister, in all his wisdom, will take into account some of my concerns regarding the sale of Crown properties.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I should like to make a few comments about this Bill and the statements which have been made so far in the Chamber today. I agree with the comments of speakers on both sides of the House concerning the advisability of this piece of legislation, but I should like to take exception to some remarks which were made in a philosophical way about the policy of the former Government as it related to this Bill. I can see no inconsistency with the former Government when it initiated this legislation, but I saw some inconsistency in the comments of the Hon. Member who represents this area of the country, particularly in his argument justifying the fact that the Government brought forth this Bill. In effect, that Hon. Member said that a member of the New Democratic Party showed a patronizing attitude when he talked about the needs of people in northern areas and that those people could supply their own transportation companies, that they were well equipped to do so. I do not doubt that at all. I do not doubt the wisdom of the Government in bringing forward the legislation.

I represent a relatively northern area of the country and understand how seasons change—that sometimes it is necessary to use snowmobiles or aeroplanes to transport goods and other times it is necessary to use trucks. It must be borne in mind that the profitable part of this operation in northern Canada, as the Hon. Member outlined, is the transportation of goods and services to the oil industry.

• (1300)

There is another element here that I am confident would have been explained in a much more thorough manner by the former Minister of Transport had he been in the position today of having this Bill about to go through the House of Commons. It is that the Government of Canada has a real responsibility for the transportation of goods and services. It has a responsibility to make sure that when it brings in legislation like this that it is going to protect people who make use of that transportation service, whether or not it be for the transportation of fuel, as is the case with this transportation network we are talking about today. In other words, when you get down to the human element of people who are living in northern areas who depend upon a transportation system for their fuel or for their food or for any other commodity, that has to be borne in mind by the Government of Canada. What I am talking about is direct subsidization or indirect subsidization to that particular carrier.

It seems as if the Minister of Transport (Mr. Mazankowski) only has one thing on his mind when he talks in the House of Commons about changing the structure of transportation in this country. To him the bottom line is saving money for the Government of Canada. That goes across all boundaries of philosophy. One cannot say, for example, that this Minister of Transport or the Government of Canada is anxious to get rid of Crown corporations. When it seems that it can save money by creating a Crown corporation for transportation purposes, it does it. For example, in the November statement the transportation company called CN Marine is being made into a Crown corporation to save the Government of Canada $20 million or $40 million a year.

The main element in legislation introduced in this House, to accomplish what the Government wants to accomplish, that should be borne in mind is how it affects people, not so much the oil companies that it serves or big business that it serves, not so much that portion of the transportation system that snows a profit to the transportation company but that portion of the system that affects people. It should also be borne in mind who these people are. These people are, in most of our isolated and northern areas, primary producers of one sort or another. They could be trappers, fishermen or loggers, but they are people.

If one adds up what the Government of Canada has done as far as the northern areas are concerned, it has to be looked at from the point of view of how much the transportation costs are being increased. How can any operator today budget, for instance, for the increase on the tax on fuel that was recently brought in in the Budget? Considering services to the general public, it was not beneficial in the northern areas to have the postal Crown corporation cut back the number of hours of the small post offices from 40 to 30.

My main interjection in this debate is that under the former Government, I am confident there would have been guarantees given to the people affected by any legislation that would have been brought forward. The Government of Canada would say that perhaps that was a waste of money and that perhaps it should be getting away from subsidizing services to the general public. That is the bottom line, is it not, of any Government, service to the people of Canada and not necessarily for a company to make a profit at the end of the year?

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Transport.

* * *

FISHERIES ACT

MEASURE TO AMEND

The House resumed from Thursday, May 23, consideration of Bill C-32, an Act to amend the Fisheries Act, as reported (with amendments) from the Standing Committee on Fisheries and Forestry, and Motion No. 1 (Mr. Skelly) (p. 4983).

Mr. Deputy Speaker: We are now on Motion No. 1. The Hon. Member for Prince Albert (Mr. Hovdebo) had the floor, but he is not here.

Mr. Henderson: Mr. Speaker, I think the Minister of Fisheries and Oceans (Mr. Fraser) has an all-Party agreement.

Mr. Deputy Speaker: The Hon. Member for Egmont (Mr. Henderson) on a point of order.

Mr. Henderson: I think the Minister of Fisheries and Oceans has an all-Party agreement. I do not see the official fisheries critic for the New Democratic Party here at this time. However, I think the Minister has a statement to make and I will put the time to him.

Mr. Fraser: Mr. Speaker, the matter to which my friend alluded is correct. There is an understanding between the Government and the Official Opposition and the New Democratic Party as to how to dispsose of this Bill in short order. My only concern, and I say this to the House Leader for the New Democratic Party, is that the Hon. Member for Comox-Powell River (Mr. Skelly) is not in the Chamber at the moment. If the Hon. House Leader for the New Democratic Party wishes me to go ahead and outline what I think the understanding is, I will do so.

Mr. Deans: Mr. Speaker, I apologize, my colleague had to go to his office for a moment. We called him to tell him that the Bill was coming up. Unfortunately, he has not been able to get back. He is in the Confederation Building and he should be here momentarily. It would be fine for the Minister to proceed.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I appreciate the comments of my friend.

Let me put it very succinctly. Bill C-32 amends the present Fisheries Act and clarifies certain powers of the Minister. The Bill has been before the House and in committee since the first week in March and, of course, it is now at report stage. An agreement has been reached between all Parties concerned that with the addition of several amendments to Bill C-32 as presented to the House there will be a further provision which will have the effect of what could loosely be called a sunset provision. The effect will be that Bill C-32 as amended and as passed by this House today, if that indeed happens and I think it will, will cease to have any force and effect on December 31, 1986. The effect also of the so-called sunset provision will be that unless the present provisions of Bill C-32 are re-enacted before that date or unless some of the provisions of Bill C-32, perhaps with other additions or deletions, are re-enacted by December 31, 1986, then the present provisions of the Fisheries Act will spring back into effect.

• (1310)

What it means, put very simply, is that it has been agreed that we will pass these provisions and they will have effect until December 31, 1986, unless changed by legislation before then, and that if that is not done, we will be back to where we began with the present clauses of the present Fisheries Act.

The Government has agreed to this unusual procedure on the basis of common sense. It was clear that members of the New Democratic Party did not want to allow this Bill to go through as presently constituted, and as a consequence, it would be impossible to legislate Bill C-32 before the close of this present parliamentary Session. That would mean that I as Minister of Fisheries would be in a position of leaving at risk my legal authority during the summer months and until such date as the House could next attend to this particular piece of legislation.

When I say that this procedure has been agreed to on the basis of common sense, I think that that is an appropriate way to describe it. I as Minister of Fisheries feel very strongly that it is better to have a temporary provision which at least establishes some stability with respect to the legal regime under which the Department must operate in the interests of the fishing community than it is to leave things at risk any longer. There has been some suggestion that in view of the Court of Appeal ruling which dissolved the injunction contained in Mr. Justice Collier's decision of last summer, there is no risk. It is my view and I think the view of other Members of the House that there is a risk. It is a risk to the welfare and interests of the fishing community that I, upon very careful consideration, am not prepared to take.

My hon. friend, the fisheries critic for the Official Opposition, is present in the House. I wish that my friend, the Hon. Member for Comox-Powell River (Mr. Skelly), were here as well. However, I think the effect of this action would be that Motion No. 1 which stands in the name of the Hon. Member for Comox-Powell River would be accepted. I wonder if I could, through you, Mr. Speaker, ask the Hon. Member if my understanding on that is correct? Is it correct that the amendment contained in Motion No. 1 would—I am sorry, I have made an error.

Mr. Deputy Speaker: I am sorry to interrupt the Minister. I understand that there will be amendments forthcoming on motions that are grouped, being Motions Nos. 2 to 9. However, perhaps the Chair could dispose of Motion No. 1.

Mr. Fraser: Mr. Speaker, I think it would be better if we outlined the understanding first. Put simply, the understanding I have is that Motions Nos. 1, 2, 4, 5, 6, 7, 8, 9 and 10 would be withdrawn by my friend, the Hon. Member for Comox-Powell River. I wonder if the Hon. House Leader for the New Democratic Party could listen carefully to this. Motion No. 11 standing in the name of the Hon. Member for Comox-Powell River contains the suggestion of a sunset clause. Unfortunately, on legal advice and the advice of the drafters of the legislation, I find that we cannot proceed that way, and I will explain what we have to substitute for it. I would suggest that Motion No. 11 be withdrawn also on my undertaking which has been discussed with the Hon. Member for Comox-Powell River, that I would introduce a motion which will have exactly the same effect. I see that the Hon. House Leader agrees with that?

Mr. Deans: Mr. Speaker, I am prepared to accept the undertaking of the Minister of Fisheries and Oceans (Mr. Fraser) that the motion that he will introduce on behalf of the Government will achieve exactly the same end as Motion No. 11 would have achieved. Motion No. 11 would have had the effect of creating a termination date for the existing legislation and would have enabled the Government then to bring forward additional, supplementary or even new legislation in the year 1986.

Mr. Fraser: Mr. Speaker, I would like to point out, though, that there is one thing that should be brought to the attention of Hon. Members and that is that Motion No. 11 refers to the date December 31, 1985, as being the expiry date. By agreement between myself, the Hon. Member for Comox-Powell River and the Hon. Member for Egmont (Mr. Henderson), the expiry date will be December 31, 1986. That is understood.

Mr. Deans: I am told by a nod that that is true.

Mr. Fraser: Mr. Speaker, that leaves us with Motion No. 3 and Motion No. 12. It is agreed that Motion No. 3 introduced by the Hon. Member for Egmont will be passed, but with a change. The change proposed in the motion put by the Hon. Member for Egmont presently reads:

—and, subject to paragraph (*a*), taking into consideration the interests of user groups and after consultation,—

I understand that my hon. friends are prepared to accept a change to that which would read:

—and on the basis of consultation—

I think that that has been agreed upon by my friend, the Hon. Member for Egmont, and the Hon. House Leader for the New Democratic Party.

Motion No. 12 which is a motion standing in my name is accepted by all Parties and the change to the Bill proposed by that motion reads as follows:

4. Nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada.

In addition, I wish to move a motion, a copy of which is held by my friend, the Hon. Member for Egmont and the Hon. House Leader of the New Democratic Party as well, I believe. This is the motion which in effect makes possible—

Mr. Deputy Speaker: Does this mean that the Chair could dispose of the other motions?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: On Motion No. 1, is there unanimous consent to allow the Hon. Member for Comox-Powell River (Mr. Skelly) to withdraw the motion?

Some Hon. Members: Agreed.

Motion No. 1 (Mr. Skelly) withdrawn.

• (1320)

Mr. Deputy Speaker: Shall Hon. Members who put Motion No. 2 to Motion No. 9, with the exception of Motion No. 3, be allowed to withdraw?

Some Hon. Members: Agreed.

Motions Nos. 2, 4, 5, 6, 7, 8 and 9 withdrawn.

Mr. George Henderson (Egmont) moved:

Motion No. 3

That Bill C-32, be amended in Clause 2 by striking out line 19 at page 2 and substituting the following therefor:

"and, subject to paragraph (*a*), taking into consideration the interests of user groups, and on the basis of consultation, to maintain and develop the eco-".

He said: Mr. Speaker, with respect to Motion No. 3, I just want to clarify that we do have an all-Party agreement that the Minister make the change from "and after consultation" to "and on the basis of consultation". This is agreeable to our Party and I believe if you ask for unanimous consent, you will find it forthcoming, Mr. Speaker. We in the Official Opposition are quite happy with that change.

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved:

That all the words after the word "groups" in the motion standing in the name of the Hon. Member for Egmont be deleted and the following substituted therefor:

"and on the basis of consultation, to maintain and develop the eco-".

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

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt Motion No. 3 as amended?

Some Hon. Members: Agreed to.

Motion No. 3, as amended, agreed to.

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member for Comox-Powell River (Mr. Skelly) to withdraw Motions Nos. 10 and 11?

Some Hon. Members: Agreed.

Motions Nos. 10 and 11 withdrawn.

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Minister of Fisheries and Oceans (Mr. Fraser) to move a motion to replace Motion No. 11?

Some Hon. Members: Agreed.

Mr. Fraser: I believe you have a copy, Mr. Speaker, of what is in effect a replacement to Motion No. 11. I am wondering if, in the order of chronology, we might deal with Motion No. 12 first?

Mr. Deputy Speaker: Is there unanimous consent for the Minister to proceed with Motion No. 12 prior to Motion No. 11?

Some Hon. Members: Agreed.

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved:

Motion No. 12

That Bill C-32, be amended by adding immediately after line 40 at page 2 the following:

"4. Nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada."

He said: Mr. Speaker, in the interests of time, I am not going to say more than a few words about this particular motion except to draw to the attention of the House the fact that this motion makes it abundantly clear that whatever rights the native people of Canada, our fellow citizens, have as of the date of the passing of this legislation are inviolate, and I can only repeat the words of the motion which are "nothing in this Act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada". I believe we have complete agreement with respect to this motion.

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

Some Hon. Members: Agreed.

Motion No. 12 agreed to.

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved:

Motion No. 11

That Bill C-32 be amended by adding, immediately after line 40 on page 2, the following:

"5. (1) The definition "fish" in section 2 of the Fisheries Act, as enacted by subsection 1(1) of this Act, is repealed and the following substituted therefor:

" "fish" includes shellfish, crustaceans, marine animals and the eggs, spawn, spat and juvenile stages of fish, shellfish, crustaceans and marine animals;"

(2) The definition "fishery" in section 2 of the Fisheries Act, as enacted by subsection 1(2) of this Act, is repealed and the following substituted therefor:

" "fishery" includes the area, locality, place or station in or on which a pound, seine, net, weir or other fishing applicance is used, set, placed or located, and the area, tract or stretch of water in or from which fish may be taken by the said pound, seine, net, weir or other fishing applicance, and also the pound, seine, net, weir, or other fishing applicance used in connection therewith;"

6. Section 2.1 of the Fisheries Act, as enacted by section 2 of this Act, is repealed.

7. Paragraph 34(*m*) of the Fisheries Act as enacted by section 3 of this Act, is repealed and the following substituted therefor:

"(*m*) authorizing a person engaged or employed in the administration or enforcement of this Act to vary any close time or fishing quota that has been fixed by the regulations."

8. Section 4 of this Act is repealed.

9. Sections 5 to 8 shall come into force on January 1, 1987."

He said: Mr. Speaker, the effect of this motion is very simple although it takes a little reading to understand clearly what is being done here. This motion sets out the sections of the present Fisheries Act which are being amended by Bill C-32, and, by the wording, brings them back into effect on January 1, 1987, if no legislation has been passed between now and that time. It is the operative clause which gives effect to what we have euphemistically called the "sunset provision". I understand that my hon. friends understand that this has been received and put forward on the advice of our legal counsel and I understand there is agreement to accept it.

Mr. Deputy Speaker: Is the House ready for the question on the new Motion No. 11?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the new Motion No. 11?

Some Hon. Members: Agreed.

Motion No. 11 agreed to.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved that Bill C-32, an Act to amend the Fisheries Act, be read the third time and passed.

Mr. George Henderson (Egmont): Mr. Speaker, before we pass Bill C-32 on third reading, I would just like to make a few brief remarks. What has been stated by the Minister is correct inasmuch as we have been able to come to an agreement for this Act to be reviewed and the sunset clause to come into effect, eliminating these amendments, at December 31, 1986. I think there is also an agreement that the Government and the committee will, prior to that date, take the Bill to the West Coast and the Atlantic Provinces to try and bring it more into tune with the realities of the fishing industry as they are today.

● (1330)

The fisheries policy, Mr. Speaker, should always be based on the foundation of consultation with user groups before decisions are made. I have noticed lately that decisions have been made without proper consultation. It is incumbent upon the Minister and the Government to fully consult with those most affected by fisheries legislation and policy before decisions are made. I look back to a decision made in 1979 by the then Minister of Fisheries and Oceans in the Clark Government where large trawlers were allowed in the Gulf of St. Lawrence. This affected the lives of many of our inshore fishermen. That decision was made simply because of pressure, which sometimes comes from political sources. As a result, the fishery in that area was set back for a good many years. I could go on and on about the consultation which should or should not have taken place.

In November the Minister of Finance (Mr. Wilson) indicated the vessel insurance program was going to be reviewed and

there would be increased wharfage fees and one thing and another, but there was little or no consultation with the people who were adversely affected by the changes. Therefore, I am glad that the word "consultation" is used in this Bill so that the interests of the user groups are taken into consideration before new policies are adopted. I take the Minister at his word that this consultative process will be upgraded and we will have the opportunity to consult with all fishermen concerned. I think the Minister should heed Motion No. 3 and, as I said, I am taking him at his word.

"Monitor" is a term which has been used here quite extensively in the last number of days and we will be monitoring the situation in the future to make sure that any changes in policy or practice will be made on the basis of consultation. That includes wharfingers. In the past few months wharfingers have been relieved of their duties and I think the Minister should very carefully consider this sort of approach and not allow wharfingers to be appointed on the basis of political whim.

With that, Mr. Speaker, I just want to say that over the next year, after the committee goes to Atlantic Canada in the fall, I am hoping that a new or very carefully considered Bill will be brought forward and that the committee will have the mandate to study that Bill along with the people who were involved in the industry. I think it is incumbent upon the Minister and the Committee to travel once again to the West Coast and that the next Bill, after the sunset clause comes into effect, will be carefully written after full consideration of the best interests of the fishing community. Once again, my colleague from Comox-Powell River and I have taken the Minister at his word and we will be monitoring his progress in the future.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the progress of this Bill through the House of Commons and committee has been a rather interesting exercise. It has consumed a large number of hours in the House, and I think one thing which should be developed as a result is the way in which Bills are introduced in order to improve understanding between the Members concerned and to try to expedite passage.

It goes without saying that this legislation has important effects on a great many people. The Minister's attention has certainly been called, in quite a number of ways, to the problems of many of the people dependent upon this industry and the expectations for solutions that they have. Early on he received a list of five important areas in the form of a letter from myself regarding the additional discretionary powers which will be given to him. As of now, those points have not been dealt with, and the position of the Minister is: "Trust me, I will do a good job. I will live up to the election promises of this Government. I have the serious concerns of the fishing industry at heart". Well, the only reason this Bill is passing through the House today is because of this amendment being agreed to which would give the industry the necessary protection. I thank the Minister for considering it seriously and for providing a safety valve.

After several fishing seasons have passed by, we will be able to evaluate its effect in consultation with the people concerned. Our fear, of course, is that this will be the last opportunity for Parliamentarians to involve the public in consideration of the fishing industry. Should the Minister's Cabinet colleagues or the Prime Minister (Mr. Mulroney) overrule an attempt to do the things which are required, this safety valve would at least present an opportunity for Members of Parliament and the public to provide input.

The Minister said that this legislation provides him more power than he would like to see in the hands of a Cabinet Minister, so that this rather unique sunset clause gives us an opportunity to look at the progress which has been made. Having said that, the Minister must attempt to provide a mechanism whereby the industry can be consulted and a process for making that consultation work can be put in place. There must be a mechanism for resolving disputes that does not end up in civil disobedience or a breakdown of the system. The Minister will have the enormous task of developing that.

• (1340)

There are many problems facing native fishermen and native communities which depend upon the fishing industry. As the committee travelled the west coast, many native fishermen indicated that they had been completely ignored by the Department of Fisheries and Oceans. There is no doubt about that, Mr. Speaker. It was established time and again. The Minister has a major responsibility to ensure that the people who depend on that resource are consulted and given access to the decision-making process.

With regard to amendments, there was an interesting one for which the Minister will have to answer. The Conservative Party chose to defeat an amendment which would provide for sports fisheries within the area of federal Government jurisdiction. In light of some of the statements made in the past by the Minister of Fisheries and Oceans (Mr. Fraser), he will have an interesting job justifying to the sports fishing community why the Government defeated a motion which it allegedly supports. That issue must be resolved.

There are many communities in the country that depend to a very large degree on the fishing industry. Over the years we have watched the centralization of the fishing industry through the movement of processing plants to larger areas and the new phenomenon of trucking salmon from the point at which it is caught and landed hundreds and hundreds of miles to processing plants. That eventually destroys jobs and the economic base of small communities for want of an important infrastructure. Through the actions of the federal Government, a number of other factors have come into play which have made those communities economically weaker.

As the Minister of Fisheries and Oceans and the senior Minister from British Columbia, we ask him to study that problem which, as yet, remains unsolved. An example on the west coast is that of the Campbell River Indian Band which requested assistance in putting in a freezer unit at Port Hardy in order to preserve jobs which are now being trucked away to Vancouver. Another example is that of Bella Coola where it is difficult to land and sell fish because the ice plant burned down a number of years ago and the program which provided

it has expired. The Minister is aware that those coastal communities are in tough shape after having been through the recession and a number of extremely poor fishing seasons. There is a need to consider those problems over two years.

Those problems are very real. The Minister knows that they exist and he has a responsibility to move during the next two seasons. His actions and those of the Government will be judged by the user group communities which depend on it. I believe we have better legislation due to this sunset facility which allows Parliamentarians and the public to pass judgment in the future on what we presently have.

I know that we have travelled a long and difficult road. I would like to thank my colleagues on the committee and the Minister himself. He has been difficult to convince at times, but I think we have made a very positive move which will yield very positive results.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I would like to respond to the remarks made by my hon. friends. It should be clearly understood that Bill C-32 was not intended to be an overhaul of the entire Fisheries Act. I know that the Hon. Member for Comox-Powell River (Mr. Skelly) knows this to be so, despite what he has said. To argue since March that Bill C-32 should take into account every possible eventuality within the experience of fisheries on both coasts, inland, and in the north, is not an accurate approach to the amendment which has been proposed.

Bill C-32 is an amendment to provide the authority, under law, to the Minister to manage the fisheries of Canada. That authority has been cast in doubt by decisions made on the west coast a year ago. It has been put further in doubt by a court case which is proceeding in the Province of New Brunswick at this very moment. There has been the suggestion that the Government has not consulted enough. I defy anyone looking through my diary for the last eight months, and looking through the diaries of previous Fisheries Ministers, to find any Fisheries Minister who has been to more places and listened to more people than I have during the time that I have been Minister of Fisheries and Oceans.

I have done that because it is my view that one cannot be Minister of Fisheries and Oceans by remaining in Ottawa. One must be where the fish and fishermen are. The vast majority of people involved in the fishing industry in Canada know that someone must have the authority to manage the fishing industry and make decisions for it.

Having said that, I was the fisheries critic for a number of years and I noticed that people within the fishing community have been concerned about decisions that are made in an arbitrary way without real consultation. To the extent that that happened, the interests of everyone may not have been properly taken into account before a decision was made. As a consequence of that, we are in the process of establishing an Atlantic Regional Council in an attempt to focus the fishing community into one place in order to have meaningful consultation. On the west coast we have the Minister's Advisory Committee which, while not perfect, is at least of assistance.

In addition to those formal structures, there is also a wide process of consultation with user groups, fishermen, and fishing communities on the establishment of fishing plans, fishing schedules, and opening dates on both coasts. To pretend that there is no consultation going on now is not accurate. Through this Bill the Fisheries Minister is now mandated to take into account the interests of the user groups, and that must be done on the basis of consultation. I believe that there is unanimous agreement among all three parties that that is an advance which reflects the wish of the fishing community. I want to assure Hon. Members that it reflects my own desire to ensure that the interests of user groups are taken into account through real consultation.

One of our difficulties has been to legislate the requirement for consultation. That has caused most of our difficulty with this Bill. It is extremely difficult to determine wording for consultation if you cannot identify the groups with which you are supposed to consult. In that respect this legislation is perhaps not satisfactory. Perhaps between now and the time when I bring further legislation into the House we can develop a consultative mechanism which can be more clearly defined.

• (1350)

If that is possible, then I most certainly shall put it forward and support it. However, I want to give a word of warning to my friends in the New Democratic Party. A very large degree of responsibility now lies on their shoulders not to come up with vague, rhetorical talk about what would be desirable in a perfect world but rather wording that passes the test of what is good legislation and which can be upheld as a consequence of that wording.

This spring, we sent the Fisheries Committee to the West Coast. The Hon. Member for Comox-Powell River knows perfectly well that that committee travelled because I was determined that it would travel. He also knows that I may send him, along with other Members of the committee, to Atlantic Canada. I may leave him there for months if he has any difficulty understanding the problems of that particular part of the fishery.

It must be clearly understood that I am going to ask the user groups to send me specific recommendations and to define the wording properly so as to improve this Bill. The search for those recommendations cannot be left indefinitely. I say to the Hon. Member for Egmont (Mr. Henderson) and the Hon. Member for Comox-Powell River that this Bill has been in the process for a long time—since March. It is my view that while the Bill is perhaps not perfect, it goes a long way to at least establishing some certainty within a legal regime until 1986 and gives us an opportunity to examine the provisions during the interim.

We will do that in order to determine if an improvement can be made. It is not my desire to be an autocrat, but it is my determination to be sure that in the interest of conservation of the fish stocks and all the people who make up the fishing communities in Canada that the fishery be properly managed.

My friend, the Hon. House Leader for the NDP, indicates that he wishes to make a comment. Of course, I would be pleased to give him the floor.

Mr. Deans: Mr. Speaker, what I am proposing to ask is somewhat of a departure from the normal practice, but I have had an opportunity to read the amendment that we have passed. Before the Minister concludes—which I know he has not yet done—could he indicate whether I misunderstand the amendment or if it is in fact as I read it to be. The amendment as provided to me consists of two pieces of paper. It reads, "New clauses 5 to 9, page 2".

The amendments which we have accepted say, in essence, that the definition of "fish" as contained in the Fisheries Act is repealed. Repealed is the key word. It goes on to say that a new definition is now in place. The original definition is repealed and a new definition has been put in place.

Subclause 2 indicates that the definition of "fishery" is also repealed and a new definition is now in place. It says that Section 2(1) of the Fisheries Act is repealed, that paragraph 34(*m*) of the Fisheries Act is repealed and a new section has been added, indicating certain authorizations. Section 4 of the Act is repealed.

Section 9 then comes into force. What I have described so far are Clauses 5, 6, 7 and 8. In each case, the original section was repealed and in three cases new definitions have been brought in. In Clause 5, Clause 6 and Clause 7, there is a new definition and in Clause 8, Section 4 is repealed.

This particular amendment has repealed existing definitions in the main and has replaced them with new definitions. However, Clause 9 says that the new Clauses 5 to 8 shall come into force on January 1, 1987. On the one hand, we have repealed the existing definitions and put new definitions in place but they do not come into force until January 1, 1987.

Mr. Fraser: I can explain it.

Mr. Deans: I welcome the explanation.

Mr. Fraser: Mr. Speaker, it is unfortunate that the House Leader did not have an opportunity to go over this in some detail.

As the House will recall, I said a few moments ago that this is not particularly easy to understand. If we consider Clause 5 of the motion which the House Leader was looking at, it says that the definition of fish in Section 2 of the Fisheries Act as enacted by Clause 1(1) of this Act—which is Bill C-32—is repealed and the following substituted therefor. What is substituted therefor are the words that presently exist in the Fisheries Act before Bill C-32 has any effect. That is the pattern throughout the clauses.

Mr. Deans: That explains it.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

Mr. Deputy Speaker: By unanimous consent, shall I see it as two o'clock?

Some Hon. Members: Agreed.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

CONSTRUCTION INDUSTRY

REQUEST THAT FEDERAL SALES TAX NOT APPLY TO CONTRACTS SIGNED BEFORE MAY 23

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, one of the tax measures announced in the Budget brought down by the Conservative Government on May 23 is having a disastrous effect on the construction industry. Tens of thousands of jobs in the prefab concrete sector will be lost as a result of the federal sales tax imposed by the Minister of Finance (Mr. Wilson).

This Government has no idea how the construction industry works and has levied a sales tax while failing to give sufficient notice so that contracts already signed can be carried out before the new tax becomes effective. This Government has helped to increase the cost of residential construction, and considering the way this tax is being introduced, it will cause Canadian contractors to go bankrupt and thousands of Canadians will be jobless. In many cases, the 6 per cent federal sales tax is higher than the profit margin of prefab concrete contractors. The Minister of Finance should announce immediately that the tax does not apply to contracts signed before May 23, in order to give the parties concerned a chance to adjust their prices to allow for the new tax.

* * *

[*English*]

HUMAN RIGHTS

VANCOUVER SIKH COMMUNITY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rose in the House on December 7, 1984, and gave a statement about the troubles of the Sikh community in Vancouver after people on all sides told me that they were threatened and intimidated.

I rise today to express the shock and sadness of the Indo-Canadian community in my Province of British Columbia at the tragic crash of the Air-India jetliner.

All the facts on the crash are not in yet so I will not comment on it. However, I want to take this opportunity to tell Canadians that the Indo-Canadian community in Canada is a peaceloving community. The Sikh community is an overwhelmingly peace loving community in Canada.

Sikhs, who believe that human beings are creatures of the supernatural and therefore equal, pray every day in the temples in my city of Vancouver that God will be kind to each and every one. That includes enemies as well as friends.

● (1400)

Whatever the results of this crash investigation, I ask Canadians not to judge a community by a few extremists. Mahatma Gandhi once said that, if you take an eye for an eye, the whole world would go blind.

* * *

DISASTERS

CRASH OF AIR-INDIA FLIGHT 182—SYMPATHY FOR VICTIMS' RELATIVES

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, mere words cannot adequately express the shock and sense of loss that all Canadians felt at the terrible human tragedy that occurred on Air-India Flight 182.

I know all Members of this House will join with me today to express the greatest sympathy to all of the families and friends of those who lost their lives. On a personal note, I wish to express my deep sympathy to the members of my community in Etobicoke who lost friends and loved ones.

Over the past few days the media have been quick to speculate on the possibility of sabotage aboard the Air-India flight. Extreme caution must be exercised in this situation. A complete investigation needs to be done before an accurate assessment of the cause of the crash can be determined. The last thing we need in Canada is to fuel animosities between Canadians on the basis of, as yet, unsubstantiated facts.

With this in mind, Mr. Speaker, the Government must not hesitate to tighten security procedures at all Canadian international airports. No measure should be ignored that could increase the security and safety of Canadians travelling abroad.

* * *

VETERANS AFFAIRS

NORWEGIAN VETERANS' REUNION AT ONTARIO TRAINING BASE

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise to pay tribute to the 2,000 Norwegian war veterans who trained at "Little Norway" near Gravenhurst, Ontario, during the Second World War. Saturday, June 22, was the fortieth anniversary of the closing of the air base. A plaque was unveiled at Muskoka Airport commemorating the airmen who trained there.

I would like to commend and thank Lieutenant Colonel Svein Aaser, Defence Attaché at the Norwegian Embassy in Ottawa. Colonel Aaser brought greetings on behalf of the Norwegian Government, and a special letter from the King of Norway. It is interesting to note that many of the airmen who trained at Little Norway married Canadian girls and settled in Canada. Originally an international air show had been planned, with various types of aircraft invited to participate or be on display. Unfortunately this participation had to be cancelled a few months ago because of a conflict of dates when Trenton changed its airshow from September to June 22.

Mayor Don Holstock hosted a reception for the visiting airmen on their arrival June 14. All veterans from Muskoka formed a welcoming committee for our Norwegian visitors. The red carpet was rolled out for the visitors by Mayor Jim Lang of Bracebridge, who hosted a wine and cheese party. Mayor Sheila Hatch of Muskoka Lakes greeted the guests at a luncheon in Bala. Mayor Gorden Snell of Huntsville hosted a coffee party. Another highlight for the visiting Norwegian airmen was a boat trip on RMS *Segwun*, and a tour of the Ontario Fire College.

Mr. Speaker: I must advise the Hon. Member that his time has expired.

* * *

SMALL BUSINESS

EFFECT OF SALES TAX ON NOVA SCOTIA ROAD CONTRACTORS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, the Nova Scotia Road Builders Association represents the road building and heavy construction industry in my provide. Contractors who have a multi-million dollar investment in plant and equipment, and who employ more than 3,500 men and women, are small businessmen, the people the Government has claimed were ignored and unfairly treated in the past, the people the Government wants to encourage and support.

But the Government's actions belie its words. The proposed changes in the May 23 Budget with respect to the 6 per cent sales tax that will apply, among other things, to ready-mix concrete and asphalt paving mix, are a direct affront to the very principles of free enterprise that the Government supposedly espouses. Provincial and Municipal Governments will not pay that 6 per cent sales tax; the burden is falling on the small businessman. The road construction industry in Nova Scotia is one that has been battered by years of recession and is only just now beginning to re-establish any kind of a profit marging. The imposition of this sales tax is the last thing the industry needs at this time.

Already the proposal to implement the sales tax is creating chaos. There is work out to tender; concrete and asphalt will be used. Contractors do not know if they should ignore the 6 per cent sales tax and incur the Government's wrath, or to include it and not get work. A wonderful Catch-22 situation.

Surely the Government of the day can delay these tax changes until January, 1986. In the interim there will be time to get systems in place, and time for contractors to negotiate with their customers on how this tax should be collected and remitted.

* * *

DISASTERS

CRASH OF AIR-INDIA FLIGHT 182

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Canadian community with origins in India is transfixed with grief this week. The sudden destruction of Air-India Flight 182 off the coast of Ireland has taken the lives of 329 persons, most of them Canadian citizens of Indian origin.

It is possible that a bomb caused this tragedy. It is all too easy in such circumstances for media speculation to focus on a crime and its perpetrators. It is all too easy for popular emotions to be stirred up. People forget that individuals are innocent in our legal system until they have been found guilty in the courts, and that is is individuals who commit crimes, not whole communities.

The Indo-Canadian community has been living through very trying times. The desire by some to achieve more autonomy for Punjab culminated in the Indian Army's assault, just over a year ago, on the Golden Temple in Amritsar. The assassination of Prime Minister Indira Gradhi last October was followed by several days of fierce anti-Sikh violence in Indian cities and towns. If frustration of Sikh desires for more autonomy lead to militant action by some persons, it is clear that the community generally has paid dearly for these excesses.

Prime Minister Rajiv Gandhi has aided the Sri Lankan Government in ending the violence that has gripped that neighbouring country. I call on our Prime Minister (Mr. Mulroney) to offer his assistance to the Indian Government in ending the violence that India is experiencing.

* * *

HUMAN RIGHTS

U.S.S.R.—FLIGHT OF LITHUANIAN, VIKTORAS PETKUS

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, Viktoras Petkus, a member of the Lithuanian Helsinki Group, has been arrested time and again for his visible activities and vocal advocacy on behalf of religious freedom in Soviet occupied Lithuania. Petkus was first arrested at the age of 17 in 1947, and sentenced to 10 years of hard labour for his participation in a Catholic youth organization. He was released in 1953, but was once again imprisoned in 1957 for his part in the distribution of religious books written by Lithuanian emigré writers before the occupation.

Viktoras Petkus continues to be adopted by Amnesty International as a prisoner of conscience because of his non-violent exercise of the right to freedom of expression. The most tragic aspect of the Petkus case is his ever-worsening health. In 1978 the Soviets sentenced him to seven years in prison, three years special regime camp, and five years exile, on a charge of anti-Soviet agitation and propaganda. Those years of medical neglect, followed by an operation for a malignant tumor on his face, have cost him his health. Petkus is still alive, but in grave danger.

I call upon the House of Commons to direct the Secretary of State for External Affairs (Mr. Clark) to call upon the Ambassador of the Soviet Union to demand that Petkus be released immediately, and to send a clear reminder to the Soviet Government of its obligations as a signator of the Helsinki Accords.

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MINES AND MINING

FIRST ANNUAL WORKERS MEMORIAL DAY SERVICE

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, on June 20, 1984, more than a kilometre below the surface in the Falconbridge mine, a rockburst occurred which resulted in the tragic deaths of four miners.

Last Thursday in Sudbury I had the honour of attending, together with the Minister of State for Mines (Mr. Layton), the Hon. Member for Sudbury (Mr. Frith), the Hon. Member for Nickel Belt (Mr. Rodriguez), and the Hon. Member for Parry Sound-Muskoka (Mr. Darling), the first Workers Memorial Day service. The purpose of this service, organized by local citizens and the Mine, Mill and Smelter Workers' Union, was to pay respect to and to remember all those miners and others who had given their lives in the production of mineral products. It is to become a national annual event.

Representatives of labour, management, and Government consistently and thoughtfully spoke about the need for accelerated efforts for better health and safety conditions in the workplace.

In the process the Minister of State for Mines described a new, five-year, $4.2 million co-operative research program aimed at eliminating rockbursts, one of the major hazards facing underground miners. The federal Government, the Province of Ontario, Cambell Red Lake Mines Ltd., Falconbridge Ltd., and Inco Ltd., will each contribute $1.4 million. This is a fine example of a partnership in progress between government and industry. The threat of rockbursts will increase as Canadian mines progress to greater depths. This research is thus necessary and timely to ensure safe and highly productive mining practices.

Mr. Speaker: I regret to advise the Hon. Member that his 90 seconds have expired.

[*Translation*]

OLD AGE SECURITY

STATEMENTS MADE BY PRIME MINISTER DURING ELECTION CAMPAIGN

Hon. Jean Lapierre (Shefford): Mr. Speaker, during the last election campaign, all Canadians heard the Prime Minister (Mr. Mulroney) talking about his roots in Baie-Comeau and his Aunt Jeanne who raised him when he was a small boy. Recently, and especially last Thursday, the Prime Minister went so far as to deny the very existence of the woman who raised him and, as he said at the time, had even changed his diapers. Mr. Speaker, I would like to say that Aunt Jeanne does exist, and I had a chance to give the Prime Minister her telephone number so he could apologize for this disclaimer.

Mr. Speaker, we are used to the Prime Minister going back on his promises, but to renounce one's own aunt is simply appalling. And that is why I hope, first of all, that the Prime Minister had the decency to call his Aunt Jeanne to apologize for saying she was dead, and second, the best way to show his gratitude would certainly be to keep his hands off her Old Age Security pension. That is what she wants, that is why she signed the petition and that is what she hopes the Prime Minister will do.

* * *

● (1410)

[*English*]

PENSIONS

BUDGET EFFECT—PENSIONERS' COMMENTS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, as my statement today I should like to read into the record comments which I have received from senior citizens living in the riding of Comox-Powell River. Their words say it all. The first one says:

I could not believe my ears when hearing those irrational Conservative arguments devoid of a sense of fairness and justice by those right-wing Neanderthals. Imagine those unfortunate pensioners whose pensions stand between them and destitution—

Some Hon. Members: Oh, oh!

Mr. Skelly: It is extremely funny when about 650,000 old age pensioners live below the poverty line and this is their reaction! The second says:

The Government's blatant display before Parliament and the Canadian people of partisan support for the rich at the expense of the poor reveals an arrogance born of confidence in their ability to crush any opposition no matter how old or frail.

The next one says:

As a senior citizen with the aspirations of reaching up to the comparative luxury of the poverty line, the attack upon indexation comes as a blow. I am not one of those seniors mentioned by the Finance Minister who wishes to bear a disproportionately larger burden in combating the deficit.

A fourth says:

We have already lived through a depression, a world war, the Korean war, a major recession, and now the Government wants us to reduce the deficit.

It continues: "If you are in the position, please tell the Minister of Finance one of your constituents thinks he is a—", and the term is unparliamentary, so I will not use it, "—for picking on old age pensioners . . . If you think"—"is too unparliamentary to be used"—

Mr. Speaker: I regret to advise the Hon. Member that his 90 seconds have expired.

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[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

ROLE PLAYED BY RENÉ LÉVESQUE IN POLITICAL, SOCIAL, AND ECONOMIC EVOLUTION OF QUEBEC

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, today I would like to join all those who paid tribute to the Premier of Quebec who announced that he intends to retire from active political life.

Mr. Speaker, no one can deny that René Lévesque has played a major role in the political, social and economic development of Quebec in the last 25 years. In addition to nationalizing electric power utilities in Quebec and founding a political party which in many respects remains a model of good management, René Lévesque has especially helped Quebecers take pride in their origins and be recognized and respected not only in Canada but throughout the world. René Lévesque always had a passionate love for Quebec, and his forthright speech has made him one of the most likable and most respected politicians in Canada.

Mr. Speaker, although his political ideals never materialized, like a true democrat he agreed to go on serving his province.

The day after our party was elected, René Lévesque called this event a great challenge, and I am convinced, Mr. Speaker, that he would be the first to rejoice in the good relations that have existed between Quebec and Ottawa since September 4.

Finally, Mr. Speaker, I would like to wish Mr. Lévesque a happy and well-deserved retirement, although we all know he will continue to follow events in his province with great interest and a critical eye.

* * *

[*English*]

HEALTH

LACK OF PARAMEDIC SERVICES

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, thousands of people die every year due to heart attacks, car

accidents, drownings, and other sudden and unexpected emergencies. Many lives could be saved if life-saving emergency care could be administered immediately at the scene of an accident.

Canadians live with a false sense of security in this regard. On television we see American paramedics in action, whereas in Canada they exist only in British Columbia and Alberta, with limited pilot projects in Toronto and Hamilton.

The first national advanced life support competition was held in Ottawa recently and involved teams of paramedics and emergency medical attendants, many of whom had to learn their skills as volunteers. They represented major urban and rural areas across the country. The ultimate goal of this event was to promote emergency medical services through sensitizing the public, the medical community, elected officials, administrators, and the media, to the fact that pre-hospital emergency care can save lives. I want to congratulate all the competing teams, especially the winners from Toronto who will be competing next month in the United States on behalf of Canada.

* * *

DISASTERS

CRASH OF AIR-INDIA FLIGHT 182—EXPLOSION AT TOKYO AIRPORT—OFFICIAL CONDOLENCES

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister (Mr. Mulroney) has asked me to express in the House the Government's deep sorrow over the two weekend air disasters. The destruction of Air-India Flight 182 off the coast of Ireland brought untimely and tragic death to 329 passengers and crew, the majority of whom were Canadians. An explosion at Tokyo Airport killed two Japanese citizens and wounded several others.

I cannot over-emphasize the seriousness with which the Government views these tragic and sorrowful episodes.

[*Translation*]

Yesterday, the Prime Minister of Canada expressed his condolences to the families of those who lost their lives in this terrible accident.

The Prime Minister has announced the Government's firm resolve to do everything in its power to determine the cause of this disaster.

[*English*]

On behalf of the Government the Prime Minister has expressed his condolences to the families and friends of those who perished in this tragedy, and I am sure that every Canadian shares their grief in their bereavement.

Both of the flights which became the focus of these tragic episodes originated in Canada, one involving a Canadian airline, the other, of course, Air-Indian Flight 182.

[*Translation*]

At this time, the Government has no evidence that the Air Indian disaster was caused by an act of terrorism.

[*English*]

There is at this time no direct evidence that either of these episodes is linked to the dark context of international terrorism which appears to have burst out anew in the past few weeks. Nevertheless, the course of prudence would indicate that these episodes be treated in such a context.

[*Translation*]

The Government has taken steps to prevent a recurrence of these tragic episodes. Yesterday, the Prime Minister (Mr. Mulroney) ordered a review of airport security.

[*English*]

Security measures have been intensified at all Canadian airports, with emphasis on the scrutiny of baggage.

I want to inform the House that we have begun a major investigation, involving the security forces of several countries, to determine whether indeed the two tragedies are the work of terrorists and whether there is a link between the two episodes. If that proves to be the case, every effort will be made to identify and bring the guilty parties to justice.

We will not allow this country to become a killing ground for international terrorism.

Some Hon. Members: Hear, hear!

Mr. Nielsen: To honour the memory of those who lost their lives in this disaster, flags on all Canadian government buildings throughout Canada and around the world will fly at half-mast tomorrow.

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition I rise with deep sorrow to express our profound sympathy and condolences to the families of all those who lost their lives, the majority of them Canadian, in the apparent explosion of Air-India Flight 182 from Canada to the United Kingdom.

• (1420)

I would also like to express our sympathy and condolences to the families of those Japanese baggage handlers who were killed or injured in the apparent explosion of a bomb in luggage taken off a Canadian Pacific flight from Vancouver to Tokyo.

In addition, we express our shock not only about these tragic events but also about the strong likelihood that they are the result of terrorist actions. If that is the case, we can only have and express feelings of revulsion about conduct that takes innocent lives in this way.

We call on the Government to do everything possible to assist the families of those who lost their lives in the Air-India explosion, as well as the Japanese families affected by the explosion in Tokyo. We call on the Government to take strong and immediate action to prevent any future incidents of this

kind from taking place in connection with flights linked with Canada or with Canadian airports.

The Government must move immediately to determine how and why these tragedies occurred. The Government must join with all nations to take concerted and strong action against all acts of terrorism, not just those involving airlines, and not just after the fact, but hopefully to prevent them from taking place.

Finally, now is the time for all Canadians of every origin to unite with their fellow Canadians of East Indian origin, but not just in sympathy. We must join with them in solidarity and unity in their grief. We must join with them as fellow members of our Canadian family, all of us desiring to live in peace and harmony together in Canada and in the world.

[*Translation*]

Mr. Speaker, on behalf of the Official Opposition, we want to express our condolences to the families of those who lost their lives in these tragic accidents. We must do everything we can to prevent a recurrence of such episodes.

[*English*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I join with all Canadians in extending our deepest sympathy at the tragic loss of life in the crash of Air-India Flight 182. When this plane, flying from Toronto to Bombay, plunged 9,500 metres into the ocean, it took 329 people to their deaths. The magnitude of the suffering is literally indescribable.

We share the grief and sorrow of the bereaved relatives and friends. Our hearts go out to the families. Many of the victims are members of the Indo-Canadian community. Disaster has shattered their peaceful lives in this their new land.

We share the deeply felt sorrow of parents and grandparents, husbands and wives, children and grandchildren. Many of the innocent victims were on a journey of family reunion, in many instances after many years spent continents apart. The trip of their dreams was tragically transformed into a deathly nightmare.

The cause of this horrible tragedy is yet to be exactly determined. Circumstances indicate strongly that there was a mid-air explosion. I would however, like to mention at this time the heroic efforts of the Irish, British, and U.S. Air Force and Navy rescue teams who, with great will and determination, and attempting to find an answer by searching to obtain the aircraft's "black box" from the bottom of the ocean. This will be the most reliable source of information on the cause of this horrible disaster.

[*Translation*]

It is not enough to shed tears and express our sympathy. We must all work together on an international scale to prevent a recurrence of this catastrophe. Countries all over the world must co-operate in providing the best possible standard of security for innocent travellers. We owe it to the victims of this disaster to do everything in our power to allay the concerns of Canadians and people throughout the world.

[*English*]

Steps have been taken to improve airport security. Every nation in the world faces the challenge. Increasing acts of terrorism in Beirut, Frankfurt, and possibly now on Canadian soil, make concerted international action more urgent and pressing. Our nation can and should play a leading role. International terrorism is on the agenda at the 40th session of the UN in September. The political will to fight this international blight must be an urgent priority at that session of the United Nations. We, all the peoples of the world, must see an end to this international monstrosity.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in light of the statements of sympathy that have been expressed, in the usual tradition following these incidents I think you will find an inclination to agree to extend the Question Period for the normal period of time, starting now.

Mr. Speaker: Question Period will therefore last for 45 minutes until 3.12 p.m.

* * *

AIR SAFETY

PROTECTION OF CANADIAN PASSENGERS

Hon. André Ouellet (Papineau): Mr. Speaker, as I rise to ask my first question to the Minister of Transport I want to express again on behalf of the Official Opposition our deepest condolences to the families so tragically affected by the terrible incident of Air-India Flight 182. We pray for them, and indeed hope that we can find ways to prevent a recurrence of this horrible disaster.

This leads me to ask the Minister of Transport what steps are being taken to protect Canadian passengers. Can the Minister of Transport guarantee air travellers that his Government has now taken every appropriate measure to protect them?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think first of all we should acknowledge that Canada does have one of the best safety and security mechanisms in place. That has been alluded to by international aviation authorities, by the Canadian Airline Pilots' Association, and by the American Airline Pilots' Association, but I believe it is fair to say that, in view of the activities over the last few days, and particularly the last weeks, it is important that all our security and surveillance systems be re-evaluated.

To that purpose the Prime Minister has ordered a full evaluation of the safety and security of all airports and airlines.

As well, we have put in place new measures to ensure that all checked baggage will be adequately screened or inspected. We stepped up the security with respect to passengers and carry-on luggage. We put a 24-hour delay on all cargo shipments, with the exception of perishables, and we are bringing into, at least our international airports for the time being, new equipment which will assist in the inspection of baggage, which equipment we hope will be arriving before the end of this week.

CRASH OF AIR-INDIA FLIGHT 182

Hon. André Ouellet (Papineau): Mr. Speaker, yesterday the Prime Minister confirmed that the Indian Government requested, apparently on numerous occasions, in the days and weeks proceeding the terrible event, increased security for Air-India flights, and for Indian diplomats in Canada. What has the Minister done specifically to respond to these pressing requests?

● (1430)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, from time to time there were requests for additional security by Air-India authorities. There were extra RCMP deployed both at Toronto and at Mirabel, as there has been for some time. I should point out to the House that there was no indication that there was a specific threat to Flight 182 and, as a result, the extraordinary precautionary measures were not put in place. However, whenever the Air-India people had requested additional security or assistance with regard to the surveillance of passengers and baggage, and whenever there were any suspicions and such requests had come to us, we responded on every occasion.

STATIONING OF RCMP OFFICERS AT AIRPORTS

Hon. André Ouellet (Papineau): Mr. Speaker, in light of the incident, the Canadian Air Line Pilots Association has requested that the Minister abandon his ill advised plan to remove RCMP security officers from Canadian airports. Is the Minister ready today to announce that indeed he will not go ahead with such a plan, and the RCMP not only will continue to perform at airports but will receive appropriate resources and money to do the thorough checking that they are supposed to do?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this was a decision that was partially implemented by the previous administration. The Hon. Member will know that there was a review in 1975, 1976, and again in 1981, conducted by the Air Transport Association of Canada, Transport Canada officials, and the RCMP. At that time it was determined that the removal of RCMP from Class 2 airports would not undermine the level of security of those airports. However, I would like to inform the Hon. Member, and all Hon. Members of the House, that in view of the Prime Minister's statement yesterday wherein he ordered a full evaluation of the security systems in place at our airports and the security of our airlines, we are going to defer that decision pending the outcome of this review.

* * *

DISASTERS

AIR-INDIA CRASH—REMOVAL OF BAGGAGE AT MIRABEL AIRPORT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. Through you, Mr. Speaker, I would like to say to the Minister that the House notes and appreciates the actions that have already been initiated by the Minister, and the announcement that he has just made.

The Minister knows that several suspicious pieces of baggage were removed from Flight 182 at Mirabel. The superintendent of airport security at Mirabel has stated that Air-India broke a basic rule by not notifying the Department of Transport of the suspicious baggage. Perhaps the Minister could clear up some confusion. He indicated yesterday that, when Transport Canada is notified of these incidents, a thorough investigation of the plane and all baggage on board takes place. On the other hand an official of his Department has said that regularly baggage is removed from planes and flights continue without further investigation. What is the proper procedure to be followed in those circumstances?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I repeat that in this particular case Transport Canada was not apprised of any specific threat against Flight 182. Therefore, the basic normal Air-India precautions and surveillance that they conduct were conducted in their usual manner. I repeat that we did have the additional RCMP security officers deployed as requested.

With respect to the specific question regarding the luggage, I would like to say to the House, and to the Hon. Member, that this is the subject of a very delicate and intensive investigation by the RCMP and others. While there has been a lot of speculation and conjecture, I would hope that the Hon. Member would agree with me that at this point in time, prior to our ascertaining all the facts, it would probably be inappropriate for us to engage in any further speculation. I can assure the Hon. Member that this investigation will be carried out with the utmost of thoroughness and, until we receive more factual information, I would appreciate it if the Hon. Member would agree with me that it would be inappropriate to comment further on that point.

Mr. Tobin: Mr. Speaker, I want to assure the Minister that I appreciate the delicate nature of the investigation with respect to particular pieces of luggage.

ROLE OF DEPARTMENT AND RCMP

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I want to ask the Minister about procedure. We are told that the RCMP in Montreal were called to investigate the luggage in question while Flight 182 was still on the ground, but when they in fact arrived the plane had just departed a few minutes before. Given the statement of the Minister that Transport Canada, when informed of these kinds of incidents, does a thorough investigation of every piece of luggage on the aircraft, why was there no procedure in place, even though the plane had left, to have either the RCMP or Transport Canada request that that aircraft return to Montreal so that a thorough investigation of all the luggage on board could take place before it continued its journey across the Atlantic?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, once again may I repeat to the Hon. Member that Flight 182 was not designated as a flight with a specific threat. As a result there were no extraordinary procedures implemented at that time. Had there been, that would have been the normal course. Furthermore, I repeat that, to the best of my knowledge, our people were not informed of this until the aeroplane had left.

CONDUCT OF INVESTIGATION

Mr. Les Benjamin (Regina West): Mr. Speaker, in light of the statement made by the Prime Minister yesterday, I direct this question either to the Deputy Prime Minister or the Minister of Transport. The Prime Minister said yesterday that there is to be a special investigation. I would like to know from the Deputy Prime Minister, or the Minister of Transport, who is conducting this special investigation. Is it an in-house investigation by the Ministry of Transport, is it a combination of the Ministry of Transport and representatives of airlines, or is it a throughly independent investigation?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member is aware that the accident *per se* is being investigated under the auspices of the Indian authorities, and that is consistent with international convention. Canadian authorities, United States authorities, U.K. authorities, and Irish authorities are also involved in the investigation process. Investigations having to do with security, and any criminal investigations, are being undertaken primarily by the RCMP.

SCREENING OF PASSENGERS AND HAND LUGGAGE

Mr. Les Benjamin (Regina West): Mr. Speaker, there has been a standard in place for a long time now, dealing with the screening of passengers and hand luggage. As the Minister well knows, the screening of checked baggage, other parcels, and all other things that are placed aboard aircraft, is left entirely to the discretion of the various airlines. Yet the Ministry of Transport owns and operates the airports in Canada.

I compliment the Minister on the quickness with which he has instituted full security arrangements since Sunday. However, is Transport Canada going to return to the practices of the past, or will the Ministry of Transport now assume its own responsibility for the screening of checked baggage and all other items that are boarded onto aircraft?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would say to the Hon. Member, and other Hon. Members, that, as a minimum, Canada has always fulfilled the standards and recommended practices of international convention. I think the Hon. Member is aware that most of these arrangements are done through international convention. Canada's practices, have always been superior to the minimum requirements advocated by these various international conventions. In fact Canada has been in the forefront in terms of it constantly striving to improve security and surveillance in our airport system. As recently as the Economic Summit in Bonn, Canada played a very major leadership role in trying to improve our security and surveillance in the airport system.

• (1440)

So, Mr. Speaker, to the extent that we can upgrade those standards consistent with the international convention, we are certainly prepared to do so. In fact it will be my intention to attend the ICAO convention tomorrow in Montreal to speak to this very important issue.

REQUEST THAT DEPARTMENT ASSUME RESPONSIBILITY

Mr. Les Benjamin (Regina West): Mr. Speaker, surely it is obvious that leaving this matter up to the discretion of scores of airlines which come into and leave our country is not good enough. That is painfully obvious. Will the Ministry of Transport from now on be responsible, in co-operation with the airlines, the RCMP, and other security agencies—without us becoming complacent a few weeks later—for the security, screening, and surveillance of all articles and human beings who enter aircraft on international flights and, in many instances, domestic flights, and not leave it up to the discretion of airlines which obviously try to save money every chance they get? When do we put an end to the saving of money—

Mr. Speaker: Order, please. There are a number of other Hon. Members who wish to ask questions.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member heard of the very firm declaration made by the Prime Minister yesterday and of his full commitment, and that of the Government, to deal with this very important issue. I think that is clear evidence that the Government of Canada is taking a leadership role, in conjunction with the airlines and the aviation community, to deal with this very important issue. However, I believe it is more important to deal with this matter in a co-operative way rather than simply declaring an edict, with all the inherent difficulties which may occur.

The Prime Minister's commitment yesterday was to undertake a complete evaluation of Canada's airport surveillance and security system and, as well, the security and safety of our airlines. To that end we will be instituting any measures necessary in order to ensure that that is carried out.

EVALUATION OF AIRPORT SAFETY PROCEDURES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of Transport as well. I can sympathize and respect the kind of difficulties the Government has in trying to establish a clear set of directions on this question. But I want to ask the Minister a very important question concerning the proposed evaluation announced by the Prime Minister.

I believe the Minister would acknowledge that there have been a number of quite confusing and contradictory statements and judgments about the various roles and responsibilities of agencies under his jurisdiction, and under the Government generally. I would want to suggest to the Minister, by way of a question, that it is far more important to ensure that such an evaluation be seen as not having any vested interest attached and, therefore, should be totally independent in its point of view.

Would the Minister not agree that it would be more appropriate to have the Canadian Aviation safety Board, which is an independent agency not tied into the Government, undertake the investigation into the security system at Canadian airports, as its mandate allows, in order to ensure that it is an independent study and not one which is done by in-house agencies or organizations of the Government itself?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure that we will be relying upon the advice, wisdom, and recommendations which come forth from the Canadian Aviation Safety Board. I think the Hon. Member has presented a good suggestion. However, I want to remind him, and Hon. Members of the House, that in the Prime Minister's announcement yesterday he requested an examination of all aspects of airport and airline security under the auspices of the Secretary of the Cabinet and senior security and intelligence officials.

I think that the element of senior security and intelligence officials surely puts that within the ambit of some independence. However, we will certainly not disregard any recommendations which the Canadian Aviation safety Board should bring forth. In fact we would welcome them.

RESPONSIBILITY FOR INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we certainly recognized the necessity to have a number of agencies and officials involved. However, the Aviation Safety Board is not only independent but it can make its findings public so that there can not be any ease of security.

I would again ask the Minister if it would not be more appropriate at least to have the direct responsibility for the investigation and evaluation under the auspices of the Canadian Aviation Safety Board so that it can follow its proper mandate, not only to be independent and to be able to draw upon resources, but to also make sure that the findings of that board are independent and not kept within the confines of Cabinet or behind the cabinet door.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is certainly not the intention of myself or my cabinet colleagues to keep anything behind the cabinet door. I think this is a non-partisan issue which affects all Canadians. It is something we all have to deal with in a collective way.

To the extent that the Canadian Aviation Safety Board is involved in all elements of the investigation of the accident involving Flight 182, I am sure we will not only have a full report on it but any recommendations which may flow from that report will certainly be given serious consideration by the Government.

* * *

PENSIONS

REQUEST FOR FULL INDEXATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance, or to the Deputy Prime Minister. The Minister of Finance will be meeting later this afternoon with representatives of more than one million pensioners with whom I met this morning. They made two basic points about which I would like to ask the Minister of Finance. First, they want indexation restored to all pensions and, second, they want an announcement about the timing of the Government's decision on this important matter, to be made before the end of this week. Considering that the Cabinet met on Friday, is the Minister of Finance in a position to tell the House today the answer to the two important questions to which the pensioners of Canada want answers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is right, I will be meeting with representatives of a very important group of seniors later on this afternoon. I will be discussing with them their concerns about this matter. As I have said on many occasions in this House, I will take those concerns very much into account in arriving at any decision which might be forthcoming. However, in precise response to the Hon. Member's question, no, I am not in a position to state anything further than I have in the past.

TIMING OF POSSIBLE ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering the fact that Hon. Members on the opposition side and Hon. Members on the government side have confirmed that pensioners will be in a state of anxiety over the summer—there are no two sides of that coin; everyone is in agreement about

that—and considering that one of the pensioners with whom the Minister will be meeting this afternoon said to me this morning that she would at least like an answer—

Mr. Speaker: With great respect, this is becoming a preamble to a supplementary question.

Mr. Broadbent: —on the question of timing, will the Minister assure the House that before the House rises the Government will at least have the courtesy to inform Canada's pensioners when they will hear an answer to this important question?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, on a number of occasions I have stated that there would be no changes made in the payments to senior citizens until next year, so I think the Hon. Member should be trying to allay the anxiety about which he talks by advising seniors that they are going to see the normal increase in their cheques effective July 1. Again on October 1 there will be another increase in their pension cheques. I would hope that the Hon. Member would try to put to rest some of the anxieties which have been expressed by senior citizens which, I would say, he and other Hon. Members of the House have been trying to fan.

Mr. Broadbent: Appropriately trying to fan.

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[*Translation*]

IMMIGRATION

ENTRY TO CANADA—MEASURES TO STOP PERSONS WHO FACE ARREST WARRANTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Following the tragic Air-Indian disaster this weekend, many Canadians are asking questions about Immigration operations, especially in the case of persons sought by the FBI or Interpol.

Could the Minister inform the House what measures are being taken by the Department of Employment and Immigration to prevent persons for whom warrants of arrest are out from entering Canada?

Furthermore, could the Minister inform the House what kind of co-ordination exists between her Department, the Department of Transport and the new civilian security intelligence agency which is responsible for airport security?

● (1450)

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the policy of the Department of Immigration continues. Any investigation of the tragedy involving Flight 182 would be carried out under the aegis of the RCMP, certainly not that of the Department of Immigration.

[*Translation*]

AIR-INDIA TRAGEDY—SUPPLEMENTARY MEASURES TAKEN BY GOVERNMENT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have a supplementary. In connection with the same subject, I would like to know what additional measures have been taken by the Minister and what special instructions she has given to prevent a recurrence of these acts of terrorism.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, once again, this is not the responsibility of the Department of Immigration. If the Hon. Member thinks that what we should be doing at this point is instituting police enforcement at the borders in order to meet a demand which has not been proven, if she thinks that there are certain individuals from different parts of the world who suddenly should be kept out of our immigration stream, then I would say she is badly mistaken.

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PENSIONS

ANXIETY OF PENSIONERS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Finance. He has said, and he certainly knows the Prime Minister has said, that over the weeks I have fairly presented the views of seniors across Canada. I met with a group of seniors in Sudbury yesterday, and 12 provincial seniors' organizations this morning. Will the Minister not accept that it is fair to say that seniors across the country do have a deep anxiety about what the Government intends to do with pensions beginning next year? They fully understand what the proposal is.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member says he has fairly presented the views of seniors, and I do not quarrel with that. But what I would ask him is whether he has fairly presented the views of the Government as to the reasons why we have done this.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Let me ask him whether he said to the seniors that the country's debt has been growing at 25 per cent per annum. Is he also saying to them that we are spending—

Mr. Broadbent: No, we didn't tell them that.

Mr. Wilson (Etobicoke Centre): The Hon. Leader of the NDP says no, he did not tell them that. Why didn't he tell them that?

Mr. Broadbent: Because we don't want the pensioners to pay for it, that is why.

Mr. Wilson (Etobicoke Centre): Why didn't he spell it all out? Why didn't he put these facts in front of them? I will tell you why, Mr. Speaker—

Mr. Speaker: Order, please. We started very well today; I would like to keep it that way. The Hon. Member for Beaches.

REQUEST FOR GOVERNMENT ANNOUNCEMENT

Mr. Neil Young (Beaches): Mr. Speaker, I can assure the Minister that I have done that, and the seniors have responded by saying: "We have paid our dues".

Some Hon. Members: Hear, hear!

Mr. Young: Will the Minister, in all fairness, stand in his place and assure the seniors that the Government will remove that anxiety before the end of this week?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be clear. I am very sensitive to the views expressed by seniors' groups. I have met them on a number of occasions, as has the Hon. Member. As I said many times in this House, as has the Prime Minister and the Minister of National Health and Welfare, we are monitoring the situation. We are going to—

Some Hon. Members: Oh!

Mr. Wilson (Etobicoke Centre): Members opposite say "oh". I suggest that they pay attention to what has been happening in this country. They should pay attention to what happened during the 15 years they were in power. They should pay attention to the fact that we were left with such an enormous mountain of debt that we cannot afford to do all the things—

Mr. Speaker: Order, please.

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DISASTERS

EXPLOSION AT TOKYO AIRPORT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Deputy Prime Minister. A CP wire report which came out shortly after one o'clock says that the Japanese police and Air-India's Tokyo representative said that a Mr. A. Singh and a Mr. L. Singh, which happen to be the same initials as those of the two fugitives from justice earlier referred to, were booked on CP Air flights 003 and then scheduled to transfer to Air-India flight 301 to Bangkok. They are the only two passengers who did not show up, and their luggage appears to have made the flight. Is the Minister in a position to confirm the validity of this report and to tell us whether there may have been some security problem at our end which would have permitted this to have taken place?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I do not believe, Mr. Speaker, that the release is as recent as the Hon. Member says, that being one o'clock, because I myself saw on television last night those two names being mentioned. However, I think he will agree with me that, given the wide ranging investigation that is now ongoing in order to examine every possible facet and detail of the circumstances surrounding the loss of the Air-India flight, it would not be helpful to discuss publicly any details relating to that investigation. I saw the news account on national television last night with respect to the two individuals he named, and naturally, as stated, that is one avenue of the investigation.

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AIR SAFETY

SECURITY MEASURES AT AIRPORTS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the Minister of Transport has referred to the possible necessity of additional security measures. There are substantial cuts envisaged in Transport Canada, some of them arising out of the so-called Nielsen task force. Could the Deputy Prime Minister assure us that the security measures will in no way be compromised by any cuts which have been or will be announced with respect to Transport Canada, and that the Minister will be given all the resources necessary to enable him to establish that full and appropriate security is in place?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Hon. Member asked the question with respect to the task force on program review. I can assure him that I, as chairman of that task force, as well as my ministerial colleagues on the task force, have approached all matters relating to the review process, in so far as they are applicable to the Department of Transport, bearing in mind at all times the need to maintain the very high and excellent standards of security which have hitherto existed in the Department, and give him the unqualified assurance that the safety and security of Canada's travelling public, both here at home and abroad, will always be a top priority with this Government.

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VETERANS AFFAIRS

WAR VETERANS PENSIONS

Mr. Bill Kempling (Burlington): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. Prior to September 4, 1984, Members used to rise quite regularly and complain about the deplorable delays in war veterans pensions. When the Minister was appointed to his portfolio he promised to deal with this matter. What has he done?

• (1500)

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, I would first like to thank the Hon. Member for his very excellent and well thought out question. The answer to his question is a resounding "yes". I will be outlining what the Government has done before the meeting of the Standing Committee on Veterans Affairs which will meet in exactly one-half hour in Room 269 of the West Block. All Members are welcome.

Some Hon. Members: Hear, hear!

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[*Translation*]

OLD AGE SECURITY

ENQUIRY WHETHER GOVERNMENT WILL MODIFY PENSION DEINDEXATION PROJECT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Finance. We cannot let the elderly in this country go on living in their present state of anxiety. We cannot let them wait until September to know what is going to happen. Could the Minister let senior citizens know whether he will be announcing this week or before the end of this session, whether his Government intends to change its plan to de-index Old Age Security pensions?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are in fact doing a number of things for older people. As an example, the spouse's allowance provisions which were passed in the House quite recently extended the Guaranteed Income Supplement to 85,000 widows and widowers who are between the ages of 60 and 64. I also remind the Hon. Member that many elderly Canadians are being favourably affected by the change in the definition of "disabled". That will affect about 120,000 Canadians in total, so I think we are doing quite a bit.

Mr. Speaker: Order, please. I asked for short questions and must ask for short and relevant answers.

THREAT TO PENSIONERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is that which was asked of the Member for Beaches and myself yesterday in Sudbury. Does the Minister think it is fair that his Government should allow pensioners to go through the summer with the threat of deindexation of their pensions over their heads, or does he have to lose another nine points on the Gallup poll before he gets the message?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would not want to ask an embarrassing question of the Hon. Member. However, when the Hon. Member met with the senior citizens in Sudbury did he point out to them that in 1974 the previous Government of Canada—

An Hon. Member: Answer the question.

Mr. Wilson (Etobicoke Centre): —was spending $1 of every $9 on interest payments?

Mr. Rodriguez: You are supposed to answer the questions, not ask them.

Mr. Speaker: Order.

An Hon. Member: Where is the NDP in the polls?

Some Hon. Members: Order.

Mr. Speaker: Order! Now the Minister may like to continue his answer.

Mr. Rossi: Answer the question.

Mr. Wilson (Etobicoke Centre): Did the Hon. Member point out to the senior citizens in Sudbury that in 1974 we were spending $1 of every $9 on interest costs?

Mr. Rodriguez: Do I get a chance to answer?

Mr. Speaker: Order, please. Order, order! The Hon. Minister knows that I cannot simply allow him to go on asking questions of an opposition Member. The Hon. Member for Trinity.

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PENSIONS

INDEXATION—GOVERNMENT POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is also directed to the Minister of Finance. In a few days a sales tax will be imposed and senior citizens will have to pay more for many necessities. They also live with uncertainty about their future incomes. Since I am meeting with senior citizens groups this afternoon, will the Minister give me a firm answer which I can convey to them with regard to the indexation of their pensions?

Hon. Michael Wilson (Minister of Finance): I can give the Hon. Member a very firm answer. The reason we are handling this problem in the way that we are is because of the massive debt problem that we have. We are now spending $25 billion on interest costs alone, which is more than the Government is spending on medicare, the OAS, and the Guaranteed Income Supplement in total.

Ms. Copps: What about the oil companies?

Mr. Wilson (Etobicoke Centre): Please relax. Please relax. That problem has deteriorated so significantly over the last 10 years that we are forced to do some things that we are not

happy about doing. However, we must do this in order to avoid having to cut total programs in the 1990s.

REQUEST FOR EARLY CHANGE

Miss Aideen Nicholson (Trinity): Mr. Speaker, there are senior citizens in my riding who live in a rent controlled apartment building and are afraid to sign leases for next year because they do not know what faces them. We know that the Government is going to make some change in the program. Why does it not make that change now in order to reduce the uncertainty?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would encourage the Hon. Member to sit down with those senior citizens in her riding and go through with them the numbers which explain the effects of this. She will be able to satisfy them that they can go ahead and sign their leases.

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SCIENCE AND TECHNOLOGY

SIZE OF GOVERNMENT SUPPORT

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is directed to the Deputy Prime Minister. A recent Canadian Press report indicated that he said that government support for science and technology was too generous. This is not my interpretation of what the Deputy Prime Minister said in the House last week, but given the importance of this issue and the importance of science and technology to the economic growth of the country, is the Deputy Prime Minister prepared to clarify the position of the Government in support of research and development?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I saw that account. It displays the importance of accurate reporting. In response to the question I said that the program review has shown that "the Government support system has grown overly generous over the years". The word "system" was dropped from that account. It, of course, addresses itself to the very important objective of the program review to eliminate overlap, minimize duplication, and give some rational direction to all of the programs, which is the ultimate objective of the task force. Any wrong impression that was left was left as a result of inaccurate reporting.

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ATOMIC ENERGY CONTROL BOARD

APPOINTMENT INQUIRY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. On April 15 she wrote to Dr. Ursula Martins Franklin of Toronto, saying:

> I am delighted to confirm your appointment as a member of the Atomic Energy Control Board. Your appointment is effective immediately for a term of two years.

The Minister then went to China and her Cabinet colleagues appeared to withdraw the appointment. Has the appointment been withdrawn and, if it has, why?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure the Hon. Member that the appointment in fact was not made.

Some Hon. Members: Oh, oh!

Mr. Broadbent: What does your letter mean?

REQUEST FOR RECONSIDERATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I do not know what the Minister's letter meant. It says: "I am delighted to confirm your appointment as a member of the Atomic Energy Control Board". This is her letter and her handwriting.

On May 29 the Minister again wrote to Dr. Franklin—

Mr. Speaker: Order. This is becoming a preamble to a supplementary question. Is there a question, please?

Mr. Waddell: Given that Dr. Franklin is prepared to serve, has not refused the oath of secrecy, and is competent, will the Government reappoint her to this position, or will it continue this shameless way of dealing with a distingusihed Canadian scientist?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, when the Hon. Member rose to his feet I thought he was going to draw to the attention of the House the recent action of Alberta in lowering its royalties in the spirit of the Western Accord.

Some Hon. Members: Oh, oh!

Miss Carney: As the energy critic I thought he would be interested in that job-creating move. I can only say, Mr. Speaker—

Mr. Broadbent: You are sick.

Some Hon. Members: Oh, oh!

Mr. de Jong: This is becoming a farce.

Mr. Speaker: Order, please. Order! The Hon. Minister may continue her answer.

Ms. Copps: Lower the pensions so you can lower the royalties.

Mr. Speaker: Order, please. All that happens when the yelling occurs is that we get fewer questions and fewer answers.

Mr. Broadbent: We don't get any answers.

Miss Carney: Mr. Speaker, they do not seem to be interested in an answer. This matter was fully discussed when I was in China and I suggest that they look at the record.

* * *

● (1510)

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

CN-CP LONG DISTANCE TELEPHONE SERVICE APPLICATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of Communications. Rate rebalancing could mean very significant increases in local telephone rates. Since the CRTC will soon be conducting hearings to assess CN-CP's application to enter the long-distance market, what steps will be taken to protect the average Canadian against unfair rate increases for local telephones?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I have previously explained part of the Government's policy in this respect. It is true that the CRTC will be making a decision in the weeks to come with respect to CN-CP, and I have called a federal-provincial conference to examine our telecommunications policy here in Canada.

* * *

[*English*]

AIRPORTS

STATIONING OF RCMP OFFICERS AT AIRPORTS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is addressed to the Acting Prime Minister. Last week the President of Air Canada said in the standing committee that the screening at airports is of the best standards under the guidance and meeting the requirements of the Ministry of Transport, and upon the advice of the RCMP.

In view of the decision made by the Minister of Transport to lay off RCMP security officers in eight airports which handle international chartered flights, will he not now, in view of recent tragedies, reverse these lay-offs—not only reverse them but increase the number of RCMP security staff at these airports?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think I indicated earlier that the question of removing RCMP at Class 2 airports is a subject that is being deferred until the over-all evaluation of both our security system of airlines and airports is fully reviewed, consistent with the statement made by the Prime Minister yesterday.

Mr. Baker: I asked that they be cancelled, not reviewed.

* * *

IMMIGRATION

SCREENING OF POTENTIAL IMMIGRANTS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in view of another answer given by the Minister of Employment and Immigration to another question, I want to ask my supplementary question of the Minister responsible for immigration. Does she not agree that the Canadian public today are not only asking for a better screening of baggage that leaves this country but also a better screening of people who enter this country and bring their political arguments with them? Does she not agree with that, and what will she do about it?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, that particular position is being implemented. I would like to tell the Hon. Member that the standard policy of the Department of Immigration is to receive alerts from the RCMP about people who are considered to be terrorists or considered to be divisive. That is immediately taken into consideration by the Department of Immigration, and then airports and other entry ports across the country are alerted. That is what we have done until now and that is what we are doing on a continuing basis.

However, I think it is wrong for members of the Liberal Party to use this issue to try to move against certain groups from other countries. I would like to know who it is they would move against.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, June 21, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

COLUMBIA RIVER TREATY

TABLING OF ANNUAL REPORT OF PERMANENT ENGINEERING BOARD

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 46(2), I

would like to table in both official languages the annual report of the Columbia River Treaty Permanent Engineering Board to the Governments of the United States and Canada for the period October 1, 1983, to September 30, 1984.

* * *

REVENUE CANADA TAXATION

TABLING OF WOODS-GORDON REPORT

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, pursuant to Standing Order 46(2), I have the honour to lay upon the Table in both official languages copies of the summary report of the Woods-Gordon Review of Revenue Canada Taxation.

* * *

[*Translation*]

FINANCE

TABLING OF TECHNICAL SUPPLEMENT OF FINANCIAL INSTITUTIONS

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, on behalf of the Minister of Finance (Mr. Wilson) and pursuant to the provisions of Standing Order 42(2), I have the honour of tabling, in both official languages, the financial institutions technical supplement entitled: "The Regulation of Financial Institutions: Proposals for Discussion".

* * *

[*English*]

DISASTERS

AIR-INDIA CRASH

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I rise today to make this statement with great sadness. I am sure that all Members of the House—indeed all Canadians—share with me a sense of sympathy and sorrow at the tragic loss of life resulting from the Air-India disaster and the Tokyo Airport explosion. On behalf of my colleagues and, I am sure, the entire House I would like to extend our condolences to the families of all involved.

The Prime Minister (Mr. Mulroney), my colleague, the Secretary of State for External Affairs (Mr. Clark) and the Deputy Prime Minister (Mr. Nielsen) have previously enunciated the Government's sympathy and regret. However, I would like to repeat our expressions of sorrow and concern at this time.

The explosion at Tokyo's Narita Airport of a baggage cart containing luggage from CP Air, Flight 003 and the tragic crash of Air-India Flight 182 off the Irish coast are both tragic events of extreme concern to our civil aviation system, the Government as a whole and indeed the international aviation community.

Over the last 60 hours, since these tragedies occurred, the Government has moved quickly to ensure the security of Canadian air travellers, to reconstruct and investigate the events leading up to the incidents, and to respond in every way possible to the situation. I would like to take this opportunity to provide the House with as clear a picture as possible of some of the facts as we understand them at the present time and outline some of the actions that have been taken.

I will say that the Government has been co-operating with and has received complete co-operation from all other nations and international organizations involved. Within the Government of Canada, a number of Departments have been actively involved and have been proceeding in a co-operative and coordinated fashion.

I want to reiterate once again to the House, to Canadians and indeed to the international community that Canada maintains high standards of airport and flight security through laws requiring security action by carriers operating aircraft in Canada and through the resources of the federal Government. Under the provisions of the Foreign Aircraft Security Measures Regulations and pursuant to the Aeronautics Act, Air-India and all other carriers are required to develop, implement and table with the Minister of Transport a full security program for their flights. These measures must include the inspection of all hand carried luggage, the control of boarding passes, the establishment of sterile areas, and the maintenance of security on the aircraft. Transport Canada assist in meeting these standards through provision of proper security facilities and the training of security personnel. But ultimate responsibility for flight security rests with the carriers.

Within this context, Canada has performed admirably in the area of passenger air safety. That contention is borne out by the statements of many experts in the field.

I quote Mr. Rodney Wallace, Director of Security, International Air Transport Association. He said:

> Normally, standards in Canada are very high indeed and they're particularly high with regard to Air-India so this requires a very deep study indeed.

Another quote by Mr. Wallace is as follows:

> Canada has had high standards for a long period of time and of course there has been no real perceived threat against Canada and Canadian airlines or even airlines operating out of Canada. In the case of Air-India, they did increase their security a short while ago but that was because of the political situation within India.

The Director of Security for the United States Airline Pilots Association said yesterday:

> Canadian airport security is of the highest quality of any system.

I want to repeat that. He said:

> Canadian airport security is of the highest quality of any system. The new security measures which were implemented on Sunday are the correct response to the perceived threat but any system is vulnerable to terrorist attack, especially the sophisticated paramilitary groups of today.

Norman Foster, President of the Canadian Airline Pilots Association, said in a television interview that he feels Canadian security standards were of a very high order but that, in view of recent events, they should be reassessed. That is precisely what we are doing. I would like to outline also the

over-all international requirements governing the safety of air travellers. We are governed by international law, Annex 17 to the Convention of International Civil Aviation which requires that contracting states take the necessary measures to prevent weapons or any other dangerous devices, the carriage or bearing of which is not authorized, from being introduced by any means whatsoever on board an aircraft engaged in the carriage of passengers. The Annex further recommends that Contracting States establish the necessary procedures to prevent the unauthorized introduction of explosives or incendiary devices in baggage or cargo intended to be carried on board aircraft.

● (1520)

As a Contracting State, Canada is in full compliance with both the international standard and the recommended practice.

With respect to Canadian law, Mr. Speaker, the Foreign Aircraft Security Measures Regulations made pursuant to the Aeronautics Act require every owner or operator who lands foreign aircraft in Canada to establish, to maintain and to carry out security measures at aerodromes consisting of one, a system of surveillance of persons, personal belongings, baggage, goods and cargo; two, a system of searching persons and personal belongings, baggage, goods and cargo; three a system of identification that prevents baggage, goods and cargo from being placed on board the aircraft if it is not authorized to be placed on board by the owner or operator, and, fourth, a system of identification of surveillance and search personnel and the personnel of the owner or operator.

Foreign air carriers must provide a description of their security. With respect to Air-India security measures, Air-India has provided the Minister with a copy of the security program of Air-India Canadian region describing the security measures which Air-India has established and its maintenance and the carrying out of those security measures.

The Air-India station manager is directly responsible for the implementation of these security measures.

First, these measures relate to the establishment of sterile areas, the inspection of hand carried baggage, the controlling of boarding passes, the maintaining of security of aircraft, the ensuring of the security of baggage, and the ensuring of the security of cargo. The Air-India security program requires that all carry-on baggage to be checked physically by hand-held devices or by X-ray equipment, and baggage for those passengers who fail to board the flight, is to be off-loaded.

At Mirabel, Air-India's cargo is handled by Mega International in accordance with Air-India security instructions.

Just to outline briefly the sequence of events, Mr. Speaker, much of the information has been provided to Canadians by radio, television and the press, but I believe I should summarize the sequence of events as we know them. I must repeat that. I think that in the course of this exercise we always submit ourselves to some danger in trying to be as forthcoming as possible, but we find that, on re-assessment or re-examination of some of the facts presented to us, sometimes these change and vary from time to time. Nonetheless, fraught with that danger I think it is important for us to try to reconstruct the events as accurately as possible.

Air-India's Flight 182 planned departure from Pearson International Airport, was scheduled for 1845 hours, with a connecting flight from Vancouver to Toronto carrying an unknown number of passengers. The actual departure took place at 2015 Eastern Daylight Time, one hour and 30 minutes late. It arrived at Mirabel at 2100 hours. The flight planned departure at Mirabel was set for 2203 hours. The final departure was at 2218 hours, some 15 minutes late. It picked up 104 passengers at Mirabel. The passenger manifest showed 307 passengers, with 22 crew members. The crash time, as we have been informed, was 3.13 Eastern Daylight Time.

There has been some controversy regarding the events at Toronto and Mirabel. The events established that Canada provided to Air-India all the assistance it requested for its flights during this particular period.

There was extra assistance provided at Pearson International Airport by RCMP constables who were assigned to the ticket counter, the gate and the ramp. The normal pre-boarding passenger screening occurred at the screening point. There was also a secondary search of all carry-on bags and items conducted by Burns Security personnel as monitored by the RCMP.

In the baggage area, the X-ray machine worked for a period of time and then developed a malfunction. It is estimated that 75 per cent of the baggage was X-rayed and 25 per cent was subject to a mechanical explosive sniffer.

We are informed that no bags were opened and searched. The baggage transferred to Air-India from Vancouver arrived at Toronto on a domestic flight and was delivered to the international area. Once there, it went to the checked baggage area which was then screened by security.

Air Canada's security has confirmed that these procedures were followed for Flight 182.

With respect to Mirabel, RCMP officers are dedicated to Air-India flights. There is an officer in a patrol car, one officer at the ticket counter, one at the screening check-in point, one on the arrival/departure level, and one on the mezzanine level who also checks the roof of the terminal.

Normally there would be an RCMP dog master in the baggage area but this dog was away on a training course and a Quebec Provincial Police dog served as a replacement.

RCMP officers were on the ramp, at the ticket counter, at the screening check-in point, on the arrival/departure level and on the mezzanine level.

At Mirabel, all boarded baggage was subject to X-ray scrutiny. Three suspect bags were withheld. Air-India Flight 182 departed without this luggage. It was subsequently determined that no explosives or dangerous material was contained in those bags.

With respect to CP Air Flight 003, the departure from Vancouver International Aiport was 2037 hours Zulu. The

planned arrival at Narita, Japan, was 5.55 Zulu. The actual landing at Narita, Japan was 5.40 Zulu, 15 minutes early. The ramp time was 5.47 Zulu. The explosion at Narita, Japan occurred at approximately 6.20 hours Zulu, 45 minutes after landing.

The passenger manifest showed 370 passengers and a 16-member crew.

CP Flight 001 from Pearson International Airport to Vancouver landed at Narita International at approximately 700 hours Zulu.

Flight 003 originated in Vancouver. However, the aircraft had just returned from Narita International, Japan. The aircraft did a turnaround. Normal passenger screening was carried out. Luggage was not X-rayed or searched. This is normal and meets Transport Canada's civil aviation requirements where no threat to a specific flight has been signalled.

As announced on Sunday, Mr. Speaker, we took immediate action to increase security following these tragic events. Increased security measures have already been implemented on all international flights leaving Canada for Europe, Asia and Africa as a result of the Air-India and CP Air disasters.

International authorities have been asked by the Ministry of Transport to introduce similar measures for all flights bound for Canada. In an attempt to ensure that no similar mishaps take place, all baggage on international flights is being security inspected and all international cargo, with the exception of perishable goods from known producers, will be held for at least 24 hours. Twenty X-ray security systems and new explosive sniffers are being purchased for Canadian airports to assist with the new security standards. The first of the new X-ray machines will be operational by Thursday, June 27.

● (1530)

The Government has also moved quickly to ensure full international co-operation in investigations of the Air-India disaster as well as the explosion at Narita Airport.

Representatives of the Department of Transport have been dispatched to London to assist in the investigation of the Air-India crash, and a Transport Canada security officer has been sent to Tokyo to assist in that investigation. Transport Canada is also initiating a full investigation of the quality of airport security measures in place for both flights. Investigations into Flight 182 are ongoing and the Government is taking long and short-term measures to prevent any similar occurrences. The people of Canada will be kept informed of further findings and actions respecting this very important area of government concern.

Before concluding my remarks, I should like to say to all Hon. Members of the House that this is a very serious issue. I appreciate the tone with which Hon. Members across the way have approached it. I do not think this should be a partisan issue. It is an issue which is very grave and something which requires the good will and co-operation of all Hon. Members.

There is a rumour to the effect—and I am not sure whether it has been confirmed—that Air-India will be suspending service to Canada. I understand—and I am not sure whether it has been confirmed—it has been suggested that there will be a temporary suspension of service to Canada and other points because of the lack of equipment. However, I want to reiterate that, to the best of our knowledge, this is merely a temporary suspension and as soon as adequate equipment is made available, I believe the service will be restored.

I hope this will at least partially clarify some of the outstanding and important issues relating to this great tragedy. As I indicated, I will be keeping Hon. Members and the House informed of any further developments as they occur.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, first of all, on behalf of the Official Opposition, I wish to offer my sincere condolences to the families who were bereaved as a result of two tragic episodes involving, respectively, the Air Indian flight to London and the CP Air flight to Tokyo. I want to thank the Minister for the exhaustive statement he made in the House just now.

However, although this is a very serious matter in which political partisanship has no place whatsoever, the fact remains that the Canadian public must be reassured, and that consequently, we on this side of the House have a duty to ask a number of questions, not only concerning the events themselves but also about the procedures in various Canadian airports and the new methods announced by the Minister, in order to ensure that these measures will indeed be effective and provide maximum security for Canadian travellers.

The Minister stated that he had received the co-operation of the authorities of the countries concerned. I am very happy with this decision, but I wonder to what extent the Japanese authorities, especially, are allowing representatives of the Canadian Aviation Safety Board to take part in any inquiries or investigations being conducted at this time concerning the CP Air incident. I am told that representatives of the Canadian Aviation Safety Board have already arrived in Ireland. Are they going to be taking an active part in the investigation to be carried out by the Irish authorities, or will they only be called as witnesses in connection with the investigation? I believe it is essential, in order to safeguard Canadian interests, since so many Canadian families have been directly affected by this incident, that Canada's representatives take an active part in the investigation to be conducted in Ireland.

As for the investigation in Japan, I would like to have some more specific information from the Minister to find out whether or not Canadian Government representatives will be taking part in the investigation to be held in Tokyo.

The Minister referred to our high standards here in Canada. He referred to some very eloquent testimony to that effect by an authority in the aviation field. I agree that Canadian standards are very high. I recognize the Minister's good faith and I realize he is sincere in wanting to find the best way of

preventing a recurrence of such incidents. In fact, I would like to congratulate him on acting so quickly as soon as he was informed of these events.

However, Mr. Speaker, this is a very serious matter. It is far too serious for the Government to be on the defensive. From what the Minister said and from my reading of the sequence of events, it seemed to me that the Minister was inclined to defend existing procedures, Department of Transport employees, airline representatives and security officers. I think that is a big mistake, because it is clear there are contradictions.

[*English*]

To cite a few contradictions, I refer to articles which were published in the newspapers indicating where in fact contradictory statements were made by the Minister and by some of his officials about the two incidents involving the Air-India flight and the CP Air flight. On one hand, the Minister said that the baggage for both flights had been X-rayed. On the other hand, a Transport Canada spokesman said that only the Air-India baggage had been examined under X-ray. This is the first contradiction.

The second contradiction concerns the Minister who supposedly said that if Transport Canada had been informed that three suspicious bags were removed at Mirabel, the flight would have been held until all baggage had been searched. On the other hand, a Transport Canada spokesman said that bags had been removed from flights three or four times a month at Mirabel although planes may take off without further inspection. This statement by the Department of Transport official is frightening. In a sense, it deeply contradicts what the Minister told the press yesterday.

I do not want the Minister to look like a fool. I do not think he is a fool; I think he is a very serious, dedicated Minister. However, the contradiction between what he said and what has been said by his officials requires further independent investigation. I am afraid that if the investigation is exclusively an internal one by departmental officials, the Minister may not be apprised of what really took place.

● (1540)

There is another contradiction that needs to be looked at between the statement made by authorities on behalf of the Government of India and statements that have been repeated here today in the House that contradict what we have been told by officials of the Government of India. We have been told that, indeed, on several occasions prior to the incident, the Indian authorities have apprised our Government of fears, threats, and dangers and have sought the co-operation of the Canadian Government in order to protect Air-India flights and to protect Indian officials in Canada. The Minister today told us that Air-India Flight 182 was not on the alert system. Why was it not on the alert system after all those representations that had been made in recent weeks by the Indian authorities? Not only is it surprising that it was not on the alert system, but after it was brought to the attention of the Canadian authorities that three pieces of luggage were retained because they did not pass the appropriate tests, why was no action taken then in Mirabel to call back the flight or to make sure that before the flight left all the other luggage was properly inspected?

[*Translation*]

Mr. Speaker, I say that a complete and independent inquiry must be made, not so we can pin down the guilty person or persons but so that we can make a thorough review of security procedures being used, not just by Canadian authorities but also by the airlines whose aircraft land at Canadian airports. The point is not that individuals did or did not do a good job but that a security system or set of procedures did not work properly and should be reviewed.

The Minister must understand that it is entirely possible that luggage checked in at a small airport might be carried from one plane to another by airport employees, without going through security. For instance, a passenger leaving Windsor Airport could check in his luggage with a small airline which does not have the security procedures existing in large international air terminals. On leaving Windsor, the luggage could go to Toronto, be carried by a handler who does not know it may contain a bomb, be carried from a plane coming from Windsor, Ontario to a CP Air aircraft going from Toronto to Vancouver and ultimately to Tokyo.

There is a strong possibility that individuals who want to blow up a plane would use a small airport where security is not as great and check their luggage through to a final destination, thereby completely short-circuiting the security procedures that exist in the large air terminals. And it is possible that a person who checks in his luggage at Windsor would travel on the flight from Windsor to Toronto but not on the subsequent flight from Toronto to Vancouver and Tokyo, while the luggage containing an explosive device would remain on board the flight for which it was checked in, and so the whole security system has been completely short-circuited.

Mr. Speaker, I think it is important that the Minister review all these procedures in order to ensure that on all international flights, luggage checked for a specific flight can be matched with the passengers travelling on that flight, that security checks be made before an international flight leaves Canada, and that all baggage on board the aircraft can be identified as belonging to the passengers on that particular flight.

That is why I maintain that surveillance at small airports is just as important as at large airports. I agree with the Canadian Air Line Pilots' Association which is asking the Government to reconsider its decision to no longer ask the RCMP to provide for security at Canadian airports.

In reply to a question I asked previously, the Minister said that the decision had been made by the previous Government. In fact, a number of Department of Transport officials had suggested doing this to save money, but I may remind the Minister that the previous administration never accepted this recommendation by Department of Transport officials, and that in fact, the previous Government had been anxious to

keep RCMP officers on duty at Canadian airports in order to provide the best possible security.

Mr. Speaker, I would therefore ask the Minister to drop this plan and to keep the RCMP at all Canadian airports for the purpose of providing security, not only at our international airports but also at our smaller airports, because, as I explained earlier, trouble may originate from a small airport and not be identified in time.

Finally, I would like to say that the statements made by the Minister will certainly help reassure the public. I hope that the 20 new pieces of equipment that have been purchased will be in place as soon as possible. The Minister informed the House that only one piece of equipment would be a available by next Thursday, but I suppose we can expect the 19 others to be in service very shortly. In any case, until this equipment is in use, I think we will have to be very careful and provide for both visual and physical checks so that passengers on Canadian aircraft will have the assurance that every precaution has been taken to provide maximum protection.

Finally, Mr. Speaker, I would like to make four recommendations.

First, I would recommend that, quite apart from the investigation made by the Royal Canadian Mounted Police and others conducted by Canadian authorities on security information, there is still a whole series of measures and security procedures which ought to be implemented in Canadian airports and I think that the Canadian Aviation Safety Board should be asked to investigate security procedures in our airports as soon as possible.

Second, I would want the Minister to do more than check into this and to confirm that henceforth the RCMP will be used at all Canadian airports.

Third, I would want mandatory security measures imposed by the Department of Transport to all airline companies.

And finally, fourth, I would want the Government to act as humanely and as quickly as possible to help striken families, particularly those unsure whether the bodies recovered from the see off the coast of Ireland are indeed those of their own relatives. We have learned that it is difficult to travel to Ireland to make such identifications. In my judgment, the Canadian Government musts do everything in its power to help those families, especially those that are anxious to go to Ireland to identify the victims of this terrible tragedy.

● (1550)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to add my sincere feelings to those expressed by my colleague, the Minister of Transport (Mr. Mazankowski), and the spokesman for the Official Opposition, as well as expressions of our sympathy and sincere condolences to the families, relatives and friends of those who were lost in the tragedy which occurred last Sunday, as well as to the families and friends, although smaller in number, of those lost, in the tragedy at the Tokyo airport. As well—and I hope members of the Press Gallery are listening—I would like to commend my colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell), for his statement about the very unfair assumptions and crass speculations made by some, including members of the media, about the possible involvement of one or more members of East Indian or other communities. That, I suggest, is reprehensible. For the sake of sensationalism, headlines, news and 30-second spots on television, those kinds of assumptions and speculations have been overdone, to put it mildly, over the last 50 or 60 hours.

Neither I nor anyone else in the house relishes having to rise to respond to an occasion such as this. However, I would like to point out that when I and other Members of the House raised issues concerning transportation safety and security under the previous administration and the current one, no sensational events were occurring and it was difficult to get the attention of members of the previous Government as well as of this one. It was difficult to get the attention of the media. Canada can no longer-if it ever could before—think that it can stand alone from and unaffected by the rest of the world and the effects of international terrorism. Regardless of the findings of the investigation of the Air-India flight and the CP Air flight, this occasion presents us with another opportunity to examine safety and security arrangements at Canadian airports.

As I said earlier today, I commend the Minister for the fast action he took to put in place substantially greater security and safety measures since last Sunday. I know that he has spent long hours working all weekend. However, and I say this without malice because it is not peculiar to this administration, we must realize that this is another instance of the barn door syndrome. Policy decisions are made and put in place, but complacency will return a few weeks from now. There will cease to be an interest in drawing the line between where saving dollars ends and appropriate measures, no matter what the cost, begin and stay in place regarding matters of safety and security.

I would remind the House that when we debated in the House, in the standing committee and before the Canadian Transport Commission the issue of deregulation, all sides agreed that there can be no compromise on safety at our airports in Canada, and by extension, safety also means security. That was agreed to unanimously even though the previous Government and the present one insisted on proceeding with the deregulation of fares, exit and entry into routes and city pairs. Even though there was unanimous agreement not to compromise on safety in the past four years there has been a move afoot to reduce the number of RCMP officers on duty at Canadian airports and to reduce their presence, both visible and invisible. I was appalled at the unmitigated gall of a member of the Official Opposition, the transportation critic, who asked about the removal of RCMP officers from airports in Canada. I would suggest that the transportation critic of the

Liberal Party talk to his seatmate, because he removed RCMP officers from 12 airports in this country—

Mr. Ouellet: That's not true.

Mr. Axworthy: You should check your facts.

Mr. Benjamin: It is true, and there will be eight more from which RCMP officers will be removed this summer.

Mr. Ouellet: This summer, that's true.

Mr. Benjamin: And those eight more airports include Ottawa and Victoria, an international airport. In fact, international charter flights are leaving from the so-called domestic airports on an almost weekly basis during the high tourist season.

There would have been a reliance on private security agents within a few months if it were not for the Minister's announcement today that that move will be put on hold. I suppose it will be put on hold until all this dies down and there are no more crashes or tragedies of this nature. Then the Government will proceed as usual on the grounds that it will save a few dollars.

The point is that the RCMP as well as the trained personnel of the Ministry of Transport must be in place at all times at all airports owned and operated by the Ministry of Transport. There should be no damned question about that.

Without questioning their good will, I have grave doubts about private security agents that are in place who play the only on-site role in security at our airports. They have neither the training nor the authority to deal with serious problems that may arise, whether they be problems with passengers, alerts, anonymous phone calls, hoaxes or threats. They do not have the capacity and the training to deal with a problem, even if it is only a drunken passenger who threatens physical violence. A private security agent who has no training, whether male or female, young or old, will not be able to handle that. The response time of the RCMP and the police in my city and others is 10, 15, 20 or even 30 minutes. That is not good enough. There must be on site at all times properly trained, equipped and authorized people to deal with situations when and if they arise, even though they may go for months without anything arising and it may appear to be a waste of money.

If we are going to get rid of the barn door syndrome, then that kind of an expenditure of money at the cost of taxpayers, airlines and the travelling public will have to be put in place, and I am convinced that the public will accept that and will not agree that it is an area on which the Government can cut back. As the Minister well knows, I have raised this issue on a number of occasions. I am glad to hear that he has put on hold the removal of RCMP officers.

The main problem with airport security and safety and with other issues such as the transportation of dangerous goods is that action occurs after the tragedy has occurred. Then there is a wild scramble to cover backsides, keep skirts clear and put in place all of the things that should have been in place before. There is nothing new about that. I do not condemn this Government only. It has occurred time and time again over the last number of years. Every time there has been a tragedy, this House and various authorities get together to try to do something about it, but within a matter of weeks or months we are back into the same rut.

• (1600)

There is going to be a review of procedures in handling baggage and other airline cargo. We know that in the past there has been little or no security checks on baggage which goes into the hold, in spite of some self-serving statements by some. This has been left entirely to the discretion of airlines. And it has been the case not only under this administration but also under previous Ministers of Transport. How many dozen airlines operate in and out of Canada? They all have different policies and take security measures if and when it suits them. If they receive a threat, they will notify the Ministry of Transport and, Mr. Speaker, there can be no question but that the Ministry of Transport is responsible. It has to be in charge. There can be no other way of operating. I am not suggesting, Sir, that it can be 100 per cent sure. If someone wants to beat the system badly enough, he or she will sooner or later figure out a way. But with the maximum of equipment and qualified personnel in place, it is a lot harder for them to do it. Comparisons are odious, but I do not believe that the system we have in place is any better than others in the world. There are others which do a better job and there are others which do a worse one. But any kind of complacency is out of place at this point in time.

Members of the Committee on Transport met this morning. We discussed the statement made yesterday by the Prime Minister (Mr. Mulroney) with respect to a special investigation. A special investigation with respect to these incidents is fine and must take place—

Mr. Mazankowski: It's broader than that.

Mr. Benjamin: —by the RCMP and the Ministry of Transport. But I think that an investigation into present and future arrangements and regulations on safety and security has to be provided by some kind of an independent body. I am not suggesting a two-year or three-year Dubin type of inquiry. We do not have that much time. I would like to suggest to the Minister of Transport that he consider providing an order of reference by this Friday to the Standing Committee on Transport and give it *carte blanche* in terms of staff, holding hearings, travel and reporting back with its recommendations. If there is any time at which we could support the Special Committee on Reform of the House of Commons, this is one instance. Failing that, however, there should be an independent inquiry with the broadest terms of reference which would make interim reports as well as a final one. And it does not have to take two or three years.

There is the whole matter of the quality, qualifications and numbers of the personnel of the Ministry of Transport and private security firms at our airports. There is the question of the sophistication, quality and numbers of the equipment.

There needs to be in place a standard for the checking, not only of checked in luggage, parcels, air cargo and air express packages, but of everything and anything that is placed on board an aircraft. I will not go into that issue any further, Mr. Speaker, so as to avoid creating more worry and fear in the minds of the public, but the Minister of Transport knows the areas about which I am referring.

The whole matter of inter-line baggage must be looked into. There is nothing to prevent some nut from checking something in at a domestic airport anywhere in Canada through to a destination in Europe, Africa or Asia, which would get transferred from one connecting flight to another on the same airline, or from one airline to another airline, and still not be inspected. A bomb can originate in Vegreville on a little private charter plane flying to Regina, then be put on a domestic flight to Toronto, to end up on an international flight going somewhere else.

I would like to suggest to the Minister that it is not enough to act just on alerts. I suspect that the alert regarding Air-India had more to do with the imminent arrival within two or three weeks of the President of India to the United States. I hope that was not the only reason for the Air-India alert but I suspect it was a good one. I do not blame the head of state of any country for doing so.

Finally, Mr. Speaker, I hope the House and the Government will now seize the opportunity to keep in place, enlarge and replace everything with respect to cut-backs under the previous and the present administrations. They should be put back in place. I believe what the Minister has had to do over this past few days is going to require Supplementary Estimates because he just lost about $300 million out of his Department. But you do not place safety and security in jeopardy because of money. There cannot be any question about that. I hope I will never have to hear again, as long as I am in this House, that in the interests of saving a few dollars we should put into the slightest question the safety and security of our airlines and our travelling public.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I will try to restore us back to the standards established by the Minister. I will not be partisan about his remarks and point fingers and lay blame such as, I am afraid, the last speaker attempted to do, which I believe is not called for in the circumstances. I will try to come to the way in which the Government is handling the matter.

As you know, Mr. Speaker, during the course of Question Period I posed a question to the Minister as to why, in establishing the investigation, inquiry and evaluation of our security measures, the Canadian Aviation Sefety Board was not brought in as the primary agency. I simply want to refer the Minister to the findings of the Dubin Commission in 1981. The Minister at that time was very active in this House in supporting those recommendations. The report suggested that the Bill which was introduced create a board separate from Transport Canada so that the regulatory investigative functions may be seen to operate at arm's length. It stated that removal of this potential conflict of interest should improve the effectiveness of both the regulation and the accident investigation.

• (1610)

I know that things were hectic, harrowing and difficult, but we have established a major improvement in this country's safety record with the safety board. It is a quasi-judicial body, independent, with the power to call witnesses and restore confidence that any finding or judgment would not be subject to conflict of interest. I am not calling into question the integrity of officials, but I am saying that the officials responsible for managing this system should not be responsible for evaluating the effectiveness of that management. I do not think anyone in the auditing business or anywhere else would suggest that one should audit one's own performance. We are all subject to some form of critique that is more independent than that.

I know the Minister is still involved in making decisions, and I think it is wrong to dwell on history, but terrorism is becoming widespread. Therefore, would it not be more appropriate to ensure confidence in the evaluation by charging an independent body with the responsibility of making judgments and assessments of the situation? Again, I make no prior judgment, but I think there is a question of confidence over whether, both internationally and domestically, any new measures would be in full accordance with the requirement of safety and security. Therefore, I ask the Minister, would it not be more appropriate for the safety board to be given that responsibility?

Mr. Mazankowski: Mr. Speaker, I appreciate the Hon. Member's comments. I thought that my answer to the Hon. Member's question during Question Period left the impression, which I tried to give, that he had a very valid suggestion to make. To the extent that we can use the Canadian Aviation Safety Board in this process, it makes eminent good sense. As was alluded to, we are dealing with world-wide terrorism and I think it would be important to engage the most senior security and intelligence resources we have at our disposal, here and around the world, to evaluate and to ensure that any improvements in airport and airline security will take into consideration any information which can be garnered from a security and intelligence standpoint.

I will certainly take the Hon. Member's suggestion seriously—I have and I will—and to the extent we can integrate the work of the Canadian Aviation Safety Board, which I agree is an independent arm, I think it would make eminent good sense and I thank him for his suggestion.

Mr. Axworthy: Mr. Speaker, I leave the matter in the capable hands of the Hon. Minister and we will see what arises.

The Minister indicated during Question Period that he intends to be in attendance at the International Civil Aviation Organization meetings on Thursday. IATA is also having meetings on Friday and we will have delegates there. Can he indicate whether Canada intends to put any proposals in front

of those bodies concerning the way in which various members of the international aviation community can co-ordinate their efforts? I know there have been a number of discussions in the past. I was party to some of them in my previous incarnation. But we all recognize that security has to be upgraded and improved. Time is short, but I think sufficient work has been done in the past, both in External Affairs and in Transport, concerning amendments to the international aviation code regarding registration, licencing and other procedures. Can the Minister indicate whether we will be making specific proposals? The reason I ask, and I do so out of some concern, is that we all know our country has had an extraordinarily high reputation in this area. It now may be called into question, and I think there have been a lot of comments, and I believe we should take some leadership to show that our system is open and we welcome the involvement of ICAO and IATA in helping us determine improvements in our own procedures. It also should be co-ordinated with other countries. Would the Minister care to respond to that?

Mr. Mazankowski: Mr. Speaker, that would certainly be my intention. I think the initiatives we have taken are fairly well advanced. I know that in discussions with American authorities, we have come to the conclusion that the detection devices which have been developed are really not as adequate and proficient as they could be. I think there is a real challenge in trying to accelerate the technology required if it should be necessary to inspect all luggage carried on board an aircraft. I think we all recognize that by the actions we are now taking we are creating long line-ups and delays and perhaps some frustration. While we are bringing on equipment which will facilitate and speed up the process, we have quite a distance to go in developing the technology to put in place that kind of screening device on a massive basis. That will clearly be an issue which will have to be dealt with at the international level. However, yes, I will be making some recommendations which we believe are necessary.

I think all Hon. Members would agree that we are probably entering a new era of reality. Canadians once thought we were immune to the horrors of terrorism and sabotage, but now that it appears to have struck very close to home, it is a rude awakening for us all and we are trying to address the reality of the situation. We will do it in as positive and as straightforward a manner as we possibly can.

Mr. Deans: Mr. Speaker, I really have only one question and it flows from the statements made in the press regarding the methods currently used to check luggage and the fact that it appears as if it has been very much up to individual airlines to determine the appropriateness of the measures they themselves put in place, and the obvious effect of that kind of policy. The safety of all passengers, employees, indeed all persons in the facilities or in the vicinity of Canadian airports surely must be our primary concern. I was going to ask the Minister two things, bearing that in mind.

Quite clearly, under the present system one airline could choose to have adequate review and check-up procedures, while the airline immediately next to it might not. However, all of the baggage is handled in one general facility and it all goes through one main terminal. Aircraft are parked one beside the other. Notwithstanding what is accepted internationally at the moment, could we in Canada not lead the way and say that every single piece of baggage transported by aircraft must receive a proper check not only through X-ray procedures but also from the point of view of determining whether or not there may be explosives on board a plane.

Let me just preface my second question with a concern. The more things you think up, the more you alert people to a potential, and that worries me. For the first time in my life I can appreciate that it may be necessary to conduct an inquiry of this type in private; that it cannot be handled openly for fear that by the very nature of the questions you raise, new ways of creating an entrée to the system are exposed for those who would act as terrorists. But it is clear that I, for example, could get on a flight in Hamilton with checked baggage and have it directed through a variety of different ways all the way to any place in the world. If it was not properly checked at the first place, chances are it would not be checked at any of the subsequent places either. Therefore, it becomes apparent to me, as a layman, that if protective measures are going to be put in place they will have to be put in every airport. There is no such thing as designated airports. They will have to be everywhere in order to provide the required protection.

• (1620)

I would like to suggest with some degree of trepidation that although airports are the primary targets of terrorists using transportation for their terror, they are not the only places we should be looking. There is quite clearly the option of making threats on and creating terror through any method of transportation. It might be useful, therefore, if the Minister would consider my colleague's good suggestion of some kind of parliamentary review. Perhaps we could discuss what would be an appropriate forum for this. However, there should be some parliamentary review of how transportation is conducted from the safety standpoint and how we in Canada can take whatever steps we can. I recognize that no matter what we do it will not be likely to work anyway, but we can try to provide the safest possible means for as many people as we can subject to the fertile imaginations of the terrorists of the world who always seem to be one step ahead of us.

Mr. Mazankowski: Mr. Speaker, I will try to respond to the three questions which the Hon. Member has raised. I think it is fairly common knowledge that it is not customary for checked baggage on domestic and transborder flights to be screened through an X-ray or physically checked. Those are the established international standards.

Mr. Deans: It may not be enough.

Mr. Mazankowski: That is a matter that we will have to consider.

With regard to the broader question of the adequacy of the standards, there are minimum standards established by inter-

national convention. The level of security of each individual airline is based upon its assessed level of threat. Because of the political developments in India it was determined by Air-India that there was an extraordinary level of threat. As a result, they have been in a high state of alert, which means that their standards are considerably higher than those required. It is based upon their assessed level of threat. For example, their security manual requires searches of baggage by X-ray, hand search, or hand-held sniffers. Air-India was following these procedures at both Pearson International and Mirabel.

When the airline determines that there is a specific threat against any given flight, which I reiterate was not the case with regard to Flight 182, there are Transport Canada procedures which call for full hand baggage inspections. That triggers a completely new process. Again, the information that I have, which has been confirmed by the RCMP, is that there was no request received for special security because of the specific threat to Flight 182. There was a request for additional RCMP personnel, but this flight was not designated as a special security threat. As a result, the extraordinary procedures, which would have been triggered had that determination been made, were not implemented at that time. I believe that probably answers most of the questions that were raised.

Mr. Deputy Speaker: May I take this opportunity to remind Members that the period allotted at this time is strictly for questions rather than for comments. The Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, I have a few questions for the minister. I would like to congratulate him on the clarity of the responses we are receiving to our questions and on the quick manner in which he has acted on behalf of the Government and of the people of Canada. However, there are still a number of questions I would like to raise. The Minister has pointed out again that there was nothing to indicate to the RCMP, Transport Canada, or the Government of Canada that this particular flight required any extraordinary security measures. Are we to assume from that that the only reason a number of pieces of luggage were removed from the flight at Mirabel is that they happened to trip an electronic sensor which indicated that there were metal objects in the suitcases? I will ask the Minister to respond to that and then I would like to continue with another question or two.

Mr. Mazankowski: Mr. Speaker, Air-India had been in an abnormal state of alert for some time when all checked-in luggage was examined by X-ray or hand sniffer. It was in the process of that examination that the three bags were detected.

Mr. Tobin: Mr. Speaker, with reference to this situation, the superintendent of airport security at Mirabel Airport said that, in his judgment, Air-India had broken a basic rule. That basic rule is that when it becomes necessary, because of electronic sensoring devices, to pull some luggage off an aircraft, Transport Canada is informed and the entire aircraft is checked by lining up baggage and people and finding out whether all the baggage on board matches people on the aircraft. I am still a little confused.

I want to ask the Minister about the process. The Minister was quoted in the Ottawa *Citizen* of yesterday as saying that if Transport Canada had been informed about suspicious baggage on a flight, the flight would have been held until all the baggage had been searched. The same article in yesterday's Ottawa *Citizen* quotes a Transport Canada spokesman as saying that bags are removed from flights three or four times a month at Mirabel although planes may take off and continue flights without further inspection. I am sure that the Minister will appreciate that there is somewhat of a contradiction there.

I ask whether there was any recognition of any problem on the flight yesterday because Transport Canada, the RCMP, and the airline itself all had the authority to have that plane fully searched. If at any point, even after the plane had left the runway in Montreal, there was any reason to believe that there was anything amiss on that flight, there was nothing to prevent anybody from contacting that airplane and asking the pilot to return. This would have enabled a thorough investigation to be carried out which the Minister suggests would be done when Transport Canada is tipped off that there may be a problem. Can the Minister explain the contradiction between his comment and those of his officials? What is the procedure that is to be used? Why was that procedure not considered in the case of this flight, even in retrospect?

• (1630)

Mr. Mazankowski: Mr. Speaker, I appreciate the Hon. Member raising that matter because I can also understand the interpretation of a contradiction. I suppose that I am partially responsible for that in that my statement was made in the context of there being a specific threat against Flight 182. If that had occurred, then the extraordinary Transport Canada procedures would have been triggered. I regret that I may have not made myself abundantly clear on that particular point. My comments were made within that context.

What is the second part of the Hon. Member's question?

Mr. Tobin: Mr. Speaker, I just wanted to be absolutely clear because the RCMP were called in to investigate the luggage on this aircraft and in fact I am told that they arrived minutes after the plane took off. They checked three bags in question, had a negative reaction from their sniff dogs and the aircraft continued on its way.

I just want to be clear that what the Minister is now telling us is that until that aircraft disappeared from the radar screen there was never any indication or warning whatsoever that anything may have been amiss on that airplane. I am saying that if a plane takes off and authorities in Canada, be it the RCMP or Transport Canada, discover there may be a problem, surely there is nothing stopping us from contacting the pilot as long as he is in Canadian air space and asking him to return to the airport in order to conduct the kind of thorough investigation that the Minister said would be conducted when a warning had been evident. Am I correct?

Mr. Mazankowski: As I indicated earlier, this particular flight was not designated as a flight with a specific threat. Therefore, that procedure was not triggered.

With respect to the larger part of the question, I hope the Hon. Member and others will understand that when we get into that kind of discussion and debate we are engaged in an investigation on the floor of the House of Commons. As I said in my comments earlier, I want to be as forthcoming as I possibly can, but I believe the Hon. Member will appreciate that in our desire to be as forthcoming as possible there are facts that are updated. Sometimes there are contradictions. The Member for Papineau (Mr. Ouellet) alluded to that earlier in his remarks when he indicated that I had been quoted as saying that the baggage for both flights had been X-rayed. That is a misquote, absolutely. It may have been misinterpreted.

The story was written by Richard Cleroux who is a very distinguished reporter. However, I can say here and now that if that impression was left, it was wrong. From the beginning I took the position, and expressed the point of view on many occasions, that the baggage with respect to Air-India was inspected either by X-ray or by a hand-held sniffing device.

With respect to the baggage on CP, it was not customary for that luggage to be examined.

The other misinformation in that same article is the fact that I am quoted as saying:

> Mr. Mazankowski said that he believes dogs were also used at Toronto's Pearson International Airport on the Air-India baggage.

That is wrong. I never did say that. I did say that there were dogs available at Mirabel. I wanted the opportunity to clarify that because in this particular kind of atmosphere these kinds of contradictions should be cleared up as soon as possible.

Mr. Rodriguez: Mr. Speaker, we seem to be making assumptions that whatever device was smuggled on to the plane got on through the baggage. However, many Members are often in airports, and I often wonder what security measures exist for access to the aircraft.

When the Minister's investigation takes place, would he investigate the whole question of the security of the plane while it is waiting to receive both baggage and passengers? This includes the food and mail being loaded on to the plane.

We have assumed that only airline personnel have access to the plane. It seems to me that it would be the responsibility of Transport Canada to look at the procedures that airlines have in place for personnel security.

Mr. Mazankowski: Mr. Speaker, I genuinely appreciate the Hon. Member's comment and regret that in the course of this dialogue we sometimes draw conclusions. I regret that the assumption has been made, first, that it was a bomb or an explosive device that caused the demise of Flight 182. That has not been officially confirmed.

Second, it has not been officially confirmed that if it was a bomb, it was in a piece of luggage. I appreciate the fact that the Hon. Member has brought us back to a state of some objectivity. That is the problem when we become involved in this sort of discussion. In our attempt to be as forthcoming as possible, we sometimes draw conclusions.

Naturally, I think the terms of reference that were outlined by the Prime Minister clearly give us the parameters to examine airport security as well as security of the airlines, which means the airplane as well.

Mr. Ouellet: Mr. Speaker, earlier this afternoon I alluded to measures that could be taken by the Government to help the families who have been so badly hurt in this incident. There are a number of relatives who are anxiously waiting for news, some of whom are interested in going to Ireland to see for themselves what happened and to take whatever steps they want in order to identify the bodies or dispose of them according to their religious beliefs.

What assistance has the Minister offered to these families, and when can they expect to be accepted in Ireland? I understand that at the present time the authorities have not only not welcomed them, they have imposed what may be called an embargo for some time. Therefore, the relatives must stay home.

Will the Minister also answer a question concerning an incident that is reported in *The Toronto Star*? Vern Thampi, husband of Metro's Vijaya Thampi, a *Toronto Star* employee who was among the dead, said that he has been getting the runaround from Air-India. He told the *Star*, "I have phoned every half hour but I cannot get through". He told the *Star*, "My grief is beginning to turn into anger".

Indeed, this is something that is understandable and we should sympathize with these people who are unable to get appropriate information from Air-India, particularly if the company has decided to suspend temporarily some of its activities.

• (1640)

Could officials from the Department of Transport act on behalf of the airlines or assist the people who are seeking information about their relatives?

Mr. Mazankowski: Mr. Speaker, the Secretary of Sate for External Affairs (Mr. Clark) has been involved in the kind of discussions to which the Hon. Member refers. I know he met with the Indian High Commissioner this morning. I am sure some of these things were discussed. I think, as was indicated by the Prime Minister (Mr. Mulroney) yesterday, the Government is willing and prepared to assist in every way possible and is offering support in a general way and is assisting the bereaved families to travel.

With respect to the specific point made in the quotation from *The Toronto Star* as well as the general broad issue which the Hon. Member has raised, I will undertake to draw it to the attention of the Secretary of State for External Affairs. There is a co-ordinating group working between my Department, the Department of External Affairs and the Department of the Solicitor General. Indeed the Prime Minister has taken

a personal interest in this. I will certainly draw his concerns to their attention.

Mr. Benjamin: Mr. Speaker, I thank you for your indulgence in such a serious matter. I appreciate our being able to get into this matter in some detail with the Minister. I will try to put about three questions to the Minister in one and he can make note of them.

I believe the Minister mentioned the number of additional scanners that have been ordered. I did not catch the number. That is a good move. Whatever additional ones are needed, I say get them, and with the latest technology. I invite the Minister to check out what is being done at the airport in San Francisco, which is supposed to have one of the best safety and security arrangements of any in the world. The San Francisco Airport has mobile X-ray scanners. Before a plane takes off or up until its point of no return, it can return and mobile scanners move into action. I want to know whether any of those scanners were ordered.

Second, the Ministry of Transport some time ago was not satisfied with the electronic and/or chemical sniffers developed in England and in other parts of Europe. They did not meet what the Ministry thought our standards should be. The Ministry of Transport commissioned the National Research Council to develop better sniffers which it has done and has licensed a Toronto firm to produce them. I understand they will not be available until this fall. Can the Minister tell us when they will be available? Has he ordered any of those? Will there be any additional dogs trained and available, more than the present four?

I am sure the Minister and all other Members know that one can go through as a passenger with his hand luggage through three scanners in one day. The first one or two let you through and on the third one, even though you have the same amount of keys and coins in your pockets, the bells ring and the lights go on.

When will we get a standard minimum application of these machines so that if I go through a scanner in Regina, one in Winnipeg and then the one in Toronto beeps yet I have the same things in my pockets, obviously there is no uniform standard.

Does the Department have a minimum level at which the scanners must be set, or do airports with a higher risk have a tougher level than those with a lower risk? I would like to know what the score is on that.

Mr. Mazankowski: Mr. Speaker, I am not sure that I can answer with precision all the questions which the Hon. Member has advanced. I can assure him that I will get him the answers and perhaps communicate with him either directly or by letter.

With respect to the X-ray equipment, and this again demonstrates the difficulty of being accurate on a day-to-day basis, I think I used the figure of $1.5 million yesterday, but the briefing notes I have today indicate that some $3.75 million is going to be spent on X-ray equipment. System Two will be available within two weeks in some airports, an available System Three by Friday, three certainly, one at each of the following sites: Toronto, Vancouver and Mirabel. There will be five System One units. Smaller carry-on baggage units have been borrowed from manufacturers and will be flown to Pearson International Airport. The estimated cost is some $3.375 million for the time being.

As for the NRC issue, I will certainly get back to the Member with respect to the standard minimum application. I know there is an adjusting device. I am not mechanically proficient enough to respond, as I said, with a degree of accuracy, but I will try to get that information to the Member as soon as I possibly can.

Mr. Benjamin: What about the dogs?

Mr. Mazankowski: With respect to that—

Mr. Speaker: Hon. Members seeking to ask questions at this point are: The Hon. Member for Gander-Twillingate (Mr. Baker), the Hon. Member for Comox-Powell River (Mr. Skelly), and the Hon. Member for Trinity (Miss Nicholson). Assuming that ends it, then I will end at that point.

Mr. Baker: I will be very brief, Mr. Speaker. I want to point out to the Minister the proposal to cut at the eight airports RCMP security force. During Question Period, I asked the Minister if he would cancel that decision, not review it and not put it on hold. I asked him if he would cancel the decision. I am surprised that some Members really did not listen. I suppose that is a problem, Mr. Speaker, of Members listening to the answers and the questions that are given during Question Period.

Mr. Speaker: No comment.

Mr. Baker: No comment from the Speaker. An airport can be classified domestic military, internatinal general aviation or international charter or it can be an international airpot. The point is that most of those eight airports I know of have licences for international charters, international general aviation purposes. That is why the question has been asked over and over again. Why not cancel that particular decision because then the back up security will go to the lowest bidder?

There is not much wrong with that if the low bidder is high enough to be equal to the rest of society, but for the first time in Canadian history we have the federal minimum wage at airports lower than the minimum wage in every province in Canada. A fellow can go to work one week say at the international airport in Toronto for $3.50 an hour and then go to an office building the next week in Toronto and get paid $4 an hour in Ontario, $4.58 in Quebec or $4.30 an hour in Manitoba.

Mr. Benjamin: And sometimes a 12 hour shift.

Mr. Baker: The Minister should tell us whether or not he is aware of this. If he is aware, then he should speak to the Minister of Labour (Mr. McKnight) to get that provision

changed quickly because provincial minimum wages have gone up drastically since January in at least five or six provinces. The main question is that the provision of the equipment in the airport is the responsibility of the Minister's Department. The Minister's Department also pays the salaries of the RCMP officers quarterly to the Department of the Solicitor General. When an airport manager has to make a decision on a cut-back of his local budget, he should not have to make a decision on the cutting back of extra equipment or whether or not who he is going to get to repair it.

Second, the airport security staff at these eight airports should be kept on. There should be no review. There should be a greater presence of RCMP officers than less of a presence.

Mr. Mazankowski: Mr. Speaker, I repeat again that the decision has been made to defer the withdrawal of RCMP officers from the eight airports in question.

I want to point out once more that there were RCMP personnel removed from 12 airports earlier by the previous administration as a result of the re-evaluation in 1975-76 which was conducted by a joint review committee on Transport Canada, the RCMP and ATAC. The Hon. Member did not get up, holler and scream when the RCMP were being removed from those 12 airports.

Mr. Benjamin: I did.

• (1650)

Mr. Mazankowski: We have stated—and I made it very clear in the House today—that that decision was deferred. We are going through a complete review and re-evaluation of our total airport and airline security system. I think it would be premature for me to make a definitive decision at this particular time, but I can assure the Hon. Member that in light of the new circumstances and the experiences over last weekend, he need not worry.

Mr. Skelly: Mr. Speaker, I spoke privately with the Minister this morning about an issue which concerns me, and I would like to raise it publicly at this point. In the area which I represent and in areas surrounding it, there are at least 10 small airports from which passengers and baggage are ferried into the main terminal airport without going through the security system. One example of that would be the dirt strip in Bella Bella. People picked up on Air B.C. are ferried into the main terminal beyond the security area, providing an opportunity for them and their baggage to be moved directly into any aircraft. Will the Minister's evaluation of airport security include every point of access to main terminals or main airlines.

The people involved in the security which exists—and it is extremely minimal—are generally airline employees who have no training and very little in the way of security facilities. In the summertime, at this point in time, ticket clerks are security agents, baggage handlers and various other things. They are throwing baggage on the aircraft without ever looking at it. They are not able to frisk individuals. When there are late passengers and standby people waiting to board, and the propellers on the place are turning, there is no security. Would the Minister indicate whether they will look into revamping that situation?

In some areas there are security individuals. For example, TWA is one airline which contracted security from people who were former police officers or military personnel familiar with the procedures. Those people have been laid off from many terminals and apparently airline employees have been given temporary authority to do it. Given the fact that deregulation moves will result in more and more small carriers from small airports feeding the mainline and having access to those terminals, will the Minister be looking beyond major terminals and into smaller ones to ensure the presence of trained personnel to do an adequate job with security?

Mr. Mazankowski: Mr. Speaker, let me say first of all how much I appreciate this kind of constructive contribution to the debate. The Hon. Member shared with me some thoughts on this earlier. I was looking for the sheet of paper which he presented to me; I assure him that I have it. Of course the evaluation which we will undertake will go beyond international airports. It seems to me that it would make eminent good sense, when we do that kind of evaluation, to do it on a global basis rather than simply on the basis of international, national or regional airports.

In an attempt to respond to the occurrences over the weekend, to deal with what we have perceived as an international crisis, we tried to address it by tightening up the inspection of baggage on international flights both leaving and entering Canada. We will certainly take the Hon. Member's representations into consideration.

Furthermore, the Hon. Member talked about the advent of more smaller carriers getting into the business. I think he will appreciate now, more than ever, the importance of the Aeronautics Act. It really provides a new framework for the implementation and enforcement of the necessary safety rules and regulations, another component of safety and security for the welfare of the travelling public.

Miss Nicholson (Trinity): Mr. Speaker, I have two related questions for the Minister. Both of them are quite short, so perhaps I might pose them together. The first one concerns the announcement in the budget papers of a new management structure for the federal airport system in Canada which will allow for the independent operation of local airports. From the Minister's last answer, can we assume that "independent" does not mean any diminution of safety and that, for instance, baggage loaded at small independent airports will have to meet certain standards so that it is not a hazard when it is transferred in larger airports? My first question concerns the nature of the independence, whether systems will still be compatible and whether there will be some regulation of it.

My second question concerns tax increases. In the space of the last five months there have been two tax increases, so that the Government will now be taking an extra $90 million per year from Canadian airline passengers. In view of the tragic

events of last weekend, can we assume that some or all of this money will be earmarked to improve safety and security measures?

Mr. Mazankowski: Mr. Speaker, with respect to the new proposed airport management system, I am consulting with various industry groups, aviation groups, the provinces and representatives of all regions, to examine ways and means of putting in place a more effective management and administrative system for all Canadian airports, while at the same time providing a greater degree of local autonomy or involvement by using the local airport as an important economic tool within the particular region. We think that is a sensible way to go. However, in the course of that it will in no way reflect upon the standards of safety. It will not detract in any way, shape or form from Transport Canada's responsibility to maintain a safe and reliable air navigation system across the country, control towers, light service stations and the like. It will not involve any reduction in the level of safety.

Hon. Members who have been around the House for some time will recognize that I have been involved through many years of my parliamentary career in working and helping to elevate and upgrade the level of safety in our aviation system. It was under my prior jurisdiction that we commissioned the Dubin report. The Canadian Aviation Safety Board was a product of that. The Aeronautics Act, which we recently passed through the House, is a further product of that. We have a very high level of safety in Canada, and we are always striving to improve it.

With respect to the taxes to which the Hon. Member referred, there has been some increase in the level of the ticket tax. However, I remind Hon. Members that the federal Government subsidizes every air passenger on a return trip basis to the tune of $58; in other words, every passenger who flies in Canada is subsidized at the rate of $58. I think we recognize that that is a fairly high level and that the airport cost recovery is at about 35 per cent. It was at 50 per cent in 1980. We are constantly being asked to improve firefighting services and safety, to provide better navigational services and new radar systems. This costs money, and we are attempting to address it.

Mr. Speaker: I regret to interrupt the Hon. Minister, but I must make the following announcement before five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Hastings–Frontenac–Lennox (Mr. Vankoughnet) — Penitentiaries—Cost of maintaining inmates; the Hon. Member for Bow River (Mr. Taylor)—Sports—Baseball decision unfair to Canadian umpires; the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Pensions—Statement by Premier of Nova Scotia—Request that budget provisions be withdrawn.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

REQUEST FOR FULL INDEXATION OF OLD AGE SECURITY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have literally thousands of constituents who have become signatories to petitions, but today I should like to table a petition signed by residents at 30 Sanford Avenue South in my riding, asking the Prime Minister (Mr. Mulroney) to respect his commitment in the 1984 election campaign to maintain full indexing for old age pensions. I should like to table this petition for Your Honour's consideration.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have the honour to present a petition from a group of elderly residents of my riding of Saint-Michel-Ahuntsic. Those people are asking the Government to re-establish the full indexation of old age security pensions. The petitioners urge the Prime Minister to honour the commitment he made during the election campaign. The petition has been signed by people who live in various senior citizens' homes, including 165 residents of the Tour André-Grasset, 163 residents of Retrouvailles and 128 residents of the Coopérative La Source. They are asking the Government to reconsider its position and take the necessary steps to redress this injustice against them.

● (1700)

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a series of petitions signed by Canadians asking the Government to live up to its election promise in which it promised that the PC Government would once more index the old age pension at the actual cost of living on a quarterly basis.

The petition is from people at Seven Sisters Falls, Beausejour, Pinawo, Lac du Bonnet, White Mouth. All these people are residents of the riding of the Minister of National Health and Welfare (Mr. Epp), the Minister responsible for the legislation.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also have numerous petitions today, mainly from residents of the Province of Saskatchewan, the City of Saskatoon, the City of

Regina, the Town of Norquay, et cetera. These petitioners join with thousands of other Canadians in urging the Government not to proceed with the deindexing of the Old Age Security and to live up to the promise that the Prime Minister (Mr. Mulroney) made during the election campaign, and that was to maintain our social security system as a sacred trust.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a couple of groups of petitions to present today. The first is a group of petitions from towns and villages in my riding, Southey Humboldt, Watson, St. Gregor, Muenster, Lake Lenore and Strasbourg who are petitioning the Government to reverse the policy of deindexation and go to full indexation for Old Age Security programs in Canada.

The second petition that I have was sent by the Action Now group which is the main senior citizens' organization in Saskatchewan who are petitioning the Government to point out that seniors will be losing with deindexation $100 in spending power in 1986, $205 in 1987, $315 in 1988 up to $431 in 1989—

Mr. Speaker: Order, please. The Hon. Member knows that he should be making a summary.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present several petitions. The first is from 275 residents of the Towns of Blind River and Elliot Lake calling on the Government and the Prime Minister to respect his commitment of the 1984 general election campaign in Canada to maintain full indexation of the old age pensions.

The second petition is signed by 175 constituents throughout the communities of central Algoma including Thessalon, Bruce Mines, Desboro, Echo Bay and other communities in that area, calling on the Government to maintain full indexation of the old age pensions.

I have a petition signed by some 40 constituents in the communities of the north shore, Massey, Blind River, Serpent River and Spanish calling on the Government to maintain full indexation of the old age pension.

I have a petition signed by 350 constituents in the Town of Espanola calling on the Government to maintain the promise of the 1984 general election to maintain full indexation of the old age pension.

I have another petition signed by 250 constituents from the communities throughout Manitoulin Island calling on the Government to maintain a full indexation of the old age pension.

I have a petition signed by 100 constituents in the City of Sault Ste Marie, the constituency and the community of the Minister for International Trade (Mr. Kelleher), calling on the Government to maintain full indexation of the old age pension.

Mr. Speaker: Order, please. Is the Hon. Member presenting another petition on the same subject or does he simply want to indicate a summary of where they are from?

Mr. Foster: I have one more petition outlining 120 names of constituents throughout the communities of Sault North including Goulais Mission, Goulais River, the Frontenac area, Rupert's Acres and several other communities in that area, calling on the Government to maintain its election campaign promise and maintain full indexation of old age pensions.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I am dutybound to present to the House these petitions from people in my riding, the first one from residents of the village of Grande-Digue, of Cogagne.

The second comes from residents of the town of Bouctouche.

The third is from residents of the town of Sackville.

The petitioners humbly call upon this House to urge the Government to re-establish the full indexation of old age security pensions.

[*English*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, it is my duty and privilege today to present three petitions, the first of which is signed by 644 residents of the City of Toronto who humbly pray and call upon the House of Commons to reinstate full indexation of the Old Age Security program in Canada.

The second petition is signed by 238 residents of the communities of Red Lake, Madsen, Balmertown, Emo, Ear Falls and Cochenour and similarly calls upon the House of Commons to call upon the Government to live up to its election promises and reinstate full indexation of Old Age Security pensions.

The third petition is signed by 548 residents of the east end of the City of Toronto who call upon the Government again to reinstate full indexation of the Old Age Security program.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to present a number of petitions pertaining to the question of pension indexing from a substantial number of senior Canadians receiving the old age pension who call upon the Government to live up to its election promises and to ensure that full indexation of the old age pension is maintained. Those residents have come from the community of Campbell River.

The second petition again calls upon the House of Commons to ask the Government to maintain full indexing of the old age pension and that petition again comes from Powell River, British Columbia.

There is a third petition from the community of Courtenay, British Columbia and there is a fourth petition from Royston, British Columbia.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present a petition on behalf of residents, a majority of which come from Yellowknife, and it also deals with the deindexing of the old age pension, and requests that the Government not move to deindex old age pensions.

Introduction of Bills

FARM IMPROVEMENT LOANS ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-56, an Act to amend the Farm Improvement Loans Act.

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

Some Hon. Members: Agreed.

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

* * *

FISHERIES IMPROVEMENT LOANS ACT

MEASURE TO AMEND

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-57, an Act to amend the Fisheries Improvement Loans Act.

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

Some Hon. Members: Agreed.

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

* * *

● (1710)

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-58, an Act to amend the Advance Payments for Crops Act.

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

Some Hon. Members: Agreed.

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

* * *

CUSTOMS ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Minister of National Revenue) moved for leave to introduce Bill C-59, an Act respecting Customs.

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

Some Hon. Members: Agreed.

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

* * *

NOTICES OF MOTIONS UNDER S.O. 30

Mr. Speaker: I am in receipt of two Notices of Motions under Standing Order 30.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. As anxious as I am to hear about how you would have intended to rule on this matter—and possibly you might be willing to tell me some time later—in view of the fact that we have spent some three to four hours having the Minister and Members of the House deal with a matter which I think we all agree was urgent, I am prepared, with your approval and with the approval of the House if it is necessary, to withdraw my motion subject to reintroduction at a later time, if necessary. I do hope you will let me know how you would have ruled today, Mr. Speaker.

Mr. Gray (Windsor West): Mr. Speaker, I rise on the same point of order. The notice that I brought to your attention earlier today arose out of our view that we were dealing with a very serious matter, being the subject of our attention during Question Period and through the statement of the Minister of Transport (Mr. Mazankowski). However, we have had a very good initial exchange on this important subject of the safety and security of air transportation to and from Canada. Under the circumstances, I would ask for your permission, Sir, to withdraw my Notice of Motion. Obviously I reserve the right, if future developments require it, to bring forward a similar motion on a later date.

Some Hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 327 will be answered today.

[*Text*]

COST OF CAR AND DRIVER

Question No. 327—**Mr. Gagliano:**

What is the cost out of the Consolidated Revenue Fund for the car and driver provided to the Minister of State (Small Businesses)?

Hon. André Bissonnette (Minister of State (Small Businesses)): From October 1, 1984 to March 31, 1985:

Vehicle	$16,000
Operating Cost	$ 1,974
Driver (Salary Range)	$21,500 to $24,395

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. There have been consultations between the Parties with respect to the Bill relating to the Fisheries Improvement Loans Act, and while I am on my feet, I might as well address myself to a subsequent Bill dealing with the Farm Improvement Loans Act. These Bills are very straightforward and in effect extend the operation of the legislation for an additional period of time. The present legislation would provide that those two Acts would end and would no longer be available to the people of Canada by the end of this month. Accordingly, these Bills are before us for the purpose of extending the time. We have discussed the matter and, since there seems to be a general agreement with respect to the legislation, it has been agreed to have these Bills brought forward to be dealt with relatively briefly but at all stages so that both Bills will be passed sometime today.

Mr. Gray (Windsor West): Mr. Speaker, I just want to state that what the Government House Leader has said represents the results of our consultations and, therefore, I readily give consent to that course of action on behalf of the Official Opposition.

Mr. Deans: Mr. Speaker, you will be pleased to hear that we all agree to that. Subject of course only to my good friend and colleague, the very diligent Member for Comox-Powell River (Mr. Skelly), being able to give the Minister some enlightenment as to how the Fisheries Ministry ought to be operated, we will see this matter through today, by God.

Mr. Speaker: The Hon. Member for Papineau (Mr. Ouellet) on the same point of order?

Mr. Ouellet: No, Mr. Speaker, I have a question to ask the House Leader regarding a piece of legislation that he has promised to bring forward.

Mr. Speaker: Order. I take it that the Hon. Member is attempting to convert this point of order into the question regarding House business?

Mr. Ouellet: Yes, Mr. Speaker.

Mr. Speaker: I do not think that that is appropriate at this time, with respect. I think perhaps the Hon. Member might want to raise the question of business at the normal time in the normal way through his House Leader.

GOVERNMENT ORDERS

[*English*]

FISHERIES IMPROVEMENT LOANS ACT

MEASURE TO AMEND

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved that Bill C-57, an Act to amend the Fisheries Improvement Loans Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, first I would like to thank all Hon. Members of the House for indicating their readiness to pass this legislation swiftly. I would like to say to the Hon. House Leader of the New Democratic Party, who indicated that it took some discussion, entreaties and persuasion on the part of the Hon. Member for Comox-Powell River (Mr. Skelly) to get me to proceed with this Bill with dispatch that if the Hon. Member for Comox-Powell River had in any way put up any resistance to this Bill, he would have had a number of fishermen from his own riding knocking on his door asking him why. The reason for that is that this Bill, which has been in existence since 1955, is designed to facilitate credit to fishermen who need money for the purchase or construction of a fishing vessel, the purchase or construction of fishing equipment such as auxiliary boats, engines, winches, electronic equipment, nets and so forth or for the major repair or overhaul of a fishing vessel.

The legislation operates by authorizing the federal Government to guarantee lenders against losses incurred on loans made in accordance with its provisions. The House, of course, is familiar with the Bill as it has been in effect since 1955. I do not think that I need to go into it in any particular detail at the moment.

The Bill is before the House for the purpose of asking the House for an extension of the Bill's effectiveness for another 18 months. In the event that any Members wonder why that is so, it is of course because all programs including this one are being carefully reviewed. In the meantime, I think it is in the interests of the fishing community that speedy passage of this Bill be given by the House. Again, I would express my appreciation to the critic for the Official Opposition, the Hon. Member for Egmont (Mr. Henderson), and the critic for the New Democratic Party, the Hon. Member for Comox-Powell River.

• (1720)

Mr. George Henderson (Egmont): Mr. Speaker, I would like to add a few brief remarks to the comments made by the Minister. All Parties did agree to get Bill C-57 through the House in all stages today. I must say that the extension is now

over 18 months, from July 1, 1985 to December 31, 1986. I would have liked to have seen the Government put just a little more money into it. I do not know if perhaps there are some dollars there which are not spent, although someone told me just recently that that fund was out of money. If that is the case, we probably would not have enough money for the next 18 months.

There are some other rather interesting aspects of the fisheries as far as dollar allocation for that Department is concerned. Certainly, vessel subsidy programs are under funded. I am not aware of a program this year. Perhaps the Minister could tell me later on.

Mr. Fraser: Small craft harbours.

Mr. Henderson: Small craft harbours. The Minister agrees with me. I wish he could talk to the President of the Treasury Board (Mr. de Cotret). Every time I rise in this House, Mr. Speaker, I try to tell the Ministers on the front-bench just how insignificant the funds are for small craft harbours. There are some $50 million for all of Canada, which is peanuts. I am here to help the Minister get more money in whatever way I can. I hope the Minister will argue as forcefully behind closed doors within the confines of Cabinet where he should have the full clout of a very superior Minister, not only as the Minister responsible for British Columbia but responsible for all of the good fishermen of this country.

I hope the Minister will raise his voice loud and long before this House adjourns for the summer recess, when that party has its cabinet meetings at Meach Lake, or wherever they are held. I hope he will tell the Prime Minister (Mr. Mulroney), the Deputy Prime Minister (Mr. Nielsen), the Minister of Finance (Mr. Wilson) and the President of the Treasury Board. I hope the House Leader will stand up on his hind legs and give the Minister of Fisheries and Oceans (Mr. Fraser) the support which is necessary and most important. The Minister of State is another fellow who could do an awful lot for us. I do hope that those Ministers carry this forward in the chambers of Cabinet and forcefully represent the fishermen the way they should.

I will conclude my remarks, Mr. Speaker, by saying we do support this Bill in all stages. I believe my colleague, the Hon. Member for Gander-Twillingate (Mr. Baker), has a few remarks to make before this Bill passes, I am sure with his accustomed brevity, and that the Bill will pass very quickly.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Bill is in fact moving forward very quickly today. I believe one of the reasons is because of the Minister's acceptance of putting in the sunset clause. We were then able to deal with a piece of legislation which is largely, I would suggest, a book-keeping item. There are some questions the Minister should probably address before leaving this House, if we do in fact adjourn at the end of the month, which deal with the context in which the Fisheries Improvement Loans Act is developed.

The Minister will know that it is really not the same on the West Coast as it is on the East Coast. We have a substantial problem with a fleet which is too large. Rather than building more vessels, we should be looking at bringing that fleet into manageable size. I wonder if the Minister might be in a position to give this House some indication of what the present status of the buy-back is right now. During the election campaign there were promises of $100 million buy-back. Now we hear the Minister talking about a $37 million buy-back. I believe it is extremely important that something be done in terms of fleet rationalization on the West Coast.

We certainly have a fleet too large for the resource at the present time and there is a major program, and a promise of the Conservative Party, to enhance the size of the resource. During the election campaign, there was talk of a $200 million enhancement program. It is our understanding now that that figure has been mentioned in committee, that there will be a program in the order of $200 million which is currently before the decision-making body of Government. I wonder if the Minister can give the House some indication as to the status of that promise before this House adjourns?

Of course, as I mentioned before, there is the problem of having an improving fishery but, certainly, when small communities which have been dependent on fisheries are being largely taken away from it by the mobile nature of the purchasing agencies, the trucking facilities to major processing operations, and the rationalizing of those facilities in the major centres, we see those communities on the coast of British Columbia being deprived of an opportunity to maintain employment in that industry. It will be useful if the Minister in his summary remarks on this legislation gives us an indication of how the Fisheries Improvement Loans Act is going to work with respect to such things on the west coast as fleet rationalization and the salmonid enhancement program.

The Minister, being aware of the employment and economic difficulties in those communities, should look at supporting infrastructure programs, through his Department, to aid fishing and processing at the local level in order to ensure that employment and economic benefits are retained in those communities. The Hon. Member for Skeena (Mr. Fulton) has numerous projects in his area which require serious concern. The Minister has yet to make a statement on the Campbell River Indian band marina project, the Port Hardy freezer unit, or the Bella Coola ice plants. There are numerous areas in which we need those kinds of attention.

I would also ask the Minister of Fisheries and Oceans for a comment prior to parting from this House on another critical and important issue. I think of justice. A number of individuals who were faced with, I think, indecision on the part of Government, became involved in a civil disobedience situation. It would be hoped that the Minister would be in a frame of mind to consider whether or not the Department should maintain the charges in this matter, and, in the interests of maintaining within the industry a willingness to bargain and co-operate—and there has been an enormous amount of co-operation this year in the absence of strict authority—to bring a fishing plant into place in all aspects and keep it rolling along. It would be my hope that the Minister, prior to this Bill being

completed today, would make some summary remarks as we get close to adjourning this House for a considerable period of time while the fishing industry works through its 1985 fishing season, and give these people an understanding of where they stand on some of these important issues.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will try to be as brief as the Hon. Member for Egmont (Mr. Henderson). Perhaps it might appear to Hon. Members that on some legislation I am always complaining—

Mr. Lewis: More than you did in the previous administration, or had the nerve to do.

Mr. Baker: —in taking the Minister to task. There is some sound from across the way. I don't know where it is coming from. It is obviously an Hon. Member whose riding is not affected by the Fisheries Improvement Loans. I'm sure that if the hon. gentleman turned around he could speak to two good Newfoundlanders who would be able to enlighten him on the legislation.

Mr. Lewis: Much more than you could.

Mr. Baker: The Bill before us, Mr. Speaker, amends the Fisheries Improvement Loans Act. As the Minister said, it guarantees loans that the banks give to the fishermen. That is an interesting proposition, Mr. Speaker. In the way the Minister said it, it is as if the banks give a loan to a fisherman for a boat or gear and that is guaranteed. In other words, if the fisherman defaults, then the bank has to then go after the federal Department of Fisheries to be paid for the difference. The Minister is shaking his head. "Take security" says the Minister. After the security is taken, it is guaranteed by the federal Government to be paid to the lender if the fisherman defaults. That is correct. The Minister is shaking his head.

• (1730)

Mr. Fraser: Oh, no, I am only—

Mr. Baker: I want to read a brief letter from a bank manager to a fisherman. Fishermen in British Columbia, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, and part of Quebec are getting these letters. I would like the Minister to listen. It says:

Dear Mr. Elliott,

We advise that the Federal Government is paying no further claims against Fishery Improvement Loans advanced between 1977 and 1980. In this regard, we regret to inform you that your loans are now excluded from the Federal Government Guarantee, and as such, the accounts now revert to your sole responsibility.

We advise that outstanding amounts on your loans are as follows: —Boat Loan, Principal—$9,602.95, Interest to May 28, 1985—$1,504.41; Gear Loan, Principal—$5,661.60, Interest to May 28, 1985—$1,824.45.

Did you notice the dates, Mr. Speaker? May, 1985. The Minister said that this particular legislation would take effect the end of this month because that would allow the Government to guarantee loans to fishermen after the end of this month. I just read a letter from a bank manager to a fisherman which said that loans granted between 1977 and 1980 are no longer guaranteed by the federal Government. This is a very serious matter. We are not really debating a fisheries improvement loan guarantee program at all. Go into the bank and you will see a sign which says "See us for fisheries improvement loans guaranteed by the federal Government". They signed for the loan, they got into trouble because it was a bad fishing season from 1977 to 1980, their gear is seized and sold at public auction, they forgot about it for a few years—the Minister is getting up and going to the phone.

Mr. Fraser: Phoning the bank.

Mr. Baker: Phoning the bank. I can save him the trip and tell him what is wrong.

Another gentleman says he took out a fisheries improvement loan in 1979 which was guaranteed by the "feds" as he put it. He was unable to pay so the bank repossessed his gear and sold it, the proceeds being applied to his loan. That was last week and then he received a letter from the bank saying the federal Government was paying no further claims against fisheries improvement loans advanced between 1977 and 1980 and the account was now his sole responsibility.

What has happened now for the first time, Mr. Speaker, since 1935? I will tell you what happened. The Minister of Fisheries and Oceans (Mr. Fraser) should listen to what happened. Hidden away in the regulations, unknown to the banks, is a policy which says that the federal Government will only honour an amount of money not exceeding 10 per cent of the total value of the loans guaranteed by that bank in a three-year period. Now, this situation never arose before so the banks did not know about it.

What has happened now? A bank has exceeded the amount indicated and has been informed by the Minister's Department that the Government can no longer honour any more loan guarantees on loans from 1977 to 1980. What do the banks do? They go directly to the person they loaned the money to and say that they owe the banks the money right back to when they got the loan, including interest all along the way.

The Minister can say that was in the regulations, but my argument is this. Two years ago we had the greatest number of claims against this guarantee program, some $4 million or $4.5 million. Last year it was about $1 million. This year I suppose they are projecting it down to maybe $500,000 in claims. My point is, why can the Government of Canada not honour the guarantees that were given to the banks? It is not the bank's fault. They had never exceeded that level before. They did not know the regulation was there. I am asking the Minister, in a spirit of good will as shown by this Bill, to say to the banks that we will honour the loans made from 1977 to 1980 because the fishermen did not know the loans were not guaranteed. They were told they were. The banks did not know they were not guaranteed, they were told they were. There it is in writing.

For the sake of those fishermen, and there may only be a couple of hundred fishermen involved, a couple of hundred families, let the Government do that. Here we have a fellow who has to pay back $18,593.41 for gear that was seized back

in 1978, Mr. Speaker. Another poor gentleman here has to pay back $3,740.96. He was charged interest of 11.5 per cent from the beginning of the loan.

As I said, I am not blaming the Government because no action was taken, although I probably should. There are a lot of fishermen out there sitting down with their wives this evening wondering how they are going to pay this massive amount of money which they owe only because they got a loan guaranteed by the federal Government. I will tell you what they are saying. They are saying it is the Tory Government. I have heard it on the phone and I have tried to explain it to them and say no, it is not the Government of Canada at all, it is the division operating under the guarantee. I try to explain it to them. As sure as I am saying this, Mr. Speaker, they are saying it is that Government of Canada, a Tory Government, and that Minister of Fisheries and Oceans. That is what they are saying in Newfoundland. They say "He is from British Columbia, that's him! Now we have to pay all this money because the banks are notifying us in writing that the federal guarantee is no longer any good".

One fellow said to me the other day that he heard the Prime Minister (Mr. Mulroney) say that we may not be able to send out any cheques any more, they may bounce. Well, this could be one of the spin-offs. The Government's guarantee is no longer any good.

My intervention was going to be very short and to the point, but you will have to agree that this is a very important subject, Mr. Speaker, affecting hundreds of people. It is not fair, either to the individual or to the banks. I never thought I would see the day when I said it was not fair to the banks, but it is not. After having introduced this Bill to extend it for a year and a half, the Minister should study this problem on an urgent basis in an effort to respect the guarantees which were signed in good faith by the banks and the fishermen concerned.

• (1740)

Mr. Fraser: I listened with attention to the entire speech of the Member for Gander-Twillingate (Mr. Baker). I would ask that he immediately send me a copy of the letters to which he referred. I will consider the reason those letters were sent and will report to the Hon. Member tomorrow.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have only a couple of points I would like to make on second reading of the Fisheries Improvements Loans Act.

The Minister had made certain commitments to a number of Members of the House of Commons with regard to improvement of small craft harbours. If these harbours are not improved and upgraded fishing cannot take place. At the meeting of the Committee on Fisheries and Forestry on May 21 a number of Members from Ontario pointed out that we have very high water in Lake Huron and many small craft harbours have been damaged by ice and have become incapacitated due to the high water. Will the Minister give his assurance that his officials will report to those of us who made representations on this matter?

For instance, the Minister made a commitment that he would have the director general look into the matter of the harbours at Little Current and Desbarats, Ontario, and take the necessary action. I certainly hope that the word of the Minister will be good. I have provided the information to his senior officials but I have not had any response.

Harbours in Lake Huron at South Bay Mouth and Meldrum Bay were seriously damaged this past winter and early spring by ice and high water. No action has been taken to carry out the necessary repairs. Before this Bill is passed I would like to have the Minister's commitment that these harbours will be repaired. If these harbours are not in shape for operation the Fisheries Loans Act legislation will not help the fishermen.

The Minister made a commitment to me that he would provide information as to which wharfingers were being changed in the Ontario region as a result of the election last fall. The Hon. Member for Egmont (Mr. Henderson), who is our fisheries critic, raised the subject of that problem in Prince Edward Island. At that time the Minister told me that he did not think any changes were being made in the Ontario region and that he would be quite happy to provide a list if any changes were being made.

I am not sure that any changes have been made in the wharfingers and harbour masters, but there was a story in the Sault Ste. Marie *Star* last week indicating that Henry Coyle, the wharfinger and harbour master for that important port, is in fact being replaced. Could the Minister clarify that point? I understand that that harbour master has been doing an excellent job, and that the officials of the department in Toronto and Parry Sound are very pleased with the work he is doing.

Mr. Speaker: With respect, I hesitate to interrupt the Hon. Member, but we are moving further and further away from what is directly related to the Fisheries Improvement Loans Act.

Mr. Nystrom: It sounds fishy.

Mr. Foster: The Hon. Member suggests that it sounds fishy, but I just want to have the Minister clarify that point. He made a commitment to Members of Parliament that he would provide that information. I understand that the harbour masters and wharfingers may be changed at Owen Sound and Midland as well. If that is true, it will certainly have an impact on the operation of the inland fresh water fishing fleet.

I hope the Minister will respond in a positive way because he made very clear commitments to Members from the Great Lakes region to make investigations and improve the docks. I hope he will make that commitment either at second reading stage or in Committee of the Whole. These matters are of very great concern to people in my constituency, as well as in the other constituencies which I have mentioned this afternoon. I want to have this legislation passed, but I certainly hope the Minister will look after the details which I have raised as well.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the Chair.

The Chairman: Order. House in Committee of the Whole on Bill C-57, an Act to amend the Fisheries Improvement Loans Act. Shall Clause 1 carry?

On Clause 1—

Mr. Skelly: Mr. Chairman, before we move right through this, would the Minister of Fisheries and Oceans take the opportunity, during debate on Clause 1, to respond to some of the questions I raised? The Fisheries Improvement Loans Act does not stand alone as a management tool affecting the fishing fleet. During the election campaign certain commitments were made about buy-back programs. Would the Minister take a minute or two to give us an indication of the progress on such things as government investment in the Salmonid Enhancement Program and what the present status and future prospects are for the buy-back?

Mr. Fraser: Mr. Chairman, I am pleased to advise the Committee that with regard to salmonid enhancement and the buy-back I have submitted documents to Cabinet. As soon as they have been dealt with I will be able to advise the Hon. Member on the outcome. I want to assure him and others that I take both those matters very seriously and am pursuing them.

• (1750)

With respect to some other matters raised by the Hon. Member, they are important and I would be quite pleased to discuss those in detail with the Hon. Member. I believe that attempts have been made and that there is some co-operation between my staff and the Hon. Member's office to arrange a meeting on Thursday. Certainly I hope that that will be accomplished.

Mr. Foster: Mr. Chairman, could the Minister take a few minutes to respond to some questions with respect to financial assistance being made available to the Ontario region to make repairs to wharves that are suffering either from ice damage or high water which is affecting many harbours this year? Could he respond to those concerns?

The Chairman: The Chair does not believe that the question is really relevant to the Bill. I do not see the relevance of the question to the Bill before the House.

Mr. Foster: Mr. Chairman, I cannot imagine what the value of improving or extending the Fisheries Improvement Loans Act will be if we are not getting the proper improvements to harbours to operate at a reasonable level. If harbours are awash and completely unusable, how are the fishermen in the Great Lakes region going to operate? What is the value of having a loan if the Department of Fisheries and Oceans is not prepared to improve the harbours which are not functional in some cases because of high water? Surely we are here to deal with the over-all fishery.

For instance, in my constituency in South Bay Mouth, where a number of commercial fishermen operate, not only the perimeter wharf but all the finger wharves are completely submerged. This requires massive attention. If the fishermen operating out of South Bay Mouth do not have decent harbours from which to operate—they are completely inoperative at this time—what is the point of extending the fisheries loans legislation to them?

I saw that the Minister was prepared to respond to my representation. I am sure there would be agreement for that response to be made now.

The Chairman: The Chair is not convinced of the relevancy of the question. I would ask the Hon. Member to direct another question to the Minister. The Minister may reply at some time, if he wishes.

Mr. Baker: Mr. Chairman, I have one further point to make to the Minister with respect to Clause I concerning the loans that are made under the Fisheries Improvement Loans Act that are not honoured by the Fisheries Department because the banks involved have gone over the figure that is supposedly stipulated in the regulations. I do not know where the figures are stipulated in the regulation.

Although most Acts are confusing, this is particularly confusing when trying to determine the amount of money the Government will respect that the banks cannot get from the fishermen, after using every method possible to get their money from the fishermen. As I stated during the second reading, the banks try every method possible to get their money and then go after the fishermen as a last resort.

I did not mention to the Minister that the Fishermens' credit has totally gone and the banks have written a second letter, pursuant to Fisheries Improvement Loans Act asking for their credit cards because they no longer have any credit with the bank. The reason is that the federal Government is no longer honouring their fisheries improvement loans. They do not point out that they have surpassed the limit stipulated by the Government.

This system was triggered for the first time in April. The fishermen were notified that they owed the banks the money plus the interest because they no longer had the loans guaranteed by the federal Government. The unfairness is that the claim of the person who took out the loan in the 1970s and worked hard to pay it back by making sacrifices will not be honoured, while someone who quit fishing after finding it difficult will have his claim honoured because he made it first.

The Department of Fisheries has no way now of knowing how many fishermen are involved in the provinces throughout this country. There is no way of knowing, unless there is a mechanism whereby the banks notify the Fisheries Improvement Loans people of the total value of their loans made as of March 31. Perhaps the Minister could then divide that total

figure into the total number of fishermen who received loans and arrive at a general figure of the number of fishermen who were so affected.

However, the banks are quite understandably notifying the fishermen that they are no longer covered because they were notified at the end of April by the federal Government that it no longer respects the banks' loans for that period 1977 to 1980. You will recall, Mr. Chairman, that that was a bad year in the fishery.

It is also my understanding that the Royal Bank, the Bank of Montreal and the Toronto Dominion Bank are fast approaching their limit from 1980 to 1983. Again, the federal Department of Fisheries and Oceans may have to notify those banks that it no longer respects the claims on loans that were taken out years ago.

We do not know how many fishermen have lost all their credit and must repay up to $18,000 or $19,000 to the banks. The banks are the only ones who know the number of fishermen involved. I wanted to point out to the Minister the unfairness to the fishermen who are really trying to make it in British Columbia, Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island and Quebec. Members of Parliament who represent fishing ridings should be prepared for letters over the summer from fishermen who are stuck because of this particular decision. I wanted to bring that to the attention of the Minister and reiterate the importance of finding a solution to the problem.

Mr. Fraser: Mr. Chairman, let me very briefly respond to the Hon. Member for Algoma. As I explained to the Fisheries Committee some weeks ago, there is an application before Treasury Board which I hope will be granted, that will give us more funds to meet some of the obligations which I think are proper to meet. I also must say to the Hon. Member, as I said in committee, that until we can persuade others to increase the funding I do not have enough money to go around. I listened with great concern to what the Hon. Member says. There is nothing that he says that I quarrel with in terms of need for these funds.

• (1800)

With respect to the point raised by my hon. friend, the Hon. Member for Gander-Twillingate, I haved read a copy of the letter from the Scotia Bank to which he referred and also a copy of the letter from his constituent. I can only say this afternoon that I am not familiar with what has lead to this. I will find out. Since this debate began, I have contacted my Department to find out exactly what the situation is and I will report back to the Hon. Member tomorrow.

Mr. Foster: Mr. Chairman, I note in this legislation, as far as I can see, that the proposal of a 1 per cent fee put in the Small Business Loans Act last fall does not apply to the Fisheries Improvement Loans Act or the 15 per cent of losses which have to be absorbed by banks under the Small Business Loan Act.

I note that the Bill is being extended for only 18 months rather than the usual five years. Is the Minister planning to institute those fees in this legislation the next time the legislation is being amended? Is that why the Bill is being extended for only 18 months rather than the normal five year period? I think that kind of move made in the Small Business Loans Act has a very detrimental effect on the availability of loans.

The problem with most of these loans is that very often the small businessman, the farmer or the fisherman finds there are no funds available. The banks do not want to provide the funds because they get only 1 per cent above prime in interest and now with the 1 per cent acquisition fee being charged by the federal Government and having to absorb 15 per cent of the losses makes these loans a poor opportunity for the banks. Has the Minister considered that problem, has he rejected it, or is he keeping that open as an option when he reviews the legislation in the next 18 months when the Bill is due for renewal again?

Mr. Fraser: Mr. Chairman, the Hon. Member will understand when I say that I have presently today no firm views on what changes if any might be made to this Act many months from now. I assure the Hon. Member that I will take note of his comments and pay some attention to the representations that he has made today.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

FARM IMPROVEMENT LOANS ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved that Bill C-56, an Act to amend the Farm Improvement Loans Act, be read the second time and, by unanimous consent, referred to a Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

On Clause 1—

Mr. Wise: Mr. Chairman, I want to express my appreciation on behalf of my colleagues for the co-operation we have received from the two Opposition Parties with respect to the agreement to pass this piece of legislation through all stages. I thought perhaps at this point it might be appropriate for me to make some remarks on the Farm Improvement Loans Act. While we are in Committee of the Whole, perhaps I could respond to questions that more than likely will flow from Members opposite.

I am pleased today to be speaking to this legislation amending the Farm Improvement Loans Act. This Bill will extend my authority as Minister of Agriculture to guarantee loans under the Act for the 18 month period from July 1, 1985 to December 30, 1986. The extension of this Act is recognition of

its ongoing importance within the credit system of Canadian agriculture.

These days, as Members will realize, farmers pay close attention to their books as well as to their land. The successful ones are good business people who understand, among other things, how credit matters affect their operations. In examining Government programs in the agriculture credit area, you must keep in mind the farm community's special characteristics. The cyclical nature of farming demands that producers have a good handle on their cash flow requirements. The dependence of farming on weather and market prices means that producers must be highly knowledgeable about methods of stabilizing their income. The tendency to plow profits back into the business means, that, even after being in the business for years or generations, many farmers continue to require a reliable line of credit.

Finally, farming is extremely capital intensive and again has certain credit implications. It is not enough to recognize that farmers need credit. What they need is a flexible range of credit options. Without this, the sort of long-term planning so important to effective, efficient farming would not be possible.

The Farm Improvement Loans Act provides an option that meets a very specific need, that of intermediate term financing to cover capital expenditures.

The Act itself, as many Members will realize, was introduced 40 years ago. It has authorized Ministers of Agriculture to guarantee against losses term loans made to farmers by chartered banks, Alberta treasury branches and other designated lenders across the country.

Producers are able to have several outstanding loans under this program to a combined ceiling of $100,000. The maximum repayment period for loans to cover the purchase of additional land is 15 years while for all other purposes the term of repayment is 10 years. Since its introduction in March 1945, the Act has been amended several times, primarily to effect lending periods.

Just to give some idea of its impact on the farm community since the introduction of the Act until the end of last year, about 1.9 million loans have been approved worth in excess $5 billion. This reflects a sizeable capital investment in the agriculture sector.

During this period some $17 million, that is a fraction of 1 per cent, was paid by the federal Government in claims, of which $2.8 million subsequently was recovered. That is not a bad record. I think it proves farmers generally are a very, very good credit risk.

● (1810)

As further proof, prior to the introduction of the Act, lending institutions were reluctant to extend intermediate credit to farmers. However, during the years following the program's introduction, lending institutions came to realize that producers were indeed good risks. As a result, numerous banks and other lending organizations have entered the field with their own programs for intermediate farm loans. In this sense, the Farm Improvement Loans Act played an instrumental role in expanding the number of farm credit sources open to farmers, as well as raising the level of credit available to them.

I am sure every Member of the House has noted with great satisfaction the over-all decline in interest rates. This trend is reflected in FCC rates, which have dropped from thirteen and three-quarters per cent on five-year loans as of last December, to eleven and seven-eights per cent as of now, the lowest level since 1979. This downward trend is clear evidence that the Government's economic policies are on target. Declining interest rates are a sign of growing confidence in our economy and in the Government's determination to get the deficit under control.

By the way, this trend in interest rates is good news for producers who took out or plan to take out guaranteed loans through the Farm Improvement Loans Act. The ceiling on loans made under this program is equal to the prime lending rate of chartered banks plus 1 per cent. As our economy improves and interest rates reach favourable levels, this program becomes all the more attractive.

I should like to quote a few statistics to illustrate further the significance of the Farm Improvement Loans Act to the agricultural sector.

Looking back on 1984, in excess of 12,000 loans were guaranteed under the program, amounting to more than $159 million in loan capital. During the year loans were made for a variety of uses. The bulk of them, $105 million worth, went toward buying agricultural implements. The remainder funded construction or repairs of farm houses and buildings, land purchases, land improvements and irrigation, livestock purchases and equipment overhauls.

While producers in every province have benefited over the years, historically western Canada has depended more heavily on the program. For example, in 1984 loan capital guaranteed to producers under the Act in the four western provinces amounted to more than $133 million. That was about 83 per cent of the total under the Farm Improvement Loans Act last year.

It is true that FILA does not command the same share of the total farm credit market as it once did. Of course there are a number of reasons for that. For instance, provincial Governments have entered the agricultural lending field and lending institutions have set up their own programs. However, I am sure all Hon. Members would agree that it is in the best interest of the agricultural sector for this program to continue. This is especially true in rural Canada where its termination could truly spell hardship, particularly at this point in time. It is not uncommon in many less populated regions for only one lending institution to serve an entire area. Farmers in these regions see FILA as a vital resource to obtain much needed credit.

By comparison, this 18-month extension is relatively short. Of course there is a reason for it. My Department will be using this time to review the Act to ensure that it is meeting current

needs. If necessary, changes will be introduced at the end of the extension period. Among other things, I am interested in examining whether this program could work in combination with existing and future FCC programming.

I suggest to Hon. Members that they would be acting in the interest of Canadian farmers by supporting quick passage of this Bill. I urge them to do so, and I would be happy to respond to their questions.

Mr. Foster: Mr. Chairman, we in this Party will be pleased to see the Bill pass in that it provides some assistance to agriculture. I think the Minister referred to the amount of loans last year totalling some $1.5 million.

Mr. Wise: They amounted to more than $159 million.

Mr. Foster: I should like to put that amount into perspective. We should be conscious of the fact that there are something like $20 billion worth of farm loans at the present time, and that the profit from many commodities is not adequate for producers to repay their loans or debts. This is why they are facing the worst economic crisis since the 1930s.

In its report last fall, the Farm Credit Corporation catalogued the depth and scope of the crisis when it indicated that 39,000, or something like 17 per cent of our farmers were in serious financial difficulty, were borrowing more than they were spending on capital expenditures and had equity of less than 15 per cent. Since that report came out, the Government completely fumbled the handling of the EEC beef matter. We now have something like 17 million pounds of subsidized beef entering the country, which will make it that much more difficult for farmers to repay these loans.

When I heard this afternoon that the Minister wanted to bring in emergency legislation, I hoped that he would bring in a Bill to provide for an agri-bond program such as the one recommended by the finance committee. It recommended a $96 million program which would provide 8 per cent loans. The program was recommended highly by the chairman of the committee, an outstanding chairman and government Member. Such an agri-bond program would help solve the financial distress faced by a large percentage of the 39,000 farmers about whom I just spoke.

As I understand it, the prime rate of the bank plus 1 per cent will probably be close to 13 per cent, or an interest rate which is actually higher than the present rate of the Farm Credit Corporation. Although this Bill provides a useful form of farm financing, a minuscule amount is actually available. The banks would not want to give out these loans because they would stand to make only 1 per cent above prime. Obviously they want to allocate most of their funds to other programs under which they make higher interest rates. Although some $825 million was made available through the Farm Credit Corporation last year, that amount has been slashed to some $94 million this year. There is really no hope in that regard.

In addition, producers have to face the prospect of new taxes on farm input costs; of nine cents per gallon on gasoline starting on September 3, and of a new innovation on the part of the Government to tax the harvest of western grains. On January 1, another 1 per cent sales tax will be imposed. All these things make it very difficult for producers to repay their farm improvement loans.

In the last three or four days before the House adjourns for the summer recess, I hope the Minister will take into account the serious difficulty faced by the red meat industry and by the western grain industry, with the United States bonus program, and bring in substantial legislation to deal with the farm debt crisis. Only by doing that will we be able to come to grips with the magnitude of the farm debt problem. Extending the provisions of this Bill for a few months or a year or so, and providing a few guaranteed loans, will not really come to grips with the massive debt problem faced by many producers. As was recommended by the finance committee of the House of Commons, an agri-bond program should be established on an emergency basis. I certainly want to see this legislation passed and extended but I hope that the Minister will be bringing in more substantial legislation to really deal with the larger problem on an emergency basis later this week. Thank you, Mr. Chairman.

• (1820)

Mr. Althouse: Mr. Chairman, I would like to make a short statement and then I have some questions for the Minister as well.

This Bill brings up an old question that I am asked, quite often when I go through my riding. Does the Farm Improvement Loans Act still exist? The answer is that it does. Most farmers are still eligible. There are some 350,000 to 500,000 farmers in Canada who would be eligible. They have to be commercial farmers who are attempting to make a living from farming. The rate is prime plus 1 per cent and the Government will guarantee part of the loan, so it should therefore be something that banks are anxious to give out.

I guess the reason they ask about the eligibility is that it extends to virtually all farm activities, anything that a farmer would want to produce on his farm. The loan can be used to purchase the breeding stock, to build buildings and facilities, to buy equipment, even to buy land and make land improvements. The term runs for 10 years on most things and up to 15 years for land purchases.

The reason I think they ask if it still exists is in part explained when you look at this particular amendment we have before us today. It is very much like two previous amendments we have had under the previous Minister of Agriculture, Mr. Whelan. The problem is simply that for the total amount of money available for protection, because really this Bill is a form of protection to the banks, to the credit unions, to the trust companies and the Alberta treasury branches who want to participate in it, the federal Government will provide guarantees that there will be limited losses if the loans are not paid. So it is a federal Government guarantee of the loan to the farmer.

Unfortunately the Bill still reads as it read back in 1980 when I first came here. It was one of the first Bills I had to

deal with as a new Member when I came in February of 1980. The Bill at that time extended $1,550 million from July of 1980 to June 30, 1983. You can see, Mr. Chairman, how you get into a problem when you continue to use that same amount of money. Later on Mr. Whelan introduced another Bill that extended it to this June. We now have the current Minister extending it from July, 1980 to December 31, 1986. We have the same amount of money being guaranteed, not for a little over two years but over six years. There is a shrinking amount of money available for new loans as a result of this.

It has to be remembered, as I pointed out, that the loans are extended for as much as 15 years if they are for land purchases. It is small wonder then that in spite of their being something in the order of $1,550 million there in the pool that we only had, according to the Minister's statement, something in the order of $145 or $150 million loaned under the program last year. That is what I would expect, because money only becomes available to be loaned under the program as people pay off their loans of previous years.

It is not a great deal of money. It is somewhere between 3 per cent and 4 per cent of the amount of money that farmers require and use on an ongoing basis. Farmers have borrowed between $20 billion and $23 billion at any one time and this program provides just over $1.5 billion, not a very big chunk of that money.

Back when farm improvement loans meant something to the farming community they made up a much greater portion of loans outstanding. In fact, at one time they made up virtually all of the short and medium term lending that the banks engaged in. Credit unions engaged in some other lending, but banks were pretty much only in the farm improvement loans business. At that time it had been government policy to have government guarantees extended to the banks to take up a big portion of the amount of money that farmers needed.

We are quite obviously trying to shrink both the farm improvement loans through the Farm Improvement Loans Act and the Farm Credit Corporation which extends longer term loans. Along with that there has been companion legislation to attract the banks into the farm loan business, which they and the trust companies have done to some very large extent.

Farmers however have not necessarily been as well served. Those who have been in the business for more than 20 years can recall when they could get a farm improvement loan and were guaranteed both the amount of interest and the term of the interest; that gives pretty good financial control for any operation.

Gradually we got to the point where Section 88 of the Bank Act was used to supplant the Farm Improvement Loans Act. That gave the banks the right, resulting in a revolution in the farm lending field. Under the Farm Improvement Loans Act, when the loan was made the only item given as security was the building or the machine or the herd of cattle or whatever the loan was borrowed for.

Under Section 88 of the Bank Act, came the revolution! A farmer could buy a cow or a combine but he signed on the dotted line giving as security all of his grains, all of his livestock and all of the movables from that operation. We moved from there to the recent Bank Act where now a similar thing is done under Section 176, but in addition to all of this extra security Section 176 the farmer only knows on a weekly or monthly basis what the rate of interest is, and it is due on call. So this has really changed the conditions for loans. It is small wonder that farmers ask with some nostalgia what ever happened to the Farm Improvement Loans Act, because they had a firm rate of interest, they had a certain amount of time in which they knew they had to pay the loan off and the security was only the item that the loan had been granted for.

We have moved a long ways. I think this particular Act effectively protects only those people who still have farm improvement loans. I think that the chance of this particular amendment assisting very many farmers is not at all great. We will probably see a continuation of the situation, with only a few farmers succeeding in getting a farm improvement loan. It will be a somewhat different process than that which is gone through to win a lottery, but for those who make it they will consider themselves about as lucky.

● (1830)

I would close the remarks portion of my time today by asking the Minister if he can give us some information regarding the Farm Improvement Loans Act, and tell us how much of that $1,550 million is outstanding in loans now and how much he expects over the course of the next year to become available for such loans to farmers.

Mr. Wise: Mr. Chairman, I want to respond to the comments made by both the Hon. Member for Algoma and the Hon. Member for Humboldt-Lake Centre. First, I would like to indicate to them that in my remarks I did not suggest that I was coming before the House with a great, new, innovative piece of legislation. It is a piece of legislation that has been around for about 40 years.

I can well recall that about three years ago, I was not sitting here but across the way in the opposition benches. In the last 13 years, I have had two or three opportunities to speak to this legislation when it was brought forward by the previous Government for three-year extensions. I really have not changed my view about it. I want to make that point because I want to be very honest, open and frank. I can well recall that when I sat over there and made representations about this Bill, I used to make some of the same comments and observations that have been made by the two opposition critics. My remarks were probably more parallel with the latter speaker than the former.

I can recall that when I was in opposition, there was one major problem with this piece of legislation, and that was that the banks did not participate in it to the extent that we thought they should. I would like to tell my colleagues that I still have some concerns about this. Simply because I have from moved Opposition to Government does not mean that I am now carrying a flag in support of the Farm Improvement Loans Act.

I used to say that many farmers came to me to indicate that when they approached their banking institutions, the bankers had three stock answers: one, they had never heard of this piece of legislation before; two, it was not their policy to participate in loans under this Act; three, it was their policy to provide loans under this piece of legislation but they could not extend any more loans because their allotment had been used up. It is for that very same reason that we are not coming to the House, as the previous Government did time and time again, to simply ask for a three-year extension on the Farm Improvement Loans Act.

We are coming before the House, not having forgotten the problems farmers have with this piece of legislation. We are trying to get an interim extension to this legislation because we want to take a look at it. We want to have an opportunity to assess its usefulness and to determine whether or not it is meeting the needs of today and will meet the needs of tomorrow. We want to determine if it can be approved or amalgamated with some other government program. We want to have time to find out about information of this kind so that we will be in a position to improve the Farm Improvement Loans Act if it is our finding that that is what should be done.

I am not going to take on all of the observations that have been made by the two opposition critics. I suppose I could consider myself fortunate for having the opportunity to sit through the passage of the previous Bill, the Fisheries Improvement Loans Act, when the Hon. Member for Algoma got so far off the Act that he began to speak about wharfingers. He did not quite get to wharfingers on this particular Bill but he did go off on an EEC tangent.

Again, I must set the record straight. It was the previous Government that turned its back on the Canadian beef industry and took no action. This Government acted. We invoked the meat import law. To refresh the Hon. Member's memory, that occurred on December 21, 1984. As a result of our invoking the meat import law the Canadian beef industry is protected to the extent that the level of EEC beef coming into this country this year is about 55 per cent lower than it was last year. I think that is a significant protection for the Canadian beef industry. In fact, about 75 or 80 per cent less beef is coming into this country from EEC countries than would have come if we had not moved. I simply make that observation to set the record straight.

The other observation of the Hon. Member was perhaps a little more on track and dealt with farm finance. A few moments ago he indicated that the Government slashed the amount of money that is transferred from the Consolidated Revenue Fund to the Farm Credit Corporation. He left the impression that we slashed that amount of money from $300 million to $94 million. The truth of the matter is that $94 million is what the previous Government contributed from the Consolidated Revenue Fund to the Farm Credit Corporation. If we are talking about slashing, yes, there was a slash, but it was not done by this Government. I wanted to set the record straight on that matter as well.

Some comments were made regarding the usefulness of the program. The Hon. Member knows where I stand on the usefulness of the program. What is our other option? Our other option is to simply terminate the legislation. If the terms of this Bill were to terminate this piece of legislation, can you imagine what we would be hearing from Members opposite, Mr. Chairman? We would be hearing the most negative comments imaginable. We are not terminating the legislation.

I think it is important to recognize that $105.7 million or 66.1 per cent of the $159 million that was lent under this program was used to purchase agricultural implements. We know about the situation facing farm implement dealers today. It is pretty serious. A great many farm implement dealers across the country are having some very great difficulties surviving. Some $14.1 million or 8.8 per cent of that money went for construction, repair or alteration of farm houses and farm buildings. We know that the construction companies and builders can certainly utilize another $14 million. As well, $15.7 million or 9 per cent of that money was used for the purchase of land.

Some $10 million was used for other improvement purchases such as clearing of land, fencing and irrigation. There was certainly some investment in land clearing, tiling and irrigation projects, all of which are certainly in the best interests of Canadian agriculture. We know that some $13.4 million or 8.4 per cent of the money was made available for the purchase of livestock. We know that when a farmer is facing a difficult financial situation, it is important to invest money in good livestock. Everyone who has been in the livestock business knows that only a rich man can afford poor cattle. There was some half a million dollars spent on major repairs and overhaul of agricultural implements.

● (1840)

We are not here today taking great credit, saying that this is a new innovative program which is going to be the end to all of our problems in the agricultural industry. That is not it at all. We are coming here very honestly saying that we are not perfectly satisfied with the program the way it now is, although the previous Government seemed to be. At every three-year interval we would see the same old Bill back again. The Government would ask for a three-year extension for the same old Bill. We are not doing that. We are just asking for enough time to have a look at the program to see whether or not it can be improved.

Mr. Taylor: Mr. Chairman, I am not going to hold up this debate, but I want to commend the Minister on what he just said. I believe it is an excellent explanation. I do not think anyone would be happy if we terminated this Bill in spite of all its shortcomings. I was happy to hear the Minister say that during the interim this Bill is going to continue and there will be a review. That is the reason I rise now.

It is not only the financial difficulties which are facing our farmers, many of whom I am not sure are going to survive until 1986. They have high interest rates and foreclosures threatened by banks. In addition, farmers in my riding have

winds, drought, grasshoppers and cut-worms to contend with. The increased costs of production are becoming so high that many farmers are almost ready to give up. They do not think they can make it. Can the Minister tell us generally what is going to be included in this review because farming in western Canada is becoming a very serious matter. Many farmers are leaving. They have given up hope. Others are on the verge of giving up hope. We must do something in order to keep our farmers there because once the farmers disappear, I tell you, Mr. Chairman, the city people will know what the price of goods will cost because it is the many farm families who are keeping the price of food down. We in Canada do not appreciate that. We do not appreciate agriculture.

My point is that there are a number of matters which should be reviewed. For instance, if farmers received a price for their produce which included the cost plus a reasonable profit, we would not have very much difficulty. Every year the farmer is receiving less and less for what he grows. He is not even getting the costs back. There is no other industry in Canada in that position. Unless we find some way of seeing that the farmer receives his cost plus a reasonable profit, we are going to lose a lot of good farmers. We are going to lose our young innovative farmers, most of whom have diplomas from agricultural colleges.

Along with a review of this Act, I would suggest to the Minister that we have to review the Bank Act as well. Section 88 is being taken advantage of. Banks have taken and frozen a whole herd of cattle, and that is pretty discomfiting and frustrating. What is entailed in the Minister's review, which I am glad he mentioned? What does he anticipate might come out of that review with regard to keeping our farmers on the land?

Mr. Wise: Mr. Chairman, the Hon. Member for Bow River raises a number of points and, of course, they are very important and legitimate points to raise during this debate. I would love to respond to all of them, but let me only respond by saying that it is the intention of this Government to review all of the programs which currently deliver services to the agricultural community, and all of the dollars we invest, because we really do not spend money when it comes to food production in this country, rather we invest dollars in the agri-food industry. Of course, those dollars return to the general economy many, many times.

I would just like to indicate to the Hon. Member that as far as this Government is concerned, there is no question about the fact that we recognize the importance of the agri-food industry both in economic terms and as far as employment opportunities are concerned. There are many examples of this during the short period of time we have been in office. The Hon. Member knows that we have taken a number of very major steps. We are not claiming great victory here but we have taken many major steps in the farm credit, farm finance area. Other steps are being considered.

I know there was a great deal of expectation when the Budget was brought forward on May 23 that there would be some special provisions dealing with the farm finance issue. However, I warned Hon. Members in this House and farm organizations across the country that although there would be some very significant measures in the Budget, not to hold out any great hope that there would be any special measures in the Budget dealing with the farm finance issue. The reason for that, of course, was the fact that we have taken a number of steps. I am not going to go through them now—they are all listed and my colleagues will know what they are—except to say that the previous Government did not move in any way, shape or form in this area, but we have moved, and moved in three or four very significant ways.

I would like to indicate why I cautioned that significant measures would not be contained in the Budget dealing with the farm finance issue. Of course, there was a major provision in the Budget for which agricultural organizations have been asking for years and years and which was not provided by the previous Government. That, of course, was the measure of no capital gains. The other measure was the extension of the Registered Retirement Savings Plan. Third was the extension of the small business bond provision.

I received the report of the Bruce-Grey pilot project on May 17. The Budget, of course, came down on May 23. Since that time, I have had the benefit of the advice of both regional and provincial farm credit managers across the country. They have been acting, of course, as an appeal board in many provinces. I am receiving their advice. This week, we have a meeting with the chairpeople of the Farm Credit Appeal Board. We will have the benefit of the advice from the Bruce-Grey pilot project. We will have the benefit of the advice of our regional and provincial farm credit managers, and we will also have the benefit of the advice from the chairpeople of the Farm Credit Appeal Board. We will have to decide, of course, what further measures we can take from the federal point of view in order to deal with the farm finance issue.

I could go on—the Chairman has been very lenient with me to this point in time—but I think that most of the questions centred around this debate which can be properly procedurally talked about are those measures dealing more specifically with the farm credit issue.

In response to the Hon. Member for Humboldt-Lake Centre, I can tell him that I have charts and charts. I am not so sure whether I have the appropriate chart to supply him with the information for which he asked, but I can assure him that I would be happy to share the information I have. First is Table 1 which provides me with a summary of operations. It goes from the year 1945 on through to 1984 and lists the number of loans and the average loan. The next chart I have is Table 2, Loans and Repayment to Lenders. It goes through that same period of time. Table 3 shows loans classified by province and by lenders. That is interesting information. I know that when I was sitting in the Opposition, I was always anxious to receive that. I would be happy to share that information with all Hon. Members of the House. Table 3 continues for three pages.

● (1850)

Now we get to Table 4, loans classified by province and purpose. I have that information here. We have Table 5, loans for implements, combines, hay bailers, trucks, tractors and others; Table 6, loans for various farm improvement purposes; Table 7, loans for construction, repair and alteration of farm houses and buildings. I have a lot of information here which I am happy to share with the Hon. Member.

I could perhaps answer him by saying that as I recall, and I may be wrong, our losses under the Farm Improvement Loans Act were next to nil, thus the observation that this is not going to cost us a great deal. Farmers are good credit risks. They will make every effort to repay their debts. Therefore, we do not really see this as a great liability. We see it, instead, as another option to provide credit to a certain group of farmers. It has served a purpose over the years. We agree with some of the comments made and that is why we are coming back here today, not to terminate this legislation, but asking for an extension so we can sit down and try to improve the Act to the benefit of Canadian farmers.

Mr. Foster: Mr. Chairman, last year some $825 million was made available for loans through the Farm Credit Corporation. This year the estimates showed only $94 million. Is the Government going to be borrowing additional funds as a result because it could not really complement the funding available through the Farm Improvement Loans Act?

I want to point out the urgency of additional credit being made available. A Bruce County independent producers' group report showed 30 per cent of their producers were in serious financial difficulty. It seems to me that, given this drastic reduction and additional funds not being put in place, it will be hard to overcome the losses and foreclosures which have been taking place. Can the Minister clarify just what percentage of the $1.5 billion guarantee provided under the Farm Improvement Loans Act has actually been utilized? Is the entire amount being utilized? That is the problem with the Act in that the banks just do not make these loans available to farmers because they do not make enough profit. It it is not being utilized, then will the Government give consideration to requiring the banks to utilize the full amount? It is useful legislation and if only a small amount of funds are being rolled over each year, then the full amount should be utilized.

In the report that the Minister referred to, one of the problems seemed to be that the FCC were very inflexible. They would not write off loans even if the banks did so. Is the Minister prepared to bring in legislation or adopt a policy which would provide for that kind of flexibility? I also wonder if we could have the Minister, since he referred to a chart, table the statistical breakdown of farm improvement loans and show how much money is being utilized, so it could be made available to all Members?

Mr. Wise: Mr. Chairman, I have tried to be as helpful as possible. If I had expected questions of this kind, then it would have been possible to have an official seated in front of me so I could receive this information. There is no question about the circulation of the information. There is nothing confidential about that at all. It should be public knowledge and I have no reservation about making the information available to Members of the House.

I have to point out to the Hon. Member that the figure he cites might well be a combination of what the FCC could borrow from the private sector plus what it might be able to receive from the Consolidated Revenue Fund. The fact is that those totals become rather unimportant because the FCC required only $94 million from the Consolidated Revenue Fund last year. Therefore, when you are preparing the Estimates to be tabled, that is the basis upon which you do so; the amount required the previous year.

I have said publicly many times that if we find the demand is such that we require additional funds and we cannot get them in the private sector, then it is possible for me as Minister of Agriculture to go back to the Consolidated Revenue Fund to receive additional money. However, we have to recognize that it is highly unlikely that there will be a great demand throughout 1985 because of a number of factors, with the result that there will be many fewer transactions taking place.

The Hon. Member also indicated that loans last year totalled $1.5 million, but of course that is not correct. It was $159 million. I think the Hon. Member just made a slip of the tongue and did not do it intentionally at all. He also indicated that we might well be restricted because we are limited to $1.5 billion in total. The information I have is that would not be the case. To date roughly $900 million has been extended since 1980. Obviously I would not expect that we would be restricted by the $1.5 billion ceiling. We do have some latitude there.

Mr. Althouse: Mr. Chairman, the Minister pointed out that something in the order of $159 million was lent under this program last year. That brought the total outstanding loans guaranteed under the Act into the neighbourhood of $900 million while there is $1.55 billion of loan guarantees available under the Act. Could he tell us how the system is monitored? People have gone to banks and been told that there is no more money available through that program. Is each large chartered bank allocated a maximum amount that the Government will guarantee for a certain time, or is the pool of money kept wide open so that any time a credit union, bank, or trust company wants to lend money under this program it can just do so? Surely there must be some form of communication, particularly when they are close to using up the guaranteed funds. What sort of communication system is in effect, or is it just parcelled out to various banks, some of which in fact reach their limit?

● (1900)

Mr. Wise: Mr. Chairman, I do not think it is parcelled out in any way, shape, or form. It is my understanding that in the past this Act was administered by the Department of Finance. When the previous Government asked for an extension, the administrative role was transferred from the Department of Finance to the Department of Agriculture. I believe that transfer took place three years ago. This program is now

administered by officials of my Department. We are presently considering whether the Department of Agriculture is the appropriate body to carry out that administration or whether it should be transferred to the Farm Credit Corporation.

I have received complaints that there seems to be reluctance on the part of certain bank managers to participate in this program. However, some banks participate readily in the program. There is a bank in my constituency which utilizes that legislation very effectively. In fact, we would probably all be better off if we had the level of participation in this legislation which is exercised by certain banks.

With regard to administration, there are many forms which must be completed. There is a reluctance on the part of the client as well as the bank. After an application has been filled in, the banker would most likely have to seek approval from his head office in order to determine whether the federal Government was in a position to utilize the lending provisions of the Act.

That is a round-about answer, Mr. Chairman, and my terminology may not be exact, but I think you will find that that is the procedure which is followed which enables us to determine whether we have gone beyond the cap.

Mr. Althouse: Mr. Chairman, would it be possible to make the seven tables referred to part of the minutes of this Committee, or to make them available to Members who would like to have them in order that they will be part of the public record?

My last question is a very simple one. The Minister mentioned a problem that appears to have been created with paperwork. Since 1980 the Minister of Agriculture has been in charge of this program. Is it his intention to simplify those procedures, or is there a policy decision to phase out the program entirely? Farmers and lenders would like an indication of the Government's intention in this regard.

Mr. Wise: Mr. Chairman, no final decision has been made with reference to the future of this program. We think this program can be improved and we want to study it for that purpose. We will be considering the possibility of making it less burdensome. I apologize for not making paper flow from my desk to that of the Hon. Member. My problem was that if this left my desk, I would not have anything in front of me from which to respond. I do not use this as a lever to attempt to get this Bill through the House, but if Hon. Members give me an indication that they are reaching the conclusion of the detailed technical questions, I will be happy to give up my only copy and have it copied and distributed.

Mr. Foster: Mr. Chairman, the Minister:s answers have been helpful. He has indicated that only $900 million of the total $1.5 billion of the borrowing authority is presently being utilized by the banks. Why are the rest of those funds not being utilized by the banks? Banks are writing off hundreds of thousands of dollars in bad farm loans. If they were taking out loans of up to $100,000, which is the limit of this program, they would be guaranteed by the federal Government. Would the Government consider requiring banks, on a national basis, to provide a certain percentage of their loan funds under the Farm Improvements Loans Act?

With the financial situations of farmers being not as liquid as they should be, this would provide a source of reasonably priced credit. Would the Minister clarify why the full limit is not being utilized and whether the Government would give consideration to requiring banks to use a much higher percentage of the loan guarantees which are available under this program?

• (1910)

Mr. Wise: Mr. Chairman, I think the Hon. Member knows that according to this legislation we could not direct or unilaterally decree that the banking institutions must fully utilize the piece of legislation. I suppose that if it was the opinion of the government to take such action, that question could be put more appropriately pursuant to other legislation. However, it would appear to me that the Hon. Member is suggesting that if we took this tack, it would be a significant step in dealing with our farm finance problems. The fact is that that is not the case. I did not come to the House saying that this would be a great piece of legislation. I am as critical of this piece of legislation as I sit here as I was when I sat over there, for the very same reason.

However, when we are dealing with the farm finance issue, those old, traditional interest rate subsidies which the previous Government started but did not continue for 1984 for some reason, provide very little help and satisfaction in dealing with the crux of the matter. It is further proof that it is not only dollars that will solve our problems. It is improvements in commodity prices where the dollars really count in providing some real assistance to those farmers who face real difficulty.

The solutions will probably be found through some of the approaches and recommendations that are laid out in the Bruce-Grey pilot project. It will be through some of the recommendations that we will receive from our farm credit provincial managers across the country. It will be through some of the recommendations that we will receive from our farm credit appeal chairpeople who have been in the field. We will be getting some of those recommendations as well. It will not be achieved by those of us sitting here, throwing stones and criticizing the banking institutions in this country. That does nothing whatsoever, as we have already experienced. It serves no useful purpose at all.

It is obvious that banking institutions have changed their attitude, as they should. I believe we can take some satisfaction in that and compliment them somewhat. They are not the same group that they used to be. They are taking some positive steps in the farm finance area today.

As far as the Farm Credit Corporation is concerned, the Hon. Member indicated that there appeared to be a situation in the Bruce-Grey pilot project where the Farm Credit Corporation appeared not to be as flexible as he would like to see it. However, the Hon. Member must respect the fact that this was a pilot project. We were sitting at a table for the first time

with clients and a group of creditors. We were in an exercise in which we had to be somewhat cautious.

In the final analysis, we had to be careful when we decided on a case in the Bruce-Grey pilot project because it had to become a national policy which applied across the country. Therefore, it led to an observation that indeed we could have been more flexible in that exercise. While that is a fair observation, those who make that observation must realize that there was a reason. We had difficulties because whatever we agreed to in the pilot project, we would have to make a national program.

Of course, there are costing factors which had to be taken into consideration. I have indicated that one useful mechanism will be appeal boards. The question we are faced with now is that there appears to be an opinion that the most effective appeal boards might not be at the federal level but might well be at the provincial level. We want to provide the best appeal process possible and we are considering very seriously the possibility of set aside, of first offers to purchase and ability to pay and ways of working out many schemes with our clients to keep them on the land if they want to stay there. Those are the directions which we must consider rather than simply dollars and a little bit of unused capital that we have here.

The other matter also deals with the Bankruptcy Bill. I have had conversations with my colleague, the Minister of Consumer and Corporate Affairs. A very high priority in his legislative program is to amend the Bankruptcy Bill dealing with the farm finance issue. That is the appropriate place for it. It is not with extending the power of write downs with appeal boards, whether they be farm credit appeal boards, federal appeal boards or provincial appeal boards. The real problems develop when you extend the authority to write down and to write off. The proper legislative route to take is the one we are planning in the Bankruptcy Bill.

Mr. Young: Mr. Chairman, I have a brief question. As you no doubt appreciate, there are not many farmers in the east end of Toronto, but I did have an opportunity recently to spend some time in Bruce-Grey county with farmers. I discovered very quickly that the resentment against the banking community largely stems from the difficulty many farmers have in making applications for funds. One reason is the distance.

Another major problem in the community at that time was that the local branch of the bank did not appoint a manager so that there was no one to whom a farmer could make an application for that Government funding. If he wanted to make such an application, perhaps he would be required to travel an extensive distance to do so.

Has the Minister's Department given any consideration to farmers in that situation and attempted to find an alternative when there may not be a branch manager at the bank or even a credit union so that farmers could avail themselves of that fund? As I say, I am not an expert but these farmers were certainly resentful toward the banking community.

Mr. Wise: Mr. Chairman, I appreciate the intervention by the Hon. Member for Beaches. He indicated his apologies, to some extent, that he did not have farmers in his riding. He need not apologize because he has many consumers in his riding. I want to remind the Hon. Member to tell his constituents and his consumers that if they eat, they are involved in agriculture. The Hon. Member for Beaches is very much involved in agriculture.

He points to another very legitimate problem. I thank him for focusing on something other than the federal Government or the Farm Credit Corporation. It seems that everyone wants to say it is the Government's fault and that it must come up with the solutions and the money. The fact is that we do not hold all the solutions and have all the dollars.

Some improvements can be made at the provincial level, for example. I made some observations about the appeal boards. It may well be that the more appropriate place for an appeal board would be at the provincial level. The provincial governments, through their grassroots people, have done a great job throughout the country in almost every province. They have been correctly concentrating to a great extent on increasing production and other worth-while special projects over the years. These have paid great dividends.

However, perhaps we have been lax in not recognizing that perhaps we were achieving our goals ahead of time as far as production is concerned. We have been misled, I suppose, by the so-called experts telling the world that in the 1970s we were going to have great days during the 1980s, that input costs would remain low, that we would have shortages and commodity prices at an all-time high. Maybe with those messages coming from the so-called experts, that is why provincial ministries across the nation kept going on production, production and production.

● (1920)

All of those observations made during the early 1970s with reference to the 1980s and beyond turned out to be completely wrong. Input costs have risen and commodity prices have fallen. Shortages are not our problem; surpluses are. They have to direct more attention to the financial problems of farmers, perhaps with business management courses and time spent there. I know that we are trying to do it, at the federal level through the Farm Credit Corporation.

The Hon. Member's observation were directed toward the banking community. I could tell some interesting stories about the observations I have made of some of the shortcomings, the shortfalls and gaps in the judicial banking community as well. I think they have to assume a greater responsibility in providing more people at the local level with agri-food business experience. That will be helpful because the farmer over a long period of time always has looked to his banker as the financial expert for his business. Unfortunately in the past the bank manager might not have had sufficient expertise and experience in the agricultural industry. The Hon. Member makes an observation with which I agree. I added to it a little.

Mr. Lewis: Mr. Chairman, might I pose a short question to the Minister following up on my colleague from Beaches? I know when I lived at the end of the Queen Street carline it was an awful problem getting farm loans under this Act. I think it was about the fourth concession of Beaches. Could the Minister tell us whether it has improved any?

Mr. Wise: Mr. Chairman, we have no problems on that concession at all, I can assure the Hon. Member of that.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

BORROWING AUTHORITY ACT 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed from Wednesday, June 19, 1985 consideration in committee of Bill C-51, an Act to provide Borrowing Authority—Miss MacDonald (for the Minister of State (Finance))—Mr. Danis in the chair.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I owe a very deep debt of gratitude to the hon. Government House Leader, the distinguished Member for Saskatoon West for allowing me to speak on behalf of the Government. I am honoured and pleased on behalf of all the constituents of the great riding of Ottawa-Carleton to speak to Bill C-51 this evening. I would like to set this $18.2 billion borrowing requirement in its proper national economic context.

A reporter asked me the other day why I ran for Parliament. I responded by saying, because I love my country and I was concerned enough about its future to want to do something about it. I have lived and worked in the international community and have, therefore, seen Canada through the eyes of foreigners. The land is strong, but the direction in which it was heading was weak. I could see that we were going the wrong way. Therefore, I ran for Parliament and here I am. I am pleased and proud to be a part of the new crew helping to guide the ship of state on its new course through the economic, political and fiscal minefields placed by previous successive Liberal administrations.

We have had a few bumps and bruises in altering our course, Mr. Chairman, but that is part of the maturing process for a new Government. The course is now set. Economic renewal is now well under way, lead by our determination to reduce the deficit and to create an atmosphere for renewed confidence, investment and job creation by Canadian businesses.

I said during the election last year that I cannot live beyond my means, that businesses cannot that no Canadian can. Why then should our Government? I underlined that theme time and time again. Now we are delivering by getting our own fiscal house in order.

I did a survey in my riding last December. I asked a question to which I had 2,244 responses. The question was: "Do you feel that we should take further action to reduce the deficit?" Seventy-three per cent asnwered yes, and so we are. Many people are saying that we did not go far enough soon enough.

Is it not nice to know that we are now rewarding success, instead of subsidizing effort, through the incentive of the elimination of capital gains tax to a lifetime total of $500,000? If one person with a good idea can create some jobs then we will reward that person. That is called incentive, a word my colleagues in the socialist axis do not understand. The Liberals spell prosperity "s-p-e-n-d", we spell it "i-n-c-e-n-t-i-v-e." Imagine, we are rewarding the entrepreneurial spirit, the genius of job creation in the world.

The capital gains exemption will reach all communities, not justs those the Government targets. All communities in all ridings and all Members should be applauding this giant step for Canadians.

To maintain our momentum, the Government needs to borrow some funds as a normal course of action to finance its programs. Bill C-51 is a formal request of Parliament to do that. But I want to let Canadians know that it is not money being wasted. This request for borrowing authority dovetails beautifully into the ongoing Budget debate for the following reasons. After the November 8 economic statement last fall, the opposition leaders cried that we would lose 50,000 to 100,000 jobs as a result. Well, "Holy Moses" and as our son Blair who is just over two years says "Look at that". I would like to give some statistics.

• (1930)

Employment increased by 159,000 in April and May, the largest two-month gain in decades. Since September, 271,000 new jobs have been created, nearly three times the job creation during the same period last year. Since January of this year, 75,000 new jobs have been created for youth. Since September, 112,000 new jobs have been created for adult women and 111,000 new jobs for adult men.

The unemployment rate declined to 10.5 per cent in May, a drop of 1.1 percentage points from September. During the same period last year the unemployment rate rose 0.4 per cent. The 10.5 per cent unemployment rate is the lowest since May, 1982.

Since September, the youth unemployment rate has declined 2.1 per cent to 16.2 per cent, which at this point in time is still unacceptably high; the unemployment rate of adult women has declined 0.6 per cent to 9.5 per cent; and the unemployment rate of adult men has declined 1.1 per cent to 8.2 per cent, the lowest rate since June, 1982.

After the May 23 Budget the Right Hon. Leader of the Opposition questioned the impeccable integrity of the Minister of Finance by wondering why the Minister paid as much attention to Miami Beach as he did to Thunder Bay. The answer was quick and clear—Canadians did not have the confidence to invest their money in their own country. We

have changed that, and to coin an old phrase: "You ain't seen nothing yet". The net inflow of capital to Canada last fiscal year was over $2 billion, and that has not happened for a long time. That is called confidence. The more Ottawa spent, the more unemployment went up. Short-term artificial job creation has not worked, so we are going another route. We are breaking from the past. We are putting the ball in the people's court, and they are winning.

My colleague, the Hon. Minister of State for Finance, said in a speech in Toronto on May 27 that the Budget would "promote competitiveness, vitality and common sense", and that it would restore "initiative, self-reliance and personal choice". She went on to say:

> One of the things we're trying to do is get out of the routine of making people's investment decisions for them.

The challenge is now on the table. Government will not do it any more. If more government is the answer, then it must have been a stupid question. Eighty per cent of deficit reduction is through imported management, program reduction and enhanced cost recovery. Twenty per cent of reduction is through increased revenue; only 20 per cent, so what is all the fuss about?

It is correct that Bill C-51 is asking for some borrowing authority, but this is a normal course of government business. Let us look at the Western Accord. "Holy Moses", as my son would say. The 1981 Budget and the hideous National Energy Program destroyed this vital Canadian industry and the Liberal Government in the process. Recently I received a letter from Miss Cooley who is with the HUDAC organization in Alberta, in which she indicated that in general the economy in the west was healthier, that the oil patch was all abustle, and that north of Edmonton accommodation was in short supply.

That is good news. An article in the June 10 edition of *The Edmonton Journal* read as follows:

> Statistics Canada reports the seasonally-adjusted unemployment rate in Alberta dropped last month to 10.6 per cent. This time last year it was 12 per cent—
>
> It's the type of economic news politicians, investors and the unemployed have been waiting a long time to hear.

That is also good news. We did not put balls on a Christmas tree for everyone, but what we have and are doing will solidify the future of that tree and allow more Canadians to hang whatever they want on it.

The Canadian Federation of Independent Business called the Budget a block-buster, a dose of salts for our constipated economy, a requirement for a national effort to reduce the deficit so that in future years the Government would not have to borrow as much. Let us keep the Budget in its global perspective. If we borrow less, there will be more for everyone else. In economic jargon that is less crowding out of funds. This is the first time in many years that the deficit has been reduced. As an editorial which appeared in *The Globe and Mail* on May 27 indicated, "the Budget deserves a chance to work". We will remove $78 billion from the national debt by 1990. How can anyone question that? This fiscal year the average cost to a Canadian family will be from $1 to $1.25 per day. That is not too much to ask in order to sustain a strong, stable recovery.

I should like to commend the Hon. Member for Thunder Bay-Atikokan for his strong efforts to help save and fully restore the CBC children's program, *The Friendly Giant*. He mentioned in a memo to all Members of Parliament on May 22, the day before the federal Budget was brought down, that across the country Canadians were demanding more control of their economic affairs. He is right. We have just given it to them. I invite him to help us sell the new prosperity which we are all starting to enjoy.

I used to live in the riding of the Hon. Member for Hamilton Mountain when I worked as a summer student on shift work for Stelco. He indicated in debate in the House on May 28 that even if we created more jobs, produced more goods and services, where would we sell them? He is right. We all have to go out and sell what Canada has to offer, all of us in all Parties and from all provinces, and the sooner the better. If we create the right environment, Canadians will take the risks of putting some of their own money on the line to build a business. We all have a responsibility to help them do what. We have to be less critical and more positive and stop using fear tactics and vicious, thoughtless comments in the House of Commons to scare Canadians.

I should like to review a few more key economic indicators by comparing Canada with the United States. Since September last year Canada's unemployment rate has declined 1.1 per cent, while the United States unemployment rate has declined only 0.1 per cent. Since September, employment in the U.S. has increased by 1.5 per cent, while it has gone up 2.5 per cent in Canada. Holy, Moses, look at that.

We have done something which has not happened in a long time. We have brought peace to the provinces. We have strengthened our ties with the United States, which is a true sign of friendship. It sure beats kicking one's allies in the teeth. We have made energy deals with the west and with the Atlantic provinces. We have strengthened our commitment to NORAD and NATO. We have introduced the lowest rate of public spending in 17 years. We have created 271,000 jobs since September. Investment Canada has replaced that ugly FIRA feeling. Confidence and investment intentions are well up. Interest rates are down. Unemployment is down. Car sales are up. Housing starts are up. These are key economic indicators. Housing starts have increased for four consecutive months and, at 150,000 units in April, on an annual basis, were 23 per cent above the December 1984 level. There is a pent-up demand for a housing boom in the country. Retail sales jumped 3.4 per cent in March, relative to February, the seventh consecutive monthly increase. These are good signs.

When we took over government, we inherited an economically troubled country. It is now beginning to work. Tory times are employment times. Tory times are now growth times. Tory times are low interest rate times. The list goes on and on. We should not be held back. We are on a roll. What we need is more encouragement, more optimism, more positive promotion of the successes of the Government to date, more talk of the

gains Canada has made since September 1984; not doom and gloom scare tactics by the Opposition. The people of Ottawa-Carleton and the people of Canada know that we are on a roll. Business leaders of Canada, small, medium and large, feel a renewed sense of optimism. The only way to build a solid house, the only way to build a solid business, the only way to build a solid country is through a renewed sense of confidence in our ability and in our sense of direction.

I should like to quote the Chairman and Chief Executive Officer of Sun Life Assurance Company of Canada. In a speech in Toronto on May 7, he said:

> Canadians should support the federal Government's determination to tackle the problem of the deficit by reducing our demands and by encouraging government to show the same sort of fiscal responsibility and prudence that we tend to show in our private lives. If we do not, we are being unfair to today's youth and are mortgaging the future of generations to come.

● (1940)

Mr. Galt went on to say in his same address, and I quote again:

> We must accept that this means that tough decisions will have to be taken. But if we and our governments are sincere in wanting to be fair to our young people, we can, in my view, demonstrate it no more clearly than by making a determined attack on the growing future financial burden that we have been placing on their shoulders.

Mr. Galt is a man of vision, a man who is looking to the future, a man who is preparing to bite the bullet and help lower our national debt and annual deficits.

When I think of 1984 I am reminded of the successes of Canadian Olympians in Los Angeles. They won gold and silver and bronze because they were prepared. They were determined; they wanted to succeed for themselves and for their country. This new Government is also prepared. It is also determined. It will also continue to succeed so that all our people from all regions will have a healthier, happier, more stable economic, social and political future. That is what you build on, strength and successes, not weaknesses and words.

Bill C-51 is an essential component for continued Conservative creativity. The facts to date that I gave this House, Mr. Chairman, speak for themselves. The future is waiting to speak for us all, so let us get on with it.

Mr. Baker: Mr. Chairman, just a few words to add to the subject under discussion. I think it should be kept in mind that the debate over the cut-backs in the indexing of the old age pensions and the savings projected by the Government of Canada as far as family allowances are concerned are only a part of an over-all program of cuts that the people do not want and that the people do not deserve from this new Government.

I would like to highlight a couple of these concerns this evening. We have talked very extensively about the discontinuation of the COSP program, the program that enabled people to get off oil and on to other cheaper forms of home heating, and the discontinuation of the CHIP program. We watched as the Minister of Labour in charge of housing announced, not to the House of Commons or to the people of Canada, but certainly to the provincial Governments, the great number of closures of CMHC offices in Canada last week. Surely, that particular cut highlights an obvious policy on the part of the federal Government to get out of the area of social housing to some degree, because those 31 CMHC offices affected in Canada were the offices that consulted with local non-profit organizations, that consulted with the provincial Governments, that ran the home repair program in a great many areas of Canada, and now we see 16 of those offices closed down right across this country. Unfortunately eight of them are in Atlantic Canada, with some five or six in the Province of Ontario. Surely that means that CMHC as a housing authority that is supposed to look at the social needs of—

The Assistant Deputy Chairman: Point of order. The Hon. Member for Ottawa-Carleton.

Mr. Turner (Ottawa-Carleton): Mr. Chairman, am I correct in assuming that we are in the period of comments and questions now, and not more speeches?

The Assistant Deputy Chairman: No, we are not in the period of questions or comments. We are in Committee of the Whole debating the authority Bill, and we are making 20-minute speeches, or asking questions of the Parliamentary Secretary in this very specific case.

Mr. Baker: Mr. Chairman, I suppose the hon. gentleman could treat this as a response, as a stretched-out comment on his entire address, because it certainly negates a lot of things that he pointed out in his address.

As I was saying, the closure of the CMHC offices across Canada certainly must signify a change of government policy. What we saw from the Department involved was a change of policy in the first place to cut back on existing programs.

One of the most serious cut-backs that the Minister announced was, as I have mentioned in this House before, the 25 per cent reduction in the home repair program. The CMHC, the federal housing authority, stepped into areas where the local inspectors, the provincial housing authority, the non-profit organizations or the municipalities could no longer afford to operate or deliver the program in that area because of the federal Government's cut-back. CMHC officials then stepped in and did the inspection themselves in order to maintain the program in that particular area.

The hon. gentleman from Nova Scotia knows that down in New Glasgow and down in Sydney those officials would obviously have to replace the municipal authority and the provincial housing authority to operate the program now, because of the reduction. Now what we have is a cut-back in CMHC offices, four of them in the Province of Newfoundland, one on the south coast, two in the central portion of the island and one up in Labrador—the only offices in those areas completely cut, wiped out, closed, doors locked now as of last week's announcement by the federal Minister of Housing.

This goes hand in glove with the policy of the Government to restrict the entry requirement, or the qualification that one has to meet in order to get federal assistance to repair a home, to such a degree that only those on fixed incomes can qualify.

A lot of these people we are talking about today are senior citizens right across this country who are on a long list to get their homes repaired. Where do they now find themselves? They find themselves further down the list, or off the list totally because the program is being discontinued in their area.

Again, it was a continuation of the government policy that was announced last November when the Government of Canada said, those who have worked all their lives are now eligible for separation pay—any moneys at all from their employer—will have it treated as income, that is earnings. That is now going to be stretched out over the entire year, and that knocks people off unemployment insurance that they would normally have drawn for a year. That $12,500 is going to be taken away. The Government of Canada came out in its November statement and said that small pensions are now also treated as earnings, and that knocks people off unemployment insurance for all time in the future, although they have to pay into the program.

It was a part, I believe, of I would not say a concerted effort, but certainly—

Mr. Dingwall: A Conservative effort.

Mr. Baker: A Conservative effort, the hon. gentleman says, to try to save money on the backs of people who cannot afford today to deal with the ever-increasing cost of living. A lot of that cost of living, Mr. Chairman—

An Hon. Member: Liberal mismanagement.

Mr. Baker: Liberal mismanagement, the honourable gentleman says. It is a funny thing that everything that happens that is good he says is the result of a Conservative Government, but everything that happens that is bad he says is because of the dirty old Liberals, years ago. We will be listening to that for the next four years, at least, because this Government will try to stay in power for that long. It will go right to the end of its mandate because it will see that the polls will begin to change and opinion will roll right around. As the hon. gentleman said a few moments ago, it is on a roll, right downhill.

● (1950)

What about some of the incidental measures undertaken by the Government of Canada? I referred a moment ago to the home repair program. As well, earnings are going to be taken into account and if someone receives money after working all of his or her life, he or she will be knocked off unemployment insurance that was given as a gift by the former Government. Now pensions are going to be taken into account as earnings.

Then there are the incidental items. For instance, the Minister of Fisheries who was in the Chamber this evening put through a Bill called the Fisheries Improvement Loans Act Bill. It was not too long ago that the Minister of Fisheries unilaterally cancelled the salmon licence program in Newfoundland. Everyone with a restricted salmon licence who was classified as a part-time fisherman would lose his or her licence. That was the policy of the Government of Canada.

An Hon. Member: Hear, hear!

Mr. Baker: I hear an hon. gentleman across the way saying "Hear, hear". Yes, the Newfoundland Government said "Hear, hear". It had been advocating that measure for years. However, just because the Newfoundland Government advocates something for years does not make it right. The Newfoundland Government in this case was wrong. Why was it wrong? The fact of the matter is that there will be a lot of senior citizens who will not even sign the sheet of paper that will get them their money. Why will they not sign the sheet of paper that will get them their money? The answer is obvious. It is because the $750 that they will receive is not only taxable but is taken into account the following year on the income supplement to old age pensions.

When programs like that are announced, they sound great. However, a person who is filling out that form thinks about all kinds of things. He asks how this will affect his old age pension and the Guaranteed Income Supplement of his wife. He checks with the office and finds that his wife will lose $20 per month and he will lose $20 per month. Apart from that, he finds that the payment is taxable. The gentleman asks why he should apply for it. That was the funny part of the whole thing. One had to apply to give up one's licence that the Minister of Fisheries said was going to be taken away.

The Government of Canada unilaterally removed the licences which in most cases were held by senior citizens because they were classified as part-time fishermen. Yet they had to sign for that removal. I could never figure out why they had to sign for it. In committee, someone responded by saying that in order to have the payment made to the individual the individual's signature had to be on a sheet of paper. As I pointed out, the majority of these people were senior citizens and the majority of them would not put their signatures on that sheet of paper. The reason is that the money would not only be taxable but would be deducted next year from their incomes under the Old Age Security Program.

I will conclude because I am sure my hon. friend from Nova Scotia wishes to say a few words. I think it should be kept in mind by everyone who talks about decreasing incomes to people who are on fixed incomes that, depending upon in which part of the country people live, they will be hit in varying degrees. There are parts of this country in which there are senior citizens drawing pensions who have to pay municipal taxes in varying amounts. In some cases, senior citizens are paying for services which they do not receive. In some cases, they pay school taxes, and in the Province of Newfoundland there is the special tax. It is not unusual for me to receive letters from senior citizens who ask why they have to pay, and why they have been taken to court by the municipality. They ask why they now owe $200 in municipal taxes and why they have been taken to court by the school tax authorities. They want to know why they owe $150 to the school tax authorities and what they are going to do.

Now the Government of Canada is going to restrict the indexing of seniors' pensions and it is going to do all kinds of other things through the Budget that will increase their cost of living. The Government is going to increase fuel taxes and

make people pay for all kinds of things for which they did not have to pay before. They will have to pay to call the weather office. They will have to pay to do all kinds of things. As I said, the Hon. Member who will be a Minister in the next Government of Canada, I hope, wants to say a few words on this debate.

Mr. Dingwall: Mr. Chairman, I want to thank my colleague from Newfoundland for such a warm introduction. I would like to direct some of my comments on the borrowing authority to where the money is going to be spent. It seems to me to be absolutely absurd that when in excess of 1.4 million Canadians are out of work, and when the majority of senior citizens live below the poverty line, we are cutting back on their benefits while finding lots and lots of money to help the multinational oil companies. In fact, the Government House Leader himself has been part and parcel of the bailout of the multinational oil companies, a bailout to the tune of in excess of $1.3 billion.

What about the absurd program providing money under the capital gains provisions of the Income Tax Act?

Mr. Hnatyshyn: What have you got against farmers?

Mr. Dingwall: I have nothing against farmers but I have a lot to say about promoting the livelihood of our senior citizens. If we cannot find the money for the senior citizens, why do we not take it out of the capital gains provisions? There will be $300 million this year, $600 million next year and $1.2 billion in 1990.

The Government has gone a step farther. The cut-backs with regard to the Canada Mortgage and Housing Corporation affect the provinces across the country in different ways. The average cut with regard to RRAP funding is approximately 25 per cent. In some provinces, the poorer provinces, the cuts are as high as 41 per cent. In the Province of Nova Scotia, Canada Mortgage and Housing offices in Yarmouth, New Glasgow and Sydney are losing staff because there are no programs available to assist those Canadians who in the past availed themselves of those programs because of the benefits of home renovation.

What about the lack of money for small craft harbours? We have heard the Minister of Fisheries make statements before the Standing Committee on Fisheries and Forestry to the effect that much money is needed to maintain and improve the samll craft harbours in this country. Very little, if anything, Mr. Chairman, has happened with respect to small craft harbours. In fact, I charge that the Minister of Fisheries and Oceans has abdicated his responsibility. I would not suggest he is negligent, but the Minister did travel across Canada suggesting to the Canadian people that more money was needed immediately and then found himself coming out of Cabinet emptyhanded. I suggest he ought to do the honourable thing, Mr. Chairman; either get the money which is needed to assist under the Small Craft Harbours Act or resign.

• (2000)

This great Government which was elected on its promise of sensitivity towards the different regions of this country has done nothing although it has talked a pretty good game, Mr. Chairman. And we don't need any lessons from those Members of Parliament who happen to represent ridings in the City of Toronto or the outlying regions, because this Minister of Regional Industrial Expansion is an absolute jellyfish. He has done nothing for the poor regions of this country. In fact, Mr. Chairman, it was the Premier of Prince Edward Island and the Premier of New Brunswick who said it best when they said about the Tory Government in Ottawa that it is not providing the leadership, or the financial resources in order for the poor regions of this country to survive in difficult economic times. It is doing the exact opposite, I suggest. It is cutting back in those poor regions of the country to the detriment of those Canadians who live in those areas.

Yes, Mr. Chairman, I am aware, as you are, of the provisions of the new Canadian Constitution. It talks about equal opportunity. Where is the equal opportunity when the Government cuts back on regional development and at the same time gives to the multinational oil companies which had profits in excess of $400 million last fiscal year? They are not the ones who need additional assistance. It is the poor regions of this country which need the additional assistance. This Government has its priorities wrong. As Disraeli once said of the Conservative Party, "It is an organized hypocrisy". What better example of hypocrisy Mr. Chairman? The hypocrisy is best evidenced when it comes to our own senior citizens.

Some Hon. Members: Oh, oh!

Mr. Dingwall: It is unbelievable that the sheep in the Province of Saskatchewan would be here to heckle the senior citizens of this country. I find it appalling. This Government said in 1984 that it was going to provide full indexation to our senior citizens, only to break that promise in the Budget of the Minister of Finance on May 23, 1985. The Government broke its commitment to the senior citizens of Canada on that day.

I asked it before, Mr. Chairman, and I ask it again; where is the pride of the Minister of Finance and the Prime Minister? Are they proud to say to those Canadians, in excess of 1.5 million, who live below the poverty line that the Government is going to take away 3 per cent more? What it ought to have said to the multinational oil companies is that is wants that money back in order to provide a meaningful contribution towards our senior citizens. But, no, Mr. Chairman, the hypocrisy is evident and clear for everyone to see.

I thought the book-ends in this chamber, Mr. Chairman, would have availed themselves of the opportunity to stand in their places and speak with eloquence, conviction and honour for the senior citizens of this country. I would not expect them to speak against their Government. I would never suggest that. But we are treated to the comments of the Minister of Finance who has repeatedly lectured the veterans who fought in two world wars. He has lectured the senior citizens of our country and told them that they have to submit to further cut-backs in

their livelihood. I suggest to you, Mr. Chairman, that this Liberal Party will fight this measure tooth and nail. We want to see government Members being honourable. We want them to stand in their places and speak for the senior citizens of their country, and insist that this regressive meaure be changed so that full indexation will be restored to the senior citizens.

The Government has taken another step, Mr. Chairman, it has taxed our senior citizens even more. It is going to charge them more for their gasoline. It is going to prohibit them from travelling to visit their relatives and loved ones. It adds up, Mr. Chairman. If one studies the ideology of the Conservative party, one finds it is a Party which wishes to give preference to a select minority of elite in this country. That is very evident when one looks at its measures collectively.

In fact, Mr. Chairman, the economic policies and thrust of this Government can best be described as the "trickle down theory". The theory is that there is no room in this country for weak people, as evidenced by the slashing of the pensions of the senior citizens. The Government also believes there is no room in this country for weak businesses because there is nothing in this Budget to help small or weak businesses. There is nothing for the weak regions of this country. It was evidenced by the cut-backs of November of 1984, and now in the Budget of May 23, 1985, that this Government is operating under the trickle down theory, hoping to God that in Toronto, Montreal and Vancouver there will be sufficient economic growth so that somehow it will trickle down to the less fortunate regions of this country. I say to you, Mr. Chairman, and to government Members, that it will not work.

The Government of Canada, whether or not it disagrees with the ideology or policies of previous Governments, has to be an active player in order to assist weak individuals, weak businesses and weak regions in this country. And those Hon. Members of the Government who say nothing about those issues which so greatly affect Canadians are not living up to their oath to represent their constituents to the best of their abilities.

Of course, Mr. Chairman, I would be remiss in my remarks about the borrowing Bill if I did not mention something about Challenge '85. That program is well intentioned. I don't know how many students it employed in Prince Edward Island, but I know in other poor regions of this country, jobs and job opportunities are just not there. No one would argue with Challenge '85 if there were sufficient moneys put into the program. But I suggest there are regions of this country where there is not sufficient industry or an economic base, such as a university setting with research facilities, to go out and hire students who may be pursuing a career in those areas.

● (2010)

There are a great number of young people who, after their first, second or third year post-secondary studies are not overly certain about what they want to do in their adult life. A great number of young Canadians are not overly certain as to which vocation they will choose to earn their living. But this Government has come in with a very restricted Challenge '85 type program and said to those people that if they are uncertain about what they want to do, sorry, we cannot provide you with meaningful summer employment. The unfortunate part is that many students will not have the opportunity to continue their education because they will not have sufficient funds. Yes, Members can argue that that is what the student loan program is available for. But I suggest it is getting rougher and tougher for students to get loans and, when they get them, to pay them back after four or five years in university.

I hope the Government will change its priorities and put money back into the RRAP program, the Small Craft Harbours Division of the Department of Fisheries and Oceans, and the Department of Regional Industrial Expansion; and that it look again at the Challenge '85 program. I know there is a short period of summer remaining, but the Government could upgrade the amount of money and reduce the number of restrictions.

The Government could, as well, change its priorities in order to give our senior citizens full indexation. It is not fair that in 1985/the senior citizens of this country have to bear the brunt of a deficit reduction program while the multinational companies benefit and/a capital gains provision is implemented. It is not fair, and I urge all Members opposite to change that regressive policy affecting our senior citizens. As I said before, this could be used as a partisan argument on our part, but the Government has nothing to fear from changing this legislation as it will be righting a wrong. I say that the Government could take great political pride in restoring full indexation to our senior citizens.

[*Translation*]

Mr. Lanthier: Mr. Chairman, quite a few points were raised by the Hon. Member for Cape Breton-Richmond East (Mr. Dingwall). However, I would like to consider a few that have been mentioned time and time again. I have noticed that both in the House and outside, there has been a tendency to misinterpret certain points, and I would like to clarify one particular point in connection with the capital gains exemption. Increasingly, people are referred to this exemption as a giveaway to Canadians. The Minister is not giving away anything, but that is what has been claimed a number of times. I may add that it is not an expenditure either, certainly not.

[*English*]

It is not an expenditure or an expense.

[*Translation*]

I believe that the capital gains exemption is truly perceived by the public as an incentive to investment which is ultimately aimed at creating jobs. Of course, people may not understand how this incentive to investment is going to create jobs. It may be perceived as a foregone source of revenues badly needed by the present Government to mop up the deficit it inherited, that is to say, the cumulative deficit inherited from the previous Government.

As Hon. Members are aware, the Budget contains a proposal for a lifetime capital gains exemption of half a million dollars. This is an important initiative that is aimed at encouraging risk-taking and investment. It is a clear signal and a direct incentive to Canadians to start buying shares. Especially for small-and medium-sized businesses, realizing capital gains will provide the entrepreneurial drive that creates growth and employment which are the basis for our economic security. This measure will clearly encourage equity investment. Subsequent increases in returns on investments will encourage risk-taking. Furthermore, since capital available for acquiring shares in companies will increase as a result of this measure, the balance sheet and financial health of our corporations will improve, and thus have a beneficial effect on the financial restructuring in progress since the recession. Companies will be able to develop and expand as a result of equity investment. Consolidation of their financial positions will be accelerated, and companies will be in a better position to engage in productive investment. This investment will maintain and create employment and will also help to strengthen our ability to compete on highly competitive international markets. I may also add that the full exemption will be available immediately for capital gains realized on the sale of farm property, which will increase assistance to this vital sector of the economy.

An Hon. Member: Who wrote that?

Mr. Lanthier: I will answer that interruption as soon as I have the attention of Hon. Members.

In brief, the capital gains exemption is a clear signal and an incentive to investment. The exemption will apply to various types of property, with few restrictions. It is an incentive that will let Canadians decide where and when they want to invest and create wealth and eventually jobs, without merely relying on the Government, as was the case before.

I am now ready to answer the question. This speech was drafted by your humble servant during the weekend. I am glad of this opportunity to speak my piece, since I did my homework on the weekend, and I can give the Opposition the assurance that if they have any other questions, I will be glad to answer them, especially if they are as straightforward as this one.

To get back to the capital gains exemption—something the Opposition seem to have trouble seeing as an investment—I would refer Opposition Members to an excellent brochure about the 1985 Budget and small business by the Department of Regional Industrial Expansion, published for small businesses.

An Hon. Member: This is Government propaganda!

Mr. Lanthier: It explains how capital gains exemptions can generate increased investment and ultimately create jobs, which is one of the new Budget's three goals, and I will repeat them for the benefit of the Opposition: job creation, putting our finances in order and, of course, controlling our national debt. I would therefore urge Opposition Members who, whenever they touch on the subject of capital gains exemption, fail to understand that this is an investment to create jobs—

Mr. Chairman, I would also like to—

Mr. Ouellet: Would the Parliamentary Secretary be willing to entertain a question?

The Assistant Deputy Chairman: The Parliamentary Secretary may finish his comments. Basically, we have 20-minute speeches, while the Parliamentary Secretary may of course answer and take a reasonable amount of time to do so. However, I am sure the Hon. Member for Papineau (Mr. Ouellet) will have a chance to address the Chair later on.

Mr. Lanthier: I will be happy to answer the question instead of going on forever about the same subject. However, I decide to prepare a concise and comprehensive speech, and, if the House does not mind, to use the time for debate to reply. I would appreciate it if Hon. Members would give me a chance to speak, and if there are any questions, I certainly cannot listen to them and speak at the same time. So I would be happy to answer any questions the Hon. Member for Papineau may have.

• (2020)

Mr. Ouellet: I have just a very brief question for the Parliamentary Secretary. If he wishes he might continue his remarks afterward.

I would like to ask him whether he realizes that not only real estate speculators but also stock market professionals as well as painting collectors who make it a business to buy and sell works of art are three groups of Canadians who are favoured under the measure just mentioned by the Hon. Member. Those people can benefit from that Budget proposal, make huge capital gains, yet do not create a single job in Canada.

Here is my question: If the Parliamentary Secretary is aware of that, why did the Minister of Finance (Mr. Wilson) not include in his Budget some limits or standards concerning the kind of job-creation investments that might be made in Canada for which investors would be eligible for tax-free capital gains, whereas the three examples I gave him are examples of people who can make huge profits thanks to the generosity of the Minister of Finance, but still without creating a single job in Canada?

Mr. Lanthier: Indeed, Mr. Chairman, this is the kind of question I like very much because I know the answer, at least I think I do.

Mr. Chairman, this was meant to be a simple Budget. at the same time, if you have read it you noted that one of the major Budget consideration with respect to the business community

is to simplify as much as possible our tax system and the filing of financial statements required by the Government. I would think that the additional standards set forth—

It is true that some people may indeed take advantage of the new income tax provisions, but I think the Minister took that into consideration in his Budget.

First, a good many of the so-called loopholes found in previous legislation have been eliminated. Because of them, taxpayers had to hire tax consultants or experts to file their tax return. This aspect has been eliminated.

Second, if we want to simplify tax returns, we must not put in additional requirements.

Third, earlier, there was reference to those who dealt in art work and made large capital gains, to those who make profits in real estates and to some third group that I do not recall. However, I remember the first two categories. I was surprised that wines were not mentioned in this group, because I am usually an obvious target as far as the alcoholic beverage business is concerned.

However, I can assure the House that, according to the figures given by our experts last week, 55 per cent of those who claim capital gains in their income tax return have yearly earnings under $40,000. This means that these exemptions will reach a great majority of Canadians. They will not necessarily be speculators.

As concerns the capital gains to be claimed by the owners of apartment houses or other types of buildings, as I was myself involved in the construction industry, I had phone calls from promoters, from people who make our economy work—this term is not meant to be abusive—and I can assure the Hon. Members that they welcomed this Budget because it will reactivate the economy, and the construction industry and trade will certainly follow. If I may, I shall explain once more the great good that this tax incentive will do by referring to this magnificent little brochure which states that the only way to create jobs is through the private sector as the Government has already proven its inability to create jobs, and I believe that this brochure clearly shows that the private sector is all in favour of this capital gains tax exemption.

Naturally, as we have said many times, this Budget might not eliminate every loophole, but you can be assured that the Minister of Finance is well aware of it as he is an accomplished economist, and he will do much more, first to eliminate these loopholes, and second, he will do this without adding a lot of complexity so that tax returns can only be understood by experts or speculators and people who can afford specialists.

Mr. Gagliano: Mr. Chairman, I have a question for the Hon. Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) concerning capital gains. I would first ask him if he is aware that in 1982, according to recorded statistics, 94 per cent of capital gains listed by Canadians involved real estate, mainly land and highly speculative apartment buildings. This is my first question.

Secondly, you state that you are from the construction industry. Are you aware that as of July 1st, there will be a 6 per cent sales tax applying to prefab concrete, and since you come from the building industry, you know very well that the building industry is not like the food industry or the tobacco industry where you can implement a tax, announce it at 8 p.m. and say it will apply as of midnight on your inventory. Building contracts, and I hope you will tell this to the Minister of Finance because, apparently, he has no idea of the workings of the construction industry, in which contracts are signed well ahead of time and all those contracts that are already signed have fixed costs mainly because often in most cases, it is specified: federal tax included. Therefore, as of July 1st, those 6 per cent will not be rolled back to their customers. Consequently, a vast number of small and large contractors will find themselves in very great financial difficulty. There will be loss of jobs unless the Minister of Finance here, and hopefully soon, can announce a measure or state that the tax will apply to new contracts as of May 23 or, at least, allow an extension until January 1st in order that those contractors may adjust to the new situation. Could you enlighten me on that?

Mr. Lanthier: Mr. Chairman, this is another good question! Yes, we are aware that 94 or 95 per cent of capital gain tax exemptions involve real estate. Of course, I am aware of those figures. You asked me if I was aware of it in 1982. Yes, we were quite aware of it, and coming from the construction industry, I mentioned this often, this is an area upon which I dwelt somewhat more because definitely most capital gains fall into that category. Needless to say, this is why I am also repeating that this tax is generally well received in the construction industry.

Secondly, you referred to taxes on prefab products. Yes, on the one hand, I am aware of that tax, and on the other I have received representations. I can assure the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) that such a tax is offsetting a competing provision that favoured prefab products, giving them a competitive edge that they did not deserve on top of that, because naturally they were competing with fully-taxed products. Therefore, in that spirit, we developed a balance, and indeed this is stated in the Throne Speech itself. I do not remember the exact wording, but I could give you the reference later. It is in order to provide a balance. It is true that representations were made to the Government by contractors who had carried out some work on a contract basis including all taxes. Since I have done a great deal of arbitration in the construction sector, I think that this is a debatable point. On the other hand, it would be fair to say that people who have undertaken work on a contract basis are now in an economic straitjacket with no way out. There is a legal point of view according to which the owner is then, but I would not venture to discuss a legal matter here, sort of growing rich for

no reason. Should he pay tax on the new product or should it be absorbed by the government or taken out of the profits of the contractor himself? That point of view is now being considered by the Department, which was not aware until now that such conditions existed with respect to construction work performed on a contract basis. However, you can be assured that this is now be looked into and further regulations will soon be issued taking into account, first, work performed on a contract basis and, second, our financial needs due unfortunately to our increasing debt.

However, I can assure you, because I am contact with general building contractors, that the capital gains tax exemptions are much more important for job creation and business development than that part of a tax in a specific area which is nevertheless a minor one in the construction field. Prefabrication is very popular in Quebec but it is only a minor aspect of the construction sector. And as is so rightly said in the Budget, that aspect of construction will now be more competitive and will be placed on an equal footing with products made directly on the site.

● (2030)

Mr. Gagliano: As to the matter of the capital gains tax, Mr. Chairman, I was certainly glad to learn from the Parliamentary Secretary that 94 per cent of all exemptions in 1982 were for real estate. He must be aware, therefore, of the financial aspects of the purchase and sale of lands and real estate. He himself admitted that much. It is a speculative industry. I quite agree with you, Mr. Parliamentary Secretary, when you say that most general contractors are delighted with this legislation. I can even tell you that some of my former customers are delighted with it.

But let us have a look at the whole scheme. Nowadays, the Number One problem in Canada is that most people, young and old, are looking for jobs, as I was made aware once more yesterday as I was walking through the park in Saint-Léonard during the Saint-Jean-Baptiste Day celebrations. When you realize that only 4 per cent of Canadian taxpayers declared capital gains last year and that 94 per cent of these gains came from a very speculative industry, you will certainly agree with me that this particular Budget provision is not likely to create many jobs, in spite of the booklet published by the Minister of State for Small Business (Mr. Bissonnette) which you have just mentioned, but I have not received yet; however I will examine it very closely and comment on it at the first opportunity . . . Those in the know, not I, are saying that the only jobs this provision is likely to create are high-paying ones for accountants and lawyers who are tax experts, claiming that with a little imagination and some long term tax planning, they will probably save the rich not $500,000, but many millions of dollars. And instead of reducing the deficit, they will probably cause the government to increase it.

Mr. Lanthier: Let us be clear about this, Mr. Chairman. When I said that some general contractors were pleased with the Budget, I was certainly not referring to those building prefabricated houses. We agree on that.

It is mostly the developers who create projects and keep them going and, of course, create jobs. I must say I agree with the distinction you made. Obviously, the developers are going to endorse the Budget because they stand to profit most. I have nothing against making a profit, since my background is the private sector. We want to create incentives and reward success instead of subsidizing effort. The previous Government was very generous about subsidizing effort. Today, the new Government wants to reward success instead of effort and get together with developers and contractors who are successful. They are the ones who create jobs. Jobs are created by a healthy private sector.

Second, I do not agree with your experts. Our Budget experts do not agree with yours, certainly not. When you said that the experts are, and so on, we are not talking about the same experts. I can assure the Hon. Member that the experts who helped us draft the Budget do not agree with the people who say that capital gains exemptions in the real estate sector do not create jobs. I am sorry but we do not agree here, and as someone who knows the construction industry, I certainly do not agree with that premise.

When you say that only accountants and tax lawyers are going to make money in those areas, I do not agree either. I hope the Hon. Member does not take me for an ally, because what he is claiming is completely at odds with the main goal of this Budget and the measures that were introduced to stop the tax avoiders from taking advantage of any loopholes in the system.

Instead, the new Budget is going to simplify and clarify the tax system in general, as the Hon. Member for Papineau (Mr. Ouellet) mentioned earlier, in order to close more and more loopholes, but I do not agree that the people you referred to will benefit more under the new Budget. From the telephone calls I received, I did not get the impression that the tax experts and accountants were particularly delighted. I can assure you that these people thought we were reducing considerably the need for relying on their services, since next year's income tax returns will reflect the philosophy which forms the basis for the new Budget, which is to simplify Canada's tax system and get rid of all kinds of red tape and complications and direct or indirect Government intervention which tend to complicate business transactions. We want to rely increasingly on the business sector to create jobs, and this Government intends to reduce its expenditures with a view to controlling the deficit and ultimately reducing our national debt.

Mr. Gagliano: My last question, Mr. Chairman, because I do not want to keep the Hon. Member for Papineau (Mr. Ouellet) waiting too long. You referred to "your experts", and I just want to set the record straight. These were not my

experts. I said these were experts who were quoted in the press, so they are not my experts. However, you said that according to your experts, and now I mean yours, not mine, such a measure would create many jobs because businesses will create jobs. My question is the following: Have you made studies of who is going to create jobs? If so, could the Minister of Finance table these studies so that we in the Opposition could take a look at them? Good heavens, if you create jobs, we will give you a round of applause, but we would like to know whether any studies have been made on the subject. That was my first question.

Now for my last question. You were referring to simplifying income tax returns. I would like to know—and I am very curious—I would like to know where the tax returns were simplified, because personally, I did not find anything about simplifying income tax returns in the Budget, unless it has yet to be announced, but the Budget contains no simplification whatsoever, on the contrary. In fact, with the capital gains exemption, it takes an accountant to figure it all out.

● (2040)

Mr. Lanthier: First, I really appreciated the reference to "your experts and our experts" a while ago. I was myself called as an expert before the courts many times and any reference to "our experts" or "their experts" were avoided. We always referred simply to the experts. We do not want to start a war of experts, especially without naming them. I would not want to wage such a war, especially as you called them experts because it was written in the newspapers. I have great respect for the journalists, but not as authorities on experts. In fact, we have been told that a real expert is someone who borrows your watch and charges for telling you the time. As for the war between experts, we could meet outside and exchange studies.

As a third question, you asked if we had made studies. Naturally, I took part in the general preparatory work for the Budget itself, but the Minister made the final decision on every item included in the Budget. He had choices to make and he made them. Some choices were difficult. We knew that there were alternatives, but we had to make some choices. You now say that you would like to see the studies that were made. For my part, I had the opportunity to see a lot of papers, but the papers I saw last were the ones that you had. If I have heard anything about this year's Budget, it is that this Budget is very complete, and when I sent it to friends, whether tax experts, bank managers, promoters, manufacturers or businessmen, they all congratulated us on the detailed and very complete background information published with it. In my opinion, the budgetary papers include all the information that was used, and I think that it is quite complete.

Third, you spoke about simplifying the tax returns and the tax system. As I am not a tax expert, I shall reserve my answer for a while. I would like to look into this matter. I can promise you to come back with a document, but it is quite late. I cannot promise to have it for tomorrow, but you shall eventually have an answer.

Ms. Copps: Mr. Chairman, I did not intend to speak, but as the Parliamentary Secretary has admitted that he is responsible with the Minister of Finance (Mr. Wilson) for this disastrous Budget, I would like to ask him whether he consulted senior citizens before committing himself to this Budget which goes really to the heart of Conservative politics in Canada. I would also like to know whether he can confirm in the House that, according to his own Budget figures, a family of four in the highest tax bracket worth $200 taking advantage of this capital gains gift of nearly $500,000 will pay $2,352 less in taxes in 1990 than today, and that a family of four with an income of $15,000 will pay $413 more taxes in 1990. Since the Parliamentary Secretary admitted in the House today that he was responsible for the Budget, is he also responsible for these figures which discriminate against the poorest members of our society to give to those who are less in need of assistance? Is that what makes him feel proud today in this House?

Mr. Lanthier: Mr. Chairman, I am learning by experience; I did not think that I had admitted so much.

Mr. Chairman, when I said that, since my appointment to the Department of Finance, I have had the opportunity to provide assistance to my two Ministers of Finance, it is quite obvious that I did not mean that I was the only one with the Minister of Finance to work on the Budget, as the Hon. Member has suggested. My role was very modest. For instance, I certainly had meetings with the senior officials of the Department of Finance for consultations in the areas in which I have a special interest, either by training or by personal experience. However, I did not make the decisions alone. On the contrary, I was not involved in the decision-making process. The Minister of Finance made all the decisions, as is proper, in my opinion. I would not want to discuss previous cases as I was not involved before. I can assure you that, first, the Minister of Finance is the boss of the Department of Finance. Second, did I consult with senior citizens? I already had an opportunity to answer that question last week, and I will tell you: Yes, I consulted with seniors. When seniors were consulted—

Mr. Ouellet: Before or after?

Mr. Lanthier: They were consulted before, during and upon invitation recently from certain Opposition Members. And I gave evidence on some cases last week and I even identified the people who advised me on that. I clearly identified senior citizens' clubs with which I consulted since then . . . We consulted before, and I myself consulted before. Third, concerning gifts to the rich, again we did not discriminate between investment and expenditure, between investment incentives,

and gifts. Jobs will be created by people who will invest in private enterprise. Jobs will not be created by the Government. We have seen how it failed on that. All the Government can create is temporary jobs rather then read ones. Let me give you an example of the programs, because earlier there was a reference to the program Challenge '85.

Mr. Chairman, we have two kinds of Challenge '85 programs. There were those which involved the private sector, and those which rather involved Government, namely municipal administrations, plus all kinds of non-profit organizations. Let me tell you that in my constituency in particular, which I had a chance to monitor, the private sector jumped wholeheartedly on the bandwagon and we were able to create many more jobs per dollar than we had been able to do under the previous program, which had evolved rather along the lines of the previous Government. Let me tell you that with Challenge '85, the private sector got aboard, fully confident because of the positive measures we had taken on November 4. At that point, they saw we were serious, and private business became involved, and let me tell you it is a real success. They contributed their own dollars. I believe that private management under someone who uses his own dollars is much more productive and much tighter than when somebody else's dollars are involved, Government money for instance.

Mr. Ouellet: Mr. Chairman, in light of the revelations just made by the Parliamentary Secretary I can only ask him again to what extent he did consult senior citizens and the golden age clubs he referred to before the Budget was prepared. If indeed there were consultations with senior citizens before the Budget was drafted, I am wondering what the Parliamentary Secretary is doing now about the general outcry from people who feel cheated and betrayed by this part of the Budget which savagely deindex the pensions of retired people.

In his remarks a moment ago the Parliamentary Secretary candidly admitted that he was one of the people responsible for this Budget. After the question of my colleague, he reconsidered his position by saying that he did not have too much to do with the Budget.

I can understand that but I simply want to read him a quotation from *The Globe and Mail* of last June 13:

● (2050)

[*English*]

Before introducing his Budget last month, Finance Minister Michael Wilson was confronted with figures by his Department indicating that tax increases would hit low-income and middle-income earners harder than high-income earners—

The Finance Department also provided the Minister with figures indicating that the benefits of the tax exemption on capital gains will go largely to the wealthy and will cut the incomes of low-income groups.

[*Translation*]

That information was therefore known to the Minister of Finance before he tabled his Budget in the House. This document had not been made public with the series of documents tabled along with the Budget, but it has since been released and it is the document to which *The Globe and Mail* refers. Was the Parliamentary Secretary aware of those documents, and how could he support such generous and favourable measures towards a certain group of businessmen, well-to-do people, and how could he, after consulting groups of elderly citizens, not speak up against such hand-outs to wealthier Canadians and such severity towards the poorest people in our society? Either the Parliamentary Secretary is trying to show off and did not consult groups of elderly people before the Budget, or if he really did I would like him to tell us right now who are those groups of people he consulted before the Budget was tabled.

Mr. Lanthier: Mr. Chairman, I am very close to the elderly people of my riding. I had an opportunity to meet with them, and I am trying to remember exactly when I met with three golden age clubs. I recall the names of two I consulted with later and I can identify them for you if Members of the Opposition want me too, for the Hon. Member referred earlier to my candour.

For a while I thought the allegations of the Opposition were founded, so I went to see the people to find out whether there was a general outcry as the Hon. Member suggested earlier. Let me tell you that the people were furious, not because of the Budget itself, but because of the interpretation somewhat—I would not say fraudulent but somewhat biased given by certain Members of the Opposition who are more interested in scoring political points than in telling the truth to the elderly. And again let me tell you that during the last election campaign we began to talk to senior citizens and other people affected by the deficit. Young people were asking for jobs, middle-age people, workers and the unemployed wanted to keep their jobs or find work, but senior citizens were mostly concerned about our growing indebtedness and our ever lasting and ever larger Government deficits. So we did consult with the elderly right from the start, during the election campaign. What concerns them most is not really the 3 per cent, what they want is to keep the major slice of their old age security pensions, the major slice of 97 per cent. The Minister of Finance was quite clear during today's oral questions period, but apparently Members opposite do not want to listen. But I can assure you that I talked to the Saint-Jean-Damascènes Golden Age Club, the Sainte-Catherine-Labouré Club and the Golden Age Club of—I cannot remember the name of the other parish in my region, I mentioned it last week should you care to refer to last week's debates. Mr. Chairman, let me tell you that those three senior citizens' clubs sent me a message that was very common after the Budget. They told me: Be careful not to spend our hard-earned money, do not touch our capital! And they were very worried about their hard-earned money and their capital. And as was said earlier today, and I want to get back to what was so aptly said by the Minister of Finance, if we do not pay attention to general measures, not just the 3 per cent that is

mentioned and which is now being considered by the Department of Finance, if we do not pay attention to all the budgetary measures, it will not be the 3 per cent but the 97 per cent we will have to consider as well. The balance is then at stake. In 1990 there will be nothing left.

So I do not think we can be accused of failing to consult. We consulted before the Budget. We did so during the Budget and we did so afterwards. Of course I would like to give people the assurance . . . Earlier, I was accused of bragging. I am sorry but I simply wanted to make the point that I made my own modest contribution to the general consultation process that preceded the Budget. However, I was not one of the main artisans, as others would have me say. If I gave the impression that I was, I think you greatly underestimate the Minister of Finance (Mr. Wilson) who is far more competent in this area that I could ever be.

Ms. Copps: Mr. Chairman, I heard the Hon. Member for LaSalle (Mr. Lanthier) say that he did a lot of consulting before, after and during the election campaign and before, after and during the Budget. I wonder if this evening . . . after all, we are not in a hurry, we can stay until tomorrow, we are here for the whole evening and all night if necessary, I wonder if he could table in the House the names of the presidents of senior citizens' clubs in his riding who supported the plan of his Minister of Finance to eliminate their tiny pensions by 1990.

I also heard, and I may be mistaken or I may have misunderstood the French, that the Parliamentary Secretary suggested that if nothing is done, all old age pensions will be eliminated by 1990. The Minister of Finance has accused the Opposition of playing on public sentiment and misleading people by suggesting that they would lose 30 per cent of their pension each year, and now the Parliamentary Secretary is suggesting to the House that all old age pensions will be eliminated by 1990 if we do not accept the proposals of his Minister of Finance. I think that is intolerable, and I am waiting for him to inform the House quite clearly today that there is no sword of Damocles hanging over the heads of our elderly, because if he is here to make threats, we in the Opposition are not going to stand by idly and let the Minister of Finance threaten to eliminate all pensions. We are going to continue our fight. So I would like to have two answers: first of all, whether the Parliamentary Secretary, either today or tomorrow, could give the House the name of any president of senior citizens' clubs in his riding who supports the proposals of the Minister of Finance regarding the removal of Old Age Security pensions, and second, whether he can clarify his position on the so-called complete elimination of Old Age Security pensions, as he suggested this evening in his comments?

Mr. Lanthier: Mr. Chairman, I come back to the first question which is easier. Now that I have given the names of parishes, I am asked the name of the presidents and what not. I did not have any petition signed. As I said last week, a petition is not the only way to seek advice. And surely I will not be bossed around by Members opposite who tell me: "Go and fetch me the petition that we have drawn up." Mr. Chairman, I have quoted names, but I have forgotten one, and as I said, you can refer to *Hansard*. I do not want to dwell on that point.

As far as phasing out pensions is concerned, we are not phasing out pensions as the Minister stated today, and I support his comments because the evidence is quite clear in the Budget and Budget papers. If we do not take care to control our national debt, all our social programs will be in jeopardy in 1990. We are not making any threats. Those are real facts. Our social programs are in jeopardy because of our ever increasing deficit from year to year and our burdensome debt. I do not think this is anything new.

Progress reported.

• (2100)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

PENITENTIARIES—COST OF MAINTAINING INMATES

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, recently I rose in this House to ask the Solicitor General what measures Correctional Service Canada was taking and how the inmate population in Canada is helping to control the national debt, reduce expenditures and share in the economic responsibilities of this nation.

My concern stems from the fact that we are asking Canadians to participate in economic responsibility and I strongly believe all Canadians should be contributing. I believe we have a duty to all Canadians to ensure that Government exercises restraint and cut expenditures, as is being done in many areas.

Six weeks after taking office this Government cut expenditures by $4.2 billion. Various programs are presently being reviewed to determine their effectiveness and areas of duplication. This Government is serious about cutting our expenditures. We introduced measures in the May 23 Budget that will help reduce the deficit by $4.4 billion from the previous projection of almost $40 billion.

I am concerned about the costs of our correctional services. There are various costly expenditures ranging from food and clothing to visitor facilities and building maintenance. I realize that such expenditures are necessary, but they should not be incredibly expensive.

The over-all national average cost to maintain a person in a federal penitentiary rose to $109.81 per day during the year ending March 31, 1984. That is an increase from $103.66 per day for the previous year. On average, Canada spends $39,419 a year for each inmate in a federal penitentiary. Costs have risen substantially since 1979-80 when Canada spent $75.58 a day to house an inmate.

The number of inmates has also increased greatly, from 8,465 in 1979-80 to the 1983-84 total of 10,438. Women make up 2 per cent of this number. A further 1,100 federal prisoners were on parole, probation or mandatory supervision when the count was made. In 1982-83 the total expenditure on prisons cost each Canadian $42.67 a year, or a total of $1.1 billion. By 1983-84 that cost had risen to $49.13 per Canadian, or a total of $1.2 billion.

There are some programs run by the correctional institutions that give me cause to doubt the economic responsibility of the system. The conjugal visiting sessions for inmates serving life sentences does not make sense to me. These are people who have opted not to be part of our society, yet feel it is their right to have visitors with them. The costs of these visits must be borne by the average Canadian who carries on a productive, law-abiding life.

Projects such as the greenhouses and farms that the Honourable Minister mentioned in his response to my question are other programs that I am concerned about. Just how cost effective are some of these programs? We must consider the fact that supplies and equipment must be purchased for these operations, and I consider it vital that we not have the average Canadian paying for inmate activities that are not necessary and self-sufficient.

● (2105)

Further, there are some important questions regarding the costs of transporting inmates from penitentiaries to court houses and back. Such involvement of inmates requires elaborate preparations, a great many security personnel and costs a great deal. There is also the question of the possible danger to the community at large should the prisoner escape, not to mention the costs associated with a search for an inmate who has escaped.

At this time there are no provisions to try an inmate in a court on penitentiary grounds to save the transportation and subsequent related costs. There may be some concerns about this proposal, and some may claim that it is contrary to the Charter of Rights. However, I would like to point out that the prison population has opted not to abide by the law and by so doing have forfeited the privileges of freedom and voting. It is a person's choice and an inmate has chosen not to be part of our free and democratic society. That does not mean that inmates no longer have responsibilities. They must still lead responsible and productive lives while serving time.

I am concerned, and rightly so, that the Correctional Service of Canada is not contributing to the Government's restraint program. Are we asking our inmates to share in cost reductions to help reduce the serious national debt? We should be doing just that. I am not suggesting that we mistreat or abuse the prison population. I am not suggesting that prisoners are the sole cause of our present economic situation. However, I do ask that we consider treating all people on an equal and fair basis so that all people of Canada share in economic restraint.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I am pleased to have the opportunity to respond further to the issue raised by the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet) in a question he asked during Question Period on June 10, 1985, with respect to the cost of maintaining offenders. I can understand the Hon. Member's concern, particularly in light of recently published statistics indicating a rise in the average annual cost of maintaining a person in a federal penitentiary.

The Correctional Service is very much aware that the costs of maintaining penitentiaries must be kept to acceptable levels, and is doing much to employ inmates in ways that keep them productively occupied, provide training and contribute to the daily operations and upkeep of institutions. Accordingly, inmates are assigned to cleaning duties, the preparation and serving of food, laundry services, renovation projects, farm operations, industries and so on.

In order to foster a sense of personal responsibility and thrift, inmates are required to save a portion of the money they earn while working, and in this manner funds are accrued to provide the support they need during the critical re-entry phase into the community when they are released. In other words, they can better support themselves while looking for employment and thereby avoid further burden to the taxpayer.

I must make particular mention of the fact that the Correctional Service reduces the cost of maintaining offenders through the operation of five farms and greenhouses, gardens and other operations at several institutions that collectively provide approximately 25 per cent to 30 per cent of all food required, to a total market value of about $4 million annually. Production is being expanded with the development of a sixth farm at Bowden Institution in Alberta. Since Bowden is in my constituency, this question is very important to me. The Correctional Service hopes to eventually improve self-sufficiency to the level of 50 per cent, the upper limit in practical terms given the Canadian climate and the remote location of some of our institutions.

The Correctional Service also operates almost 100 industrial shops and institutions across the country. These shops operate with inmate labour and manufacture goods that are used at the institutions or sold to government agencies and non-profit, charitable or religious organizations. Revenue generated by sales offsets the costs associated with training inmates in marketable industrial skills and the costs of operating the shops.

Finally, I would like to mention that inmates are actively employed in forestry activities carried out at five institutions, and these activities involve the production of about four million seedlings each year, spacing and thinning, log salvage,

firefighting, campground development and parks maintenance. A joint venture of the Correctional Service and the Scott Paper Company in Nova Scotia has resulted in a tree nursery operation which provides training for inmates who are paid as Scott Paper employees and who reimburse the Correctional Service for room and board.

● (2110)

As you can see, Mr. Speaker, there are several dynamic and original ways that have been developed by the correctional service to reduce costs, while at the same time providing inmates with training which will help them find jobs when they are released.

SPORTS—BASEBALL DECISION UNFAIR TO CANADIAN UMPIRES

Mr. Gordon Taylor (Bow River): Mr. Speaker, on June 18 last I asked the Secretary of State for External Affairs (Mr. Clark) the following question, and I quote:

> While we are waiting for the day when the world series will be held in Canada between the Expos and the Blue Jays, will the Minister ascertain why Canadians, who have graduated from recognized umpire schools in the United States, are not permitted to umpire in the minor and major leagues in the United States, while American umpires in baseball and American referees in hockey work in Canada? Should this not be a two-way street?

The Secretary of State for External Affairs replied as follows, and I quote:

> I thank the Hon. Member for that very serious question. We are looking into it seriously. We have had discussions with officials of the United States. We are not completely satisfied as yet with the response, but it is the bottom of the seventh inning and we expect that we will win that particular game before the end of the ninth.

That was a very thoughtful answer and I am delighted that we have at least reached the seventh inning. The purpose of my remarks today is to encourage the department to bat a home run with the bases full and finish the game so that qualified Canadians may umpire in the United States in the major and minor leagues, just as qualified Americans may work in our baseball leagues in Canada.

A number of people have asked me if I have any examples. I have and I will quote them. The first example is the case of a constituent of mine who, while in the United States attending a five-week course at the Joe Brinkman Professional Umpires School in St. Bernardino, California, along with another Canadian, was astounded when told that because they were Canadians they could not be hired in the United States. An official of the Harry Wnedlestedt School for Umpires at Daytona Beach, Florida, stated in a letter to my constituent, and I quote:

> Much attention is currently being given what I consider a silly law that exists banning placement of foreign candidates in jobs that can be filled by the country's own citizens. This agreement was forged between Canada and the U.S. during a time of great unemployment in both countries. Only those candidates in what is considered a critical occupation, such as science and medicine, can be placed in jobs in a country of which they are not a citizen. Hopefully if enough people complain to the politicians things will change.

Another example is the case of a young man from Surrey, B.C. who applied to work in the Pioneer League and his request was denied. The story in *The Globe and Mail* on Saturday, May 11, 1985, indicated that five other Canadians have applied for work visas so they can umpire in the United States and were refused. The Americans have made one exception, a Canadian citizen from Montreal who had a brother who was U.S. citizen was permitted to work in the American league. The story also states that Canadians lost their jobs in the minor leagues after it was found out that they were Canadians.

It was reported that Barney Deary who heads baseball's umpire development program, has also appealed to have Canadians made eligible. He is reported as saying, "I am supposed to be finding the best umpires and right now I am not able to do that". I agree with him, that Canadian umpires are just as highly qualified, if not more so, as American umpires.

Another story that appeared in *Referee*, the magazine for sports officials, in the July, 1981 edition, told the story of a Royal Canadian Mounted Police officer living in the Northwest Territories, who in 1974 was one of the youngest umpires working in the Inner County baseball league in southern Ontario. In 1979 he worked at the Canadian National Junior Men's Championship in Richmond, B.C. In 1980 he worked at the Canadian National Senior Men's Championship in Saskatoon, Saskatchewan. He was also appointed Deputy Umpire-in-Chief of Canada by National Umpire-in-Chief Ed Bitz. He is a graduate of Bill Kinnamon's Umpire School in St. Petersburg, Florida, where he received a very good rating.

● (2115)

I say again that this should be a two-way street. American umpires and referees may work in Canada. Surely we should have a reciprocal arrangement so that qualified Canadians may work in Baseball and hockey in the U.S.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, as one old ball player to another, I wish to assure the Hon. Member that we are committed to developing a mechanism which would permit aspiring and talented Canadians to pursue careers as umpires in professional baseball.

The Hon. Member has rightly pointed out that it has been some time now since major league baseball has come to Canada. As the Hon. Member knows, baseball requires anyone who wishes to pursue a career in baseball to "start at the bottom", to move through the minors into the majors. With specific reference to umpires, the United States' immigration regulations provide for Canadian participation at the major league level through the issuance of H-I employment visas, issued on the basis of merit and ability. Once a Canadian has reached this level he does not encounter any difficulties entering the United States. However, to attain that level an individual must move up through the minor leagues and, unfortunately, this cannot be done solely within Canada, as Canadian minor league teams are grouped in leagues with teams based on the United States. In order to be employed in those leagues, a Canadian requires an H-2 employment visa

which can only be issued after the United States Department of Labour has completed a labour market survey and determined there is no qualified and available American to fill the vacancy.

For many years organized baseball has had a program to develop potential major league umpires. This program is operated through the Office of Baseball Umpire Development and involves a screening of initial talent, evaluation and appraisal of development and progressive promotion up to the major leagues. We have urged the United States Department of Labour that the merit principle be incorporated in their decision on labour certification. This would provide an avenue for Canadians who have graduated from a recognized umpire school to begin careers which would hopefully culminate in the major leagues. Negotiations will continue with the United States until an equitable solution can be found.

PENSIONS—STATEMENT BY PREMIER OF NOVA SCOTIA—REQUEST THAT BUDGET PROVISIONS BE WITHDRAWN

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, on June 14 I posed a question to the Right Hon. Prime Minister (Mr. Mulroney) regarding the restoration of full indexation of Old Age Security. On that day I quoted a statement made by, as the Prime Minister would say, a very distinguished Canadian. I wish to again quote that statement:

> —it was a wrong move, I am very disappointed, I am totally against it. It was the wrong thing to do to our senior citizens. That part of the Budget was not compassionate.

That was said by the Premier of the Province of Nova Scotia. The Prime Minister responded that at the earliest possible moment he would make a statement which would be consistent with the intentions as set forth by the caveat placed in the Budget.

I suggest to Hon. Members opposite that the thrust of my question was that this Budget measure was wrong in its substance because of its negative effect on senior citizens. Unfortunately, there are far too many senior citizens in this country who live well below the poverty line. To cause them anxiety or frustration for any period of time, be it temporary or indefinitely, regarding cuts in their Old Age Security is both inequitable and unfair to those who served Canada in so many ways for so many years.

● (2120)

I asked the Prime Minister, as I am asking the Parliamentary Secretary, who no doubt will be answering for the Prime Minister, if the Government is prepared to make a statement forthwith, prior to the adjournment of the House on June 28, that it will restore full indexation to the cost of living, as it was before, and to right this wrong. I say to the Parliamentary Secretary with great sincerity and civility, which is another word used so often by our Prime Minister, that the measure contained in the Budget is not supported by provincial premiers, senior citizens, a vast number of members of provincial legislatures and, I venture to say, a good number of Members of Parliament in this Chamber.

I would hope that since there is no support for this measure, and since it has the possibility of causing further frustration and anxiety for our senior citizens, remedial action will be taken to restore full indexation for our senior citizens so that they will not have to live with this fear over the next number of months. I hope that the Parliamentary Secretary will stand in her place and indicate what the Government's intention is for the next number of days.

If the change is made there may be some commentators within the media who will write some non-favourable things about the Government. However, I suggest that if that is the case, the result of changing back to full indexation will outweigh any political fall-out that the Government may experience for a short period of time. I am quite confident that if the Government changes this measure it will receive the support of senior citizens across the country, as well as that of a large majority of Canadians who believe this regressive measure to be wrong in substance at this time for our Canadian economy.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to deal with the very serious issue raised by the Hon. Member for Cape Breton-East-Richmond (Mr. Dingwall), and I congratulate him for doing so in a most civilized way.

First of all, I must remind him that the purpose of this budgetary measure is to index the Old Age Security pensions effective January 1, 1986, only for the annual increase in the consumer price index greater than 3 per cent. Mr. Speaker, we feel that this measure is a must if we want to preserve the integrity of our social programs in the years ahead. The greatest prejudice we could cause our senior citizens would be to make it impossible for the government to pay them these benefits by refusing today to make the difficult decision. On the other hand, Mr. Speaker, the government has never intended to ask our senior citizens to make unacceptable sacrifices, and as the Prime Minister himself repeated on many occasions, it was with no light heart that the government was forced to make those decisions. As to the Minister of Finance, on June 21, he was quoted as saying:

> I do not like cutting indexation. But I look at the options that are available to us. I say to myself, to the Hon. Member and all Canadians, that we have tried to address this problem in the broadest possible way so that the load is spread as thinly as possible.

As a matter of fact, that is the reason why the government announced formally in the Budget and my colleagues and I repeated on many occasions that we would closely monitor the situation to see if the benefits were adequate and that he would increase them as resources permit.

In other words, we suggest that this budgetary step concerning the indexing of the Old Age Security pensions should be

reexamined in light of its impact on the economic situation of senior citizens.

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

The House adjourned at 9.25 p.m.

HOUSE OF COMMONS

Wednesday, June 26, 1985

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INDUSTRY

CANADIAN PORCELAIN LIMITED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Prime Minister (Mr. Mulroney) and the Government claimed to have good relations with and would fight for the working community and, in particular, organized labour. However, it was a black day for Hamilton last Friday when the Conservative Government of Canada chose to turn its back on the collective viewpoint of the City of Hamilton Regional Council, workers, area Members of Parliament, federal and provincial, of all political persuasions, who urged the Minister of Regional Industrial Expansion (Mr. Stevens) and the Government to accept the bid by the workers to buy out Canadian Porcelain and to run that company from the heart and soul of the community of Hamilton.

Unfortunately, Mr. Speaker, the Government turned its back on the workers. It rejected their application and, instead, accepted an American application which we believe will lead to the demise of this company and, in fact, the manufacture of that product in Canada.

The Government talks about worker co-operation. Here we have an example of workers who have banded together to save their jobs and to work with the community for the betterment of all. Instead the Minister of Regional Industrial Expansion rejected their application.

I call upon the Prime Minister, if he really believes that the little boy from Baie Comeau represents the working people of the country, to overturn the cabinet decision to reject the workers' application for Canadian Porcelain. I ask him to fight—

Mr. Speaker: I regret to advise the Hon. Member that her 90 seconds have expired.

HUMAN RIGHTS

SOUTH AFRICAN "FREEDOM CHARTER"—THIRTIETH ANNIVERSARY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, today is the thirtieth anniversary of the South African "Freedom Charter", which reads as follows:

> We, the people of South Africa, declare for all our country and the world to know:
> —that South Africa belongs to all who live in it, black and white, and that no government can justly claim authority unless it is based on the will of all the people;
> —that our people have been robbed of their birthright to land, liberty and peace by a form of government founded on injustice and inequality;
> —that our country will never be prosperous or free until all our people live in brotherhood, enjoying equal rights and opportunities;
> —that only a democratic state, based on the will of all the people, can secure to all their birthright without distinction of colour, race, sex or belief;
>
> And therefore, we the people of South Africa, black and white together—equals, countrymen and brothers—adopt this Freedom Charter. And we pledge ourselves to strive together, sparing neither strength nor courage, until the democratic changes set out here have been won.

Today, Mr. Speaker, we would talk about sisterhood as well as brotherhood, but the Charter stands as a manifest for all South Africans who care about freedom and justice. The injustice of apartheid continues but the faith in human dignity continues also, and that faith will prevail.

* * *

[*Translation*]

DISASTERS

CONDOLENCES EXTENDED TO FAMILIES OF AIR-INDIA CRASH VICTIMS

Mr. Fernand Jourdenais (La Prairie): Last Friday in my riding, Mr. Speaker, I was a guest at the Centennial Regional High School graduation ceremonies for a number of students.

On that occasion I had the pleasure and honour of giving a 17-year-old pre-medicine student the diploma she so richly deserved. Mr. Speaker, like many other people, including about 20 from my riding, that young girl was among the Air-India Flight 182 passengers who died in this catastrophic accident.

The residents of the riding of La Prairie whom I represent join me to extend their most sincere condolences to the families stricken by this tragedy.

Mr. Speaker, I feel confident that the findings of the inquiry launched by our Government will shed light on this incident,

and I also know that our Government will do its utmost to prevent similar tragedies from happening again.

Canada is a pacifist country where peace, freedom and respect for human rights are basic principles. We cannot let anyone, resorting to whatever means, jeopardize this land of freedom, our beautiful country.

* * *

THE BUDGET

THE WISDOM OF THE ELDERLY

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, last weekend in my riding, I met with two senior citizens groups—one from Témiscamingue and one from Saint-Eugène-de-Guigues.

I can assure the House that the mood during these meetings was very positive and that discussions took place in a relaxed and friendly atmosphere. Mr. Speaker, when we take the time to sit down with them and speak intelligently and without rhetoric, senior citizens understand.

They understand that our Government is struggling with a gigantic deficit that might become a threat to social programs in the future. They understand that the deficit is a national responsibility and that we must all do our fair share. They understand that between now and January 1986, nothing will change and that their cheques will increase from month to month. They realize our Government is being hard on the elderly, because we introduced the spouse's allowance for persons between the ages of 60 and 64. They understand that starting January 1986, the basic allowance will remain the same and that indexing will be only partially affected, and also that the neediest who are entitled to the Guaranteed Income Supplement will continue to receive the fully indexed supplement. They also understand that the Budget clearly says that if one of these measures proves to be inequitable, our Government will take corrective action immediately.

Mr. Speaker, in the passionate and extreme kind of debate we are seeing today, the elderly are showing a wisdom that many Members in this House would do well to emulate.

* * *

● (1410)

[*English*]

THE BUDGET

HEALTH CARE PRODUCTS—REMOVAL OF SALES TAX EXEMPTION

Mr. John Nunziata (York South-Weston): Mr. Speaker, thanks to the Conservative Government, pain, suffering, and illness will be taxable in Canada. The list of health care products affected by the removal of the federal sales tax exemption is ridiculous and scandalous. Aspirin and pain killers like Tylenol are to be taxed, which means the suffering caused by arthritis and minor injuries and headaches is to be taxed. The illness which requires medicine such as ASA to lower fevers, is to be taxed. Bandages are to be taxed, which means bleeding from cuts is being taxed. Support for sprains and other minor injuries is being taxed. Antihistamines are being taxed, which means allergies are being taxed. The discomfort of eczema, psoriasis, and other skin conditions is being taxed. Laxatives are being taxed. Sinusitis is being taxed. Items which help relieve minor symptoms of cold and flu are being taxed. Being sick or being in pain is now taxable.

Did the Tory Government stop to think that ASA is one of the primary treatments for arthritis and degenerative bone diseases? Taxing pain, illness, and suffering is cruel, Mr. Speaker. When a Government taxes items used to treat those conditions, it might as well tax the illness. It is the same thing. That is how greedy the Government is. I want to inform Canadians that the telephone number of the Minister of Finance (Mr. Wilson) is area code 613-997-7—

Some Hon. Members: Order.

Mr. Speaker: Order, please. The Hon. Member for Winnipeg North (Mr. Orlikow).

* * *

HUMAN RIGHTS

POLAND—IMPRISONMENT OF SCHOLARS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to draw the attention of the House to the imprisonment and trial of three Polish scholars who have been charged with inciting public unrest by discussing the possibility of calling a symbolic 15-minute general strike to protest food price increases. One of them, historian Adam Michnik, had only recently been released from prison after a term of several years for his non-violent protests on behalf of economic, cultural, and political freedom. Obviously his imprisonment and trial mean a step back for those with hopes that human rights can be advanced in Poland through the peaceful activities of the Solidarity and dissident movements.

An international committee of scholars has been formed to protest this violation of international standards of human rights, and it includes 30 Nobel laureates as members. They have written to the Polish President, General Jaruzelski, demanding the release of Mr. Michnik and his two colleagues, Bogdan Lis and Wladyslaw Frasyniuk. I would very much like to associate all Members of this House of Commons with this international human rights effort. The extraordinary efforts by so many Poles today to bring freedom into their daily lives through their schools, churches, cultural and intellectual life, deserve our every encouragement in effort and deed.

ROYAL CANADIAN MOUNTED POLICE

NUMBER OF QUEBEC RECRUITS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, western Canadians are becoming increasingly apprehensive over the recruiting practices of the RCMP. Five per cent of the force is stationed in Quebec, a province which has its own provincial police. Yet in 1983-84 more than half of our RCMP recruits were from Quebec. On the other hand, approximately one half the entire force is employed by the four western provinces which pay the RCMP to provide provincial policing. In 1983-84 only 11 per cent of our recruits came from the West.

Hundreds of young western Canadians are on a list, still hoping to realize their life's ambition of joining the force. Some have been waiting up to four years for a call after having been told, and I quote: "Your name is on the National Waiting List consisting of people who will, in due course, be engaged . . ." It is time for the RCMP either to change its engagement practices or to come clean, be honest, and tell these western Canadians there is no place for them.

Surely the RCMP can have a reasonable engagement policy which, while recognizing the new emphasis on special language, university, and other skills, can still fairly reflect the input of the regions in which the force is utilized. A responsible policy ought not to exclude an entire generation of young western Canadians from serving in this proud institution.

* * *

THE DISABLED AND THE HANDICAPPED

WHEELCHAIR ATHLETE'S WORLD TOUR

Mrs. Mary Collins (Capilano): Mr. Speaker, "Man in Motion" is not only the theme of Expo 86 but of a unique venture of an outstanding Canadian, Rick Hansen. Rick, who is from Vancouver, was paralysed in an accident as a youngster but has gone on to be a world-class wheelchair athlete, winning gold medals at the Pan-Am Games, the Olympics for the Disabled, and bringing honour to Canada. Now Rick has embarked on his dream, to tour the world in a wheelchair taking a message of hope to all who face adversity, and to raise funds for spinal cord research, rehabilitation, and wheelchair sports.

His 25,000 mile tour will encompass six continents, 34 countries, and will end in September, 1986, at the gates of Expo 86 in Vancouver. Tomorrow he will be here in Ottawa, having completed the first part of his tour. I urge Members to meet and support Rick as he demonstrates man's ability to overcome obstacles and create a greater awareness of the potential of disabled people.

• (1415)

I am sure that all Members will join me in passing on our encouragement to Rick as he continues on his difficult journey. I want him to know that we will be keeping him in our hearts and minds as he represents the indomitable spirit of Canadians to the rest of the world.

ORAL QUESTION PERIOD

[*English*]

PENSIONS

REQUEST FOR FULL INDEXATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has fewer than three days left before the adjournment of Parliament for the summer to bring back full indexation of old age pensions for all our senior citizens. I understand that he and the Minister of Finance discussed that particular matter at lunch today. I hope the Prime Minister is not even contemplating dividing senior citizens along income lines. I hope he understands that we do not need another means test, and we do not need the Prime Minister breaking another promise, this time being the universality of social programs.

As a result of his lunch with the Minister of Finance, can the Prime Minister clean up this mess and tell us that he is going to bring back full indexation for our old age pensioners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition talks about making two classes of senior citizens. That is exactly what the Liberal Party of Canada did during the six and five program, and he should know that very well.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I can tell from the frown on their Leader's face that he does not like being reminded of that. However, senior citizens know that, are reminded of that, and do not like it.

Some Hon. Members: Bye-bye, Michael.

Mr. Wilson (Etobicoke Centre): I met with a group of senior citizens yesterday and we had a very good meeting. We discussed all aspects of this problem. As I have said before, I am sensitive and am listening to this issue. In due course we will have a decision.

[*Translation*]

REQUEST THAT GOVERNMENT REMOVE NEW SALES TAX ON ESSENTIAL HYGIENE PRODUCTS

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary for the Prime Minister, Mr. Speaker.

The purchasing power of the elderly is decreasing. In less than a week, on Canada Day, to be exact, the elderly will start paying 10 per cent more for bandages, aspirin, antacids and a

lot of other essential health care products on which the Progressive Conservatives have now imposed a sales tax. My question is therefore directed to the Prime Minister: Could he eliminate this new regressive tax before Canada Day?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition again refers to some of these matters. Before he starts making these comments and asking these questions he should consider the mess that the Liberal Party left the country in, starting from the time when he became the Minister of Finance until September of last year. If he considers the mess in which he left the country, perhaps he will go into a corner and hang his head in shame for putting the country into the mess it is in.

Some Hon. Members: Hear, hear!

Some Hon. Members: Bye-bye, Michael!

Mr. Speaker: Order, please.

Some Hon. Members: Bye-bye, Wilson. We won't miss you.

Mr. Speaker: Order, please.

INDEXATION—REQUEST FOR ASSURANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I assure the Minister that the 2.5 million to 3 million senior citizens of the country are holding him and the Prime Minister solely to account for having attempted to control the public debt of the country on the backs of the pensioners, the weak, and the aged.

Some Hon. Members: Hear, hear!

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I can assure him that it is not a trumped up issue, as he suggests. Over a thousand citizens in front of City Hall in Toronto again place the blame squarely on the head of the Prime Minister, saying that he alone is causing fear and anxiety, and that he has betrayed his promise to the Canadian people.

I ask the Prime Minister once again if he will cancel this mean-spirited proposal? Will he restore full indexation to our old age pensioners? Otherwise, I suggest to him quite strongly that we will continue not to facilitate the passage of the borrowing Bill.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, on a number of occasions the Leader of the Opposition has said that we are balancing the Budget, or cutting the deficit, solely on the backs of the senior citizens . . . Nothing could be further from the truth.

We have introduced a range of measures which will involve spending cuts in every Department of Government.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We have a surtax on upper-income Canadians.

Some Hon. Members: Oh, oh!

Ms. Copps: What about the Prime Minister's office?

Mr. Speaker: Order, please. Could we simply listen to the questions and the answers?

Mr. Wilson (Etobicoke Centre): It is very hard getting the attention of Members on the other side of the House—

Mr. Lapierre: Give us an answer.

Mr. Wilson (Etobicoke Centre): —since they don't like hearing the news that they are uncomfortable about.

Mr. Rossi: Tell us the truth.

Mr. Wilson (Etobicoke Centre): I will tell you the truth. The truth is that we have introduced a wide range of fairness measures, and I think if the Leader of the Opposition would get this out, people would better understand the policy of the Government.

Ms. Copps: What about the Prime Minister's office?

Some Hon. Members: Hush!

Mr. Speaker: Order. It would be helpful if we would all listen to all of the questions and all of the answers.

* * *

[*Translation*]

OLD AGE SECURITY

DESIRE OF THE ELDERLY TO KNOW GOVERNMENT'S POSITION ON FULL INDEXATION OF PENSIONS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I realize he is going to talk and pretend he is not listening. That is all part of his strategy.

Mr. Speaker, I have here some petitions from the riding of Baie Comeau, some from the riding of the Minister of National Health and Welfare and one petition from the riding of the Minister of Employment and Immigration. The elderly want to know now what is going to happen, and they are sick and tired of the Prime Minister's shilly-shallying. Mr. Prime Minister, are you going to give an answer, here and now, to the elderly who want to have this information before the summer starts? Are you going to meet your commitment to protect fully their Old Age Security pensions?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think there is anything very original in the question put

by the Hon. Member. I don't think he has an original thought in his mind.

Mr. Blackburn (Brant): I think we have heard that one before.

Mr. Wilson (Etobicoke Centre): It's true, isn't it?

I would say to the senior citizens of the country that before the House rises this session we will have an announcement to make—

Mr. Nunziata: Aha! You're backing down.

Mr. Wilson (Etobicoke Centre): There will be some news that senior citizens will be looking forward to.

[*Translation*]

Mr. Speaker: A supplementary but please address it to the Chair!

INQUIRY WHETHER GOVERNMENT WILL ANSWER ELDERLY BEFORE SUMMER ADJOURNMENT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Acting Prime Minister, since the real Prime Minister refuses to take the floor in the House.

Could the Minister of Finance inform the House, since we seem to be getting our answers piecemeal, that the answer he will give the House of Commons will be given before the House adjourns on Friday? Otherwise, we promise to go on like this for a couple of weeks more this summer. Are the elderly going to get their answer now, before Friday?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thought I was quite clear. I said that I would probably have an announcement to make before the House rises.

● (1425)

GOVERNMENT PLANS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we have just heard the Minister of Finance say the Government just might be coming to its senses on pensions. We will see that later.

I have a question for the Prime Minister, just to clarify what the Minister of Finance had to say. Will the Prime Minister tell the House and, more important, will he tell the pensioners of Canada whether we will hear before Friday what the Government plans to do in terms of its pensions provisions in the Budget?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know what more I can say to the Hon. Member.

Mr. Broadbent: We know what you can say.

Mr. Wilson (Etobicoke Centre): I have said that there will be an announcement before the House rises.

Mr. Turner (Vancouver Quadra): Not probably; will be.

Mr. Wilson (Etobicoke Centre): There will be an announcement before the House rises.

Some Hon. Members: Hear, hear!

Some Hon. Members: Now.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

PLACE OF ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. Since it was he who indicated in reply to a question from me not many days ago that when the announcement was to be made it would be made in the House, will the Prime Minister assure the House that the announcement that is to be made will be made in the House of Commons this week? Second, when it is made, will it be an announcement that pensions for all of Canada's pensioners will be fully indexed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if I could respond to the Hon. Member's question, that statement will be made in the House, and it will be made before the House rises.

APPLICATION OF INDEXATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a supplementary question. The Minister of Finance—and I will go back to him since evidently he is going to be answering these questions today—earlier replied to a question from the Leader of the Opposition about the previous Liberal Government's decision to index some pensions but leave out others. The Minister of Finance said, and I wrote down the words, "that senior citizens do not like that". Since he said senior citizens did not like it when the Liberals did it, will the Minister assure the House that the Conservative Government will not do the same thing?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I said I am a very reasonable man.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Wilson (Etobicoke Centre): I am flexible. I listen.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

Mr. Broadbent: That is it?

[*Translation*]

AIR TRANSPORT

REQUEST THAT GOVERNMENT HOLD INQUIRY INTO PASSENGER SAFETY PROCEDURES AT AIRPORTS

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport.

In light of revelations that Mirabel Airport safety measures leave much to be desired and are a haphazardous exercise, and even that access to the runways is practically a free-for-all, is the Minister now prepared to agree to an independent and impartial Canadian Aviation Safety Board inquiry into the whole safety system in Canadian airports and on procedures used to protect passengers in our airports?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Hon. Member knows, the Canadian Aviation Safety Board is in fact involved in the investigation of the accident. It will be making recommendations and will be presenting observations, I am sure, with respect to any deficiencies that may be in place or may be perceived to be in place. We expect that will be brought to our attention.

The Canadian Aviation Safety Board also has the prerogative of holding public hearings. That is a decision it can make on its own accord. However, I think the Hon. Member would also appreciate the fact that the investigation has just started. Our people are there, on the scene, working with officials from India, the United States, and the United Kingdom. If any recommendations are brought to my attention and to the attention of my Department with respect to improvements in safety, we will certainly look at them very favourably.

● (1430)

PROTECTION OF PUBLIC—REQUEST FOR INDEPENDENT INVESTIGATION

Hon. André Ouellet (Papineau): Mr. Speaker, my supplementary question is also directed to the Minister of Transport. We are not concerned about an investigation of the incident. Clearly there will be an investigation in that regard. However, what I am asking the Minister to recognize is that, while this investigation could take time, it is important for the public who use airports to do so with the assurance that appropriate measures have been taken to protect them. What we asked yesterday and again today is for a quick, independent investigation of the current security procedures at airports in Canada.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Canadian Aviation Safety Board can, on its own accord, investigate matters relating to safety and security. If there is any suggestion that safety standards are not up to par, they will certainly bring that to our attention and may very well want to engage in a full inquiry.

To be more specific, and to reply to the specific part of the question, I should like to inform the Hon. Member that the air transport administrator today called in all regional administrators from across the country and urged them to ensure that security is tightened up, especially with regard to the accessibility of aircraft on the ramp, gates, identification passes, doors, and the access leading to the air side of airports. In other words, not only are standards to be maintained, but they are to be scrupulously maintained. As far as the Hon. Member's request for full-scale inquiry by the Canadian Aviation Safety Board is concerned, naturally we will be discussing it—

Mr. Speaker: Order, please. I appreciate the seriousness of the matter, but perhaps this should be a Statement under Motions.

* * *

PENSIONS

PRIME MINISTER'S ELECTION STATEMENT

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. Since he specifically promised seniors during the election campaign that, on election, the Conservative Party would fully index Old Age Security benefits, could the Prime Minister assure the House that, when the Government makes an announcement prior to Friday of this week, the commitment made to seniors during the election campaign will be maintained?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is not using the time of the House very well. Surely he could demonstrate a little patience.

Mr. Young: I think the seniors have demonstrated great patience with this Government.

Some Hon. Members: Hear, hear!

REQUEST FOR STATEMENT BY PRIME MINISTER

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the Prime Minister. To be fair, would he stand up and assure our seniors that the promise which he personally made during the election campaign will be carried out? For the sake of the dignity of our seniors, would he not stand up and say that?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, unlike our Liberal friends who claim to be the serene depository of truth and who have already introduced a program whose impact on poorer people in our society proved to be quite disastrous, we have been listening closely throughout this lengthy debate, not only to our own caucus but also to other Members of the House of Commons, including my colleague, of course.

The Minister of Finance has indicated that a statement will be made before the House adjourns—within a few hours or

days—and I should think it will likely allay most of the fears already expressed.

[*English*]

REQUEST FOR EARLY STATEMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. Hon. Members on this side of the House very cautiously welcome the indications of the Minister of Finance thus far today. However, to repeat what my Leader has said: "You cannot solve one problem by breaking another promise".

Some Hon. Members: Order.

Mr. Tobin: I ask the Prime Minister and his Minister of Finance to give consideration to making a statement, if possible this afternoon; if not, the first thing tomorrow; so that Hon. Members, and indeed senior citizens, have an opportunity to examine the kind of movement which has obviously now occurred, to see whether the Government has kept its commitment of last November to the principle of universality.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I hate to say this to the Hon. Member because we are going to have to ruin his long weekend—it might not be done until Friday.

PASSAGE OF BORROWING AUTHORITY LEGISLATION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I would have thought that today would have been a day of generosity and good spirit.

Some Hon. Members: Question.

Mr. Tobin: It is obvious that the Minister of Finance had crow for lunch, because he is not in a very good mood. I want again to repeat the words of my Leader—

Some Hon. Members: Question.

Mr. Speaker: Order, please. Could the Hon. Member please ask his supplementary question, and not engage in a preamble?

Mr. Tobin: Would the Minister of Finance not agree that he would like to have his borrowing Bill through the House before it rises?

Some Hon. Members: Oh, oh!

Mr. Tobin: Would he not agree that it would be wise to make a statement soon, so that parliamentarians of all Parties and senior citizens could examine it to ensure that he has kept his commitments, before we allow the Minister to have his borrowing authority, which we know he so richly needs, provided that he is being straightforward with us?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me caution the Hon. Member that when he uses threats and blackmail he will get absolutely nowhere. The last time the Liberal Party held up a borrowing Bill, it cost taxpayers $15 million, $15 million that we could have used on many other things. Before he starts using blackmail, he should look into his own mind and ask how we could use $15 million more effectively. The Leader of the Opposition knows that as well.

Some Hon. Members: Hear, hear!

* * *

CONSUMER AND CORPORATE AFFAIRS

ROYALTY RIGHTS OF DRUG COMPANIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Professor Eastman was appointed to study the question of the pricing of prescription drugs. He has told Canadians that the system we have had since 1968 worked quite well, and that to give multinational drug companies a fair return on their cost of research they should have exclusive right to the sale of drugs for four years. Why has the Minister indicated that he is prepared to give those companies six years, which will cost Canadians $75 million per year in extra costs?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): In answer to that question, Mr. Speaker, I might simply indicate that we did release the Eastman report in May. We said we intend to consider various solutions so as to give Canadian consumers the best protection possible. Never did I announce our intention to extend protection an additional six years. I said it was a possibility still under active consideration.

[*English*]

RESEARCH UNDERTAKEN BY DRUG COMPANIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am happy to hear that the Minister has not made up his mind on whether they would get six years. I hope he keeps in mind the advice of the Chairman of the Science Council of Canada who made very clear that the argument that the companies would do more research does not hold much water, because they never did much research before and they are not likely to do much research in the future.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can assure the Hon. Member that we keep in mind the best interests of Canadian consumers. That is what we intend to do when we announce our policy.

● (1440)

PENITENTIARIES

OFFENCES COMMITTED BY INMATES DURING UNESCORTED ABSENCES

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Acting Solicitor General. A written question a few weeks ago on the number of offences committed by prison inmates while on unescorted temporary absences was answered by the claim that this data does not exist in the Offender Information System.

Will the Minister, in view of the fact that this makes it impossible for any Member of Parliament, including the Ministers, to assess and monitor the temporary absence program, take initiatives to see that this data is added to the Offender Information System?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman's question shows once again what a valuable Member he is in pointing out these inadequacies. The present Offender Information System is under review as a result of his pointing out this inadequate keeping of statistics, and the issue he raises is going to be dealt with. I thank him for bringing this to the Minister's attention.

* * *

FISHERIES

ALLEGED POLITICAL INTERFERENCE

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Since the Government took power last September I have had numerous complaints from fishermen across the country of political interference in the fishery, complaints about suspensions being lifted, impounded boats returned, licences granted that should not have been, and so on. It has reached the point where fishermen who are caught for illegal fishing can go to their local Conservative MP and get off the hook. Will the Minister guarantee the House today that he will put an immediate stop to political interference in the fishery?

Mr. Crosbie: Going on for a thousand years under the Liberals.

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, what I will say to the House today is that the system whereby the Minister of Fisheries and Oceans is asked to take further steps after a court conviction is, in my view, wrong. I will be pressing the House and colleagues to make sure that the appropriate legislation and regulations are brought into effect to put an end to that practice.

Mr. Johnston: That's a red herring.

GRANTING OF LICENCES

Mr. George Henderson (Egmont): Mr. Speaker, if the Minister thinks it is wrong, why did he exercise his right in a number of occasions on this very issue?

Can the Minister assure this House that no special favours have been granted since last September to individuals because of their PC Party association, in the granting of fishing licences? Yes or no?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I would hope that, just as the former Government assiduously was careful to ensure that no licences were granted except where there were proper circumstances, we would follow in that tradition.

* * *

THE CHARTER OF RIGHTS

EQUALITY COMMITTEE HEARINGS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Justice. Two weeks ago the Committee on Equality Rights voted to seek a three-month extension of its mandate in view of the fact that no hearings whatsoever could be held within the existing time framework in the Province of New Brunswick, Prince Edward Island, the North, Quebec City, and even in the Minister's own Province of Newfoundland. Today the committee learned that they are going to be shut down without any opportunity for people in those areas to have a voice before it. I want to ask the Minister if he is not prepared to reconsider this decision and allow the committee to have an extension as it requested two weeks ago, in order that the views of all Canadians be heard, and not just those that have been heard so far.

Mr. Broadbent: Your part of the country.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am delighted that the hon. gentleman has had a conversion on the road to Damascus with this report, because he opposed the setting up of this committee in the first place. He did not want the Canadian people consulted. Now he is saying that he wants an extension of time. The Government has agreed that the time should be extended to the end of September. That gives July, August, September, and I would hope that the committee can get to Newfoundland within three months, and back again safely.

GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, we have just heard today from our staff that it is absolutely impossible for this committee to function under a deadline of September 30. I ask the Government again why is this committee being muzzled? Why is the Government not prepared to hear the concerns of women's groups, of the disabled, of minorities, not just in central Canada but in Newfoundland and the North

and other provinces as well? Why is the Government shutting down this important committee at this stage?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, it was this honourable House that set up this honourable committee and it was to report by, I think, September 7. The opposition Parties did not support with any enthusiasm at all the setting up of the subcommittee. I am glad they have now discovered that it is a valuable exercise, and I hope that by the end of September the committee will have had sufficient time to give us its report. We are prepared to extend it to the end of September, and then we want to take action on these pressing matters that you wanted us to take action on months ago.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURAL STABILIZATION ACT

INTERPRETATION OF AMENDMENT

Mr. Bob Porter (Medicine Hat): Mr. Speaker, I would like to direct my question to the Minister of Agriculture. Hearings on Bill C-25 concluded last Thursday. Over the weekend livestock producers in western Canada, particularly in Alberta, expressed to me their concern over amendments made to the Agricultural Stabilization Act. There appears to be a wide degree of interpretation of the amendments. Has the Minister received communications from his provincial counterparts and industry spokesmen, and what measures is he taking in addressing these concerns?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly welcome the opportunity to respond to the Hon. Member's question. I want to indicate to him that I have received messages, and telexes from the Provinces of Alberta and Saskatchewan. I am really concerned about the fact that there is a great deal of misunderstanding and a great deal of misinterpretation about the intent of the amendment.

This amendment does not back away from top-loading. This amendment recognizes the reality of today. This amendment allows us to deal with all market distortions in the industry.

I challenge the provinces, and I challenge the farm leaders and the producers to come together, to sit down around the table and to work together on something that will provide mid and long-term benefits to Canadian agriculture across the country.

* * *

THE BUDGET

IMPACT ON AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Finance. He will know that the Ontario Federation of Agriculture passed a resolution at an emergency meeting recently which condemned the Budget for having betrayed the farmers of Canada. It has totally ignored the consultation process and has ignored the legitimate needs of farmers across the country. I want to ask the Minister, since he seems to be in a conciliatory mood, if he is willing to bring in new budget measures providing for long-term low interest rate agri-bonds as his Party promised in the election campaign, and as was recommended by the finance committee of this House of Commons.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my colleague, the Minister of Agriculture, can set these out in more complete terms than I can. There are a number of promises that we made in the campaign that are highlighted in the note that he has just released, that I am sure the Hon. Member, as well as the Ontario Federation of Agriculture would like to see, setting out the number of promises that have been kept.

For instance, we said we would do something on capital gains on farms. We said we would do something on the farm fuel taxes and we put a rebate there that gave the farmers $150 million. We said we would make changes in the metric system, of great help to farmers. I could go on and on, but I believe the Hon. Minister of Agricultre could give a fuller answer on that.

EXCISE TAX

Mr. Maurice Foster (Algoma): Mr. Speaker, if the Minister of Finance had read his own Budget well enough he would know that the only provision in the Budget is to help farmers get off the farm, and there are already too many foreclosures taking place. The Minister mentioned reducing the excise tax by 9 per cent last fall—by 10 per cent actually—but in his Budget—

Mr. Speaker: Order, please. This is becoming a preamble. Is there a question, please?

Mr. Foster: Thank you, Mr. Speaker, I am just getting there. I wonder, in view of the fact that the Budget does provide for a 9 cents a gallon excise tax to start the first of September, would he give an exemption to farmers and not impose this so-called harvest tax just at the beginning of the fall harvest.

● (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me tell the Hon. Member about some of the other things that I did not mention in my first answer. We dropped the interest rate on the Farm Credit—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): They do not like to hear the good news. We dropped the interest rate on Farm Credit Corporation loans from 16.25 per cent to, I believe, 12.75 per cent. Interest rates have gone down during the same period of

time, providing help to all farmers. The price of gasoline for farmers is going down as well. I think the farmers have a lot for which to be thankful because of the very progressive policies that have been followed by this Government, led by my colleague, the Hon. Minister of Agriculture.

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AIR SAFETY

ACQUISITION OF FIRE TRUCKS

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to ask the Minister of Transport a couple of questions. Several months ago the Union of Canadian Transport Employees warned the Government that continued cut-backs and delays would jeopardize safety and security on the ground and in the air, so 75 new fire trucks were ordered for which money was made available over two years ago. The Government seems to be having some difficulty in taking delivery of those fire trucks, and this lowers the standards of the firefighting service one of two grades below the standards set by the Minister's own Department. Can the Minister tell me what the problem is with obtaining delivery of those 75 new fire trucks? I hope it is not because they are painted Liberal red rather than Tory blue.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first I would like to advise the Hon. Member that Canada has one of the very highest standards of crash firefighting and prevention services in the world. It is certainly higher than that of Australia and the United States. With respect to the specific question, there may have been a re-profiling of funding, but I am not aware of any outright cancellation as the Hon. Member suggests.

NATURE OF INVESTIGATION

Mr. Les Benjamin (Regina West): Mr. Speaker, we are faced with the possibility of 109 of the Minister's firefighting branch employees being laid off while he horses around with trucks. In the matter of the investigation that is being carried on, will he tell us who is making it—

Some Hon. Members: Order.

Mr. Benjamin: I am not referring to the disaster of last weekend.

Mr. Speaker: Order, please. The Hon. Member has been recognized on a supplementary question presumably with regard to fire trucks.

Mr. Benjamin: Mr. Speaker, I want to ask the Minister if this investigation will be independent, and if its terms of reference will be broad enough to include safety and security, including fire trucks—

Mr. Speaker: With respect, I appreciate that it is an important question but it is not a supplementary one.

THE CHARTER OF RIGHTS

TREATMENT OF SENIOR CITIZENS UNDER TERMS OF INCOME TAX ACT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Chairman of the Special Committee on Equality Rights under the Canadian Charter of Rights and Freedoms. I would ask the Chairman if the committee will hear evidence with respect to the way senior citizens who approach 71 and hold Registered Retirement Savings Certificates are treated by the Income Tax Act and the way they are forced because of age, as no other Canadians are, to buy annuities from an insurance company or enter into Registered Investment Retirement Funds.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, as rare as it is for Members on the back-benches to ask questions, it is even rarer to have questions posed to us. I welcome the question and, on behalf of the committee, I would say yes, although not more than eight or nine minutes ago there was a question put by the Hon. Member for Burnaby to the Minister of Justice with respect to the time within which our committee will be required to report to this House. Given the fact that the committee must already hear from some 600 groups and individuals, we will have to take that under advisement and discuss it in the committee. I will let the Hon. Member know.

* * *

THE BUDGET

SMALL BUSINESS—EFFECT OF SALES TAX

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is for the Minister of Finance. In the May 23 Budget the Minister of Finance announced that, as of July 1, a number of new sales taxes will go into effect, so consumers in general, and particularly pensioners, will see their purchasing power reduced, thus putting many of them living under the poverty line. How can the Minister of Finance say that his Budget is fair and helps small business when the new sales tax and the sales tax increase will reduce small business activities, thus reducing the number of new jobs created?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the people representing the small business community, whether they are senior spokespeople from the industry or individuals who work in the small business community, are all very, very supportive of the thrust of the Budget as well as the details of it, after taking everything into account. I think that what the Hon. Member is suggesting is wrong.

I would remind the Hon. Member that Members on his side of the House were saying that the small business community was going to fold up and die as a result of the action taken on November 8. Since then there have been 150,000 jobs created by the small business community. Again, members of the opposition Parties are going around with little black clouds over their heads and are saying that the sky is going to fall in,

and that everything will go the wrong way, when actions are proving that everything is going the right way.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILL DELAY IMPOSITION OF SALES TAX ON PREFABRICATED CEMENT

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): A supplementary question, Mr. Speaker. The Minister of Finance is suggesting that his Budget is really good. I would therefore ask him the following question.

Why does the Minister of Finance put Canadian prefabricated cement companies in a difficult position by imposing à 6 per cent sales tax beginning July 1 without even taking into consideration those contracts that were signed before May 23? Will he grant them a delay until January 1, 1986 to give them a chance to cope with that increase without going belly up?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is a very good example of how members of the Opposition are both sucking and blowing. I would ask the Hon. Member to speak to his Leader who has said that we must get the deficit under control. I would ask the Hon. Member to speak to other members of his caucus who have said that we have to remove the loopholes and exemptions in the taxation system, and that we have to broaden the tax base. He should think about what his colleagues are saying. That is what we are trying to do with the Budget. It is a broad effort that is shared in a wide way across Canada to get the deficit under control. Those people in the industries that are affected understand the need for that and will be prepared to accept it.

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MEDICAL CARE

STATEMENT ATTRIBUTED TO MINISTER ON DELIVERY OF SERVICES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is it still the Minister's view, as he has stated to both the Canadian Hospital Association and the provincial Ministers of Health, that the health care system should look to private funding to maintain the level of services Canadians currently enjoy?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am glad the Hon. Member asked that question because I think that that is not the interpretation that should be placed on this particular discussion. What is taking place, in both the hospital structure and the health care system generally, is that, in light of the health care challenges that face us all, we are asking whether or not there are some areas in which we could get better financial return or cost-effectiveness through privatization. For instance, there are services in hospitals which have been privatized, like laundry services. When the Hon. Member and members of the press hear the word "privatization", I do not think that they should draw the long bow by thinking that hospitals as such would be privatized.

PRIME MINISTER'S STATEMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, muddling through what appears to be a quite convoluted answer, may I ask the Minister directly—

Mr. Hnatyshyn: You're the expert.

Mr. Deans: Thank you. Does the Minister agree with the Prime Minister, who has said that it is not the position of the Government of Canada that the hospital or health care system in Canada should have to seek private funding in order to maintain its level of health care?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, yes, I agree with the Prime Minister, and that is also what I have said. That has been my position all along. If the Hon. Member were to talk to hospital administrators he would find that, in many hospitals across Canada, administrators have been looking at the most cost-effective way of delivering services. That is the responsibility of the administrators, and I do not think that we should reduce their options because they are trying to deliver the very best health care system within the financial situation facing them.

* * *

● (1500)

WAR CRIMINALS

ACCESS TO DEPARTMENT'S FILES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister may be aware that I have been invited to assist the Deschénes Commission which is investigating war criminals residing in Canada. In preparation for that task I have asked the Solicitor General if I could review departmental files from my time in office. I have been denied access to those files. Would the Prime Minister direct the Solicitor General to give me that access so that I can prepare to assist the commission?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was unaware that my hon. friend had been invited to assist the Deschénes Commission. I would have hoped that such a commission could have been established some years ago, and I think it is a great tribute to the Government that there has been a response on this very important matter.

I was unaware that my hon. friend had been invited to assist. I would be happy to look into the question he raises and ascertain the manner in which I could be helpful to that process.

Committee Reports

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Tuesday, June 25, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Hamilton East (Ms. Copps) and the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens) do not meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Oshawa (Mr. Broadbent), by filing with the Clerk of the House, also meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS—NINTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the ninth report of the Standing Committee on Finance, Trade and Economic Affairs. The report deals with the notice of Ways and Means motion. It was referred to the committee on May 13. It is dated May 9. The report is in both official languages.

PRIVILEGES AND ELECTIONS—SECOND REPORT OF STANDING COMMITTEE

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Privileges and Elections in both official languages.

[*Translation*]

TRANSPORT—PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I have the honour of tabling, in both official languages, the Third Report of the Standing Committee on Transport.

OFFICIAL LANGUAGES POLICY AND PROGRAMS—PRESENTATION OF SECOND REPORT OF STANDING JOINT COMMITTEE

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I have the honour of tabling, in both official languages, the Second Report of the Standing Joint Committee of the Senate and the House of Commons on Official Languages Policy and Programs.

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

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[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I wonder if the House Leader could confirm the business of the House for today and even beyond that, if he is ready to do so?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think we will commence consideration of the Bill relating to advance payment of crops amendments today. Then I would like to proceed, if I might, to Bill C-25, which is the agriculture stabilization Bill. These are Bills with respect to which we received indication that we would be able to get through third reading on these items of legislation.

As the House Leader of the Official Opposition knows, I had given a list some time ago of legislation we would like to have passed before the House adjourns. The two Bills I mentioned fit into that category. Other Bills include the Bill with respect to the sale of the Northern Transportation Company Limited, which I understand is to be reported back to the House today from the Standing Committee on Transport.

I believe there would be a disposition to complete consideration of third reading of that legislation so that the Senate may also pass it and so that it may receive Royal Assent.

The other Bills I would like to see dealt with before we adjourn the House for the summer recess include the Western Grain Transportation Act, which I think is still before the committee but there is hope that it will be able to report it, if not today then tomorrow. There have also been discussions with respect to other items of legislation, such as a Bill which increases the number of judges in certain provinces at the request of the provinces. It is a non-controversial Bill, I believe. I hope there will be a disposition to deal with that Bill at all stages in the House so that the Senate could also pass it.

As well, Mr. Speaker, we have had discussions on the amendments to Standing Orders to bring into effect the recommendations of the first report of the Standing Committee on the Reform of the House of Commons at the beginning of September. I think we have a consensus among House Leaders with respect to that process.

There will be an amendment to the House of Commons Act, Mr. Speaker, which will create, in accordance with the recommendations of the Standing Committee on the Reform of the House of Commons, the new Board of Internal Economy effective September 9, 1985.

These are some of the items of which I have given a list and would want to have passed before we adjourn. I think I might have missed one or two Bills such as the borrowing Bill, but, as you know, Mr. Speaker, just because I mention that last, it does not mean it is the least. That Bill will have to be passed

before Hon. Members can consider going on summer recess. We hope to do that by this Friday. However, I leave that in the hands of members of the Opposition. If they want to be irresponsible and deny the people of Canada the benefit of borrowing authority, which will mean that the people for whom the Opposition purports to speak will suffer, I think that would be awful—

Mr. Speaker: Order.

Mr. Gray (Windsor West): Mr. Speaker, just by way of clarification of the Government House Leader's very interesting statement, with respect to the first two items he mentioned it is my recollection that I indicated to him in our consultations the number of speakers I thought we might have, which may have led him to the conclusion as to when third reading could be obtained. However, I want to make it clear that certainly while we will bear in mind his desire as to when third reading might be obtained, my comments to the Government House Leader did not go beyond indicating at that time the information I had as the number of speakers.

With respect to the final point the Government House Leader made, I think it should be put on the record that, as far as I am aware, the Government has borrowing authority now until the beginning of September. Certainly, the interests of the senior citizens of Canada have to come before the Government's mismanagement of government finances.

Mr. Hnatyshyn: Mr. Speaker, as to the question posed by the Opposition House Leader, in the course of our discussions—and I do not believe I am disclosing anything out of the meetings we had—it was clearly indicated that we were talking about items of legislation that we thought would be passed before the House adjourned.

In the course of that discussion, of course, I withdrew items that I would have liked to have had passed from that list in order to accommodate the Opposition. But it was on the clear understanding that we would make progress on the modest list I put forward over the course of time left. I very much appreciate the progress we have now made, but the reality is that that list is there and I think we should get through the list and try to make progress on it.

The only effect of not passing the borrowing Bill would be to punish the senior citizens of this country—

Mr. Speaker: Order, please.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would just like to add a comment. I do not think this is leading anywhere. I just wonder if perhaps the Government House Leader might consider calling a meeting so we could discuss these things in the normal fashion.

Mr. Ian Waddell (Vancouver-Kingsway): I rise on a point of order, Mr. Speaker. To clarify that list, I wonder if the Government House Leader could tell me—because there is some interest in Vancouver—what his plans are for the amendment to the Criminal Code with respect to prostitution. I think that is Bill C-49. Is that on his list or is that to be done in the fall?

Mr. Crosbie: You blocked it, Waddell.

Mr. Hnatyshyn: Mr. Speaker, that is very much a priority on the list. That is one of the Bills to which I referred. I would bring it on except that the House Leader for the Hon. Member's party said that there was no way that Bill was going to be passed. That Bill is a priority of the Government, but the New Democratic Party has blocked it and will not let us pass it before the summer—

Mr. Speaker: Order.

Mr. Hnatyshyn: —which is going to cause undue hardship in many cities of this country.

Mr. Speaker: What is happening now only suggests that conversations about House business are best conducted somewhere else.

May I interrupt Routine Proceedings. I have a ruling I wish to read into the record. I meant to do this at the beginning.

* * *

POINT OF ORDER

RECORD OF PROCEEDINGS IN *VOTES AND PROCEEDINGS* OF JUNE 20, 1985—RULING BY MR. SPEAKER

Mr. Speaker: The Hon. Member for Western Arctic (Mr. Nickerson) rose on a point of order to ask the Chair to review the proceedings of the House on June 20, 1985, on Motion No. 7 of Bill C-36, an Act to amend the Aeronautics Act at report stage. I have his request and have examined the record.

• (1510)

The Hon. Member is correct in noting that the *Votes and Proceedings* do not reflect the sequence of events. However, I would refer him to Citation 149, paragraph 1 of the Fifth Edition of Beauchesne's which states that the *Votes and Proceedings* record all that is or—and I underline the "or"—is deemed to be done by the House. During consideration of the motion standing in the name of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), and subsequently, the House was operating under unusual circumstances in that there was unanimous consent to revert back to report stage and have the motion, which had in fact been carried, rescinded. The record shows that the motion was negatived. Again, I remind the Hon. Members, as indicated by the Hon. Member for Saint-Denis (Mr. Prud'homme), that all of this was done by unanimous consent and, after Motion No. 7 was negatived, the House continued with debate on third reading. To have recorded all of this process in the *Votes and Proceedings* would have resulted in a very confusing record of the proceedings and would have provided in fact more information than was required to record the final decision of the House. What was

recorded was the decision the House arrived at by unanimous consent. I therefore find that the record is in order.

As to the matter of the Mace still being on the Table, I would simply point out that at report stage the Mace sits on the Table; it is only in Committee of the Whole that it rests under the Table.

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PETITIONS

FULL INDEXATION OF OLD AGE SECURITY

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to table some petitions signed by a large number of residents of 920 Ouellette, a senior citizens' apartment building, in Windsor, Ontario. They call upon the Government to honour the commitment it made during the election campaign in the summer of 1984, and maintain full indexation of old age pensions.

I have petitions from residents of 120 Oak, another senior citizens' apartment building like the one I just mentioned, in Windsor, Ontario. They call upon the Government to honour the commitment it made during the election campaign in the summer of 1984 and maintain full indexation of old age pensions.

Furthermore, I have petitions from residents of 9150 Wyandotte Street East in Windsor. They call upon the Government to honour the commitment it made during the election campaign in the summer of 1984 and maintain full indexation of old age pensions.

I also have a petition from residents of 1989 Wyandotte Street West in Windsor. They also call upon the Government to honour the commitment it made during the election campaign in the summer of 1984 and maintain full indexation of old age pensions.

Finally, I have a large number of petitions from a substantial number of people living in various parts of the City of Windsor, Ontario. They all call upon the Government to honour the commitment it made during the election campaign in the summer of 1984 to maintain full indexation of old age pensions.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I rise on behalf of 6,560 constituents of the riding held previously by the Prime Minister (Mr. Mulroney), that of Central Nova. They indicate they are very displeased with the fact that the Prime Minister has chosen to disrespect his commitment of the 1984 election campaign to maintain full indexation for old age pensions. They humbly beseech the Prime Minister to take cognizance of this petition and reverse his position.

I have a petition on behalf of 254 constituents of the federal riding of St. Paul's, presently held by the Minister of State for Finance (Mrs. McDougall). They ask the Prime Minister of Canada to respect his commitment of the 1984 election campaign and maintain full indexation for old age pensions.

In addition, I have a petition signed by 265 residents in the riding of Vancouver Centre. They are very much dismayed by the fact that this Government has chosen to break its promise of the last election campaign. They humbly call upon the Prime Minister to reverse his stand on the deindexation of pensions.

I have a further petition signed by residents of the riding of Saskatoon West, presently held by the Government House Leader (Mr. Hnatyshyn). They humbly beseech the Prime Minister and Members on the front bench to withdraw their deindexation proposal. They hope this will be done before we rise for the summer break.

I have a further 1,074 signatures on a petition from the riding of Ontario presently held by a Conservative back-bencher. They are very much disturbed by the fact that the Prime Minister has chosen—

The Acting Speaker (Mr. Paproski): Order, please. I hope the Hon. Member will discontinue stating who holds the seat. It really does not matter. Let us have the petitions.

Mr. Frith: Mr. Speaker, we are hoping it will matter by Friday of this week. At any rate, they indicated to me that they are dismayed at the fact that the Prime Minister of Canada has indicated a disrespect for his own campaign promises made in 1984, and they humbly beseech the present Government to take cognizance of their complaints and reverse itself by Friday of this week.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition signed by some 116 residents of the Speaker's own riding in Edmonton. They ask for full reindexation of old age pensions. I know he will take note of that matter.

I have grouped the other petitions so I will not mention every municipality, but I do want to mention several areas because they represent a lot of meetings throughout British Columbia. I have signatures on petitions from Sardis, Abbotsford, Clearbrook, Aldergrove and Surrey, all asking for full indexation of old age pensions. Across the water on Vancouver Island, I have signatures on petitions asking for the same thing. I also have signatures of residents from quite a number of municipalities in the Lower Mainland. I will not read them all separately, but they include Vancouver, West Vancouver, Richmond, Burnaby, Delta and Harwood. They all ask the Government to reconsider its policy and fully reindex old age pensions.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have a petition submitted by senior citizens residing at 6800 Gouin Boulevard in the great riding of Bourassa, asking the Prime Minister of Canada, the Right Hon. Brian Mulroney, to meet his commitment made during the election campaign in the summer of 1984 to reinstate full indexation of Old Age Security pensions.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and pleasure to present a petition from some 300 senior citizens at 1920 Power Street in my riding, and from 201 Rumball Terrace, which calls upon the Conservative Government to honour the promise made in the last federal election and fully reindex old age pensions.

I also have from the Town of Capreol a petition signed by 700 residents, who represent some 25 per cent of the population of the city where I live, calling on the Government to honour the promise it made and with which it sucked in Canadians when the Conservatives said they would fully index old age pensions. This petition calls upon the Government to reintroduce indexing.

I also have the privilege and pleasure of introducing a petition from residents of Ottawa who call on the Conservative Government to honour its commitment and promise to the people of Canada made during the election campaign that old age pensions would be fully indexed and that it was a sacred trust. The petition calls upon the Government to maintain that trust.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a petition signed by about 600 constituents in Ottawa-Carleton whose signatures were collected by Ottawa-Carleton senior citizens. Most of the petitioners voted Conservative, but they said: "Never again"! The petition comes from the Elmvale and Heron Gate Mall shopping centres, and the petitioners ask the Government—

● (1520)

[*English*]

—that we the undersigned, your petitioners, humbly pray and call upon the Conservative Government to honour its commitment of the election campaign of the summer of 1984 to maintain full indexing of old age pensions.

[*Translation*]

Mr. Speaker, I also have a petition from my riding, signed by 75 constituents and residents of Bernard Street who are asking the Progressive Conservative Government to meet its commitment made during the election campaign and maintain full indexation of Old Age Security pensions.

Mr. Speaker, I also have the honour of presenting another petition from Queen Mary Street, Prince Albert and the great neighbourhood of Overbrook, in my riding of Ottawa-Vanier. The petitioners from this part of my riding are asking the Progressive Conservative Government to keep its promise and refrain from making the senior citizens of this country shoulder the burden of reducing the federal deficit, and maintain universal indexation of pensions.

The last petition I have for today, Mr. Speaker, comes from residents of my riding, again from the Sandy Hill area, who call upon this House—

[*English*]

—that we the undersigned, your petitioners, humbly pray and call upon the Conservative Government to honour the commitment it made during the election campaign of the summer of 1984 to maintain full indexation of old age pensions.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise to present a number of petitions. One is from the great riding of Hamilton West, St. John's Place, where there are some very effective spokespersons for senior citizens, including Lorraine Watson. The petition of the undersigned residents calls upon the Prime Minister (Mr. Mulroney) and the Government to live up to its word with respect to pensions. I have several hundred signatures of people from First Place and Sanford Place as well as St. John's Place. These people have worked hard and got the message across to the people of Hamilton.

I also have a number of petitions from the Niagara Peninsula. I have had calls from all over the Niagara Peninsula—

Mr. Hnatyshyn: Order.

Ms. Copps: —asking me what is happening to Members. I have a petition from the good City of St. Catharines calling upon the Prime Minister to live up to his promise to the seniors to restore full indexing for the pensions of all senior citizens. We will be calling upon him to do that today and tomorrow.

Mr. Speaker, I also have a number of other petitions from the ridings of Hamilton East, Hamilton West, and Lincoln calling upon the Prime Minister and the Government to live up to the promise made to senior citizens. There are 1,500 signatures on these petitions from Hamilton and the Niagara Peninsula. I urge my colleagues on all sides of the House—

Mr. Hnatyshyn: Order.

Ms. Copps: —whose constituents have signed these petitions, to join with me in calling upon the Government and the Prime Minister to live up to the promise with regard to senior citizens' pensions.

Mr. Hnatyshyn: Order.

Ms. Copps: The order in this House is to see the pensions of senior citizens restored, and we will continue to—

The Acting Speaker (Mr. Paproski): Order.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Don't you know the rules of this place?

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I too, rise on the matter of senior citizens' pensions. I have a petition signed by Mrs. Chaykowsky who lives on St. Catharines Street in my riding of Vancouver-Kingsway. She has got together with 417 other people, most of whom are seniors. They pray that the May 23 Budget will be changed because it imposes undue and unfair hardship on pensioners by deindexing the Old Age Security Program. They pray and call upon the House of Commons to reinstate full indexation of the Old

Age Security Program in Canada. I think Mrs. Chaykowsky and the other pensioners.

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour and duty to present a petition from some 1,500 people, most of whom are from Spadina, who gathered in Spadina during the past week. These petitioners ask this House to remember the promise made by the Prime Minister (Mr. Mulroney) last summer that a PC Government would once again index the old age pension to the actual cost of living on a quarterly basis. They ask the House to hold the Prime Minister to his pledge and to ensure that full indexing is restored. And as in duty bound your petitioners humbly pray.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present five petitions with more than 400 names from my own constituency and from the constituency of Selkirk-Interlake. These petitioners call upon the Government to live up to the promise that a PC Government would once more index old age pensions to the actual cost of living on a quarterly basis and to stop the proposal of deindexing pensions.

Mr. George Henderson (Egmont): Mr. Speaker, I have here a petition signed by many, many, many petitioners from the riding of Egmont.

An Hon. Member: How many are there?

Mr. Henderson: Oh, there are hundreds of them. They ask that the Prime Minister (Mr. Mulroney) and his Government respect the commitment made in the 1984 election campaign to maintain full indexing for old age pensions.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to table a large number of petitions from pensioners in northern British Columbia, principally from the Prince George area, but also from the constituencies of Prince George-Peace River and Prince George-Bulkley Valley. The petitioners pray that the May 23 Budget proposals with regard to deindexing will be changed to reflect the campaign promise of last year that a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis. These northern pensioners are concerned at the loss from their pensions of $100 next year and $680 by 1991.

Mr. Sergio Marchi (York West): Mr. Speaker, I have a number of petitions.

Mr. Nunziata: How many?

Mr. Marchi: Oh, about 20 or 30, each with a couple of hundred signatures at the very minimum.

Mr. Boudria: That's lots.

Mr. Marchi: The NDP laughed. It is not a laughing matter, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Let us get to the petitions please.

Mr. Marchi: The first petition is from a Mr. and Mrs. Sam Guido of 51 Yorkdale Crescent in my riding of York West who went up and down their street. The petition asks the Government to maintain its promise of the 1984 election campaign to senior citizens with regard to the indexation of Old Age Security pensions.

I have a second petition, signed by hundreds of senior citizens from the Federation of Anziani Pensionati Italo Canadese in Toronto urging the Government to index fully the pensions of all senior citizens throughout the country.

I also have a petition from the riding of York West, specifically from the Amesbury Senior Citizens Club, asking the Prime Minister to respect his commitment of the 1984 election campaign to maintain full indexation for senior citizens' pensions.

I also have a petition signed by hundreds of members of the Downsview Arena Senior Citizens club at 1633 Wilson Avenue in York West asking the Government to fulfil its commitment by indexing completely Old Age Security pensions for senior citizens.

I also have a petition from the riding of York West from the senior citizens at the Falstaff Harmony Seniors Club asking the Government to honour its commitment—

Mr. Hnatyshyn: Order.

Mr. Marchi: —to senior citizens to index their pensions fully.

Mr. Hnatyshyn: Come on, you know the rules.

Mr. Marchi: I also have a petition from the Circolo Anziani and Humber Summit in the riding of York West asking for the very same thing as the other petitioners did, namely that the full indexation—

Mr. Hnatyshyn: Order.

Mr. Marchi: Well, Mr. Speaker—

Mr. Hnatyshyn: We heard it the first time.

The Acting Speaker (Mr. Paproski): Order, please. Order, please!

Mr. Marchi: This petition is in order, and if you don't like it you can shove it.

The Acting Speaker (Mr. Paproski): Order, order!

Mr. Hnatyshyn: If you don't know the rules, don't come in here.

The Acting Speaker (Mr. Paproski): Order! The Hon. Member has been here now for nine or ten months and he realizes that he cannot carry on in this way. There is no reason for this. I do not care who the occupant of the Chair is, if the Hon. Member has a petition, let him get on with it and let us get it done so that we can get on to the Orders of the Day.

● (1530)

Mr. Nunziata: Mr. Speaker, I rise on a point of order. Could we have some indication from the Chair as to how many petitions an Hon. Member may present on a particular day? If we get some direction from the Chair, Hon. Members—

The Acting Speaker (Mr. Paproski): I do not consider that to be a point of order but I will check into it and find out while we go through petitions.

Mr. Marchi: Mr. Speaker, I was not abusing parliamentary time. I was trying to read the petitions from senior citizens' clubs that came from my riding. If I can do that, I would like to continue.

The next petition comes from seniors and non seniors from the riding of York West, namely from neighbours from the Falstaff Road community, advocating that full indexation be maintained and fully honoured.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. We know in the House that Members are entitled and are duty bound to bring in petitions on behalf of their constituents. That is an honourable and ancient tradition in the House of Commons. The Speaker has made a ruling with respect to the method by which these petitions are to be presented. I think you will recall the ruling that when petitions are of a similar nature, asking for essentially the same relief—

Mr. Nunziata: Order.

Mr. Hnatyshyn: I am simply saying that the point of order—

The Acting Speaker (Mr. Paproski): Order. The President of the Privy Council has the floor. If anybody wants to rise on the same point of order—

Mr. Nunziata: That is the same point I was making.

Mr. Hnatyshyn: The ruling of the Chair has been that the practice in the House is simply to make preference to where the petition came from but not to repeat every petition that is filed or its contents.

The Hon. Member is now taking up the time of the House by reading, over and over again, the content of the petition. I respect his right, and in fact his obligation, to bring forward petitions, but he also has a responsibility to other Members of the House who have petitions and are waiting patiently for their turn to present petitions which they feel are equally important. The more time of the House the Hon. Member takes up, the more he prevents other Members from presenting their petitions.

I think he should read the places from which the petitions come and not repeat and content each time.

Mr. Gauthier: Mr. Speaker, I rise on the same point of order. With all due respect to the Hon. House Leader, he is as aware of the rules of the House, as we are. However, I want him to think about Beauchesne, Citation 692(1) which states:

> While a Member may, if he desires, present a petition from his place in the House during Routine Proceedings and before the Introduction of Bills, he may also present his petition by filing it with the Clerk of the House.

That is left up to the Member. Citation 692(2) states:

> When a Member presents a petition, he may not make a speech nor present argument in support of the petition.

The Hon. Member was not making a speech or presenting an argument. I submit that we are following the rules and presenting petitions in the House according to Citation 692.

Mr. Marchi: I rise on a point of order. I detest very much the allegation or suggestion that I was trying to abuse the privileges of the House. In order to allow all Members an opportunity to present their petitions, I would like to keep the remaining petitions.

I think the organizations would like me to present them individually because they have worked hard. I will present them tomorrow.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I have a number of petitions with a total of 1,426 signatures. Most of the petitioners reside in the federal riding of York South-Weston.

As you know, the Liberal Party has led the battle to restore full indexation for all senior citizens' pensions in Canada.

An Hon. Member: That is a speech.

The Acting Speaker (Mr. Paproski): Petitions.

Mr. Nunziata: Mr. Speaker, these petitioners request the Government of Canada to—

The Acting Speaker (Mr. Paproski): Is the Hon. Member still on the same petition, or is this another one?

Mr. Nunziata: I am just beginning, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Is this the first petition? Would the Hon. Member please get on with it?

Mr. Nunziata: The first petition reads, whereas the Prime Minister of Canada (Mr. Mulroney) made a solemn promise to the senior citizens of Canada and in fact to all Canadians during the election campaign of 1984, and whereas the same Prime Minister has breached that promise to senior citizens—

Mr. Hnatyshyn: Order.

The Acting Speaker (Mr. Paproski): Would the Hon. Member like to carry on with another petition? He has already mentioned that one. Would he want to go on to another one?

Mr. Nunziata: Therefore, the petitioners request the Prime Minister and the Conservative Government to honour that solemn promise made to senior citizens and Canadians to restore, ensure and guarantee full indexation of all senior citizens' pensions in Canada—

The Acting Speaker (Mr. Paproski): Order. Does the Hon. Member have another petition?

Mr. Nunziata: I have another petition signed by 440 residents of the riding of York South-Weston. These petitioners are requesting the Government of Canada, particularly the Prime Minister, to honour his commitment made in Sherbrooke, Quebec, in July—

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. Again, the Hon. Member for York South-Weston abuses the privileges of the House by reading and repeating a similar petition with similar content in each of the petitions.

There is nothing wrong with his saying that he has petitions from a number of constituents or separate petitions dealing with the same subject and referring to each of the groups that have presented a petition. However, what he does, first, is to read the petition, which is against the practice of the House. It should be in summary form. Second, he repeats the content of the same petition for each group. I do not mind sitting here and waiting, but it seems to me that members of the NDP have equally important petitions to present. Those Members are wasting the time of the House and preventing members of the NDP and members of the Government to bring their petitions before the House.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on the same point of order. I want to say that the person who is wasting the time, in my opinion, is the Hon. President of the Privy Council (Mr. Hnatyshyn). If we did not have spurious points of order that are not points of order, Members would be able to present their petitions. The Hon. Member has been summarizing the petition, which he is allowed to do.

Not only are the rules plainly printed in Beauchesne, there is also the practice. Mr. Speaker has ruled several times during this session that Members are allowed to do what they are doing now, that is, to present the gist of the petition one by one.

The Acting Speaker (Mr. Paproski): I appreciate the Hon. Member's intervention. Let me read from page 213 of Beauchesne's Fifth Edition. I am sure that the Hon. Member is a very learned member of the bar and I will not question his ability. However, he will understand what I read and I hope he will carry on to complete his petitions so that other Members can do the same. There are many senior citizens who want to hear the same thing as the Hon. Member is presenting today. If he would co-operate with the Chair, I would be grateful. With respect to the method of presentation of petitions, Citation 692(2) states:

> When a Member presents a petition, he may not make a speech nor present argument in support of the petition.

I am sure the Hon. Member realizes what I am looking for and will expedite the presentation of his petitions.

Mr. Nunziata: Out of an immense respect for the Chair and particularly the present occupant of the Chair, I will refrain from making argument, pursuant to the citation that you have cited. I will proceed to present my petitions in an orderly fashion and indicate the gist of each and every petition that I will heretofore present to the House.

The petition signed by a total of 440 residents of the good riding of York South-Weston in Toronto requests the Prime Minister to honour his commitment made in Sherbrooke, Quebec, in July of last year to guarantee full indexation for all senior citizens pensioners. The petitioners request the Prime Minister to change the Budget to ensure full indexation for all senior citizens.

The next petition is signed by a total of 150 residents of the riding of York South-Weston. These petitioners also request that the Conservative Government honour its pre-election promise with respect to senior citizens of Canada and ensure, guarantee and restore—

Mr. Scott (Hamilton-Wentworth): That is a comment.

• (1540)

The Acting Speaker (Mr. Paproski): I do not wish to hear any more because that is not a comment. It is a speech, as far as I am concerned. I would hope the Hon. Member would be kind enough to his colleagues, who are sitting there waiting patiently, to allow them to go ahead. Perhaps the Hon. Member for York South-Weston (Mr. Nunziata) would like to carry on with his petitions tomorrow?

Mr. Nunziata: I will carry on Mr. Speaker.

I have another petition signed by 475 residents of the Fairfield Senior Citizens' Centre on Lothian Avenue in the City of Toronto. These petitioners protest the Government's proposed deindexation of the Old Age Security cheques.

The next petition I have to present to the House concerns the same issue, namely, the Government's proposed deindexation of senior citizens' pensions. These petitioners as well request the Government of Canada to ensure full indexation of senior citizens' pensions.

The next petition is signed by a number of residents of the riding of York South-Weston as well as from a number of other ridings in metropolitan Toronto. These petitioners request the Right Hon. Brian Mulroney to respect his commitment of the election campaign to maintain full indexation of all old age pensions.

The next petition I wish to present to this House of Commons is a petition signed by a great number of residents in and around—

The Acting Speaker (Mr. Paproski): Order. Again the Hon. Member is making a speech. I would ask him to get right on to the petition, please.

Mr. Nunziata: This is a petition signed by a number of residents in the City of Toronto. These petitioners request the Government to reinstate full indexation of the Old Age Security Program in Canada.

I have another petition. This petition is signed by a number of residents in the City of York in the municipality of metropolitan Toronto. They too request the Government of Canada to ensure that senior citizens' pensions will be fully indexed and will not be partially indexed.

I have another petition, Mr. Speaker. This petition is signed by a number of residents in the City of North York in the municipality of metropolitan Toronto. The petitioners request the Government of Canada to maintain full indexation for all old age pensions.

The next petition I wish to present to the House of Commons has a total of 360 signatories. These signatories request the Government of Canada, in particular the Prime Minister of Canada, to maintain full indexation of all senior citizens' pensions in Canada.

The next petition I wish to present to the House of Commons, Mr. Speaker, is from a number of residents and taxpayers in the City of Etobicoke in the municipality of metropolitan Toronto. These petitioners as well request the Prime Minister to keep his promise to the people of Canada and to ensure full indexation of all senior citizens' pensions.

The next petition I wish to present—

The Acting Speaker (Mr. Paproski): Order, please. Would the Hon. Member please be seated?

The Hon. Member knows that the Speaker of the House had mentioned at one time that if Members had some petitions in regard to deindexation or whatever they could mention the fact that the petitions all are part of the one topic and that they are all from a certain area. The Hon. Member realizes this. His colleagues are anxious to get on with their petitions today. I hope that he will not tax the Chair or anybody else in this House by the way he is presenting his petitions. I do not think it is necessary. I think the people viewing the Hon. Member realize pretty well what he is doing. I hope the Hon. Member will come to the end of his petitions and allow some of his colleagues in this Chamber to make their presentations.

Mr. Nunziata: Mr. Speaker, I will present two other petitions, recognizing of course that I have quite a number of other petitions containing thousands of signatures to present to the House. I will exercise my right as a Member of Parliament and present those petitions, a number of them, tomorrow.

In consideration of other Liberal Members of the House of Commons who wish to present petitions on this subject, I will end my presentation with two other petitions.

The second to the last petition concerns the same matter, namely the issue of partial deindexation of senior citizens' pensions. These residents of 250 Scarlett Road in the federal riding of York South-Weston request the Prime Minister to keep his promises.

The next petition is signed by a number of residents at 80 Shaughnessy Blvd., the City of Toronto. These petitioners as well as others add their names to the hundreds of thousands of people who are concerned about this issue and request the Prime Minister to keep the promises that he made during the election campaign and not to break those promises because, according to his words, they were a sacred trust and the people of Canada have a right—

Some Hon. Members: Order.

Some Hon. Members: Sit down.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Windsor-Walkerville (Mr. McCurdy).

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I will not embarrass the people nor their cause on behalf of whom I submit this petition.

I have 500 names on this petition added to the thousands that have already come from Windsor and the thousands yet to come. What the petitioners ask is very simple. They pray that the Government will recognize that a promise is sacred and a broken promise is immoral. They would encourage a strong resolve on the part of the Minister of Finance (Mr. Wilson) in his promise now to change his treatment of pensioners with respect to the pension.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I have petitions from people in my riding and from various parts of the Province of Ontario. The first is from the Saranac Social Club for Seniors at 3174 Bathhurst Street. The petitioners pray Parliament to call upon the Prime Minister (Mr. Mulroney) to return full indexation of old age pensions to the old age pensioners of Canada.

I have petitions from people from Woodbridge, Downsview, Weston and London, Ontario who also call upon this House through this petition to take into account the anguish which they are experiencing regarding their future and the future of other old age pensioners because of the fact that an increase in taxes is going to take place on July 1 and because of deindexation. They pray the Prime Minister to change the Budget.

I have petitions from 3174 Bathhurst Street in the riding of Eglinton-Lawrence, again calling upon the Prime Minister, through this House, to reindex pensions and to try to bring back full indexation which the Budget of the Conservative Government has removed.

I have petitions also from people in Scarborough, Oshawa, Don Mills, and Whitby, all calling upon the Government, through the Chair, through this House of Commons, to change this policy and bring back full indexation to the senior citizens of this country.

I also have a petition from people in my riding on Bathhurst Street and various other parts of my riding who have asked me to present this petition on their behalf, humbly praying the House of Commons to call upon the Prime Minister of Canada to take into account their concern on behalf of full indexation of the old age pensions for senior citizens.

I also have petitions from other parts of my riding. In order to save time, Mr. Speaker, I will lump them together, which will probably be regrettable in some cases because of the efforts they have made. They are people from Glengarry Street and from various parts of my riding who have asked me to present on their behalf to this House their profound concern, and as petitioners their right to petition the House of Commons, calling upon this Conservative Government, through the Chair, through the House of Commons, to change

the Budget and to restore full indexation to the senior citizens of this country.

● (1550)

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) did. I hope other Hon. Members will take heed of how fast he completed his large list of petitions.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have the honour to present representations in the form of petitions signed by residents from the riding of Mount Royal, particularly from the Town of Côte St. Luc. These residents are dreadfully concerned, very upset and worried about the impact of the Budget on their particular lifestyle. They beg—

The Acting Speaker (Mr. Paproski): Does the Hon. Member have a number of petitions to present?

Mrs. Finestone: Yes, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Do they all concern the same subject matter, deindexation? If so, would she just name the places and just give us one reading of the substance of the petitions?

Mrs. Finestone: Mr. Speaker, I will certainly follow your direction. However, I think the senior citizens of my riding will be very distressed. Nonetheless, the senior citizens of Côte St. Luc Road, who number over 300, have gone to the effort and trouble to bring to the attention of the Minister of Finance (Mr. Wilson), who stated that he heard from all the people and was representing their views in the Budget, that the current Budget does not reflect their—

The Acting Speaker (Mr. Paproski): I do not know whether the Hon. Member was in the Chamber when I mentioned that we do not require a speech. All she has to do is to say that they concern deindexation or whatever, and just give the street numbers and everything else all together. I am sure senior citizens out there will be hearing the Hon. Member loud and clear.

Mrs. Finestone: It is with respect to deindexing that the residents of 6767 Côte St. Luc Road express their displeasure.

I also draw your attention, Mr. Speaker, to a petition from Adalbert, Saint-Ignatius, Plamondon, Kent and McLynn in the City of Montreal, in the riding of Mount Royal. It is addressed to the Prime Minister (Mr. Mulroney) and to the Minister of Finance. They strongly protest the deindexation of pensions. They urge them to rescind this unethical and immoral legislation.

I also bring to your attention a petition from the Town of Mount Royal, from the streets of Laird and Lockhard—

[*Translation*]

—that the Minister of Finance (Mr. Wilson) stated that the Canadian men and women he met with after the Budget presentation endorse the Budget, and they fully disagree. I bring that to your attention on behalf of residents of Lockhart and Laird Streets.

From the same area I have another petition signed by people of Powell, Royal and Graham Streets who also expressed their disagreement concerning deindexation.

[*English*]

I also bring to your attention a petition from the federal riding of LaSalle, represented by the Parliamentry Secretary to the Minister of Finance (Mr. Lanthier). The petitioners express their displeasure. They do not feel they have a voice in the House, so I bring their voices to the House. They are residents from LaSalle Boulevard, Carrol Street, Tetrault Street—

The Acting Speaker (Mr. Paproski): I do not intend to interrupt the Hon. Member, but I would like her to get to the point of her petitions. Some of her colleagues would like to present petitions. We have been kind by recognizing Hon. Members. I know they have various things to do this afternoon and that there are members of other Parties who would like to present petitions.

Mrs. Finestone: As I said, I bring to your attention a petition from the federal riding of LaSalle. I add to that another petition from that riding, as well as a petition from the riding of Dollard, represented by another Parliamentary Secretary. The petitioners indicate their disaccord and disapproval of deindexation, as well as the cost of living increases on health products which they have to use. It is from the Streets of Dorchester, Albion and Monk Boulevard.

I also bring to your attention another petition from the Town of Côte St. Luc and also from Graham Boulevard, Powell Avenue and Saint-Michel, in the riding of Mount Royal. I guess there are many people who feel they do not have a voice anywhere else, so they approach the riding of Mount Royal where they can express themselves freely against the Government's deindexing policy.

I have only two more petitions which I should like to present from the Town of Mount Royal, Powell and Touraine, with respect to the Budget—

[*Translation*]

—the Budget, that they do not endorse deindexation, and from people of Ville de Mount Royal once again on Sherwood, Laird, Roosevelt, Morrison and Sherwood Crescent. Those people are not pleased at all and they absolutely want access to their money so as to buy everything they need.

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I have the honour to present to the House petitions signed by people from coast to coast, from Nova Scotia to British Columbia. These people exercise their ancient right by petitioning Parliament, particularly the Government. They ask the Government to reverse its decision and to maintain the full indexation of the Old Age Security. Of course, they also recognize that the first

attack and rape on Old Age Security was committed by the Liberal Party which knows no shame.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member is a longstanding Member of the House. He knows that he should not be making a speech when he is presenting a petition. I just draw that to his attention. I am sure he will come to the point.

Mr. de Jong: Absolutely, Mr. Speaker. Therefore, it is an honour for me to present 230 names from the Province of Nova Scotia, namely from the City of Halifax.

Moving across the country, it is also an honour for me to present 150-some names from the riding of Nepean-Carleton and some from my home Province of Saskatchewan. The petition contains the names of several hundred petitioners from centres such as Kerrobert, Luseland, Unity, Biggar, North Battleford, Saskatoon, Hudson Bay, and of course my riding of Regina East.

As well, I have some 1,732 names of petitioners from the Province of British Columbia, from such communities as New Westminster, Surrey, White Rock, Richmond, Port Coquitlam, Port Moody, Nanaimo, Burnaby, North Vancouver, Vancouver proper and Haney. They join with thousands of Canadians from coast to coast in requesting the Government to implement and maintain full indexation, not to do what the Liberals did, that is, stop full indexation of the Old Age Security.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present petitions from constituents in my riding of Thunder Bay-Nipigon and from the City of Thunder Bay, containing more than 400 names. They protest that the May 23 Budget imposes undue and unfair hardship on pensioners by deindexing, and that it flies in the face of Conservative promises to restore quarterly indexing. They call upon the House of Commons to restore full indexation. Also, these petitions come from the Town of Red Rock, the Town of Nipigon and from various parts of the City of Thunder Bay, from residents at 120 South Cumberland Street, from residents in the Castlegreen and Superior View Co-operatives and from members of the Thunder Bay Multicultural Association.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and privilege to present a petition signed by 162 residents of the community of Rainy River, indicating their opposition to the Government's plan to deindex their pensions. Opposed to these 162 residents, there are two names of people who support the Government's move to deindex old age pensions.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty today to present a series of petitions from my own constituency and also from the constituency of MacKenzie, next door to Prince Albert. These petitioners are concerned about the deindexation of their pensions by the present Government. They request the Parliament of Canada to reinstate full indexation of the Old Age Security Program in Canada.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I have the honour to present to the House petitions signed by a great many seniors from my riding of Papineau who came to protest here in Ottawa two weeks ago and gave me these petitions, asking me to present them to Parliament today.

Through these petitions they are urging the Government to reconsider its position concerning the deindexation of old age security pensions.

Mr. Speaker, I have some more petitions signed by constituents in the neighbouring riding of Montreal-Rosemont who vehemently object to the budgetary measures of the Minister of Finance, and who consider that the Government is being far too generous to the oil companies, compared with what it is doing for senior citizens.

Mr. Speaker, I have some more petitions that—

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

• (1600)

[*English*]

Order. The Hon. Member who has been a Minister of the Crown and has had a distinguished career here for many years realizes that what he is doing is taxing the Chair and also his colleagues. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has been getting up and down, and it is very difficult for him, but I hope that the Hon. Member will try to help in these things.

Mr. Lapierre: It's harder for you.

The Acting Speaker (Mr. Paproski): I don't have that problem, but you are taxing the Chair also, *s'il vous plaît*.

[*Translation*]

Mr. Ouellet: Mr. Speaker, as you suggested I will keep these petitions and present them before the Chair tomorrow, since these constituents insist that I present their objections to a Progressive Conservative Budget that refuses to allow full indexation of Old Age Security pensions.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to present petitions on behalf of the people of the ridings of Hochelaga-Maisonneuve and Saint-Jean. These petitioners ask the Prime Minister to meet the commitment he made to them in July, and they will not tolerate broken promises. These petitioners are demanding that the Government reinstate full indexation of Old Age Security pensions, and I repeat, they are residents from the ridings of Hochelaga-Maisonneuve and Saint-Jean.

I have another petition, this time from senior citizens in the riding of Montreal-Sainte-Marie. They too are demanding

that the Prime Minister meet his commitment and fully protect the elderly by maintaining indexation of Old Age Security pensions.

Mr. Speaker, I have another petition, this time from the ridings of Rosemont and Sherbrooke, which is rather unusual. These petitioners are asking the Prime Minister to meet his commitment and protect the elderly, and they object strenuously to this attack on senior citizens.

Mr. Speaker, as for my next petition, I am sure you will agree that it should be presented separately, because it is a very special petition and these are very special people from the City of Baie-Comeau and I am sure they are listening to us at this very moment and they have asked me to present this petition, demanding that the Right Hon. Prime Minister meet his commitments and fully protect Old Age Security pensions.

Mr. Speaker, in concluding, I have another petition here from residents of the riding of Louis-Hébert in the Quebec City area. These petitioners want the Prime Minister to give senior citizens full protection and they want him to meet his commitments.

Mr. Speaker, before I finish, I have another petition from the riding of Montmorency-Orléans. I imagine everyone knows the riding of Montmorency-Orléans, the pride of its residents, and

[*English*]

The Acting Speaker (Mr. Paproski): Order. I have said to the Hon. Member that if all the petitions are in regard to the deindexing, I wish he would just name the place. No speeches are required. Let him just give us the petitions, *s'il vous plaît.*

[*Translation*]

Mr. Malépart: Mr. Speaker, with respect, I was talking about the people of the riding of Montreal-Montmorency who also want their voice to be heard here in the House of Commons. It is important to remember that the House of Commons is the House of all Canadians, and therefore the people of Montmorency wish to express their objections to the Prime Minister's and the Government's decision.

Mr. Speaker, before I finish, I have another petition presented on behalf of the residents of the great City of Quebec. Considering the fact that the Parliament of Canada is the Parliament of the people, these petitioners, as Canadian citizens and as senior citizens who built this country, also want to have their names put on the record here in the House of Commons, and they demand that the Prime Minister meet his commitment.

Mr. Speaker, my very last petition, another petition on behalf of some very honourable citizens of Canada who helped build this country and who gave us or present Prime Minister, the people of Baie-Comeau, who feel betrayed by the Prime Minister's decision, and petitioners ask the Prime Minister to reinstate full indexation of Old Age Security pensions.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I too am pleased to present petitions. One is in the name of residents of Louis-Hébert who gave it to me because they did not know the name of their own Member of Parliament. They asked me to urge the Prime Minister to reverse his decision to deindex old age security pensions and to remind him instead of his promise made in Sherbrooke last July concerning full indexation. As a matter of fact, Mr. Speaker, the people of Sherbrooke who were there when the Prime Minister made his announcement also signed this petition—

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member knows—he has been here a long time and he has also been a Minister of the Crown—he realizes that if he has a number of petitions with regard to deindexing, whatever the number is, we do not require a speech. Let him please just bring them to our attention. There are still some more of his colleagues who want to be recognized, *s'il vous plaît.*

[*Translation*]

Mr. Lapierre: Mr. Speaker, I readily acknowledge your wisdom but I must tell you that I am personally committed to perform my duties and present these petitions on behalf of those electors. Among other people, I met a group at the Baie-Comeau "Les amis" Tavern who asked me to present this petition and make sure that the Prime Minister is aware of the fact that even his friends over there insist that he must reverse his decision and honour his commitments.

Mr. Speaker, another group of Baie-Comeau residents, including the Prime Minister's own aunt Jeanne, have asked me to present a petition urging that full indexation be reinstated. Those people are very concerned and they are convinced that the Prime Minister will reconsider his position if they ask him to do so, for he promised them he would listen to them and carry out their wishes.

Mr. Speaker, some people of Hochelaga-Maisonneuve asked me as well to present a petition. Incidentally, they are very proud of their Member of Parliament because he is the only one who had the courage of his and their convictions concerning the deindexation of old age security pensions. As you know, he is the only Government Member who stood up for his electors.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member was the Minister of State for Fitness and Amateur Sport and he was very fast on his feet then. I would just hope that he will be just as fast with petitions.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I thank you for those compliments but I must say that people of Montmorency-Orléans would be very insulted if I did not present the petition they signed concerning the deindexation of old age security pensions.

[*English*]

Mr. John Oostrom (Willowdale): Mr. Speaker, on behalf of three North York senior citizens' groups and many other citizens in my riding of Willowdale, I am honoured to present to this House their petitions opposing the Government's proposed indexing of their Old Age Security pensions.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a number of petitions from several hundred people in my riding from the Villages and Towns of Govan, St. Gregor, Pilger, Alvena, Wynyard and Nokomis who are protesting the proposed deindexation of pensions and ask that the House of Commons reinstate full indexation of the Old Age Security Program in Canada.

● (1610)

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to present a petition from residents of the riding of Saint-Jacques, which I have the honour to represent in Parliament, and from residents of other constituencies, such as Gamelin, Rosemont, Sainte-Marie and Longueuil.

The petitioners state that the Government initiative to limit indexation of old age security pensions after January 1, 1986, would reduce the purchasing power of the elderly.

They therefore humbly ask that the Government of Canada respect the commitment made during the summer of 1984 to maintain full indexation of old age security pensions.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, thank you very much for having recognized my constituency and my presence.

I have a petition from many residents of Glengarry-Prescott-Russell who are concerned about pensions. I would like to present one signed by 14 residents of Limoges, in Ontario; one signed by 27 residents of Vankleek Hill, in Ontario; another one signed by 55 residents of Limoges; one signed by 34 people in Alexandria; one signed by 70 people of the Club Joie de Vivre in Embrun; one signed by 35 residents of the boarding house Résidence Mon Chez-Nous, in Casselman, Ontario; one signed by 16 members of the Club 60 Sainte-Félicitée of Clarence Creek; one signed by 59 residents of the Place Old Mill apartment in Hawkesbury; one signed by 24 people of the village of Bainsville; one signed by 34 people of Embrun; one signed by 65 residents of the Foyer Lapalme in Embrun; and finally, Mr. Speaker, a petition which was given to me here on this very day by 52 membres of the Club de l'Age d'Or of Saint-Bernardin, in Ontario.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I ask your indulgence because I have many petitions to present.

The first comes from the people of Shediac, in my constituency; I have two more from the residents of the city of Bouctouche; I also have a few other petitions from Sainte-Marie-de-Kent; I have here another one from residents of Cocagne and Saint-Antoine; I also have a petition from the people of Notre-Dame and residents of Sainte-Marie-de-Kent; and I also have three petitions from the people of Cap-Pelé.

I should point out, Mr. Speaker, that these people are very concerned about the de-indexation measures announced in the Wilson Budget, and the petitioners ask the House to urge the Government to re-establish full indexation.

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, it is also my pleasure to table in this House a petition signed by a group of residents of the federal constituency of Hochelaga-Maisonneuve, who strongly deplore the position taken by the Government as far as pension indexation is concerned.

Mr. Speaker, I have a second petition, this time from the federal riding of Louis-Hébert, in Quebec city, where many people have expressed their total disapproval of the Government decision not to provide full indexation for old age security pensions.

* * *

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, pursuant to Standing Order 64(1), I hereby lay on the Table in both official languages notice of a Ways and Means Motion and ask that an Order of the Day be designated for its consideration.

* * *

CROWN CORPORATIONS DISSOLUTION AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Robert de Cotret (President of the Treasury Board) moved for leave to introduce Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or repeal other Acts in consequence thereof.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Order Paper Questions

CANADIAN POST-SECONDARY EDUCATION COUNCIL ACT

MEASURE TO ENACT

Hon. William Rompkey (Grand Falls-White Bay-Labrador) moved for leave to introduce Bill C-244, an Act to provide for the Canadian Post-Secondary Education Council.

He said: Mr. Speaker, just briefly, the purpose of this Bill is to establish a Canadian Post-Secondary Education Council, the main function of which would be to provide a forum for discussion of the development of post-secondary education in Canada and of interprovincial, national and international educational questions.

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada)) moved for leave to introduce Bill C-61, an Act to amend the Judges Act, the Federal Court Act, the Canada Pension Plan, the National Defence Act in relation to judicial matters and to amend an Act to amend the Judges Act and the Federal Court Act in consequence thereof.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 186.

[*Text*]

STAFF AT CANADIAN EMBASSIES AND MISSIONS

Question No. 186—**Mr. Stackhouse:**

1. In 1983, what was the total number of staff serving in Canadian embassies and missions and how many were non-Canadian?

2. In 1983, what was the total operation cost of the embassies and missions?

Right Hon. Joe Clark (Secretary of State for External Affairs): 1. There are 5,678 employees, including 2,028 Canada-based employees and 3,650 locally-engaged staff, of whom 340 were Canadian citizens.

2. The total cost was $286,908,260 in the 1983-84 fiscal year.

[*Translation*]

Mr. Dick: I suggest, Mr. Speaker, that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

[*English*]

Mr. Gauthier: Mr. Speaker, I have a question to put to the Parliamentary Secretary. I wonder if, by the end of this week, the Parliamentary Secretary could give us a resume of the answers given by the Government to date to the questions put by Members of the House and if he could tell us the percentage of questions that have been answered, how many questions are remaining to be answered and when we can expect the other questions to be answered.

Mr. Dick: Mr. Speaker, as of June 14, we had answered 68.9 per cent of the questions put so far.

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call Notice of Motion for the Production of Papers No. 7 standing in the name of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano)?

[*Text*]

CONSULTATIONS RESPECTING BILL C-23

Motion No. 7—**Mr. Gagliano:**

That an Order of the House do issue for copies of all briefs presented to the Minister of State (Small Businesses) during his recent consultation tour in relation to Bill C-23, An Act to amend the Small Businesses Loans Act.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): As there has been no round of consultations concerning Bill C-23, an Act to amend the Small Businesses Loans Act (SBLA), Mr. Speaker, and as no brief has as yet been submitted to the Minister on the said Bill, we respectfully ask the Hon. Member to withdraw his motion.

An Hon. Member: Agreed.

[*English*]

The Acting Speaker (Mr. Paproski): Transferred for debate.

Mr. Dick: Mr. Speaker, I ask that the other Notices of Motions for the Production of Papers be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

HOUSE OF COMMONS

SEVENTEENTH ANNIVERSARY OF CLASS OF '68

The Acting Speaker (Mr. Paproski): Today is the seventeenth anniversary of the election which brought the Class of '68 to the House of Commons, those Hon. Members elected for the first time in the 1968 election. At that time they were the "Yuppies" and today they are the "Guppies", the greying upwardly mobile professionals.

The Class of '68 included some Members who became outstanding parliamentarians, some who reverted to other occupations and some who went on to their reward in the other place or on the bench.

The present Minister of Transport (Mr. Mazankowski) was a member of that group, as were the Hon. Member for Yorkton-Melville (Mr. Nystrom), the Hon. Member for Cochrane-Superior (Mr. Penner), and the Leader of the New Democratic Party, the Hon. Member for Oshawa (Mr. Broadbent). The former distinguished Speaker of the House, the Hon. James Jerome, now associate Chief Justice of the Federal Court, came in in 1968 and soon made his mark in this Chamber.

• (1620)

[*Translation*]

I, your humble servant, was part of the illustrious class of '68.

[*English*]

Some others who are still here and will remember those days are the Hon. Member for Algoma (Mr. Foster), the Hon. Member for Davenport (Mr. Caccia), the Minister of Public Works (Mr. La Salle), the Minister of Transport (Mr. Mazankowski), the Hon. Member for Regina West (Mr. Benjamin), and the Hon. Member for Saint-Jacques (Mr. Guilbault). If I have omitted anyone from that freshmen group of 1968, I am sorry.

It is the opportune time to express to the surviving members of that group the appreciation of the House for the dedication those Hon. Members have carried with them over these 17 years, from the time they arrived as callow Members—all of us did—to the present, now that they have become seasoned and mature in the service of this House and everything it represents.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I listened with great interest to that outstanding list of parliamentarians. However, I believe there is one name which modesty undoubtedly prevented you from uttering, that of the distinguished Member for Edmonton North (Mr. Paproski), who was one of the outstanding members of the Class of '68, who is now occupying the Chair.

Some Hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted to join in the pleasantries and affection which you have expressed to the Class of '68, because it was a vintage year. It was an outstanding group of parliamentarians who were elected at that time and they have distinguished themselves in the House of Commons. Of course, the Hon. Member who sits in the Chair today typifies that in the greatest of ways. You, Mr. Speaker, follow in the distinguished footsteps of the former Hon. Member for Sudbury who was the Speaker of the House for a number of years. I think the greatest tribute to those members of the Class of '68 who are still in the House was paid by Mr. Speaker Jerome at one time where he said, "We are the survivors". So I am glad to join in the Chair's compliments to the Class of 1968.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved that Bill C-58, an Act to amend the Advance Payments for Crops Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, I took note of your remarks earlier with reference to the Class of '68. I would just like to utilize this opportunity to congratulate those people who were victorious, from all Parties, of course. I can tell you, Mr. Speaker, that I well recall the year 1968 back in my riding of Elgin. Good fortune did not come our way in the riding of Elgin back in 1968. Two things happened on that day back in 1968, Mr.

Speaker, first, it rained torrents from early morning until late night and, second, when the ballots were counted, our Party ended up with the short stick. So the good days in the riding of Elgin did not take place for us until the election of October, 1972.

On my travels across Canada, Mr. Speaker, in the past several months, I have been asked by many farmers and farm organizations if and when the federal Government would bring forth legislation to amend the Advance Payments for Crops Act. They told me it is a good program but it is out of date. It is based on farming costs and commodity prices from almost a decade ago. My answer to those people has always been "very soon". Well, Mr. Speaker, "soon" is right now, before our deliberations end for the summer.

It is in this regard today that I want to introduce for second reading a Bill to amend the Advance Payments for Crops Act. Before discussing the proposed amendments, I should first remind the House what the Advance Payments for Crops Program is all about. The object of the program is to assist in the orderly marketing of agricultural crops in all parts of Canada. It does this, as the title implies, by advancing interest free payments to producers for storable crops prior to harvest time. This gives producers the financial flexibility to market their crops over the full marketing season when returns are normally higher than at harvest time. When the crop is sold, the money is repaid to the federal Government. In other words, this program provides farmers with some cash to see them through the period from planting time to the time they are able to sell their crop. In the case of some crops, that can be many, many months. Consider, for instance, the British Columbia apple, the Ontario rutabagas and the Prince Edward Island potatoes which are in the stores now. They were not harvested in June, 1985. They probably came out of the field in September, 1984. Where have they been for the past nine months? Most likely they were not sitting in a supermarket or a wholesaler's warehouse. They were probably stored in farm cold storages across the country. In all that time the producer was not paid unless, of course, he received an advance payment under the very Act which I propose that we amend today.

There have been no changes made to this piece of legislation since it was enacted in 1977. It is now time to amend this Act in order to optimize its marketing potential. The first amendment would double the maximum level of advance payments allowed under the Act in any crop year from $15,000 to $30,000 per individual producer, and from $30,000 and $45,000 for business organizations to $60,000 and $90,000. Under an Appropriation Act, these levels could be raised to amounts fixed by Parliament.

This amendment would bring the maximum advance levels in line with those under the Prairie Grain Advance Payments Program. The present inequities between the two programs has caused confusion among producers concerning the two programs in western Canada. Understandably, producer organizations have been asking Agriculture Canada to eliminate these inequities.

The present maximum levels under the Advance Payments for Crops Act were set in 1977. Over the past eight years, producers' input costs have risen at a much faster rate than their market returns. Thus, a smaller portion of the producer's crop is now covered by the program. Over the past eight years producer input costs have risen at a much higher rate than market returns. Thus, a smaller portion of the producers' crop is now covered by the program. This has reduced the producers' marketing flexibility and therefore his return. But amending the advanced levels will serve no purpose unless the total size of the program is increased. For each of the past three years the total guaranteed amounts approach the present $200 million maximum contingent liability. Thus, this legislation doubles the Government's contingent liability from $200 million to $400 million.

• (1630)

It is only reasonable that the size of the program should double since there is increased interest in it by producers and producer organizations. They see the advance payments for crops program as one which helps them to lengthen the marketing season for storable crops, improves their cash flow positions, and helps defend against variable interest rates. When producers are able to store their crops and market them over an extended period, this helps to expand the domestic market as well as develop export markets.

In the past few years producers have become very involved in the marketing of their crops in order to improve their market return. They have learned that it does not pay to sell to the first buyer who comes along if they can hold their produce longer. Many producers' organizations have compared their returns to producers who participate in the Advance Payments for Crops Program with those who do not. It is noteworthy that the cost of the program is far less than the increased market return to producers.

Not surprisingly, participation in the program has increased considerably in the past few years. In the first year of the program, only eight producer organizations across the country participated. For the 1984-85 crop year, close to $190 million was guaranteed under the program through some 47 producer organizations. More than 18,000 producers benefited as a result of this program.

In addition to doubling the maximum size of this program, the proposed legislation includes several housekeeping amendments which could make the program more flexible. The first of these would clarify the definition of a buyer-broker and would specify who names them. This is necessary to allow producers greater flexibility in developing a marketing system that is best for them. Without that flexibility they tend to develop marketing systems that would make them eligible for payments under the Act.

The second housekeeping amendment would improve the means and fairness of collecting defaults and would permit the federal Government to pay associated legal costs. Under the Act producers' organizations are currently responsible for collecting bad debts or defaults. This means that all participat-

ing producers have to pay the expenses for those who default. The proposed legislation would allow the producers' organization to recover the collection costs from the producers who default. Failing that, their legal expenses would be paid for by the federal Government. Any legal expenses, however, would be offset by the savings on the interest charges on outstanding defaults. On this point I want to take a moment to reassure the House that the level of defaults is extremely small. In the seven years that the program has been in operation, the average total of the defaults is less than one tenth of 1 per cent of the total value of all payments guaranteed. The lending institutions consider their percentage of defaults in the agricultural sector as a good rate.

In addition, the proposed Bill includes a number of other housekeeping amendments that will help streamline the administrative process and allow for negotiation of lower interest rates. This should result in significant savings to the federal Government. All of the proposed amendments have been developed in concert with producer organizations and are generally supported by them. At a time when crop producers are under great stress from rising production costs and fluctuating market prices, the Advance Payments for Crops Program is more important than ever. By doubling the maximum advance payment level, the federal Government is providing the producers with a greater marketing tool and greater marketing opportunities. The Advance Payments for Crops Program has proved to be very worth-while and indeed a very necessary program. It is not as useful as it could be. It is a 1977 model which has not kept pace with 1985 market conditions.

It is for all of these reasons that I urge Members of the House to approve this Bill to amend the Advance Payments for Crops Act.

Mr. Maurice Foster (Algoma): Mr. Speaker, the Hon. Minister mentioned the Class of '68. He was elected in 1972. As I recall, that was not particularly a good year for our side of the House. However, within 18 months we recovered sufficiently to continue on for another 12 years. I just thought I should draw that to the Minister's attention because I believe he has been here most of the time since then.

In a more serious vein, I wanted to indicate the support of the Official Opposition for the Advance Payments for Crops Act. This legislation was brought in back in 1977 when our Party was the Government. It is good Liberal legislation. Indeed, it was a plank in our election campaign platform last year that would have seen these payments doubled from $15,000 to $30,000, from $30,000 to $60,000 and from $45,000 to $90,000, depending on the number of producers involved. I have had representations on this legislation from the Ontario Soybean Growers Marketing Board in Chatham and the Ontario Corn Producers Association. The have requested in the strongest possible terms that this legislation be passed this year so it would be available for crops in the coming year.

The legislation will provide assistance to non-Wheat Board commodities which are storable. It will help producers to stabilize their prices by not forcing them to put crops on the market during low price periods or to provide cash flow immediately after the crops have been taken off. It will as well avoid the forced sale of commodities, which often reduces the price. I believe it is important legislation. It has been on the books for a number of years, and these amendments will bring it up to date to meet the needs of 1985 and the future.

When the Minister was speaking he indicated there would be an opportunity in the future to increase the total amounts by way of an appropriation Bill rather than by bringing in a new Bill. When we go into committee stage I would be interested in learning the details of that and whether it would be done by a one dollar item, which I thought had been determined not to be acceptable to the Speaker. Perhaps the Minister will be able to explain that during committee stage of this Bill.

Over the past number of years this legislation has promoted development of crop storage facilities, because having the cash available and the interest of the federal Government is of great assistance in that regard. As I understand this legislation, it will increase the number of people to whom a producer can sell his crops. This will codify the existing situation. It is my understanding that in the past producers could only sell to a producer association or a co-operative but not to a neighbour. This legislation will provide for that.

Another important aspect has been that funds were often actually lent to associations such as the Ontario Corn Producers' Association and the Ontario Soybean Growers' Marketing Board. This legislation will assist those producers' associations to recover funds when the advance payment is not properly made. The interest costs under the existing program have been about $6 million a year. I understand that the Government will have to make provision for approximately $12 million a year under this program.

I would like to indicate the support of my Party for this legislation. It is useful legislation although it does not solve some of the major problems facing the agricultural industry in Canada today such as lower prices for many grain crops due to the American bonus plan for their grains. However, it allows producers to withhold from the market, during slump periods, those crops which are being adversely affected by that program in the United States.

Mr. Speaker, I want to lend our support to the expeditious passage of this legislation in order that the benefits can be made available to the various producer groups which are affected.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I apologize for interrupting this very important debate, but there have been consultations between the Parties. I think that if you were to ask the House you would find unanimous consent to revert to Motions in order that I could present some Motions with respect to references to committees.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to reverting to Motions?

Some Hon. Members: Agreed.

● (1640)

ROUTINE PROCEEDINGS

[*English*]

MANAGEMENT AND MEMBERS' SERVICES

ORDER OF REFERENCE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the first motion is with respect to MPs' pensions. I think there would be unanimous consent to accept this motion without debate. That is:

That the matters related to M.P.s' pensions and double dipping referred to in the Budget of May 23, 1985 be referred to the Standing Committee on Management and Members' Services;

That the Committee present an interim report on the question of M.P.s' pensions no later than October 15, 1985;

That the Committee present its final report no later than December 31, 1985; and

That, notwithstanding the practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table.

The Acting Speaker (Mr. Paproski): Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Mr. Gauthier: I just want to indicate that we are glad to give consent for the introduction of the motion. There have been consultations and we agree with the content of the motion.

Motion agreed to.

* * *

PROCEDURE AND ORGANIZATION

REFERENCE OF BUDGET PAPER TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, my second motion also relates to a budgetary reference as it relates to the Canadian budgetary process. If you were to seek unanimous consent I think you would find consent for the presentation of this motion and its acceptance without debate. The motion is as follows:

That the document entitled "The Canadian Budgetary Process—Proposals for Improvement", tabled in the House on Thursday, May 23, 1985 (Sessional Paper No. 331/320), be referred to the Standing Committee on Procedure and Organization.

The Acting Speaker (Mr. Paproski): Does the President of the Privy Council (Mr. Hnatyshyn) have unanimous consent of the House to introduce this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Is there anything the Hon. Member for Ottawa-Vanier (Mr. Gauthier) wishes to say? I know I have been absent for three or four days, but I do understand that when he rises he is only trying to bring something to my attention, and I appreciate that.

Mr. Gauthier: Mr. Speaker, we were all very concerned for the sake of your health and we are happy to see you back. You must accept that sometimes I am like a Pavlovian dog in trying to follow the procedures here. There are certain things to which we are conditioned in the House and the question must be put in a certain way. That is what I was trying to do.

The Acting Speaker (Mr. Paproski): I really appreciate that. My condition is just great and I am honoured that the Hon. Member would bring that up. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

ORDER OF REFERENCE OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, my final motion is with respect to a reference to the Committee on Finance, Trade and Economic Affairs. If you sought unanimous consent of the House for the presentation of this motion, I believe it would be forthcoming and that the motion, when presented, would be passed without debate. It is as follows:

That it be an instruction to the Standing Committee on Finance, Trade and Economic Affairs that, in relation to the Committee's Order of Reference of April 18, 1985, the Committee consider the document entitled "The Regulation of Financial Institutions: Proposals for Discussion", dated June 1985, (Sessional paper No. 331-7/24), Tabled on Tuesday, June 25, 1985, before making its final report and, that for the purposes of this study, the said document shall stand referred to the Committee; and

That it be a further Instruction that the Committee be empowered to travel to Vancouver, Calgary and Winnipeg on September 3, 4 and 5 and to Halifax on September 30, 1985, and that the deadline for submitting the Committee's final report be extended to October 30, 1985.

The Acting Speaker (Mr. Paproski): Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise that Bill C-58, an Act to amend the Advance Payments for Crops Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am pleased to give my Party's approval in principle for the proposal which the Government has brought forward, namely, to double the amount of interest-free cash advanced to producers of agricultural products outside of the Canadian Wheat Board area. This brings the rest of Canada into parity with producers who grow wheat, oats, barley, rye, and oil seeds in the western region. It permits them to make out an interest-free cash advance after harvest to a maximum of $30,000 per farm. It could be up to a maximum of $60,000 or $90,000 if there are two or three major operators on that farm.

As the Minister has pointed out, the losses through this program have been less than one-tenth of 1 per cent. It does provide ready cash for producers and enables them to withhold their products from the market immediately after harvest. They are able to ease their products on to the market over the course of the year.

This Bill does only good things from the point of view of agricultural marketing. It goes hand in glove with other programs of the last 15 or 20 years carried out by the Department with regard to storage of agricultural products. We approve this approach to agriculture and support the Bill heartily.

● (1650)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Wise moves that Bill C-58, an Act to amend the Advance Payments for Crops Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Hnatyshyn: Mr. Speaker, there have been consultations and I believe you will find a disposition to amending the motion as presented by substituting Committee of the Whole for the Standing Committee on Agriculture.

I understand there has been a firm undertaking to deal with this matter expeditiously in the Committee of the Whole so that we can move on to the next item of legislation. With that understanding, we would be glad to proceed to Committee of the Whole now.

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

Some Hon. Members: Agreed.

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

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-58, an Act to amend the Advance Payments for Crops Act.

Shall Clause 1 carry?

On Clause 1—

Mr. Foster: Mr. Chairman, I have a couple of questions. The Minister of Agriculture mentioned in his speech that in future, the limits of the advance payments could be increased by an Appropriation Bill rather than a Bill in the House. How does he propose to do that? Will it be by a one dollar item in the Appropriation Bill?

It has been my understanding that the Speaker has ruled against dollar items being presented in Appropriations Bills. Yesterday we were dealing with a clause by clause study on another Bill. The Minister did not have his officials, but I hope that today he will have his officials with him in Committee of the Whole so that we can get the details on these items.

Mr. Wise: Mr. Chairman, the Hon. Member refers to a Bill that went through the House yesterday and mentioned the absence of my officials. I think I was able to supply all of the information that was requested of me by Hon. Members. If it has not been supplied yet, I will make certain that it is.

I never professed to be an expert on House procedures on matters of this kind and never will. However, it is my understanding that we go through a process in which there will be a presentation of a Cabinet document, approved by the Department of Finance, allowing us, as we did this time, to go up from $200 million to $400 million.

If we decide in the future that the Act should receive greater utilization than it does now and we require additional contingent liability to extend additional opportunities to producer organizations across the country for the greater utilization of this piece of legislation, we would simply go through the longstanding process that we went through this time. I believe my Cabinet colleagues would go through the same procedure if they found themselves in the same situation that the Hon. Member describes. We would simply seek consultations with the Minister of Finance (Mr. Wilson) and request that additional contingent liability be granted to us by Cabinet.

I am not exactly sure what vehicle we would use on the dollar items or why the reference was made to an Appropriation Bill. I would think that what I have described would be the normal course that would be followed. In securing an increase in the contingent liability in this case from $200 million to $400 million, as far as I am aware we went through the normal process.

Mr. Foster: Mr. Chairman, when the Minister spoke earlier I thought that the Appropriation Bill would be the technique used to increase the levels of the advance payments, to increase the $30,000 for a single farmer to a higher figure, for example. Was he talking about the contingent liability of $400 million or about the maximum levels of advance payments that can be made?

Yesterday he offered to provide a breakdown of the funding under the Farm Improvement Loans Act, the amounts and the provinces where that funding was provided. I hope he will do that soon.

Would he provide a breakdown of how much of the $200 million contingent liability is outstanding now under the present Act? Would he be able to advise the House of the amount that has been utilized by each of the province? I assume it is just Ontario and the provinces east of Ontario because it is not in the Canadian Wheat Board area of commodity items. Could he provide the breakdown for Ontario, Quebec and the other provinces?

Mr. Wise: Mr. Chairman, I believe when I talked about contingent liability in my opening remarks I was under the impression that I was referring to it in the sense of increasing the amount from $200 million to $400 million. According to my notes, I believe that is indeed correct.

With reference to the information requested yesterday, I asked that the information that I had in my hand involving six or seven tables be made available. It was my understanding that I had requested someone at the Table to table the information and was told that if I did so it would be appended to *Hansard*. I checked today's *Hansard* but I do not see it appended. I do not know what went wrong, but I would be happy to do the same today with respect to the details regarding the Advance Payments for Crops Act.

The document referred to is the financial status report of June, 1985. It will not take too long to detail.

There is the B.C. Tree Fruits, dealing with apples, Bartlett pears and Anjou pears; B.C. Vegetable Co-op Association, dealing with onions, rutabagas and potatoes; the Okanagan Fruit Producers and Shippers Association, again dealing with a wide variety of fruits and vegetables; the Island Vegetable Co-op Association, primarily dealing with potatoes. We have the Interior Vegetable Agencies Limited, again dealing with potatoes, onions and rutabagas. We move into Alberta, primarily potatoes. Then we go to the Alberta Honey Producers, the Alberta Beekeepers, the Alberta Wheat Pool dealing with field beans, flax and canola. They would take advantage of the other piece of legislation because we are getting into the Canadian Wheat Board area. We move on to the Saskatchewan Wheat Pool, again with canola. In Manitoba we have CSP Foods, sunflower seeds; the Manitoba Vegetable Producers Marketing Board with potatoes, onions and rutabagas. It goes across the country. We have the Manitoba Co-op Honey Producers, the Manitoba Corn Growers Association, the Manitoba Honey Marketing Board, the Manitoba Pool Elevators.

• (1700)

Moving into Ontario we have Blue Water Storage, Norfolk Fruit Growers Association, primarily apples. We have the Ontario Soya-Bean Growers Marketing Board, the Ontario Apple Marketing Commission, the Ontario Burley Tobacco Growers Marketing Board, the Ontario Flue-Cured Tobacco Board and the Ontario Corn Producers Association. I was interested in the representation which the Hon. Member for Algoma was reading on behalf of the Corn Growers of the province. The individual making that presentation was a long time friend, a supporter and a constituent of mine.

Moving into Quebec, we have apples, grains, corn, onions, leeks, rutabagas, cabbage, carrots, honey, tobacco, potatoes. There are a number of marketing co-ops in the Province of Quebec that utlize this legislation.

Moving to Atlantic Canada, all provinces utilizing it, we have apples, potatoes, tobacco, wheat, soybeans, feed wheat, oats, rye, barley. The list goes on and on.

I would be happy to copy this information and to make it available to the Hon. Member and indeed to the House. I do not see when we are in Committee of the Whole, Mr. Chairman, that this cannot be done. I requested yesterday that the information I had should have been made public to Members of the House and that it be appended to *Hansard*. Maybe it is in *Hansard*. My first quick check was that it was not there. I ask you, Mr. Chairman, why that did not happen. I am going to give you another chance, Mr. Chairman. I will ask that the same thing be done this time. I hope tomorrow I can see this information in *Hansard*.

Mr. Foster: Mr. Chairman, I believe under the existing legislation if there is a default by an individual producer in repaying the advance payment then the producer association or marketing board has to pay the legal fees and as well absorb the loss. I thought when the Minister was speaking he indicated not only would the federal Government provide the legal assistance to the marketing agency or Producers Association to recover those fees, but if the individual producer was in bankruptcy or ultimately was not able to repay the advance payment, then the federal Government would absorb it as well.

Can the Minister clarify if the arrangement is that all the legal fees and any defaults which occur will be absorbed by the federal Government? Can he advise, since we have been going through a rash of foreclosures and bankruptcies during 1984 and early 1985, just what the losses were during 1984 to producer associations and other groups under this legislation?

Mr. Wise: Mr. Chairman, I want to answer an earlier question put by the Hon. Member for Algoma. I think he

requested what percentage or how many dollars were utilized at the present time under the Act providing the $200 million ceiling. My information is that $183 million at the present time is utilized by the 47 producer organizations across the country.

I believe at the moment there is about $1 million in defaults. I think it is about one-tenth of 1 per cent. I have it here in a chart, but I have so many charts it takes me some time to go through them. I believe the information I am supplying is accurate.

With respect to the changes in the Act dealing with the defaults, the current system places full responsibility for collecting defaults, including costs, on the producer organizations. I think this is the observation which the Hon. Member made. This is very expensive for them and these costs are shared by all producers participating in the advance program by way of an administrative fee. The result is producers that repay their advances pay a higher fee to pay the expenses of those producers who default. These amendments will allow the producer organizations to recover the collection costs from the producer. If this cannot be done, the legal expenses will be paid by the federal Government and savings on interest charges on the outstanding defaults should offset any legal expenses that will have to be paid. I believe that should answer the questions raised by the Hon. Member for Algoma.

Mr. Althouse: Mr. Chairman, the Minister will know that this particular Act applies to everything except wheat, oats, and barley sold under the Wheat Board, and there is a separate cash advance for those crops. There is a certain amount of crop utilization. On the Prairies where we grow some of the oil seeds, we use this Act, and we can still use the other cash advance for our wheat, oats and barley sold through the Canadian Wheat Board.

I am a little curious especially because this Act covers such a wide range of products. Can the Minister tell us what sort of information gathering system is used to make certain that an individual does not exceed the $30,000 maximum? While he is at it, can the Minister tell us whether it is possible for a farmer in my region, for instance, who might have borrowed $30,000 against his wheat, oats and barley through the Wheat Board, to take in addition a $30,000 cash advance on his potatoes? How do you monitor the differences to keep it down to $30,000 each as per the Act?

Mr. Wise: Mr. Chairman, it is my understanding that one would be eligible to participate in one program or the other. This I believe is correct.

• (1710)

It is my understanding that the administration of both Acts is carried out by Agriculture Canada, and I would suspect by the same people within Agriculture Canada. Therefore, sufficient checks would be in place to ensure that the situation which the Hon. Member described should not happen, as far as I am concerned.

Mr. Althouse: Mr. Chairman, I hope the Minister is not saying that a producer could use $15,000 out of the wheat, oats and barley fund and an additional $15,000 for rapeseed and flaxseed, to get to his grand total of $30,000. I think some farmers are doing that now. However, I am curious to know what sorts of procedure is used for commodities other than Wheat Board grains.

I know from experience that the Wheat Board has to delay the issuance of cheques for the balance of advances for something like two weeks,to make certain that producers have not applied at three of four elevator companies for cash advances. It is possible for producers to take out advances at virtually any delivery point. It is possible for them to obtain half the advance for which they are eligible at three of four different points. The Wheat Board sits on the final issuance of cheques, monitors all applications and decides whether in fact a particular producer is eligible for the final amount.

Is a similar process in place for these advances? Can a participating organization or broker issue half the advance almost immediately, with the balance coming from a central organization through Agriculture Canada? What process is used?

I ask these questions of the Minister because there may be some producers watching this debate who have yet to set up agencies to provide for these advances. My next question will concern how they go about doing this, but I wanted to start with some of the procedures in place so that we would have that information on the record.

Mr. Wise: Mr. Chairman, perhaps we could talk about a few other minute details of the Bill. That would provide me with a moment or two in which to receive the detailed information requested by the Hon. Member, or at least have it sent to me. As I indicated in an earlier answer, if an individual wanted to participate in the two programs, it is possible, providing that he does not exceed the old 15 and the new 30, 60 and 90 levels.

I am assured that adequate administrative requirements are in place to ensure that duplication does not happen. I did not make a note of the Hon. Member's third question because my officials signalled me, indicating that that would not happen and that everything we need was in place for the proper administration of the program.

In the absence of any black and white information, the fact is that the Prairie Grain Advance Payments Program has been in effect for a good number of years. It has worked well. I cannot recall having encountered any serious difficulties with it. The Hon. Member is in a better position than I am to indicate what problems there have been with that piece of legislation, because he represents a part of the country which has received the benefits of that program for quite some time.

This Bill came along later, in 1977. To my knowledge there were only two problems. One was that levels were not high enough and the other was that participating agencies were concerned about some defaults. We are trying to deal with these two problems by increasing the maximum levels and by changing the way in which defaults are collected. We are

sharing some greater responsibility in that area by picking up the legal costs.

I should like to indicate some additional information. By reducing the potential liability to producer organizations from 5 per cent to 2 per cent, a better interest rate can be negotiated. This measure will reduce the average interest rate by up to one half or 1 per cent. No producer organization has exceeded the final default rate of 2 per cent over the last seen years of the operation of the program. As I indicated earlier, the average of defaults is less than one tenth of 1 per cent. That pretty well tells the story about advance payments, both prairie grain advance payments and the advance payments for crops with which we are dealing now.

It would appear to me that the necessary mechanisms, administrative personnel and procedures must be functioning reasonably well, or we would have heard about it by now. If the Hon. Member has some specific examples to raise, I would be happy to take notice of them, have my officials check into them and report back to him as soon as possible.

Mr. Althouse: I wonder if the Minister could quickly go through the steps or rules for producers of commodities who are interested in negotiating an agreement for setting up an interest-free cash advance program. What steps would they have to go through? What volumes are required before a group or agency would be acceptable under the program?

Mr. Wise: I cannot give the Hon. Member the detailed requirements to which a marketing agency or marketing commission would be subjected. When the Bill was first brought forward in 1977, the Ontario Corn Council lobbied the previous Government unsuccessfully, to no avail. We took the position at that time that although the Ontario Corn Council was not a marketing board or marketing commission, it had the administrative powers, personnel and so on to take advantage of the advance payments for crops legislation in 1977. However, the Government of the day said no, rightly or wrongly. The Council has continued to lobby and of course has changed its organization. It has met the criteria of the Bill and has been participating in the adance payments legislation for the last two or three years, or about that period of time.

Existing marketing boards and commissions are in a position to take advantage of the legislation. A marketing board, commission or co-op would simply send the information to us. In fact, it could be sent to the Hon. Member, the Hon. Member could forward it to us, and we could take a look at the organizational structure to see whether or not it meets the criteria. If it meets the criteria, then of course it would participate in the program. If we look at the marketing organizations which have participated, they run from co-ops to marketing agencies, commissions and wheat pools. The list goes on and on.

● (1720)

If there is a marketing group or organization—probably not an organization, I think that terminology is a little too loose—we will have a look at it. Generally they have to be legally incorporated and included in the marketing of a crop. They must be able to administer the program and must represent a significant portion of the production in the area. These are general criteria that are laid down by the Bill. Again, we would need to have evidence that they were legally incorporated, included in the marketing of a crop, able to administer the program and represent a significant portion of the production in that area.

That is all the information that I can give to the Hon. Member, so I say to him again, let them contact us and we will sit down with them and find out whether or not they meet the criteria. If they do, fine and dandy. If not, maybe we can work together and change their organization so that they will meet the criteria.

Mr. Althouse: Mr. Chairman, I wonder if the Minister can give us an approximation of how many such groups have been established since 1977, to which cash advances are now in effect.

Mr. Wise: Mr. Chairman, I think I touched that in my notes. I indicated that the program had grown quite rapidly over the years since 1977. I believe I indicated that there was a very small number of co-ops and marketing agencies that participated in the program in the first year and, I believe, I indicated that last year we had 47 organizations in the program across the country. In the first year of the program, only eight producer organizations participated, and for the 1984-85 crop year close to $190 million was guaranteed under the program to 47 producer organizations and more than 18,000 producers benefited from the program.

Clause agreed to.

Clauses 2 to 13 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-25, an Act to amend the Agricultural Stabilization Act, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. Vic Althouse (Humboldt-Lake Centre) moved:

That Bill C-25, be amended in Clause 3 by striking out lines 36 to 39 at page 2 and substituting the following therefor:

"commodities for any period or region bear a fair relationship to the estimated production costs of such commodities for that period or region."

He said: Mr. Speaker, I would like to speak for a moment on my amendment. During the course of this Bill, we heard representation from right across the country and there was some disturbing testimony, to my mind.

As you will know, Mr. Speaker, from having read the Bill and being thoroughly acquainted with it, this Bill is permissive legislation which sets out an umbrella under which producers, the provincial Governments and the federal Government can go together to strike a tripartite agreement to stabilize farm prices.

One thing that we heard most often from provinces across the country was that they were concerned about going into these agreements without having some feeling of acceptance or right to raise the possibility of variations in production costs from one end of the country to the other. They felt that there should be some way that would enable them to bring to the discussions the question of the particular costs that they have that are particular to their region, to put those on the table and negotiate the kind of system that is needed for a tripartite system across the country.

Because this is a government Bill, and the motivation is here and the expenditure plans that limit what a private member or an opposition Member can do, this is one of the few places where it is possible to bring the question of regional costs into the discussions. It would be under the section of the activities of the board that was established to look at the costing formula, either for those products that come under the program under the old Agricultural Stabilization Act or products which would come under by tripartite agreements between the various producer groups in the country, some or all of the provinces and the federal Government. This is one of the few spots where it is possible to mention the fact that regional costs can be a concern.

• (1730)

This would put a discussion of these various costs onto the table and permit the various groups to discuss costs that are unique to their parts of the country. For instance, there are high energy costs paid by Prince Edward Island farmers who produce hogs or dairy products. These farmers are required to spend a great deal of money on electricity to run the machinery and sometimes even to provide additional heat.

Representatives from other regions of the country mentioned that feed costs were relatively higher in their regions than in other parts of the country, and they said that they would like to be able to discuss this in the negotiations that take place prior to agreeing to a tripartite system. In fact, they mentioned that they would even like to be able to permit some slight variation with agreement from all of the participating groups as part of the final agreement.

In committee, we heard from representatives of the Province of British Columbia, a province which has had the most experience with an income stabilization program. Those representatives told us that when that program began, there was some allowance for regional differences in costs from one valley to another for the various payout levels in the production of tomatoes and other such crops. However, the representatives went on to point out that as time went on, it became obvious even to the producers that some of these cost disadvantages were offset by advantages in other portions of production costs and that eventually regional cost variations were seen to be unnecessary. Therefore, the producers themselves took regional cost variations out of the program.

It is my contention that once producers can see all of the various cost items that producers from their areas and other areas have to face, they will see that there is a real reason for their particular product being produced in their particular corner of the country. There is no doubt that hogs will continue to be produced in Prince Edward Island, Quebec and right across to British Columbia whether or not there is a tripartite stabilization program. While Quebec may have some disadvantages in the area of feed costs, it has an advantage over other parts of the country in labour costs, in the technical programs that are in place and because of the fact that its production units are somewhat superior to those in other parts of the country. That would balance off against the relatively lower cost of grain in Saskatchewan where the production units may not as a general rule be quite up to the competitive standards of those in Quebec.

I maintain that it all evens out. What I am fearful of in permitting this Bill to go through the way it is written without some recognition of regional cost variations is that we will leave the impression on those groups that think they have a particular cost disadvantage that there is no point in coming forward to the bargaining table to participate in the process. The idea behind this particular amendment is to make the umbrella slightly larger so that more producer groups from more provinces will feel comfortable under that umbrella and will begin the discussions preliminary to the establishment of a tripartite program. I think that this amendment sends the message that all producer groups from all across Canada are welcome under that umbrella and that their particular viewpoints and problems will be discussed fully. It will not leave them with the impression that we are excluding some groups while accepting others. That is why I have moved this amendment to the Bill.

Mr. Maurice Foster (Algoma): Mr. Speaker, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) has moved an amendment proposing that the commodities for any period or region bear a fair relationship to the estimated production costs of such commodities for that period or region. In committee, we heard a great many representations regarding regional cost differences. Those from the Maritimes mentioned the differences that exist in input and feed costs there and made very strong representations that there be some consideration for that. It seems to me that there should be some way of taking that into account.

Clearly, if there is going to be hog production in the maritime provinces, one of two things must happen. Either there must be a mechanism in the formula or the Government must come forward with a program of feed freight assistance, perhaps coupled with a program for self-sufficiency in feed grains for the Atlantic provinces, otherwise those who live there will be faced with a sharp disadvantage when producing hogs. Most Altantic provinces, with the exception of Prince Edward Island, do not produce more than what they actually

consume in their own provinces and perhaps some produce considerably less than that. I am interested to know if the Minister is prepared to give some assistance in that regard.

It seems to me that the obvious solution to the problem of regional input costs would be an interim feed freight assistance program that would be put in place for a number of years, combined with a feed producing capacity development program so that the disadvantaged provinces would be able to grow their own feed and would not have to depend upon feed freight assistance. This amendment recognizes that in some way, but I do not think it goes the whole distance by providing regional differentials in payments under the proposed red meat stabilization program.

I was not able to move this motion, but as we had very strong representations before the committee, I recommended that we add potatoes to the list of named commodities. At a later time, I will be raising the matter of the possibility of the Government accepting such an amendment.

Other amendments were moved dealing with regional commodities in B.C. There was a strong recommendation from the committee that apples be named as a commodity. There were representations from Quebec Members that pigs be added to the list of named commodities under the Act as well. The Minister has already added a number of items to the list like lamb, wool, spring wheat and winter wheat. With the kind of strong representations that came from the committee, I would hope that the Minister would be willing to consider my amendment with regard to adding potatoes to the list. I believe Hon. Members from British Columbia and Quebec may want to put forward the recommendation of other items as well to be named—

● (1740)

The Acting Speaker (Mr. Paproski): Order, please. There seems to be a few conversations going on in the House. I would hope that perhaps those Hon. Members would go behind the curtain so their voices would not carry in here. I am having difficulty hearing the great speech of the Hon. Member for Algoma (Mr. Foster).

Mr. Foster: I appreciate, Mr. Speaker, you realizing what a great deal of information I was providing to Hon. Members.

The Bill before us today also deals with the amendment put forward by the Hon. Member for Humboldt-Lake Centre really puts forward an amendment which the Minister proposed to the committee last Thursday afternoon. No one has been quite able to understand exactly what it means. It does propose to deal with top loading and bottom loading of production and stabilization formulas. Cattlemen are very uncertain as to exactly what the amendment put forward by the Minister means. The Minister claims that his amendment will allow the provincial groups to come into the tripartite stabilization agreements provided that their level of support and stabilization is not any greater than that provided by other participants in the proposed agreement.

I suppose that would take into account the stabilization programs the provinces were running relating to transportation, provided they were not greater than the stabilization or assistance being provided by other provinces, say, for fertilizer subsidization or cheaper electrical rates or, as Ontario does, paying half of the farm taxes. That is the proposal in the amendment, yet when one reads the Minister's amendment, it seems to refer to stabilization provided under a tripartite red meat stabilization agreement as not being greater than that provided to any other producers in the country, whether they be assisted by their provincial Government or provincial marketing agency. There is a great deal of confusion about that amendment.

The four participating producer groups from Alberta, Saskatchewan, Manitoba and Ontario are not clear what the amendment means so they are very concerned. Since they do not know what it means, they are not in agreement with it. The UPA in the Province of Quebec is not satisfied with the amendment. As far as I know, the provincial Government and groups in Prince Edward Island are also not satisfied. Therefore, we really have difficulty knowing exactly what that amendment means or what the impact would be if the legislation were passed.

The provincial Governments in Atlantic Canada want to see some recognition of regional input costs, especially the costs of feed freight assistance. Perhaps when the Minister speaks he will be able to indicate whether or not he is prepared to put in place an interim feed freight assistance program which will take place during an interim period while the federal Government is assisting the provincial Governments in developing grain input production capacity in those Maritime Provinces.

This is an important Bill. It may be that it is only enabling legislation but once it is in place, the federal Government has a commitment to support these producer groups. There has been agreement for the last year in which the four producing provinces, Alberta, Saskatchewan, Manitoba and Ontario, have agreed to participate in a tripartite red meat stabilization program covering beef, veal, lamb and pork.

It is very unclear whether any of the producer groups in those four provinces will support the legislation as it was passed in the committee, so we are going to have to see whether they will support the legislation and what the prospects are for other groups such as the Quebec hog producers and the Maritime producers. In the interim, the Hon. Member's amendment seems to only take into account regional commodities, and these commodities bear a fair relationship to the estimated production costs of such commodities for that region.

I hope that we will have a chance to vote on this amendment. I would as well like to hear from the Minister as to exactly how he proposes to satisfy and reconcile the various positions across the country with regard to the hog, beef, and lamb producers because they seem very uncertain as to whether the amendments which were introduced last Thursday would have the impact of really destroying the agreement which did exist. At the same time, it does not seem to have

satisfied the UPA and the hog producers in Quebec or the producers in Atlantic Canada. The Bill is very unclear at the present time. Perhaps we will be hearing just how those differences can be reconciled.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to speak to the motion presented by the Hon. Member of the New Democratic Party. I may say that the Hon. Member's intentions are entirely laudable and that consideration of regional costs is certainly one objective we can all support.

Mr. Speaker, in committee, and especially at the committee meeting last Thursday, Members had a chance to ask some very serious questions about the Government's intentions, and especially about the consultation process initiated by the Government. We were told by Quebec producers that the legislation was tabled without prior consultation and that there had been no formal consultation with the President of the Union des producteurs agricoles.

● (1750)

We also heard that Progressive Conservative Members had tried to persuade the Minister to change his mind about this Bill and delay consideration until comprehensive consultation had taken place, but unfortunately, the Minister refused to consider these requests.

Mr. Speaker, the amendment before the House provides an opportunity to discuss regional differences in Canada, and I know the minister is one of the true believers in the community of communities theory. During the few years when the Right Hon. Member for Yellowhead (Mr. Clark) was Leader of the Party and Prime Minister, the Minister supported his community of communities theory. However, it seems the Minister has a very short memory, because now he would like to stabilize poverty, as it were, by providing for uniformity over and above regional differences. However, considering how well the Minister knows the country and its regional differences, I am confident that he will find this amendment acceptable. In committee, the Minister spent some time on this issue, and I hope that today, he will be able to give us a definitive answer and vote in favour of the amendment. In fact, this amendment gives us a chance to reopen the whole debate on the constitutional responsibilities of the federal and provincial governments for agriculture. In this respect, the Bill before the House and even the amendments presented by the Minister in committee are not likely to be satisfactory to the provincial parties.

The Minister is well aware that his Quebec counterpart cannot accept the provisions of this Bill. He knows perfectly well that Quebec producers object to the prerequisites imposed by this legislation. Nevertheless, he insists on using his party's overwhelming majority and the silence of Quebec Conservative Members to impose his vision of uniformity across the country. Mr. Speaker, I still think that the Minister has a chance, today at the report stage and in the next few days at third reading, to show that he has really been listening to his colleagues from Quebec, instead of hoisting their arms and asking them to keep quiet, and that he has been listening to the caucus and as a result will have a far more satisfactory solution to show for it.

Mr. Speaker, we heard from representatives of the UPA, the Federation of Pork Producers, the Federation of Lamb Producers, and people in the cattle industry, and from their testimony before the committee, it was clear they wanted us to recognize two principles.

First, they said they were convinced that it would be better for Canadian agriculture to have income stabilization than price stabilization. Of course there is a very basic difference of opinion on this principle. But they also said, in referring to the provinces that within their respective jurisdictions had decided to implement specific agricultural policies to protect their farmers that they were anxious to see these provinces continue within the framework of the national system, to administer the programs they initiated and were supporting with their tax revenues.

Mr. Speaker, this debate has been going on for a long time, and I am referring to the right of the provinces to make decisions with respect to agriculture policy. The Minister knows perfectly well that for instance, in the case of Quebec, its policy of food self-sufficiency may well be jeopardized by the passage of this Bill. The Minister realizes this and I know his Quebec counterpart has said, and I quote: I am trying to show that the approach you have opted for with respect to red meat stabilization is dangerous and discriminatory.

He is saying: You take a discriminatory approach when, on one hand you refuse to give pork producers the money owed to them or to acknowledge the right of the provinces to manage their own stabilization programs—for fear that the Americans might retaliate—and, on the other hand you give hundreds of millions of dollars to western grain producers. Besides your attitude might very well jeopardize the interests of pork producers and processors in their current conflict with the American Government. The provincial Minister goes on to say: The Canadian Pork Council and the Canadian Meat Council are spending tens of thousands of dollars to hire lawyers to defend them. Those lawyers are trying to prove to the American Government that funds received under stabilization programs must not be considered as prejudicial grants since they are in fact permanent insurance measures partially financed by the farming community and whose benefits must be spread over a long period of time, in keeping with actuarial principles. The Minister is saying: Through your statements you demolish the thesis they defend, you condemn Canadian pork producers even before American and international courts of law have made a judgment. I am drawing inspiration from a document drafted by the Quebec Government. He goes on to say: On behalf of Quebec pork producers we are entitled to expect more from the Canadian Minister of Agriculture whose re-

sponsibility is to uphold the interests of Canadian agricultural producers no matter the sector where they try to earn a living or the province where they live. You must stop taking advantage of the current predicament of pork producers to rush this Bill through. That is the key word, and that is what we are witnessing, Mr. Speaker. They are trying to push this measure right through, but I am sure they will be up against stiff opposition in the next few hours and days because we are determined, Mr. Speaker, to use all our parliamentary rights to bring the Minister to his senses or at least convince him to go back to the consultation process.

The Minister knows as well as I and all other Members of the House do that this Bill is unacceptable to the producers of a province and to many others. The list is getting longer every day and we are trying to make him understand that he is being overly hasty. He is acting today against the best judgment of everybody. He may be able to get his own colleagues to stand still for this, but he will not be able to prevent the producers from speaking up. Instead of trying to put them before a fait accompli the Minister should make sure that the producers have their say before he imposes this measure.

After lengthy discussions, Mr. Speaker, the Minister finally introduced an amendment in committee, but I voted against it because it did not satisfy anyone. The Minister came up with an amendment which apparently was quite satisfactory to Department of Justice officials, but they were practically the only ones to feel that way. I have yet to hear from one producer or one organization that would be prepared to support the amendment. I certainly hope the Minister will be able to produce a series of supporting telegrams he received in the last few hours. If the Minister can convince me that this amendment is acceptable to the farmers I represent, I would be prepared to reconsider my position because I think my duty here is to speak for the producers who came to see me and urged me to prevent this Bill from being pushed through. We have nothing against the principle of stabilization, but the Minister will have to show more flexibility if he seeks to rally the various interests. The Minister did not listen to his colleagues and I am afraid he will not listen to Opposition Members either, but he will learn his lesson in the field, Mr. Speaker. If the Minister cannot be more flexible with us, I would ask him to be flexible and almost courageous with his American friends because it does look as though the Government wants to use the pork crisis as an excuse to push this Bill through and make us believe that it has to be the ultimate solution. But, Mr. Speaker, no one in the farming sector believes that this is the answer to everything. The Minister may say that, at the time, the Liberal Government had introduced a similar bill, but that could be one of the reasons why there are now fewer of us on this side. The Minister should learn from what happened after the last elections. He should remember the promises of his colleagues who said that this measure would be amended. Where are those amendments?

The Minister tried to pass off a facsimile of what his predecessor had introduced. At the time, we of the Quebec caucus had officially objected to this legislation because we believed that it was unfair and not quite finalized because there had not been enough consultation and flexibility.

Mr. Speaker, the fact is that the Minister seems to believe he is the only one with the answer. He says that he alone holds the truth: Pass this Bill and we shall see later!

Mr. Speaker, it is not that I do not trust the Minister, because I know that he is an honest man and has a very good reputation, but I am not convinced that I want to give him a free hand. If we pass this Bill in haste and give a free hand to the Minister, we shall jeopardize the existence of provincial programs established under the jurisdiction of the provinces as defined by the Canadian Constitution. Mr. Speaker, as you know, you can be for the Constitution as you can be for virtue and motherhood. In this optic—

The Acting Speaker (Mr. Charest): Order, please. I am sorry, but the ten minute period has expired.

The Hon. Member for Mégantic-Compton-Stanstead.

• (1800)

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, I would have preferred to spend these few minutes asking some questions to find out whether my colleague for Shefford (Mr. Lapierre) speaks the truth or whether he is voluntarily trying to mislead the House by reading such things as a paper which he says comes from Quebec Agriculture Minister, when, to my knowledge, no paper has been released on this issue by the Quebec Minister. In my opinion, the document quoted by my colleague was prepared by somebody else and I believe that it is a trick more than anything else.

If my colleague for Shefford is basing his whole argument—

Mr. Lapierre: On a point of order, Mr. Speaker. I have the document here and I am willing to table it. The stationery is—

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin).

Mr. Gérin: I thank you, Mr. Speaker, for disregarding the comment made by my hon. colleague, because the document which he has shown around and which was in fact never signed by the Quebec Minister of Agriculture but by an unknown departmental official, is clearly nothing more than a proposal. I suggest, therefore, that as such it is entirely worthless.

Under these circumstances, I am somewhat disappointed that the Committee members never had the opportunity to hear the Quebec Minister of Agriculture who could have

enlightened them about the best solution for Quebec producers generally and Quebec hog producers in particular.

It is clearly a matter of . . . In Quebec, we have a stabilization program which is considered very good and which is the result of many years of effort on the part of the provincial government. It is a fact that several Quebec producers would like to see at the federal level, a stabilization program similar to the one they have at the provincial level. We must realize, however, that the proposed program will be national in scope and reflects a consensus if not of all, of a majority of provinces and producers. Last Thursday afternoon, the Minister moved in our Committee of Agriculture a major amendment which meets one of the two basic conditions insisted upon by Quebec producers generally and Quebec hog producers in particular.

As for the second condition, I would tell the Hon. Member for Shefford (Mr. Lapierre) that those are the very words of Mr. Scalabrini, president of the Quebec Federation of Pork Producers and of Mr. Proulx, president of the A.P.U. I consider that, therefore, as an excellent reference.

As for the second condition laid down by Quebec pork producers and farmers before they support the Bill, it was not stated as such in an amendment to the Bill. However, it was given through commitments made by the Minister according to which no stabilization plan will come into effect without a consensus being reached among producers. Such a consensus, of course, would not be reached unless pork producers in eastern Canada give their approval. If there is no tripartite plan on which to reach a consensus, there would simply be no stabilization plan. Only the present provincial plan would remain, but it seems to satisfy Quebec farmers. Under those circumstances, I should add that I would have like to use those ten minutes to put questions to my colleague and ask him to withdraw his comments about the report which was allegedly written by the Quebec Minister of Agriculture, because I made my own inquiries on the matter and the Quebec Minister of Agriculture and his officials have flatly denied having written any official paper on agricultural stabilization.

So, Mr. Speaker, I would ask that it be duly noted and understood by all Hon. Members in this House that there is no statement by the Quebec Minister of Agriculture about that Bill and that we should trust the Quebec Conservative members and the Quebec farmers, who find the amendment moved by the Minister on Thursday afternoon satisfactory as far as one of the two conditions laid down by the farmers are concerned. With respect to the assurance made by the minister that no plan will be approved in the absence of a national consensus, I feel that Quebec farmers and more especially pork producers find it to their satisfaction.

Hon. André Ouellet (Papineau): Mr. Speaker, it is a pleasure for me to rise in this debate immediately following the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) and to tell him that I agree with just one of his points, namely that it is most unfortunate that the Quebec Minister of Agriculture was not invited to appear before the Standing Committee to discuss Bill C-25.

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) on a point of order.

Mr. Gérin: Mr. Speaker, the Hon. Member for Papineau (Mr. Ouellet) is not justified in saying that for he did not attend the committee meeting, otherwise he would know that the Minister had been invited to appear.

Mr. Ouellet: Mr. Speaker, the Hon. Member just said he regrets that the Minister did not appear. I agree with him we should have heard evidence from the Quebec Minister of Justice because certainly the Minister, had he appeared, would have strongly opposed Bill C-25.

The amendment put forward by my colleague from the NDP should be supported by this House. I do not know what the Minister will decide on this amendment, but I feel he should accept it. It is very important in my view, and I would simply like to quote from an editorial written by Evelyne Dumas in *La Terre de chez nous*, which deals with the amendment introduced by the Hon. Member from the New Democratic Party. Evelyne Dumas had this to say:

> Ten years ago, Quebec farmers were getting income stabilization programs from their provincial Government.

—very important ones that have been and still are extremely worthwhile and useful to Quebec producers. Now, Bill C-25, an Act to amend the Agricultural Stabilization Act, may seriously hinder those provincial programs, and she said in her editorial that Quebec producers are asked to drop the substance for the shadow. Clearly this is what would happen, and this is what will happen if the Progressive Conservative Government persists in its attempt to push Bill C-25 through.

One of the aspects considered by Evelyne Dumas in her editorial is this:

> That shadow, a possible exclusive federal stabilization program of animal products, we know some of its aspects, however. We know for instance that payments that would be generated would be lower than those provided for under the provincial programs.

● (1810)

This is why, in her editorial, she says that the Quebec producers are being asked to give up a sure thing for an uncertain proposition. How can the Quebec producers be asked to give up a provincial program which is more generous than what the Progressive Conservative Government wants to offer them? The editorial continues:

> Other aspects remain more obscure, but what is known about it is a source of concern for the producers. For instance, there is every indication that the payments would be made only on the basis of product prices and not of production costs. In any case, nothing in the Bill requires that the production costs be taken into account. What is more, it does not contain the least requirement for the partners to consider the production cost variations from one

region to the next. As far as pork is concerned, for instance, higher prices in Toronto and lower production costs in the Prairies will contribute to set up a national chart which will not take into account the actual situation in Quebec and, as a result, the compensations under the proposed federal system will be reduced to a minimum.

However, Mr. Speaker, the amendment proposed by my colleague of the New Democratic Party deals specifically with the need to take into account clearly and precisely the estimated production costs of farm products in a given region, and such an amendment is essential. If we want to have a fair program which will satisfy all producers in all regions of the country, the real costs in each region must be taken into account. I am surprised that the Government does not accept this amendment. I believe that it is essential if we really want to have a fair program.

During the few minutes left to me, I would like to come back to the comments of the Hon. Member for Megantic-Compton-Stanstead (Mr. Gérin), who criticized my colleague for Shefford (Mr. Lapierre) for having referred to a working paper prepared by the Quebec Department of Agriculture. It is a fact that what my colleague from Shefford quoted was a working paper and not a letter duly signed and sent by the Minister to his federal counterpart, but this working paper, which has been made public, is quite revealing, and I would like to quote just a few words from it to show to what extent this so-called spirit of co-operation between the Governments of Canada and Quebec seems to have dissolved, at least as far as agriculture is concerned. The Quebec Minister of Agriculture had no need to send a letter to state publicly that, in his opinion, the federal Government and especially the Minister of Agriculture have not done a good job in the interests of Quebec pork producers, that he felt the Government of Canada could never solve the problem our hog producers are faced with because this Conservative administration seems unduly concerned about antagonizing the Reagan administration. Ever since it assumed power, this Conservative Government has repeatedly emphasized the need to develop and maintain good and friendly relations with the American President. That is fine and dandy, provided that they benefit Canadians in the long run. A good place to start could have been in respect of Quebec hog producers who have been wronged and completely deceived during the last election campaign by Conservative candidates with a promise of additional cheques. They are still waiting for these cheques from the Minister of Public Works (Mr. La Salle) who made this solemn promise to Quebec hog producers, and now the Minister of Agriculture (Mr. Wise) would like the House to rubber-stamp Bill C-25 with a total disregard for the objections raised by Quebec farm producers and their own interests.

The document which my colleague the Hon. Member for Shefford (Mr. Lapierre) referred to needs no comments. For instance: "In order to push through Bill C-25, the Government is bent on creating the impression that the continuation of provincial programs could mean a complete disaster for producers, and that failure to adopt this Bill now before the Summer recess could start a bloody war between the provinces". If we continue with our provincial programs—I conclude my remarks with this, Mr. Speaker—the next move the United States could make could be higher taxes, increased import quotas or even an embargo. That borders on blackmail, and I ask the Minister of Agriculture to show his good faith by delaying the adoption of this Bill in order to consult all interested parties. And if the Conservative Government wants to remain on friendly terms with the current Quebec Government, he should ask the Quebec Minister of Agriculture to appear before our committee and say what he really thinks of Bill C-25. Until then, I think that Quebec producers will suffer as a result of this Bill which will cause them irreparable damage.

[*English*]

Mr. George Henderson (Egmont): Mr. Speaker, I wish to say a few words about Bill C-25. I have a great deal of concern about the Bill and I must say that I will not be able to support it simply because regional costs are not taken into consideration.

I have with me a telegram that was sent to me by the Minister of Agriculture in the Province of Prince Edward Island, the Hon. Prowse Chappell. The subject of the telegram is the red meat stabilization Bill, Bill C-25. He indicates in the telegram that on June 6, 1985, his Department made a presentation to the Standing Committee on Agriculture regarding the Bill.

He stressed two points at that time of very vital interest to the Province of Prince Edward Island. First, potatoes which is the number one commodity in agriculture production in Prince Edward Island, should be included in the list of named commodities, thereby qualifying our most important commodity for mandatory support under the Stabilization Act.

• (1820)

The importance of potatoes to the Province of Prince Edward Island and the Province of New Brunswick, he goes on to say, would be compared to grains in western Canada, for which we all know separate legislation is in place under the Western Grain Stabilization Act. His second recommendation is that Bill C-25 be amended to permit the recognition of legitimate regional costs in national plans. Regional costs do not exist, and failure to address them on an equitable basis will frustrate—this is what the Minister is saying to me in a telegram—our common objectives, our harmonizing support programs. By way of amendment, P.E.I. has suggested the deletion of Section 8.10.1(3) and the addition of the following Section 8.10.14(A): agreement must specify and take into account regional production costs. That is signed by the Hon. P. Chappell, Minister of Agriculture, province of Prince Edward Island.

Mr. Lapierre: He is not a Liberal.

Mr. Henderson: He is not a Liberal, no. But I want to get back to the regional costs. If you have a national program that does not take into consideration—and I hope the Minister is listening very carefully to this—

Mr. Wise: I am always listening.

Mr. Henderson: —the difference in cost of production of hogs, beef, whatever, but certainly hogs in the Province of Prince Edward Island, what use is it? In my province, Prince Edward Island, it costs probably $15 to $20 more to produce a hog than in the Province of Alberta. I see the Minister of Agriculture (Mr. Wise) shaking his head.

Mr. Wise: I am not agreeing with you. I am listening.

Mr. Henderson: He says he is not agreeing with me but he is listening. If the Minister is not agreeing with me, then he is not agreeing with the Minister of Agriculture in the Province of P.E.I. either.

Mr. Wise: That could be.

Mr. Henderson: Where is this so-called consultation which this Government has gone on about for so many months and the great harmony between the provinces and the federal Government? The Minister has to admit in this Chamber today that consultation is a one-way process as far as this Government is concerned.

An Hon. Member: Tory arrogance.

Mr. Henderson: It is a one-way process.

Mr. Wise: No.

Mr. Henderson: You are not listening to the Minister of Agriculture for the Province of Prince Edward Island. Therefore, the Minister of Agriculture is not listening to the farmers of P.E.I. or Atlantic Canada.

Let me give an indication of the excessive costs that we have to bear as farmers in Prince Edward Island. First, we have the extreme high cost of electricity. Hon. Members know very well one has to take into consideration electricity costs, transportation costs and feed grains. When one adds up those costs, my province finds it is impossible to compete with other parts of the country when it comes to hogs.

My province and the Government of Prince Edward Island, which is of a blue stripe, has tried to promote the agricultural industry to the point where I think it is crazy to go ahead with the kind of kill and chill plant it is considering. I think most farmers in my province will agree that it is too grandiose for the situation as it is today in Prince Edward Island. It is a legitimate Government and I might say the actions that have been carried on in the last while will not allow it to be the Government for very much longer.

Having said that, it is the Government, the legitimate Government of P.E.I. I am amazed, I am astounded, that the Minister of Agriculture is not listening to the Minister of Agriculture for the Province of P.E.I. Why would that happen? I can tell the Minister something else. Here is a telegram that I have received from Mr. Keith Russell, Executive Secretary, Maritime Farmers Council. It is dated June 24. It reads:

> Please be reminded that the National Red Meat Stabilization Plan will need to reflect regional variations in production costs in order to be useful to Maritime livestock producers.

I guess that says it all. If you were a hog farmer or a beef farmer in Prince Edward Island, Nova Scotia or New Brunswick, then I think you would be very reluctant to get into a program that had as an average cost something far above the cost of your production. Too long have farmers in Canada been producing crops and selling them at below the cost of production.

Mr. King: That is right.

Mr. Henderson: This stabilization program which the Minister is talking about in Bill C-25 does nothing to alleviate that situation. In fact, as my hon. friend just mentioned, it stabilized poverty for those people in those areas. I am amazed my good friend, the Minister of Agriculture, would bring in a Bill at this time that would not reflect the realities of this great country of ours. There are areas where you can produce goods, farm produce at one price and there are areas where that costs more. It is unfortunate that we happen to live in an area in Atlantic Canada that is a little far removed from the mainstream of the population. We are geographically dislocated, if you will, from the market.

Mr. King: What about B.C.?

Mr. Henderson: Yes, B.C. At least B.C. stretches a little north and south, but B.C. as well. I agree with the Hon. Member for Okanagan-Similkameen (Mr. King). I know the great apples his agricultural community produce in B.C. Certainly I do not see anything in this Bill that would do anything for his apple crop.

Mr. Lapierre: Nothing.

Mr. King: That is not right.

Mr. Henderson: I cannot understand my friend. He says it is not right. I hope he will stand in his place and tell me why it is not right because I do not see anything in this Bill that says you are going to get one iota from Bill C-25.

The Minister has brought in a Bill to say that he has done something for the agricultural community of the country. I am afraid it is nothing but a sham. He is not taking into account regional costs and not taking into consideration potatoes, and he is eliminating a number of other situations when it comes to feed grains coming east. The economic statement in November and the Budget sort of alluded to the fact that some of these subsidies may well be dropped. Some of the great benefits that we enjoyed over the last number of years were beginning to erode. Unless the Minister starts to take a fresh view of this, then I think he should scrap this Bill right here today as far as I am concerned and as far as P.E.I. is concerned. He should

bring in a Bill relevant for all of Canada and not just relevant to one or two provinces in the country.

Mr. Crosbie: That is nonsense, absolutely flap-doodle.

● (1830)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, agriculture has changed. It has changed on a world-wide basis and on a national basis, but particularly on a national basis. I am sure that my hon. friend from Prince Edward Island is quite aware that there have been pleadings in this Chamber and in committee meetings in the last 15 years that the Government should address the price stabilization programs which it was authorized to operate. The Government of the day refused to do it, and it continued to do that on a declining basis.

Historically, as long as there was meaningful price stabilization action on the part of the federal Government, massive bankruptcies were avoided in the farm sector. Rarely, if ever, did it contribute to profit, but it served as a "stop loss" operation. Those commodities which required price stabilization in a given year may have experienced a 1 per cent or 2 per cent reduction and may have been compelled, by virtue of the fact that there was no profit, to reduce their production. As a result of the nature of that program and without massive hardship, production of agricultural products in Canada was controlled to meet market demands. For most people agriculture was never a supply of wealth, but it supplied an average income for people who persisted in that sphere. Few became wealthy and, historically, few went broke.

However, when the concept of price stabilization was abandoned, we got into difficulty because the provinces of Canada entered the field. When they became involved in the maintenance of the agricultural industry province by province, they were not satisfied with that. Instead, they not only tried to maintain the production of individual commodities, but tried to expand them. That is understandable. Thus we have within this nation a quarrel among the provinces as to who will produce what and how much.

This is the first piece of legislation which has given Agriculture Canada, provincial Ministers of Agriculture and farmers an opportunity to sit around a table and judge for themselves what is in the best interests of various commodities in the long term and how they can find the stable position of production with assured income so that they can continue to farm. If we continue in the interprovincial battle, there is no question that agriculture would be totally dislocated, that geography, climate and soil capability would be ignored, that we would be producing products in some parts of Canada which were never intended to be produced there by nature, and that man would spend a fortune in an effort to produce what nature did not plan. That is with what we are faced.

The first real breakdown in the refusal of the Liberal Party as a Government to come to the aid of agriculture was when the cattle industry asked for a price stabilization program. The initial estimated cost of that program, just as a break even deal, was $300 million. It was rejected out of hand by the Liberal Government of that day. Since that point in time, the red meat industry has been in difficulty and provinces have been competing with one another, using farmers as their tools.

I say to the Hon. Member for Egmont (Mr. Henderson) that basically the requests of Atlantic Ministers of Agriculture have been recognized. There is now judgmental opportunity in the hands of the Minister of Agriculture (Mr. Wise) to consider provincial differences. However, what is more important is the piece of legislation which is in the hands of the Minister of Agriculture. It can properly start negotiations with the producers and the Ministers of Agriculture of all provinces, regardless of their political stripe. The consultative process which this puts in place gives some opportunity for avoiding war between the provinces and disparate conditions for individual farmers and their individual products.

For instance, I refer to the case of apples. The trade picture is not as it was. Trade agreements have been made which allow subsidized products to come into Canada to the detriment of the farming community. Whether it be apples or apple processed products, whether it be red meat, whether it be grapes, wine and wine products, they are coming into Canada on a free access basis, without constraint, as a result of utterly and totally ridiculous international trade agreements which were made against the advice of organized agriculture in Canada for the last 25 years. The policy of the Government of Canada has been: Let us trade off agriculture trading opportunities and let us build the manufacturing industry of Canada. As a result, the Canadian market has been glutted with imported food and we have a $10 billion to $15 billion trade deficit in manufactured products. We lost at both ends of the scale.

The international production figure has changed. No statistic was presented to the committee, as it considered this Bill, which emphasized that any more than the following facts. Fifteen years ago Canada was trading apples and exporting as many as it was receiving. Perhaps in most years it exported more than it imported. Today we are importing many more than we are exporting because of bad trade agreements and because of increased production which is subsidized in such places as the Pacific Rim by the Governments of those areas which no longer need our apples.

The potato industry finds itself in the same position. It is constrained by artificial barriers to trade, as the Hon. Member for Egmont well knows. We find ourselves, commodity by commodity, in a position which is uncomfortable and one which can only be addressed by consultation. We cannot continue any longer without joining forces in Canada on a non-competitive basis, with an urge for a province to own a product and its production.

I have particular fear for Atlantic Canada because it does not have the money to compete with the other provinces. Agriculture will suffer more than it can stand under those circumstances. I believe that the Ministers of Agriculture of Atlantic Canada are not totally satisfied, nor are they totally satisfied in Alberta or Ontario. This piece of legislation does not particularly fit the plan or wish of provinces, but it sets up

a framework under which they can all sit around the table to discuss it, something which could never be accomplished before.

I can speak for the Province of New Brunswick and its hog industry because I have consulted with them. The magnitude of the changes to this Act versus the way in which it was introduced does not totally please them. It does not totally please the Hon. Prowse Chappell or the Hon. Malcolm MacLeod. However, it is a compromise with which they can live and which will serve Canadian agriculture better than any other solution which I have heard proposed in my lifetime in this House.

● (1840)

[*Translation*]

The Acting Speaker (Mr. Hamelin): The Hon. Member for Glengarry-Prescott-Russell has the floor.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, thank you very much for your admirable introduction.

Mr. Speaker, I would like to comment briefly on the amendment presented by the Member of the New Democratic Party and perhaps take advantage of this opportunity to speak to the Bill in a more general way.

Mr. Speaker, the riding I represent in Ontario is in a region that differs somewhat from other regions across the country, and I am sure that every Member in this House feels the same about his riding or region, which I think is quite normal and quite human.

Mr. Speaker, I would like to elaborate on this issue of regional differences. As you know yourself, Mr. Speaker, since you represent a riding about 100 miles from my own, which is pretty close, the situation in agriculture in Eastern Ontario is not only rather different from the rest of the country but also differs from the rest of the province, and perhaps I should explain. For instance, hog producers in my riding sell their products on the Quebec market, and their production costs are similar to those of Quebec producers. As you know, Mr. Speaker, Quebec is across the fence, as it were, from my riding, since my riding is on the Quebec border, so that producers in the region I represent are quite a distance from Southwestern Ontario, for instance, which grows most of the feed grains for hogs and where feed prices are much lower than in my riding and in Quebec. However, the region I represent does not benefit from the various provincial programs existing in Quebec, which is quite normal because we are in Ontario. So we see the people in my riding, with a market, prices production costs similar to those in Quebec, being offered the very marginal profits available in the province of Ontario. This means that a region like mine can be at a great disadvantage if regional differences in production costs are not considered. In my view, when we are talking about regional differences in production costs—and I do not mean provincial, although in this context, regional is often used to mean provincial—if the region I represent is not accommodated in some particular way within the Province of Ontario, we will again find ourselves at a definite disadvantage, similar to the situation in the Gaspé as compared with the rest of Quebec. So this is a phenomenon we find in certain regions in the outer reaches, as it were, of certain provinces. That is why there must be a mechanism to allow for differences in production costs, as I said earlier, but this mechanism does not necessarily have to apply strictly throughout a particular province. I think there is a case for designating certain regions within provinces, in order to allow for certain situations as is already being done through a number of joint programs on the Ontario side, for instance, where we have the Eastern Ontario Development Corporation which helps farmers make drainage improvements priced at a rate that differs from the going rate in Southeastern Ontario because there are special reasons for doing so. They are providing certain benefits for this disadvantaged region, and my point is that it has created a precedent for doing the same thing in other areas in agriculture and also in other sectors in industry, for instance. What we should do, as I mentioned to the Minister in committee and to his Parliamentary Secretary who is here in the House today, is to accommodate these regions in some way so that producers are not at a disadvantage. One of the problems, and the Minister is probably aware of this, is that it is very difficult to find out what advantages do exist in certain regions, although it may be easy in some cases.

[*English*]

For instance, if we are discussing top loading programs, it is fairly easy to identify where they exist and where they do not. On the other hand, if some regions offer other programs such as bottom loading and side loading programs and so forth, they are sometimes quite a bit harder to identify. Perhaps that is one of the reasons why such programs have not been as open to countervailing as others and have not been seen as having so many advantages or disadvantages.

I will give you an instance, Mr. Speaker. In the Province of Ontario, rural hydro rates are roughly 20 per cent to 25 per cent higher than urban rates. That is not the case in every Canadian province. If in a province the rural rates and the urban rates for electricity are the same, some people will argue that it costs more to service a rural area. Is that rural area then deemed to have received a subsidy on its electricity, for instance? I would argue not. I would argue that right now farmers of Ontario, through past provincial Conservative Governments, have suffered immensely because of this hydro policy. I see that the Minister is agreeing that the rural hydro rates in Ontario should be equal to the urban rates. I am glad to see that he is agreeing with that. I am sure that the new Liberal Government in Ontario will take note of that approval and hopefully will correct the shortcomings of the previous Tory Government very shortly.

The Minister of Agriculture (Mr. Wise) will recognize in the way that I have explained it, I hope, that it is difficult to determine which areas receive other advantages. It is difficult

in some cases to determine the cost of production because not every province at the present time uses the same formula to determine it. It is a difficult proposition and everyone recognizes that. I am sure the Minister does. Nevertheless, the farmers that I represent in the existing situation, where they are losing money every day that they operate, in comparison with others in other parts of Ontario, need to have a mechanism by which their regional differences are accommodated.

One member on the Standing Committee of Agriculture said that is fine. What if somebody wants to start a pork production industry in a totally remote area? Are we then going to accommodate with special subsidies that very remote area which has not been producing before? I recognize that that could potentially be a problem.

However, the area that I represent has been producing pork for some time. Therefore, the problem is not that the area is remote, or new in terms of having that production. The Minister will recognize that the problem is that when times were good our farmers were making less money than others, but they were still making a profit. Now that times are more difficult, other farmers in certain areas are either making just a little bit of money or losing just a little bit and ours, with the disadvantage that is there, are losing even more. That is what puts the farmers of the area that I represent at a disadvantage, and that must be recognized and corrected in any legislation.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also welcome this opportunity to take part in the debate on Bill C-25, and of course on the amendment presented by the Hon. Member of the New Democratic Party.

Mr. Speaker, I shall, if I may—and I think I should, at this stage—digress somewhat and try to put this debate into context. I think we should recall that a month from now, we will be celebrating the first anniversary of the start of the election campaign. At the time, Hon. Members opposite were travelling around the rural ridings, meeting farmers and promising them security, stability and a good future in agriculture.

● (1850)

Admittedly such a commitment may at first have appeared quite challenging and quite attractive. I can therefore understand why a good many agricultural ridings voted for the Conservative candidates, sincerely believing as they did that a new Government would advocate measures and programs designed to stabilize and make more secure such a vital and strategic sector of the Quebec economy as agriculture. That same Government kept repeating during the last few weeks before the election: We are firmly committed to consult all interested parties, we are firmly committed to co-operate with all provincial Governments. Those were very challenging commitments, a sort of preview of what the very important agricultural sector might become.

Shortly after the election the Government introduced Bill C-25. In my opinion, the amendment of our colleague has to do with one of the most important aspects of this Bill. Before the committee and the commission there was a lot of talk about the major obstacles and barriers with respect to diversity, disparities and the fact that the same kind of production cost a lot more in the east than in the west. That is indeed one of the aspects of this Bill which has been the subject of many comments and strong opposition. As to the Minister, he tried to use a problem which is also very important to Quebec, namely the current instability of pork production.

If I may, Mr. Speaker, I should like to quote the Minister of Agriculture who I should think is a very reliable spokesman for Quebec's agricultural community. Referring to the attitude of the Government concerning the pork issue, he said that the federal Minister had used this threat—obviously the American approach to this matter—had used this threat to sell a controversial red meat stabilization Bill instead of defending the interests of pork producers. He—still referring to our Minister of Agriculture—used the American threat to defend his own Bill. So the Minister concluded that there is a conflict of interests.

Not long before he said that, Mr. Speaker, the same Minister of Agriculture of Quebec had stated—and this can be readily understood—that the Government had been less enthusiastic in defending the interests of Quebec pork producers faced with the American surtax.

Quebec Agriculture Minister Garon pointed out that this case had been very badly defended by the Minister for International Trade (Mr. Kelleher) and by the Minister of Agriculture. Naturally this is a current problem which is of major importance to the Quebec producers, so the Minister took that as an example to try to make us believe that with a stabilization measure such as Bill C-25 there would be no more problems with the American administration. Indeed the same Minister said in committee that he had consulted the Americans and discussed with them to try to anticipate what might be their reaction should Bill C-25 be adopted. I find it amazing and quite unacceptable that the Minister of Agriculture of Canada would rather listen to our friends to the south, the Americans, instead of taking the advice of every single APU farmer, an organization which happens to be the main spokesman under these circumstances. The Minister of Agriculture is trying to push through a Bill which is clearly and totally unfair to the Quebec agricultural community, unfair for a number of reasons.

First, everyone is aware of the fact that Quebec has stabilization programs which have been developed, put together, amended and improved throughout the years, to such an extent that Quebec ahas had in recent years good and even excellent stabilization programs which have provided some stability and security to the producers who make use of them.

Bill C-25 expressly and clearly states that, to join the program, it is absolutely essential to forget or to put aside the provincial program. This is completely unacceptable. It seems to me that this Bill could have provided something really interesting, positive and with great potential. If the Government had introduced substantially the same measure while allowing the provinces to keep their own stabilization programs, if the measure had explained how production costs would be taken into account, if, as my colleague from the New Democratic Party would like, some allowance had been made for the diversity which typifies Canada, I believe that we would have had a very acceptable Bill, for the greatest good of agriculture. However, the Minister seems adamant in wanting to have this Bill passed when we know that it constitutes an absolutely fundamental obstacle to agricultural choices in Quebec for many production sectors, such as pork, and to accept and endorse or support this Bill would be an incredible affront to the Quebec farming community. Mr. Speaker, agriculture comes under federal jurisdiction, but no one would dare to suggest that it is exclusively so. The provincial Government shares jurisdiction in this area, and in my opinion, if we want to respect this sharing of jurisdiction, we must recognize the possibility of also having provincial stabilization programs.

Obviously, because of its climate, of its differences as far as certain productions are concerned, Quebec must face substantially higher costs than our Western friends, and I believe that to give a uniform price or to contemplate or hope for uniformity is to discriminate clearly against our producers.

Mr. Speaker, the Quebec producers, of whom many came to meet us and who, I know, have met many of our friends opposite, strongly object to this Bill because it jeopardizes many sectors of the agricultural industry in Quebec. At a time when we need jobs and security so badly, when we need this economic sector to be the most prosperous in the world, we have to support Quebec producers in their requests that they be entitled to a minimum. Everyone recognizes that the purpose of this Bill is not to stabilize income, but rather to stabilize prices, and in this regard, as Canadians, we have naturally a duty to allow uniformity, but only if we take into account individual characteristics which are extremely numerous in the agricultural industry. If the Government was honest and sincere when expounding its desire to operate in an atmosphere of openness, communication and consultation, it can certainly not ignore the consensus surrounding this Bill in Quebec and must take into account what all the members of the farming community want, namely adjustments which will allow them to keep their own stabilization programs, and this for the greatest good of agriculture.

[*English*]

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise to speak to Bill C-25. Like my colleagues who spoke previously, I must say that I have some grave reservations about the content and, indeed, some of the omissions from Bill C-25. I don't like to use the word "errors" but certainly there are some omissions.

The Minister of Agriculture (Mr. Wise) is aware of what the Government of Prince Edward Island has said about the inclusion of potatoes in Clause 1(1)(*a*). I hope that the Minister will act on his comments forthwith. The Government of Prince Edward Island also went on to talk abouit other sections in the Bill which we find very disturbing, particularly as they affect those farmers who reside and operate in Atlantic Canada.

I am also in receipt of a telegram from the Maritime Farmers Council which expresses grave concern about the lack of content in Bill C-25. In addition, the Federation of Agriculture in Nova Scotia has expressed some deep concerns which I believe are justified. It believes it is imperative, on behalf of the pork producers in Nova Scotia, that Hon. Members oppose the Bill in its present form because it does not allow for regional cost of production or the continuation of its provincial hog stabilization program.

I know the Minister has attempted to embark on a consultative process and that has gone on all across the country with various interest groups. I want to convey to the Minister with sincerity and frankness that the farmers in the Maritime provinces are particularly concerned. There is not very much Clause 8, Section 10.1(3), to protect the livelihood of those farmers in the Maritimes. I think that is an omission. If it is an error, the Minister has the opportunity to right this wrong, but I believe it is an omission which has to be corrected.

It is my belief that the evidence which was given before the Standing Committee on Agriculture by the Maritime Farmers Council clearly indicates it would be supportive of the Bill, but it has a number of caveats which I believe are legitimate. I don't believe it is being partisan. I think it is speaking with the united voice of farmers in the Maritime provinces. I believe Hon. Members of Parliament on all sides of the House should concede to its requests.

The Council has said it is prepared to participate in such a program as outlined in Bill C-25 provided that the program adequately reflects the variation in the cost of production among the various regions of Canada so that its net benefits will be equalized among livestock producers all across the country. That is pretty fair and reasonable. That is something which emanates from the Charter and the new Constitution when we talk about equal opportunity. I know Hon. Members opposite may laugh at that, but it is a pretty serious issue to the Maritime farmers.

I want to say to the Minister that the major factor in calculating the cost of production in the livestock enterprise is the cost of feed. In the Maritime provinces this is particularly evident in the cost of production of pork because hogs are fed on grains and protein concentrates. The Maritimes only produces 42 per cent of our feed grain requirements and less than 5 per cent of our vegetable protein concentrates. The rest is imported from western and central Canada.

The Minister has a proposal before him which is supported by the Maritime Farmers Council and all of its organizations. It is supported by the provincial Governments of those provinces. It has tremendous support among the rank and file who are united in their particular cause, a feed cost self-sufficiency program.

I do not want to charge that the consultation process on which the Minister has embarked is a fraud. I don't want to say that, and I don't want to believe it. I would hope that the consultative process would result in meaningful changes to the legislation. But we do not see any changes, even with respect to potatoes, and that was a recommendation made by the Government of Prince Edward Island. We know what the Maritime Farmers Council is proposing. But the Minister has not acted on it. He can tell us he is going to study it, he is going to review it, but how long does the Minister need? Does he need another two years or 24 months? The Minister says he needs that much time. But he has been telling the farmers in the Maritimes that since the time the Conservatives took office.

The issue is a very serious one, Mr. Speaker. Fifty per cent of those individuals involved are on the verge of losing great sums of money as well as jobs, and all we get from this Minister is a promise that it is going to happen tomorrow or the day after, but nothing gets done. That is totally unacceptable. The Act is totally unacceptable because it does not contain the safeguards which we in the Maritime provinces want.

I heard the Hon. Member from New Brunswick speak very eloquently about this being a good first step. But that is not enough. If the Government can bail out the multinational oil companies to the tune of $1.3 billion, and if it can give $300 million of the taxpayers' money for capital gains—$600 million next year and over $1 billion in 1990—surely to God the Minister would have the courage of his convictions, and the support of his cabinet colleagues, to stand in his place tonight and announce a new program which will provide feed self-sufficiency in the Maritime provinces. But all we get from this Minister is promises, promises, promises.

Mr. Crosbie: Louder.

Mr. Dingwall: We get absolutely nothing, Mr. Speaker. It was worse when the Hon. Member for St. John's West (Mr. Crosbie) was in the chair of the Minister of Finance (Mr. Wilson). We received far less. But I don't know how much more we in the Maritime provinces can take with this Minister of Agriculture, Mr. Speaker. It is not fair or equitable and it is not in the best interests of our region. But I'm not surprised. I am saddened, Mr. Speaker, to see so many Hon. Members of Parliament who attended the meetings of the Maritime Farmers Council and agreed with what was said, when it comes time to vote not voting in accordance with the proposals they are advocating. I find it utterly shameful that this legislation has so many omissions which will affect Maritime farmers in such a devastating way.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on the motion standing in the name of the Hon. Member for Humboldt-Lake Centre (Mr. Althouse). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the—

Mr. Boudria: I think it's close.

The Acting Speaker (Mr. Charest): The Hon. Member says it is close. Well, for his information, in my opinion the nays have it.

And more than five Members having risen:

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

YEAS

Messrs.

Althouse
Angus
Baker
Benjamin
Berger
Boudria
Caccia
Copps (Ms.)
Deans
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
(Mrs.)
Foster
Frith
Gagliano
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Keeper
Lapierre
Malépart
Manly
McCurdy
McDonald
(Ms.)
(Broadview-Greenwood)
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Orlikow
Ouellet
Pépin (Mrs.)
Riis
Robichaud
Rossi
Tardif
(Richmond-Wolfe)
Tobin—38.

NAYS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn
(Jonquière)
Blais
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Clifford
Clinch
Cochrane

Messrs.

Collins (Mrs.)
Cook
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Darling
Desjardins
Dick
Domm
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Gérin
Gervais
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Harvey
Hawkes
Hicks
Hnatyshyn
Holtmann
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Jourdenais
Kelleher
Kempling
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Layton
Leblanc
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McKnight
McLean
Minaker
Mitges
Murta
Nielsen
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer—138.

Mr. Speaker: I declare the motion lost.

Mr. Wise moved that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The House divided on the motion (Mr. Wise), which was agreed to on the following division:

Agricultural Stabilization Act

(Division No. 105)

YEAS

Messrs.

Andre
Attewell
Belsher
Bernier
Bertrand (Mrs.)
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Charest
Clifford
Clinch
Cochrane
Collins (Mrs.)
Cook
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crosbie (St. John's West)
Darling
Desjardins
Dick
Domm
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Gérin
Gervais
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamelin
Harvey
Hawkes
Hicks
Hnatyshyn
Holtmann
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Jourdenais
Kelleher
Kempling
Kindy
King
Landry (Mrs.)
Lanthier
La Salle
Layton
Leblanc
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin (Mrs.)
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McKnight
McLean
Minaker
Mitges
Murta
Nielsen
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Speyer
Stackhouse
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Vézina (Mrs.)
Vincent
Warner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer—138.

NAYS

Messrs.

Althouse
Angus
Baker
Benjamin
Berger
Boudria
Caccia
Copps (Ms.)
Deans
Dingwall
Epp (Thunder Bay-Nipigon)
Finestone (Mrs.)
Foster
Frith
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Keeper
Lapierre
Malépart
Manly
McCurdy
McDonald (Ms.) (Broadview-Greenwood)
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Orlikow
Ouellet
Pépin (Mrs.)
Riis
Robichaud
Rossi
Tardif (Richmond-Wolfe)
Tobin—38.

Mr. Speaker: I declare the motion carried.

When shall the Bill read the third time? At the next sitting of the House?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. Might I intrude on the House at this time? The Standing Committee on Transport has concluded its deliberations with respect to the Western Grain Transportation Act amendments. We are very grateful for the hard work of Members from all Parties in this regard.

I have had consultations with Opposition House Leaders with respect to reverting to the presentation of reports at this stage so that the report of that committee could be tabled tonight and Members would have the benefit of it over the course of the evening.

It seems that I have the consent of the NDP to proceed in this fashion and I would ask the House Leader of the Official Opposition whether he is prepared to give that unanimous consent, in the interest of Members of the House of Commons, so that this report could be tabled at this time, and we may in fact proceed with debate on that matter at the earliest possible date—even tomorrow.

Mr. Gray (Windsor West): Mr. Speaker, I know that there is a great deal of interest in this matter. I think it is for that reason that we should proceed in a calm, deliberate fashion and have the report tabled as provided for by the rules.

Mr. Hnatyshyn: Mr. Speaker, I would like to move forward with Bill C-49, an Act to amend the Criminal Code with respect to prostitution.

CRIMINAL CODE

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-49, an Act to amend the Criminal Code (prostitution), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is an unexpected pleasure to have this opportunity to introduce this Bill here tonight. However, I know that sitting opposite we have many people who are familiar with this subject.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I have no doubt that it is a subject with which they will find themselves busily engaged in the next few hours.

Some Hon. Members: Oh, oh!

Mr. Gauthier: You are the only John in the House.

Mr. Crosbie: The last time I had much to say in the House it had to do with brothers.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. In the interest of the House, it being nine o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 2(1).

The House adjourned at 9 p.m.

HOUSE OF COMMONS

Thursday, June 27, 1985

The House met at 11 a.m.

• (1105)

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-53

Mr. Hnatyshyn: Mr. Speaker, we have had consultations with respect to the agenda for today. The first item of business would be Bill C-53, the legislation relating to the Northern Transportation Company Limited. You will understand that under the rules, report stage of the Bill coming from committee normally requires 48 hours' notice on the Order Paper. However, I think you will find there is unanimous consent to let that Bill proceed at this time, notwithstanding the fact that we are some minutes short of the 48-hour requirement. We would then proceed with report stage and on to third reading.

Mr. Gray (Windsor West): Mr. Speaker, I was consulting with a colleague here, so I would ask the Government House Leader to repeat his last few sentences. I think the idea is to start with the Northern Transportation Company Bill but I would like him to repeat the comments he made after that.

Mr. Hnatyshyn: Mr. Speaker, just to summarize what I said, given unanimous consent we will proceed to report stage of Bill C-53 at this time. Once that is concluded I think there would be a disposition to move directly to third reading of that Bill. That is all I indicated.

Mr. Gray (Windsor West): Mr. Speaker, we are always willing to co-operate when there is a good basis for doing so. With respect to Bill C-53, we are certainly ready to give our consent.

Mr. Speaker: There is consent.

GOVERNMENT ORDERS

[*English*]

NORTHERN TRANSPORTATION COMPANY LIMITED DISPOSAL AUTHORIZATION ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-53, an Act to authorize the disposal of the Northern Transportation Company Limited and the forgiveness of its debt to Her Majesty and to amend other Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport.

Mr. Speaker: There are four motions on Bill C-53 standing in the name of the Hon. Member for Regina West (Mr. Benjamin). I have had the opportunity to examine the motions and they all appear to be procedurally in order. Therefore, Motions Nos. 1 and 3 will be debated and voted on separately. Motions Nos. 2 and 4 will be grouped for debate. A vote on Motion No. 2 will also apply to Motion No. 4.

Mr. Benjamin: Mr. Speaker, regarding the grouping of Motions Nos. 2 and 4, Motion No. 2 applies after the fact, after the sale is completed. Motion No. 4 applies prior to that. They are similar in terminology, but each applies in an entirely different situation. I am not arguing about it.

• (1110)

Mr. Speaker: We grouped them because in both cases the amendments indicate that the intention is to require publication in the *Canada Gazette*. Therefore, they seem to be the same thing and the assumption is that it would be desirable. If it is not, we assume it would not be in the second case, and the same vote would apply to the second motion as the principle behind the two motions is the same.

Mr. Benjamin: I agree that they should be debated together, but since they are two entirely different situations there may be a mood to accept one and not the other. Because they are entirely different situations, perhaps there should be separate votes.

Mr. Speaker: The principle of grouping for debate was important, but if Members would prefer separate votes, that is a simple matter. The two matters will be grouped for debate but voted on separately.

Mr. Les Benjamin (Regina West) moved:

Motion No. 1

That Bill C-53, be amended in Clause 3 by striking out line 17 at page 1 and substituting the following therefor:

"the Minister in trust for Her Majesty, to the Inuvialuit Development Corporation and Nunasi Corporation".

He said: Mr. Speaker, the purpose of this amendment, on which I found a large degree of agreement from the Government and the Minister, is to specify in the legislation to whom the Northern Transportation Company Limited is being sold, if for no other reason than to ensure that no one else moves in at the eleventh hour and fouls up the deal. We are in agreement with the legislation only because the company is being sold to the peoples of the North, more particularly, the Inuit. We want that specified in the legislation. Until this Bill passes

the two Inuit organizations and the Minister cannot sign the agreement for sale. That is the reason we want the legislation amended in this way. There have been discussions between both sides of the House on the issue.

In the event that something happened at the eleventh hour to cause the deal to fall through, another examination of the sale would have to be made by the Government. When the Government seeks to sell a Crown corporation, to which we are generally opposed on principle but not in this specific instance, Parliament should act only to sell to specific persons, corporations, companies or organizations. I believe the Minister agrees with this principle. I think he agrees that it fits in with the principle of the legislation since he announced publicly and told us in committee that the purpose of this legislation is to make it possible to meet the terms and conditions of the sale and to sign the agreement of sale.

I believe you will find, Mr. Speaker, that there is a mood in the House to accept this amendment. The Minister has told the committee that he certainly has no problem with it.

• (1115)

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in rising to speak to this amendment, I simply want to reiterate the approval that our Party gave to it during the course of the committee hearings. I would remind Members of the House that in the major reform of the Crown Corporations Bill that our Government brought in a year ago, one of the primary objectives was to ensure that there would be parliamentary scrutiny of any sale or disposition of a Crown corporation in order to maintain accountability and a sense of review and assessment about specific proposals made by a Government.

We established that principle on the grounds that this would ensure that Crown corporations were not sold without public interest being properly defended or recognized. Had the original measures in the present Bill been allowed to go through without such an amendment, the Government could essentially short circuit that principle because it would have the right to sell to anyone it chose rather than designating a particular buyer.

When I was the Minister of Transport we had very specifically put forward the idea, as a terms of reference of sale, that it should be sold to native Canadians, particularly in northern Canada. The whole purpose of putting the Northern Transportation Company Limited up for sale was to provide an incentive for economic development and economic self-sufficiency on behalf of native people. That was part of the basic criteria by which any sale would be measured.

If there is no specific enunciation as to who the purchaser would be—as provided in the original Bill—theoretically the vendor, the Government of Canada in this case, would have the right simply to cancel the proposed deal with the two native organizations and sell, as it previously intended, to Northern Industrial Carriers, which had no native participation at all. I am not saying that we mistrust it, but it is very important in this case to establish the precedent by which we deal with the sale of Crown corporations.

Who knows, some day the Minister of Regional Industrial Expansion (Mr. Stevens), may get around to selling some of those Crown corporations that he promised to sell six months ago. Therefore, it is a very important principle that any Bill dealing with the sale of a Crown corporation should in fact enunciate and specify who is the purchaser and at least what kind of criteria will be established to determine who the purchaser will be.

I suggest it makes good sense for the Bill to provide for the specifics of who the purchase is limited to, and we strongly endorse the notion that this amendment be adopted at this point in time. We think it would not only make the intention of the Government much more clear-cut and entrenched in the statutes, it would also establish an important precedent for future sales of Crown corporations.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I should correct the remarks made by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). He said that it was the intention of the Minister at some point in time to sell Northern Transportation Company Limited to Northern Industrial Carriers with no northern or native participation. That is the very reason why that deal fell through, because NIC could not get that participation. It was never the intention of the Government to sell NTCL without northern native participation in the ownership. Therefore, that remark is not quite true.

I want to speak against what I see as an unnecessary restriction being imposed on the Minister, were this amendment to carry. We should note that all these amendments were dealt with in committee, turned down in the committee, and have since reappeared on the Order Paper.

The intention of the Bill at second reading was that the Minister of Transport (Mr. Mazankowski) should have authority to sell NTCL without putting any restriction as to whom it should be sold to. That was the principle of the Bill as passed on second reading.

Certainly, it was the case that we were told by the Minister that he has a deal, with the Inuvialuit Development Corporation-Nunasi ready to proceed and it just needed a few "i's" dotted and some "t's" crossed. It is his every intention to sell it to that particular consortium. I think it would be unnecessary to bind the hands of the Minister just because something might happen at the last stage. The supposed purchasers might at the very last minute back out of the deal and then the Government would want to be free, and I would want to see the Government free, to make some other kind of deals without waiting until next September, October or November when a similar Act can again be brought before Parliament.

• (1120)

We were advised by the Minister that these ongoing negotiations between the Inuvialuit Development Corporation, Nunasi and other organizations, other firms, that were interested in participating in the ownership of NTCL, the Denen-

deh Development Corporation for one. There is a reasonable chance that some agreement might be made in the last few days where, for example, the Denendeh Development Corporation might be brought in as a partner in the sales agreement. Were we to adopt this recommendation, it would prevent that from happening.

The Hon. Member for Regina West (Mr. Benjamin) himself when he spoke at second reading debate said it would be a good idea if we could broaden the ownership of NTCL after it is privatized into the whole of the service area instead of just part of the service area where ownership is now to reside, unless other arrangements are made.

It is my contention, Mr. Speaker, that we ought to reject this proposed amendment. In so doing, we would enable the Minister of Transport to make the best possible deals for all concerned.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Would the Hon. Member permit a question?

Mr. Deputy Speaker: That cannot be done unless there is unanimous consent of the House. I gather the Hon. Member for Regina West (Mr. Benjamin) is asking for unanimous consent to ask a question of the Hon. Member for Western Arctic (Mr. Nickerson)?

Mr. Benjamin: Yes, Mr. Speaker.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, I just want to ask the Hon. Member whether it is not correct that once the sale is completed to the two Inuit organizations, they then become the sole owners and operators of the company with full control over its operations and assets. There is then absolutely nothing to prevent them, subsequent to taking over full ownership and operations of the company, from bringing in any new partners, such as one or more Dene organizations. This amendment in no way prevents that from happening. Once the agreement of sale has been signed by the Minister and the two Inuit organizations, there is nothing to prevent them from taking in one or more other organizations as partners and a certain share of the ownership of the company. Is that not right?

Mr. Nickerson: Mr. Speaker, that would be my assumption. I have not seen the sales agreement, neither has the Hon. Member for Regina West nor anyone else except for the Minister of Transport. I do not know whether there are any restrictive covenants in that agreement. I would hope there are not, but there might be. That is why I cannot give a definitive answer.

Even if that is the case, it might very well be that you would not want to enter into that further agreement after the sale but, rather, would do so before the sale. There is a distinct possibility that that would happen, and if that is what people want, why should we, by accepting this amendment, stop that from happening?

Mr. Deputy Speaker: The Hon. Member for Bruce-Grey (Mr. Gurbin) on debate.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I think the Government has listened with interest to the proposed amendment. It is very clear that what the Member is looking for is an assurance, I think quite reasonably, on behalf of the native groups that would be involved that the outcome of the efforts to sell the Northern Transportation Company would be in the best interests of the area and of the native people there. I think Hon. Members understand his intention, but we can assure him by public press releases that this is clearly the intention of the Government.

• (1125)

Also, it has been made abundantly clear that in trying to tie the Bill in a very specific way, we may in fact limit its eventual positive outcome on behalf of native people and limit the efforts of the Government to dispose of this particular company in a proper manner. With full sympathy for the reasonable intentions of the Hon. Member, it is not possible for us to confine ourselves as suggested in his amendment, so we must refuse it.

Mr. Axworthy: Mr. Speaker, I am particularly concerned about the statements of the Parliamentary Secretary.

Mr. Deputy Speaker: Order, please. I gather the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) is rising on a point of order, as he has already spoken on the motion. Or, is he seeking unanimous consent to speak again?

Some Hon. Members: Agreed.

Mr. Axworthy: Basically I want to direct a question to the Parliamentary Secretary, because I presume he is speaking for the Government. The whole purpose of having Parliament consider a Bill authorizing the sale of a Crown corporation is to provide some certainty as to the conditions of sale, who is buying it and what kind of deal the Government has entered into. That was the intention under the Crown corporations legislation which was brought in last year. We felt that it was a very important matter of public policy. An organization is being taken out of the public sector and moved into the private sector. There has to be a rationale, especially when the criteria have been set. In this case it happens to be a preferred sale to native organizations in northern Canada. However, we are equally concerned about the precedent set by this Bill. For example, let us say for the sake of argument that the Minister of Regional Industrial Expansion (Mr. Stevens) comes in with a Bill to sell off de Havilland or Canadair and says that he will sell it to anybody. It could be Americans, Afghans or whoever, but the point is that he has been given *carte blanche*. If we allow this Bill to go through, I am concerned that we will have established a very dangerous precedent. If it is simply ministerial discretion, why bother with legislation? They should say that they do not want to have Parliament reviewing it. All we are saying is, simply, that there has to be something to review.

The Minister has indicated that he will sell this corporation to two native organizations. We take that on face value. If that is the case, what is wrong with having it in the legislation? Let us say the Bill is passed today. In that event the Minister could say tomorrow morning: "Oops, I'm sorry, I cannot make a deal with those two organizations. I am going to sell it to some firm in northern Ontario". Bingo, it is gone. I know the Minister would not do that because he is honest, a man of integrity. However, who knows? In Parliament we are not dealing in the area of tea and sympathy; we are dealing in the area of certainty.

The crux of the matter is that in a sense they are making a mockery of the process of bringing in legislation, if they are not prepared to say who will buy it. I think it is particularly important in this case. Members of the committee agreed with the Minister's concern that we should not try to pinpoint it because he had not as yet signed the deal. He said that he could not tell us how much would be paid for it or the conditions of the sale, that we had to take him at his word. That is okay, as long as we have some assurance as to who will buy it. Frankly, I do not know why the Government is objecting to an amendment which makes good sense in this particular case and is very important in terms of any future initiatives taken on the sale of Crown corporations.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I intervene in this debate only for the purpose of trying to provide some background perspective and to see whether I can address the matters and concerns which have been raised by the Hon. Member for Regina West (Mr. Benjamin) and the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

This particular Bill received consideration on the floor of the House of Commons. It also had a fairly good hearing in committee. The Minister was able to answer questions and discuss the matter with both Hon. Members who act as transport critics for their respective Parties. As I understand it, this matter was discussed in committee and there were some procedural difficulties in presenting the amendment, but it has been presented on the floor of the House. That is an interesting observation in itself. However, the matter was discussed and I think the Hon. member for Regina West would be the first to acknowledge that.

● (1130)

The difficulty is that the Minister of Transport (Mr. Mazankowski), for good and valid reasons that are understood by all, is meeting with ICAO now with respect to matters of air flight security, very important issues. He is a parliamentarian who understands that his priority is to be in the House. However, as a result of this very tragic event, I think all of us understand his not being in the House today.

I address this from the point of view of what has transpired with respect to discussions. The point was debated backward and forward. According to my information, the discussion left off on the basis that while the Hon. Member for Regina West believed his amendment was a good one—and I think it is a good amendment, I am not taking issue with the merits of the case—after discussion with the Minister of Transport the impression was left that the Hon. Member, although somewhat reluctant, was satisfied with this matter not going ahead, not being put in the Bill.

Mr. Benjamin: There was a recorded vote in committee last night.

Mr. Hnatyshyn: Yes, but I understood there had been discussions. I simply want to get this clarified. I understood, and even went to the extent of indicating it to the Minister, that this particular motion would not be moved today. I simply rise for the purpose of explaining our reason for opposing it. We had understood that there had been a clear discussion about the matter and that the Minister had indicated quite clearly and unequivocally his preference against this amendment going forward. I am sure there will be, as the Hon. Member for Winnipeg-Fort Garry pointed out, full consultation with Hon. Members with respect to this isolated sale transaction so that there will be full disclosure of the matter which will be done to the satisfaction, not only of the people involved in the area, but also of the opposition Parties.

I do not want this, especially in these last days of June, to develop into a recorded division. I had hoped that we could have this matter go to a voice vote, and I am sure that in the fine tradition of the Minister of Transport, who has shown himself to be straightforward, honest and forthcoming, he will in fact, on his return, engage in discussions with the Hon. Members who are the critics for their Parties to make sure that their concerns in this area are adequately addressed.

Mr. Gurbin: Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy)—

Mr. Deputy Speaker: May I just point out to the Hon. Member that he has already spoken on the motion and it would require unanimous consent for him to speak again.

Some Hon. Members: Agreed.

Mr. Gurbin: My understanding, Mr. Speaker, was that the Hon. Member for Winnipeg-Fort Garry had unanimous consent to ask a question, to which I am trying to respond directly. In so far as the precedent is concerned, I think he raises an important aspect, and I can understand where he is coming from and why he would be concerned about that. There is a reasonable argument and reasonable logic in suggesting, particularly in this case, that in fact no precedent at all is being set, or if there is, it is a good precedent. There has been a press release and an open discussion has occurred. The Minister has described the clear intention of the Bill in the press release, with good arguments for not wanting to tie as had been made by the Hon. Member for Western Arctic (Mr. Nickerson), that this in fact has not created a dangerous precedent, that there is full sympathy for the kind of disclosure and clear understanding of any disposal of Crown corporations intended by the Crown Corporations Act. This Bill has demonstrated that we clearly intend to try to give the kind of

confidence and assurance and openness that the Member speaks of, and that we have in no way denied that by not accepting this particular amendment for the good reasons that have been established. There is sympathy for the point, but I clearly do not accept the arguments that have been made that we are denying what was originally intended or creating dangerous precedents.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for Regina West (Mr. Benjamin). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The next motion is Motion No. 3, standing in the name of the Hon. Member for Regina West (Mr. Benjamin), which will be debated and voted on separately.

Mr. Les Benjamin (Regina West) moved:

Motion No. 3

That Bill C-53, be amended in Clause 4 by striking out line 19 at page 2 and substituting the following therefor:

"Governor in Council, so long as fair value is received."

He said: Mr. Speaker, I guess you could call Motion No. 3 a private enterprise type of motion. It would ensure that the present owners, namely the people of Canada, get value for what they own. Fair value is a common business term and I am sure my colleagues in the Conservative and Liberal Parties know that. Lawyers always use the term "reasonable man" and everyone seems to know what that means, and the term "consideration" refers to getting some money or other value in exchange for something. The term "fair value" simply means what it says. We get what it is worth.

I am sure, I am hoping and I am reasonably confident that the Government would want to get fair value and would work at getting that unless it does not believe in fair value for anything that the Crown owns and is selling. If it believes that, that is a double standard. It might believe that fair value was fine in the private sector but if it is something the Crown is selling, fair value is not okay. Surely no one, and particularly no member of the Conservative Party, would believe that.

Since this is the first sale of a Crown corporation requiring legislation in this Parliament, it seems to me that we should not allow this legislation as it is presently worded to be a model for the sale of other Crown corporations or government assets of any other kind. That is the reason I moved the first amendment and Motion No. 3. I did that because the Bill is so vague that it could serve as a model for the sale of any or all Crown corporations and assets simply by changing the names. Surely we do not want the legislation to be so loose that any Minister could use it. It is not very likely that the Minister of Transport would use it, but I cannot say the same thing about some of the other Ministers. However, any Minister can do almost anything he wants regarding the disposition of Crown corporations or other Crown assets using this legislation.

● (1140)

I think that this Bill as it is presently worded sets a bad precedent. That is why I said at the outset that I had very mixed feelings about it. We are going along with it in this specific instance only because the corporation is being sold to people of the North. If it were not, then as a matter of general principle we would be opposing it right down the line and the Government sure as hell would not get the Bill through by the end of this month. Because it is an exceptional case, we are prepared to agree to it. However, if the Government insists on keeping the Bill as vague as it is now, then it will have a problem.

I hope that no one in this House will disagree with the proposition that the taxpayers who are the owners of the corporation should get fair value for what they own. I would hope that this amendment will meet with the approval of the Government. I hope members will not want to get involved in a long series of rabbit trails regarding the definition of fair value. That would be totally unproductive; it would probably be counterproductive. Fair value in the context of what is reasonable is arrived at by agreement and it ends up in an agreement for sale. What is wrong with putting, in the legislation that allows the Minister to proceed with the sale, the definition of fair value for those assets? If, as and when we are faced with such legislation in the months ahead, I hope that this Bill will not be used as a model for the sale of other Crown corporations or Crown assets.

I hope that my colleagues on all sides would agree that this is a reasonable proposal and that it fits in with the tenets of private enterprise. This agreement is one between the Crown and two native organizations which belong to the private sector, so surely the same principles that apply to the private sector should apply here. I am hoping that this amendment will find acceptance from Members on all sides of the House.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, again the Hon. Member has demonstrated a reasonable attitude. There is no question that we would want to have any sale conducted in a reasonable way and for a fair market price. I believe that this Government

would have that perspective as opposed to a great many other Governments, both in the purchase and the sale of corporations.

A fair price is inherent in the entire proposition. It is unnecessary additional wording. It is something that is implicit in the intention of the Government when it deals with this sale in a fair and reasonable way on behalf of both the purchasers and the taxpayers of Canada. We find no reason to support this amendment.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, as we proceed with the debate this morning, I am reminded of the comment that was made by Alice in Wonderland who said that the world is getting curiouser and curiouser. Every time the Parliamentary Secretary rises to shed the sweet light of reasonableness on this Bill, he compounds the problem and raises even more apprehension than existed before.

It is beginning to sound as though the Government were saying that we are supposed to operate through some kind of good cheer and that we are supposed to take the Government as being implicitly trustworthy. It seems to me that that flies in the face of some thousands of years of parliamentary tradition, a tradition which indicates that it is important to put things in law so that we do not rely upon the whims and caprices of individual Governments and individual Ministers. The whole purpose of spending innumerable hours in this Chamber and in committee trying to put the proper words together is so that we will have some continuity in the future.

I would like to give the Parliamentary Secretary and other members of his caucus a little history lesson. The sale of the Northern Transportation Company Limited was initiated by our Government in 1983.

Mr. Crombie: Without insisting on northern participation.

Mr. Axworthy: No, that is absolutely wrong. The Minister does not know what he is talking about. That was clearly in the criteria. The Minister is being silly again and he should know better. I challenge him to change the record.

The criterion we established was that the sale of this particular Crown corporation was justified on the grounds that it would provide new economic opportunities for native people. Even more important than that, we felt that because of the new Crown corporation legislation we passed, it was very important that this be the first sale that would take place under those rules. We felt that it would be a Bill that would establish the guidelines and precedents that other sales would follow.

Frankly, the Government has really screwed this legislation up. It has not treated it as an important guidepost for future sales but has treated it in an *ad hoc*, sloppy manner without giving it the kind of attention it deserves. Now the Parliamentary Secretary is saying that it is okay because they are good guys and we should take them at their word.

There are some questions related to this sale. There is an outstanding liability to the Crown of some $24.5 million. We have to know if those liabilities will be recovered and if there will be some return made upon them. We do not know that. In committee, the Minister told us that he could not say what the exact sale price would be because he had not finished his negotiations. There is a certain quandary that faces any sale of a Crown corporation, and that is, that we need the legislation before the sale can be made but Parliament cannot be told about the full details of the sale until it is finalized. It is a dilemma. I would have thought that Cabinet would have spent some time trying to figure out how it could be done in a proper manner, as we are now getting into far more complicated sales.

• (1150)

Earlier, I used the examples of de Havilland and Canadair. I would like now to use the example of Teleglobe. It is a major money-making corporation. It had a profit of approximately $70 million last year. However, the Minister of Regional Industrial Expansion said that he would like to sell that corporation. At the same time, the Minister is trying to put deals together which would give foreign buyers a profitable company if they also took a couple of losers. We know about that kind of financial shenanigans. We saw the interesting manipulations of the Minister of Regional Industrial Expansion in the case of the Bank of Western Canada. I will not take that Minister at face value. There are many westerners who are still trying to recover from that peculiar form of financial gymnastics in which he engaged a few years ago. When it concerns that Minister, we want exactly what he intends to do put down in writing. No one in western Canada will take that Minister at face value when it concerns a relationship of trust or integrity.

Mr. Hnatyshyn: You are speaking from personal experience.

Mr. Axworthy: I know enough people who have had that personal experience. I am glad the President of the Privy Council (Mr. Hnatyshyn) is here. He is the House master.

Mr. Hnatyshyn: House servant.

Mr. Axworthy: That particular role we have yet to test. However, we have already seen him act as the House master.

This Bill is a precedent. We must accept it as a precedent, because that is the way the House of Commons works. It is the way in which the Chair works. The House has established basic conventions, accepted practices and customs. If the Government thinks it can get away with the bare minimum in this Bill, then I believe it will do the same with other transactions which it proposes. The well-meaning good wishes of the Parliamentary Secretary are not good enough. They do not meet the specific requirements of the Bill and, more important, they evade establishing what kind of practices the Government will follow in successive sales of Crown corporations.

It is apparent that the intent, thrust and purpose of the Crown corporation reform legislation, which was introduced last year to ensure that there would be accountability in sales, is being flouted. I am not saying it is being done in a malicious manner, but I believe it is being done in a sloppy manner. It is

not being done with the clear understanding that the Bill will establish a *stare decisis*.

A correction is at hand. I am not saying that the amendment of the Hon. Member for Regina West (Mr. Benjamin) is perfect, but it attempts to clarify the matter. In establishing fair value, it attempts to place a test on the Government as to what is expected of it with respect to the sale. It may be easy to give some assurances with respect to the sale of this Crown corporation because it is reasonably simple. When the Liberal Government decided to go ahead with the sale of this Crown corporation, it decided to use it as a test case. The previous Government decided to use it as a way in which to give proper form, content and procedure which could be followed through the entire process.

There are continuing inconsistencies. When the sale of NTCL was announced last year, the Liberal Government commissioned First Boston to do a major financial evaluation. First Boston had been working with NTCL for a number of years. The evaluation was designed to provide a proper financial view so that the taxpayer had some sense of what would be the real value of the corporation. The Minister said that he could not table that financial study until he had closed the deal. I am not sure that is the right procedure. I am not sure that Parliament should agree to the sale of a Crown corporation until it has had a proper financial accounting of the value of the corporation in order to determine whether the sale price represents a proper deal. The Minister of Regional Industrial Expansion has a list of approximately 10 corporations which he will put on the auction block. We are not sure about the fair value which he will be asking, because he is motivated by ideological reasons to get rid of those corporations rather than making judgments case by case upon market and public interest value. It is important that we get it right the first time.

Mr. Gurbin: What was the fair value of Petrofina?

Mr. Axworthy: I agree with the Hon. Member. The reason for which the Crown corporation legislation was introduced last year was to avoid a repetition of cases such as that of Petrofina. That legislation attempted to establish the requirement of accountability to Parliament. Now we have a Government which wants to establish the way Parliament should deal with it. I must say that the Government has not succeeded in that test as this is not a very good piece of legislation.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it should be noted that Clause 4 does not really deal with the sale of the shares of NTCL. It deals with the authorization which would be given to the Minister by Parliament to direct NTCL to divest itself of certain assets prior to the sale of the shares to new purchasers. It dwells on an aspect slightly similar to that of which the Hon. Member for Winnipeg-Fort Garry spoke.

I agree with the Hon. Member in that whenever any kind of authority is given to a Minister of the Crown there is a potential for abuse. That is a fact of human nature. If we examine the record of the previous Government, time after time we can see instances in which that type of authority was badly abused. Petrofina was one example of that abuse. However, there must be an assumption that the Minister and the Governor in Council will act in the best interests of the nation and will obtain fair value with respect to the sale of certain assets. If a Minister or the Government of the day consistently abuses the power which has been given to them by Parliament, avenues for redress are available. The Opposition can rise every day and ask questions in the House of Commons. Once every four or five years the people of Canada have the opportunity to pass judgment on the Government. The people of Canada did that on September 4. They knew of the abuses which had taken place under the previous Government and they turfed it out. That was the ultimate recourse of the public of Canada against a Government which had abused the powers which had been given to it by Parliament.

I have every confidence that the present Minister of Transport (Mr. Mazankowski) will not abuse the authority which has been given to him in this legislation. If he does, those avenues for redress will be available. I would not want to tie him down to fuzzy wording. Who knows what fair value means? Fair value means one thing to one set of people and something else to another set of people. There is no absolute definition. For instance, one can talk about $1 million and everyone knows exactly what that is, but "fair value" is a pretty nebulous concept at best. If we were to adopt the motion put forward by the Hon. Member for Regina West (Mr. Benjamin), I worry about what would happen if a certain asset is sold today for a sum of money which to everyone today would seem to be quite reasonable, but three days later, due to some circumstance, those assets increased in value. The person who received that asset would then have his title clouded because someone would be able to take him to court because he felt he did not get fair value. There can be differences of opinion as to whether or not it is fair value. Under those circumstances, who would want to buy any of the assets contemplated for sale?

• (1200)

My final point, Mr. Speaker, is that there may be occasions when the public interest is best served by disposing of an asset not at fair market value. I can give you illustrations, Mr. Speaker, where voluntary organizations engaged in charitable pursuits have been able to buy a government building for $1. And everyone agreed it was a great deal. The organization is doing something useful for the public and the Government should help it out by selling it a surplus building for a dollar. So there are very good reasons why, on occasion, the Government would want to dispose of an asset belonging to the Crown, either directly or through a Crown corporation, for something less than fair value, but that would be precluded were we to adopt the motion put forward by the Hon. Member for Regina West.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) began his speech by giving us a history lesson. Perhaps I might give him, through you, Mr. Speaker, my version of that history

lesson because I have followed this corporation for some time. As I remember, it was the Clark Government in 1979 which isolated NTCL as a corporation which it was not totally in the public interest for the Government to own. It thought that we ought to investigate whether it should be sold to the private sector. It was the Clark Government which engaged First Boston as the group which would undertake to evaluate the assets, but when the Trudeau Government returned, the then Minister of Transport sat on this advice. However, after many questions were raised about the management of the company, the Minister decided, in the last few months, that it was in the best interests of his Government to begin the sale of that company. He then used the information which was obtained by the Clark Government. I asked the then Minister of Transport at that time a number of questions regarding the management of that company. I put a number of questions on the Order Paper, none of which were ever answered. Some time went on.

The present Minister of Transport, after taking over his position, continued the work he had started in 1979 which was to isolate this corporation for sale. In the meantime, the former Minister of Transport had allowed the Athabasca operation to be discontinued and the transfer of barges across the land from the Athabasca River into the Mackenzie River, which was subsequently charged back to the Athabasca River. He also allowed the figures to be so presented to the CTC in such a manner as to disallow that service. It became very clear that this company was not operating in the public interest of the people who happened to live in that area. The management of the day was doing many things to see if it could put itself in a position perhaps to take over that company. That concerned me a great deal.

When we look at the depreciated value of assets and the suggested amendment of "fair market value", we can ask what the fair market value is of the barges tied up in the Athabasca area right now. As the Hon. Member for Western Arctic (Mr. Nickerson) said, it may be only a dollar because they are sitting there rusting. However, if they were put into another position, they may become a very valuable asset. Tying the Minister down to making a decision on that nebulous word "fair value" is not fair. I believe that any Minister, given the authority by this Parliament to act, must use that authority in the best interests of this country. The assumption is that he will get the best possible value for NTCL, I have faith that in fact this will happen. As I said, I had a little difficulty as I listened to the history lesson given to us by the Hon. Member for Winnipeg-Fort Garry.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 3 standing in the name of the Hon. Member for Regina West (Mr. Benjamin). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

Motion No. 2 and Motion No. 4 will be grouped for debate and voted on separately.

Mr. Les Benjamin (Regina West) moved:

Motion No. 2

That Bill C-53, be amended in Clause 3 by adding immediately after line 11 at page 2 the following:

"(4) The terms and conditions of the sale shall be made public through publication in the Canada Gazette and by tabling in Parliament".

Motion No. 4

That Bill C-53, be amended in Clause 4 by adding immediately after line 30 at page 2 the following:

"(4) The terms and conditions of the sale or disposition are to be made public through publication in the Canada Gazette."

He said: Mr. Speaker, both of these motions have to do with making public certain information regarding the sale. Motion No. 2 would take effect after the sale has been completed, signed, sealed and delivered, at which time the Minister would table in the House the terms and conditions of the agreement of sale. In fact, he would table the agreement of sale as well as publish it in the *Canada Gazette*. I hope all Hon. Members will agree that the public who owned the assets in the first place have a right to know the terms and conditions of the disposition of their asset.

Motion No. 4 provides that the terms and conditions of the sale only at the time of, or prior to, the signing of the agreement of sale by both Parties would be published in the *Canada Gazette*. We do not ask and we do not expect the Minister to make all of those confidential details available now. That is not the practice. Although we asked the Minister to let us know what those details were at an earlier stage of the Bill, he persuaded us that it would not be appropriate to make those details known at that point. I have accepted that, but the right of the people is implicit in both amendments. I do not know, it may be possible to get it under the Freedom of Information Act, although I am advised there is some question about that. So I do not want to take any chances.

• (1210)

I do not want this legislation, unless it is more specific than it presently is, being used as a model for every other instance of this kind which may come up in this Parliament. I recall questions and answers and debate in this House regarding Petrofina and the attempts by members of the Conservative Party and the NDP to get information and details on that, and

we were totally unsuccessful. I think we still do not have all the details about that deal. Therefore, we should learn a lesson from that. I am not for one minute accusing the Government or the Minister of Transport (Mr. Mazankowski) of trying to withhold or hide information. I find this Minister to be a lot more forthcoming with Members of the House on all sides than the previous six Ministers of Transport with whom I have had to deal in this place. And I doubt he would want to withhold information. But again, Sir, I cannot have the same confidence in some of his colleagues. I do not mean to cast aspersions on any of them, individually or collectively. But I do know this Minister and I have some confidence in him. Even though I may disagree with him on a lot of things, I have a great deal of respect for him and his integrity. So this is not in any way meant to be nor is it in fact a slight on the Minister himself. But it does incorporate in legislation something which should be there.

I think that the criteria laid down here would serve as an example for every Department and Crown corporation. I wish it could serve as an example for the private sector. I am sure that if a lot of the deals which have been made privately were made known even to the shareholders, there would be some very distraught and upset shareholders in many different corporations in the private sector. Quite often the shareholder is the last one to find out what happened to the assets of which he was part owner. Certainly that should not be the case in the public sector and it is incumbent upon all of us to see that that does not happen to assets owned by the people of Canada. They should have a right to know, and I think that right to know in these amendments is being applied in a reasonable manner. We are not demanding disclosure at this stage; it is a confidential matter between the buyer and the seller. But as the deal is completed, the terms and conditions should be published in the *Canada Gazette*. Once the deal is fully completed, signed, sealed and delivered, all the "t's" have been crossed and all the "i's" dotted, then the Minister should table that information in the House and again publish it in the *Canada Gazette*. The reason I differentiate between the two is that during the course of the signing there may be some last minute detailed changes of terms and conditions which were first published in the *Canada Gazette*. Therefore, once it is finally signed, sealed and delivered it should be again published in the *Canada Gazette* and also tabled in Parliament so that we and the public can examine whether or not there are any differences between the first instance and the second instance. If there are differences and they are reasonable, probably nothing will be said. But just in case there are some major and significant differences, not only the public has the right to know but Members of Parliament have the right to know so that we can in turn question the Minister and his officials on why the changes were made. Certainly that is only reasonable and fitting with regard to our ability to do our job better.

Again, Sir, I hope this will find approval on all sides because it meets what should be a basic criterion in this legislation. It meets the even broader principle of disclosure regarding the disposal of assets owned by the people of Canada. This is the place where we should be told and the people should be told at least in the *Canada Gazette*. I could have asked for advertising in every weekly and daily paper in Canada and that sort of thing, but I am trying to be reasonable. This will be sufficient. It will give the public the opportunity, should they want to find out, either by reading *Hansard* or by reading the *Canada Gazette*. They have that right. These amendments ensure that they can exercise that right should they choose to do so.

Mr. Dave Nickerson (Western Arctic): This may come as a complete shock to the Hon. Member for Regina West (Mr. Benjamin) but in principle I am in complete agreement with him on this one. I think these things ought to be disclosed.

Mr. Benjamin: Maybe I did something wrong.

Mr. Nickerson: The public should know what type of deal has been consummated. I believe the Minister also feels that way because he has already given us his undertaking that he will do precisely that, make the details of this deal known. Presumably he will table the memorandum of sale in the House of Commons or otherwise make it available to the public.

I have some difficulty with the wording of the two proposed amendments. Why we would want to table it in the House of Commons and publish it in the *Gazette* at the same time, I do not know. If you look at Motion No. 4, I think the Department of Justice could phrase it in somewhat better language. I do not fancy that the chances of the Hon. Member being successful in this attempt are great, but I think it brings to light a very important point. In ensuing legislation dealing with the disposition of other Crown corporations we might very well put such a clause in place to make sure the terms and conditions of the sale are published in a formal sort of manner and to make it mandatory rather than to rely upon the good will of the Minister concerned.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, it may come as a surprise to the Hon. Member but I agree with his agreement. I find it quite curious that the Government is proceeding without following the good judgment and assessment of its own members, to say nothing of that of Members of this side of the House. If it makes good sense and better legislation, why are we not doing it? If everyone thinks it is a good idea to have better disclosure and better precedent, why does the Parliamentary Secretary to the President of the Privy Council (Mr. Dick) not suggest to his Minister that it may be useful to proceed with another piece of legislation while consulting with the Minister of Transportation (Mr. Mazankowski), and then bring this legislation back to have the amendment accepted?

• (1220)

I do not think we should have to be predetermined by rigid scheduling. If all sides of the House agree to an eminently good amendment, we should not ignore it simply for the sake of meeting the parliamentary timetable. There would certainly

be a disposition on the part of the Official Opposition, and I am sure there would be no problem with members of the NDP caucus, to agree to complete report stage this afternoon after there has been consultation. That makes sense.

Two or three of these amendments have been improvements to the Bill. That is, after all, the purpose of Parliament. It is not only to engage in partisan exchange, but also to improve legislation. The whole thrust of the committee chaired by the Hon. Member for St. John's East (Mr. McGrath), which reported last week, was to achieve this purpose. Why do we not take advantage of it?

I believe, as do the two previous speakers, that the establishment of the proper steps to be followed by Parliament when considering the sale of a Crown corporation will be very vital in establishing future practices. If we get it right the first time, we will not have to argue about it a second or third time. I suggest that the government Member who is vitally interested in this Bill should indicate that he believes this to be a vitally important amendment. As always when the Government is trying to do something useful, the Opposition is prepared to co-operate. I therefore urge the Parliamentary Secretary to contact his Minister in an effort to gain acceptance for this amendment and a few others which make good sense. I urge the Parliamentary Secretary to take that into consideration.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I will not accuse the Member for Winnipeg-Fort Garry (Mr. Axworthy) of having selective hearing, but the Member for Western Arctic (Mr. Nickerson) in fact indicated that he could easily support this type of proposal in future legislation and that information surrounding any negotiated settlement in the sale of Crown corporations should be public knowledge.

This Bill guarantees in very clear terms in Clause 5(3) that:

> Any debt, obligation, or claim forgiven and written off pursuant to this section in a fiscal year shall be reported, in such form as the Treasury Board may determine in the Public Accounts for that year.

There is some absolute disclosure there, Mr. Speaker.

The second point which is important to note is that there is an absolute guarantee that this information can be available through access to information. There is quite a difference between the fiasco surrounding Petrofina, which was the acquisition of assets by a Crown corporation, and what we are discussing here, which is the first sale of a Crown corporation.

While we are sympathetic with the principle of full disclosure, we feel that the two amendments suggested by the Member are unnecessary due to the clear indication on public record by the Minister that there will be disclosure of the information.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 2 standing in the name of the Hon. Member for Regina West (Mr. Benjamin). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed, please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11) the recorded division on this proposed motion stands deferred.

The next question is on Motion No. 4 standing in the name of the Hon. Member for Regina West (Mr. Benjamin). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11) the recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred divisions at report stage of Bill C-53. The first vote will be on Motion No. 1 standing in the name of Mr. Benjamin.

Call in the Members.

The House divided on Motion No. 1 (Mr. Benjamin), which was negatived on the following division.

(*Division No. 106*)

YEAS

Messrs.

Althouse	Epp (Thunder Bay-Nipigon)	Guilbault (Saint-Jacques)
Angus	Finestone (Mrs.)	Heap
Axworthy	Fulton	Hopkins
Baker	Gagliano	Hovdebo
Benjamin	Gauthier	Johnston (Saint-Henri-Westmount)
Blackburn (Brant)	Gray (Windsor West)	Kaplan
Blaikie		Keeper
Copps (Ms.)		
de Jong		

Messrs.

Killens (Mrs.)
Langdon
Lapierre
MacLellan
Marchi
McCurdy
McDonald (Ms.) (Broadview-Greenwood)
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Orlikow
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rossi
Skelly
Tardif (Richmond-Wolfe)
Tobin—42.

NAYS

Messrs.

Attewell
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault (Mrs.)
Boyer
Brightwell
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Clark (Yellowhead)
Clifford
Cochrane
Collins (Mrs.)
Cook
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Crofton
Crombie
Crouse
Dantzer
Darling
de Cotret
Desjardins
Desrosiers
Dick
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gass
Gervais
Gormley
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Masse
McCain
McCrossan
McCuish
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Ravis
Reid
Reimer
Ricard
Roman
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Sparrow (Mrs.)
Stackhouse
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Towers
Turner (Ottawa-Carleton)
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise—134.

Mr. Speaker: I declare the motion lost.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. There are three other motions on which to be voted. We are prepared to agree that the vote, which has just been taken on Motion No. 1, be applied and recorded as separate votes for the remaining motions, with the understanding, of course, that if one or more Hon. Members want to vote in a different way on the other motions, they will be able to rise in their places and say so, for the benefit of the recording of votes in *Hansard*.

Mr. Axworthy: Mr. Speaker, I certainly associate myself with the Hon. Member for Regina West (Mr. Benjamin).

Some Hon. Members: Oh, oh!

Mr. Axworthy: As much as we like to have opportunities to vote against the Government on these particular votes, for the sake of those Hon. Members who have had their lunchtime digestion interrupted, we are prepared to agree with his proposal.

Mr. Hnatyshyn: Mr. Speaker, the thoughtfulness of the Opposition occasionally surprises me. However, it is a good idea. In response to the suggestion of the Hon. Member for Regina West (Mr. Benjamin), there is probably more possibility of people in his Party changing their vote than there is in our Party.

Mr. Cooper: Mr. Speaker, I should like to indicate that for the last two votes I vote with this side.

Mr. Speaker: Therefore the vote will be recorded in the same way, except that the Hon. Member for Peace River (Mr. Cooper), the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin), the Hon. Member for Langelier (Mr. Côté) and the Hon. Member for Cambridge (Mr. Speyer) will be added as voting in the same manner as the people on their right and left.

The next vote is on Motion No. 2 standing in the name of the Hon. Member for Regina West (Mr. Benjamin).

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

(*Division No. 107*)

YEAS

Messrs.

Althouse
Angus
Axworthy
Baker
Benjamin
Blackburn (Brant)
Blaikie
Copps (Ms.)
de Jong
Epp (Thunder Bay-Nipigon)
Finestone (Mrs.)
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Killens (Mrs.)
Langdon
Lapierre
MacLellan
Marchi
McCurdy
McDonald (Ms.) (Broadview-Greenwood)
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Orlikow
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rossi
Skelly
Tardif (Richmond-Wolfe)
Tobin—42.

NAYS

Messrs.

Attewell
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault (Mrs.)
Boyer
Brightwell
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Clark (Yellowhead)
Clifford
Cochrane
Collins (Mrs.)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crouse
Dantzer
Darling

Messrs.

de Cotret
Desjardins
Desrosiers
Dick
Duguay
Duplessis
(Mrs.)
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gass
Gérin
Gervais
Gormley
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
Jacques
(Mrs.)
James
Jardine
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Masse
McCain
McCrossan
McCuish
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Ravis
Reid
Reimer
Ricard
Roman
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Sparrow
(Mrs.)
Speyer
Stackhouse
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Towers
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—138.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 3 standing in the name of the Hon. Member for Regina West (Mr. Benjamin).

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

(*Division No. 108*)

YEAS

Messrs.

Althouse
Angus
Axworthy
Baker
Benjamin
Blackburn
(Brant)
Blaikie
Copps (Ms.)
de Jong
Epp
(Thunder Bay-Nipigon)
Finestone
(Mrs.)
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Killens (Mrs.)
Langdon
Lapierre
MacLellan
Marchi
McCurdy
McDonald
(Ms.)
(Broadview-Greenwood)
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Orlikow
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rossi
Skelly
Tardif
(Richmond-Wolfe)
Tobin—42.

NAYS

Messrs.

Attewell
Belsher
Bernier
Bertrand (Mrs.)
Blackburn
(Jonquière)
Blais
Blenkarn
Bouchard
Bourgault (Mrs.)
Boyer
Brightwell
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Clark
(Yellowhead)
Clifford
Cochrane
Collins (Mrs.)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crombie
Crouse
Dantzer
Darling
de Cotret
Desjardins
Desrosiers
Dick
Duguay
Duplessis
(Mrs.)
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gass
Gérin
Gervais
Gormley
Gottselig
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
Jacques
(Mrs.)
James
Jardine
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Masse
McCain
McCrossan
McCuish
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Ravis
Reid
Reimer
Ricard
Roman
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Sparrow
(Mrs.)
Speyer
Stackhouse
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Towers
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—138.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 4 standing in the name of the Hon. Member for Regina West (Mr. Benjamin).

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

(*Division No. 109*)

YEAS

Messrs.

Althouse
Angus
Axworthy
Baker
Benjamin
Blackburn
(Brant)
Blaikie
Copps (Ms.)
de Jong
Epp
(Thunder Bay-Nipigon)
Finestone
(Mrs.)
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Killens (Mrs.)
Langdon
Lapierre
MacLellan
Marchi
McCurdy
McDonald
(Ms.)
(Broadview-Greenwood)
Mitchell (Ms.)
Nicholson (Miss)
(Trinity)
Nunziata
Orlikow
Parry
Pépin (Mrs.)
Prud'homme
Riis
Robinson
Rossi
Skelly
Tardif
(Richmond-Wolfe)
Tobin—42.

NAYS

Messrs.

Attewell
Belsher
Bernier
Bertrand (Mrs.)
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bourgault (Mrs.)
Boyer
Brightwell
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Clark (Yellowhead)
Clifford
Cochrane
Collins (Mrs.)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crouse
Dantzer
Darling
de Cotret
Desjardins
Desrosiers
Dick
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fraser
Fretz
Gagnon
Gass
Gérin
Gervais
Gormley
Gottselig
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Masse
McCain
McCrossan
McCuish
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Ravis
Reid
Reimer
Ricard
Roman
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Sparrow (Mrs.)
Speyer
Stackhouse
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Towers
Turner (Ottawa-Carleton)
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Weiner
Wenman
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise—138.

Mr. Speaker: I declare the motion lost.

Mr. Hnatyshyn (for the Minister of Transport) moved that the Bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the Bill be read the third time?

Some Hon. Members: By leave, now.

Mr. Hnatyshyn (for the Minister of Transport) moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker—

Mr. Speaker: Carried, on division?

Some Hon. Members: On division.

Mr. Benjamin: On debate, Mr. Speaker—

Mr. Speaker: On debate, the Hon. Member for Regina West.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. Was the motion carried? If there is to be debate, I should like to say a few words on the matter at third reading.

Some Hon. Members: It was carried.

Mr. Hnatyshyn: If it was carried, I will not—

Mr. Speaker: I was not clear whether the Hon. Member for Regina West was rising to indicate "on division" or to debate. The Hon. Member for Regina West wishes to debate at third reading.

Mr. Benjamin: Yes.

Some Hon. Members: It was carried.

Mr. Speaker: I am sorry. The Hon. Member for Regina West rose, and I thought it was to indicate "on division". It was my fault. Therefore we are on debate.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will be very brief. I appreciate the co-operation shown in the House, and I understand that the Hon. Member for Regina West (Mr. Benjamin) wants to address this matter at third reading.

At the outset I should like to indicate that I appreciate the co-operation which has been extended by the Opposition to get the enabling legislation through to allow the sale of this corporation to proceed.

As I indicated earlier, the Minister of Transport (Mr. Mazankowski) would have been here to deal with this legislation. However, he asked me to extend his apologies to Hon. Members. He is attending important meetings in Montreal with respect to air travel safety, which I think he announced on the floor of the House. Accordingly, he asked me to, on his behalf, extend words of thanks and appreciation for the work and the speed which Members of Parliament in all Parties have given to this important item, to the extent of evening sittings, long hours, and leading to having the report considered technically before the time normally permitted under our rules for consideration of this legislation. I simply extend those thanks to the Opposition as well.

• (1300)

Mr. Les Benjamin (Regina West): Mr. Speaker, I will be very brief on third reading. I just want to say that I am somewhat disappointed. In addition to the mixed feelings that I had at the outset of the debate and second reading on this Bill, I now have to add disappointment because the legislation as presented by the Minister is so general and vague as to provide pretty well a blank cheque for the Minister to do

anything he wants in the disposal of assets owned by the people of Canada.

We attempted in committee and again at report stage to get the Government to accept a very few amendments. We could have moved a lot more, but we held them to a minimum—I think a total of six yesterday, only four today—to try to get the Government to at least put some basic fundamental changes in the legislation because, while I have great respect for the honesty and forthrightness and integrity of the Minister of Transport (Mr. Mazankowski), I do not feel that way about the rest of the Cabinet. This will not be the last occasion in this Parliament when we get legislation for the so-called privatization of assets of Crown corporations on which the taxpayers of Canada have invested billions of dollars, and I doubt if they will get their money back.

The problem we face is that this legislation that we are dealing with now can serve as a model for each subsequent time. I want to say to the Members of the Government right now that as and when that happens they need not look for the kind of co-operation on those occasions that they got from the Opposition on this one. I repeat, Sir, we make an exception to our basic fundamental disagreement with the sale of a Crown asset properly owned by the taxpayers, and particularly when it is a winner and making a profit. The taxpayer, like any other private individual investor, is just as much entitled to an opportunity for a return on that investment as are others in the private sector. The selling off of the winners denies the taxpayer getting back some, if not, all, of the investment he made.

We make the exception in this Bill because it is being sold to the right kind of people. It is being sold to two Inuit organizations in northern Canada. They will have direct say and responsibility not only in the ownership, but in the operations of the Northern Transportation Company Limited and in the provision of adequate and reasonable transportation services in the North.

On behalf of my colleagues, I wish those two Inuit organizations well in their endeavours. I think I can say for all Members that they will have the full support and assistance whenever possible from Members of the House of Commons. We hope the Government will continue to be of assistance, even though it no longer has any ownership in the corporation, in any way it can so that those two organizations can improve upon the operations of the company and even enlarge on the services that are presently being supplied.

The Northern Transportation Company has been and is now an excellent example of what can be done for people in a region of Canada by all the people of Canada. It served as an excellent example of how they are not discriminated against by insufficient or extremely high cost transportation just because of where they happen to live. In the years of start up and development it lost money, but the people of the nation as a whole shared in the costs. If it had had to be paid for only by the people of the North, they would never have started it. That is a good example of where it is perfectly logical to have a publicly-owned Crown corporation in an area that provides an essential service, meets a public need and serves the national interest.

If it was logical to have all kinds of competition in areas that are an essential public service it would be, I suppose, logical to have competing sewer and water systems, competing highways, competing sidewalks, competing telephone lines—and we are faced with that prospect as well—or competing power lines. If the private enterprise principle was carried to a logical conclusion that is what would be attempted to be done, but if anybody tried to do that they would be locked up, I hope.

There are some areas in our economy where it is proper for the public, through the Crown, to own and operate an essential public service, particularly in areas that are, in practice, natural monopolies. In those sectors of the economy it must be a publicly-owned Crown corporation or it could be a joint ownership of the Crown and the co-operative movement, for example. It could be a joint ownership between the Crown and in this instance, for example, the two Inuit organizations in northern Canada. This is why we suggested at an earlier stage in this debate that we thought it would be good if the Crown kept 10, 15 or 20 per cent interest in the company because then it would be able to provide assistance as and when the need is shown. It would have been able to provide access to the kinds of technological change and whatnot the Government is able to get much easier than a small company. However, the Government chose to sell the complete Company. So be it.

I hope that the Government will keep in mind that it cannot have just a mindless, total opposition as a general principle to having Crown corporations, that there should not be any at all. Decades ago the Government of Canada started getting into public ownership, not because it believed in it but because the private sector either failed or would not or could not provide something that was an essential public need in the national interest. Too often the Crown went into ownership of a private sector corporation not because it was right in principle to have it a Crown corporation owned by the people of Canada, but to bail out the investors who were going to lose, in one classic case the formation of the Canadian National Railways, something in the order of one and one half billion dollars on five bankrupt railroads. Canadian national was formed to make sure that the banks, trust companies and bond holders got their money. That was the main reason, but as well, it was in the national interest to keep the railways going. That is not the case in this instance.

• (1310)

As I said earlier, the only reason we are agreeing to this sale is because it is being sold to the people most directly concerned. I hope that the new owners of Northern Transportation Company Limited will be able to meet, negotiate and enter into agreements with one or more Dene organizations and will be able to join with them in partnership in the ownership and expansion of the company. That would go a long way toward creating more co-operation among the aboriginals in northern Canada.

In closing, I would say that we wish the new owners well when the agreement is signed, sealed and delivered. However, I would like to tell the government House Leader that the next time this happens, the Government had better word the Bill a little better. If it does not, it is going to have a problem.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I rise primarily to congratulate the Government for having the good sense to follow through on a major initiative of the previous Government. It is always good to see that even as government Members stumble and fumble around in Budget manipulations, they have some modicum of good sense as indicated by the continuation of initiatives that we began.

I am pleased to see that the basic objective we established over a year ago when putting the Northern Transportation Company Limited up for privatization will be followed as it relates to native organizations in the North. Parenthetically, for Tory Members who are again trying to re-write history, when the Clark administration considered this legislation in 1979, no mention was made of ensuring that the Crown corporation would be sold to native people. It was simply to be put on the block. I would ask government Members to read their history books with an eye for accuracy as opposed to an eye for fantasy.

It is important to ask how we go about dealing with the privatization of Crown corporations. It should not be done in the obsessive, ideological way in which the Minister of Regional Industrial Expansion (Mr. Stevens) pursues things. It should be done because it is clearly in the public interest. Crown corporations were originally established to serve a public purpose. However, conditions have changed. Public purposes have become altered. It is becoming more important to put these public services back in private hands rather than maintaining them in the public sector.

There were two primary reasons for putting NTCL up for sale. One was that any future expansion of the company would require more equity. In order for NTCL to remain a healthy economic organization, it was going to have to diversify into trucking and other forms of commercial enterprises which really did not justify public investment. To maintain public control and ownership of the company would have meant that it would have stagnated.

In order to provide for the continuation of a healthy transportation unit in northern Canada, the company needed to complement its activities with other forms of economic interests. Therefore, to acquire new forms of equity capital, it had to go on the public market. At the same time, though, it seemed to us that this was a unique opportunity for us to sell a viable, operating company to native people who are now trying to establish their own form of economic development and entrepreneurship. That is why when we announced the proposed sale we stated that preference would go to northerners and native organizations.

Last December, we were deeply concerned when the Minister of Transport (Mr. Mazankowski) announced that the original sale arrangement was with a company from southern Canada which at that time was not involved with native people. We raised several questions about that, and we are glad to see that the decision has been reversed.

The greatest regret I have about this Bill is that it is a lost opportunity. This Government uses the language of privatization with great frequency. It is one of the hallmarks of the new economic regime. Unfortunately, the Government failed at the first opportunity it had to privatize a company in a reasonably effective and proper way. The Government did not seize the opportunity offered by the sale of NTCL to sell a Crown corporation in a fiscally accountable way. The Bill is sloppy and ramshackled. The Government lost the opportunity to establish proper guidelines and precedents for future sales.

All of the questions that we have been raising over the last several months regarding the intentions of the Government when it comes to privatization have not been answered. Here was a great opportunity for the Government to clearly demonstrate how it would deal with Parliament and the public when coming to grips with the sale of Crown corporations. That is a matter of no small import because we know that there are a number of other Crown corporations, some of great magnitude, that are also being offered for sale.

Many times we asked the President of the Treasury Board (Mr. de Cotret) and the Minister of Regional Industrial Expansion how they intend to privatize companies and we received no answers. Here was a chance for the Government to put privatization into practical application. However, the Government did everything wrong.

To begin with, the Government totally ignored the board of directors. The board of directors of a Crown corporation has a very important fiduciary relationship with the corporation. Boards of directors are established not simply to provide room for appointments for friends but to provide a very real policy-making role in the running of Crown corporations, yet the Minister of Transport totally evaded any involvement on the part of the board of directors of this Crown corporation. I would suggest that it would be a serious mistake if that practice was followed in future sales.

Second, the Government almost deliberately short circuited what we believed to be a very important step to take before the sale of any Crown corporation, and that was to do a proper financial evaluation and have that evaluation made public so that the Government could put a proper value on what it was selling. Again, the Minister explained that things have been rushed and that there have been renegotiations, but the kind of study that we commissioned last spring has not been brought forward. An Hon. Member said that there was a study made in 1980, but that had nothing to do with it. We commissioned a specific financial evaluation last spring from First Boston, a financial evaluation which has not been produced.

Third, the Government failed on the question of ensuring that there would be proper disclosure and information requirements in the legislation so that when the sale was finalized, there would be a complete accounting before Parliament and the taxpayers. In part, we have been dealing with this Bill under a large haze and the Government has camouflaged what

is really going on. I think it is a credit to the Minister of Transport that we would take his word on these matters. However, I am not sure that that is the proper way to do business. To repeat the words of the Hon. Member for Regina West (Mr. Benjamin), we certainly do not intend to do that when the Minister of Regional Industrial Expansion brings something forward because he is a Minister of a very different kind. We think that now is the time for the regulations and procedures to be properly established.

● (1320)

We support the Bill, as it was our initiative in the first place. I am glad to see that it has come to fruition. We are pleased that native organizations in northern Canada will have an opportunity to manage a good company. We believe that it is good for public policy purposes. However, we deeply regret the way in which it has been done. We had a chance to establish a very important guide-post for the future. That has been lost. Maybe it is a symptomatic sign from the Government. Where managing public business is concerned, the Government still has a great deal to learn. We hope that it will learn.

An Hon. Member: You never learned.

Mr. Axworthy: The evidence exists. Tory members do not like to hear that, but the evidence exists. The Government has not done a very good job on this legislation. Even its Members have said that the Bill could have been better. The Government still has some time to show that it can do a better job. As always, we will be around to help.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I would like to make a few brief comments regarding the privatization of NTCL. I would like to extend my thanks to the Liberal and NDP members who have been involved in the legislation. For a short time they have set aside their ideological preoccupations and have seen reason. In fact, it was the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) who initiated the process, even though Liberal candidates in the 1980 election ran on the platform of maintaining NTCL as a Crown corporation. That was the Liberal promise of the time. However the Liberals changed their minds, as they often do. This time the change is for the better.

I would like to compliment the Minister of Transport (Mr. Mazankowski) on the continuing interest which he has shown in the matter. His task is now all but accomplished. There have been many difficulties involved in the process of privatization. It is my hope that those who were involved, and those who are likely to be involved again, will have learned from the mistakes which have been made in the case of NTCL.

I would like to comment briefly on the tendering process. It became apparent during the course of the debate that it had already been established that the majority shareholding of NTCL would be sold to a native corporation. There were other people who placed bids and did a lot of work in compiling their proposals. I have some doubt as to whether those people were given proper consideration. There is absolutely nothing wrong with a formal native organization such as IDC, DDC or others becoming involved, but the normal type of business firm which is made up of people of all ethnic origins, who are not ethnically restricted, should also have been given a fair deal on the bidding. I suspect that did not happen and that the deal was weighed in favour of one particular type of organization from the beginning. Some of the firms which I know were interested were owned by native people and not collective organizations. If that arrangement could be known beforehand, in the future it could be made public in order that people would not waste their time bidding on something for which they do not stand a chance of being successful.

I look forward to a new regime in the Mackenzie waterways, the Beaufort Sea and the waterways on the Arctic coast. We are moving away from the idea of a Crown corporation monopoly on certain types of services. We are moving toward a competitive system in which each shipping firm will be given the same type of opportunity. They will be awarded water licences by the WTC on the basis of free competition. Hopefully, we will move away from the system of having to obtain licences from the WTC to a deregulated system.

I would like to wish the new owners of NTCL all possible success. I hope their venture will be profitable. I know that my friend from Regina West (Mr. Benjamin) wished them all the best. I imagine it is difficult for him to hope that the enterprise will be profitable. However, on this side of the House we have no hesitation in hoping that the business will prove to be very profitable in private hands. The best way for it to be profitable is to provide good service throughout the entirety of its service area.

I would like to be associated with the remarks of the Hon. Member for Regina West concerning the possibility of extended ownership. I hope the new owners of NTCL will be able to properly manage the corporation. They have embarked upon a risky venture. The health of NTCL is dependent upon the health of the northern oil and gas industry and the decisions which will have a great bearing on that industry. Those decisions are as likely to be made in Abu Dhabi with an association of Arab oil ministers as they are in Canada or elsewhere. The owners have certainly involved themselves in a risky venture. It is not expected that they will ask the Government to bail them out if they are not successful. They have made their bed and they must lie in it. I hope they will be profitable, and that people will be properly serviced. I hope that the taxpayers will not be asked in the future to become involved again in the shipping business.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Mr. Benjamin: On division.

Mr. Speaker: Carried on division.

Motion agreed to, Bill read the third time and passed.

* * *

• (1330)

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved that Bill C-25, an Act to amend the Agricultural Stabilization Act, be read the third time and passed.

He said: Mr. Speaker, just before I begin my remarks on Bill C-25, I would like to again thank all Hon. Members of the House, particularly Hon. Members opposite, for their co-operation yesterday in dealing with Bill C-58, an Act to amend the Advance Payments for Crops Act. I would also like to thank Hon. Members for the co-operation they extended to me on behalf of the agricultural industry of the country the day before yesterday when we passed through the House in all stages another piece of agricultural legislation which extended for an 18-month period, the Farm Improvement Loans Act.

During discussion of both those pieces of legislation, I had in my possession some material which was extremely useful to all Hon. Members of the House. I gave an undertaking at that time, with reference to the information I had regarding advance payments for crops, to make it available to the House and to the Table so that the detailed information I had could be printed and appended to *Hansard*. I also gave an undertaking to provide the same type of detailed information, which I had in my hand at that time, with respect to those provinces and those banks which participated under the Farm Improvement Loans Act. I indicated that I was not an expert in House matters or procedures and was not exactly sure just what the procedure was. Since that time I have been advised—and I appreciate the advice I received from the Table—that it is necessary for me to seek unanimous consent of the House so that it will be possible for me to fulfil my desire to make this information available.

Therefore, I am asking for unanimous consent of the House to make available the information with respect to advance payments for crops legislation. I requested that the information which deals with the report and the information with respect to the Farm Improvement Loans Act. I do not have it at the moment, but I should have it here very shortly. I am seeking unanimous consent of the House that both those documents be appended to *Hansard*.

Mr. Foster: Mr. Speaker, I have a question just before we give the Minister unanimous consent to table those documents. Several weeks ago the Minister promised the members of the committee the week by week levels of imports of red meat from various countries into Canada during 1984. I wonder if he would be able to meet that commitment and provide that documentation to the members of the committee who were working at that time on the red meat stabilization program?

Mr. Wise: Yes, Mr. Speaker, as always, when we make a commitment to deliver information, we want to make certain we fulfil those commitments. I believe yesterday, but perhaps it might have been the day before, I had this information sent to my office. I asked that the information be made available to committee members. I think we are talking about two different things here. I am asking that these two pieces of information be appended to *Hansard*. I hope we can get consent for that. With respect to the Hon. Member's request, I think that Hon. Members would agree that it would be sufficient that this information be sent to members of the Standing Committee on Agriculture.

Mr. Deputy Speaker: Is there unanimous consent to allow the Minister to append to *Hansard* the documents to which he has referred?

Some Hon. Members: Agreed.

[*Editor's Note: For above-mentioned documents, see Appendix.*]

Mr. Wise: Mr. Speaker, it is certainly a pleasure for me today to speak to third reading of Bill C-25. This Bill has been a long time in coming and its passage will mark the beginning of a new era of farm income stabilization in this country.

The Bill was referred to the Standing Committee on Agriculture on May 21 where it received a very careful and extensive review. The committee heard from officials and representatives of most provincial Governments, as well as from organizations whose members in some way could be affected by this legislation.

I would like to make a comment at this point. Yesterday during the debate on the report stage of Bill C-25, a number of speeches were made and there were some interesting observations made by a variety of Members. I am not going to dwell on the motions. I will try to keep my remarks consistent and to the point in dealing with the specific issue at hand. However, there were a number of charges made yesterday, some of which were quite off the mark and some of which were quite false.

With respect to one observation, I think the particular language used might lead people to believe there was some manoeuvring or some attempt to ensure that representations made by certain provincial Ministers or by provincial Departments of Agriculture were avoided. That is certainly not the case. It was very misleading and false to make charges which led people to believe that some attempt was made by the steering committee of the Standing Committee on Agriculture to avoid these representations. I want to assure Hon. Members that every provincial Government was given an opportunity to appear before the Standing Committee on Agriculture. As you know, Mr. Speaker, most of them utilized that opportunity. In some cases where word did not come back, it is my understanding that the Clerk of the Standing Committee on Agriculture made some special efforts to inquire as to whether or not it was the intention of provincial Ministers or provincial

Departments of Agriculture to make a presentation. I just wanted to touch on that particular item at this point.

During the course of these hearings, myself and members of the committee learned a great deal about the wide scope of interests within the agricultural community. As a result, certain amendments were recommended. I would like to take a few moments now to explain these amendments, all of which I sponsored, so that Members representing all regions of Canada will understand them very clearly.

The first amendment is to Clause 8 which deals with preconditions to entering into agreements. This amendment addresses the very real concern expressed by certain commodity groups and provinces not only about top loading, but about bottom loading and side loading. The Province of Saskatchewan pointed out quite accurately that top loading is not the only issue. The amendment recognizes this concern by allowing the Minister of Agriculture to consider matters other than just top loading during the course of negotiating commodity agreements.

I believe we get distracted and confused when we start dealing with this piece of legislation because normally when the Government brings in a piece of legislation, the law changes tomorrow. Something happens. A new set of laws are imposed on a commodity group, a sector of the economy or of society. Of course, that interpretation is a wrong interpretation. However, it has caused us some concern and confusion. This Bill does change a number of very important things with respect to the way in which the Act will affect people after it receives third reading, but those are changes from which we can all benefit.

● (1340)

This Act does not impose plans on commodity groups at all. There seems to be a lot of misinterpretation of this legislation, particularly in the media and by certain farm leaders and individuals. Understanding that perhaps we are all to blame for that does not change the fact that we have to face the facts. The amendment, as I indicated, recognizes the expressed concern by allowing the Minister of Agriculture to consider matters other than just top loading during the course of negotiating commodity agreements. The Act provides the legal framework to do certain things that we have to do here in Canada, but it does not impose marketing plans. This clause also recognizes that no agreement resulting from negotiations with the provinces and producers should lead to over-production or have the effect of putting any one region in the position of having an advantage over another region.

The second amendment also reflects the fact that the committee listened carefully and responded to the representations of producers and provinces. Members of the committee found themselves constantly reminded that this program is intended for all commodity groups. It appears we were not only side-tracked by the Bill being a permissive Bill, one which simply involved enabling legislation because it does not establish plans and so on. We got side-tracked into thinking it is only a cow-calf program, or only for slaughter cattle or sheep, when in fact the broad framework of this enabling legislation will allow any commodity group to develop tri-party stabilization programs. I should clarify that by saying "any" is accurate enough. It is a safer word than "all" because it would not allow all commodity groups to form plans, most particularly those commodities dealt with under supply-management. Therefore, we do not have a problem there. Even though this particular clause in the Bill was found to be suitable for red meat, it was found to be too restrictive for horticultural products. Therefore, this amendment to Clause 8 provides greater flexibility for the negotiation of horticultural agreements.

The last three amendments all address essentially the same matter, that of monitoring, and they seek to clarify and broaden the term. The Province of Saskatchewan, along with several other groups, brought to our attention the need for amendments aimed at specifying our intentions for monitoring and administration. The point was well taken because the success of these agreements will depend to a considerable degree upon the quality of their administration. In addition, it was suggested that since each agreement will be unique, the administration agreement for each commodity should also be unique. Therefore, like the Bill itself which provides a framework to negotiate tri-party stabilization plans, these amendments will also establish a tri-party approach to administering those plans as well. They will allow the administrative committee the power to administer individual agreements as specified in each negotiated agreement.

Bill C-25 has been the subject of considerable discussion for a long period of time. It has been spoken to in this House and debated by members of the Standing Committee. The discussions began at the grass roots and evolved to the point where we are today. In fact, this legislation is based on a decade of discussion and the amended version before us today is a result of what we learned in committee. We listened and responded to what we heard.

The time has now come to put this long awaited legislation into effect. To me, this Bill means opportunity. It is the opportunity for us to sit down with the provinces and the commodity groups and hammer out made-to-measure tri-party stabilization programs. It is an opportunity for producers of all commodities to become involved in a comprehensive stabilization scheme. It is an opportunity for Canada to resolve some of its trade difficulties by implementing an insurance oriented stabilization scheme which will be viewed favourably by our trading partners. It is an opportunity to reduce inter-provincial rivarly and the confusing market signals given by the complex assortment of stabilization programs now in place. It is an opportunity to make our livestock industry more competitive. It is an opportunity to do just as the Bill's title implies, bring a greater measure of income stability to the farm sector so that the efficient producer prospers.

The last point is especially important because the agri-food industry directly employs 1.4 million Canadians and brings in more than $10 billion a year in export revenue. Last year it generated about $20 billion in cash receipts while retail sales

in the agri-food industry are in the neighbourhood of some $60 billion. Producers are heavily dependent on factors beyond their control, both with respect to natural hazards and market conditions. Crop insurance provides protection against hail, drought, floods and other natural hazards. Stabilization programs are farmers' protection against changing market conditions. That is why we have an obligation to offer producers the best stabilization package possible, and I believe Bill C-25 does exactly that.

I have listened carefully to what producers groups and provincial Governments have said about this legislation. As a result, amendments were brought in but I feel compelled to point out, as I have on previous occasions, that this legislation is only the framework for future agreements. Each plan for each commodity group will be put in place only as a result of negotiation with and consent by the federal Government, the provinces and the commodity group concerned. I am reminded of a statement by a spokesperson for the Canadian Cattlemen's Association when he appeared before the Standing Committee on Agriculture regarding this Bill. He said:

> First, we will give our commitment that we will be at the bargaining table tomorrow if this government wants to take on all the programs, bottom and top-loading, or side-loading or underhand-loading or whatever you want to call them. We will be here to work on them.

● (1350)

This statement epitomizes the attitude that will make Bill C-25 work. I can guarantee the House that, given the opportunity to negotiate which this Bill provides for, we will go to the bargaining table and work out agreements to suit individual requirements of each province and each commodity group. I urge all Members of the House to give the Government, the provinces, the farm leaders, and the commodity groups across the country the opportunity which is so desperately needed at this point in time.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am delighted to have the opportunity to speak on third reading of Bill C-25 which has been before the Committee on Agriculture for several months. It proposes important changes to the stabilization legislation which is available to farmers across the country. The Minister said that this Bill ushers in a new era in agricultural stabilization. That may be true if the legislation is actually utilized.

When this Bill was introduced, at least four groups supported the establishment of a tripartite red meat stabilization program for lamb, beef, and hogs. I am not sure whether any of the producers in Alberta, Saskatchewan, Manitoba, or Ontario clearly understand what the amendments introduced last Thursday afternoon actually mean.

Yesterday I spoke with a senior representative of the Canadian Cattlemen's Association. After examining the clause which prohibits provincial Governments from having stabilization programs and requiring that if they take part in a tripartite stabilization program they would have to phase out their existing provincial programs he said, "Producers are thoroughly confused as to what the amendment means and won't support it because they don't know what it means". He said that the Cattlemen's Association and hog boards of all four provinces had the same feeling.

When representatives of those provincial Governments appeared before the committee, they made it very clear that they did not want any substantive changes to the legislation but wanted it passed as it was. They also wanted to ensure that the tripartite red meat stabilization program would be administered jointly by the three parties to any agreement; the federal Government, the provincial Governments, and the producer groups. Everyone is trying to figure out exactly what the amendment introduced by the Minister last Thursday means, but it clearly puts the Minister in the position of judging what level of stabilization is being provided by the various producer groups involved.

My colleagues and the solicitor for the Canadian Cattlemen's Association also concluded that this amendment allows the Minister to judge whether the stabilization provided actually gives additional benefit to those provided by other bi-partite stabilization programs in any of the provinces not participating. They suggest that the benefits from a tri-partite stabilization program must not be greater than those provided to any producers not party to the agreement.

There is a great deal of confusion on the part of those provinces which did not consent to the original agreement and were not party to it. The Minister has not made proposals or recommendations to resolve their concerns. For instance, the four Maritime provinces were requesting a grain transportation program to be coupled with a program for Maritime Canada which would allow them to operate on an equal basis. We have had no commitment from the Minister that he is willing to do that. Therefore, the concerns of the Maritime provinces have not been resolved. As well, Prince Edward Island and New Brunswick have requested that potatoes be designated as a named commodity under the legislation. I put forward such an amendment in committee but it was voted down. That certainly indicates the support which exists for the Atlantic region.

The confusion which has developed in this area leaves the possibility of a red meat stabilization program unresolved. The amendment moved by the Minister did not meet the requirements of the producers in Quebec. Not only has this Bill created great confusion for the hog and beef producers in the four participating provinces, it has also not met the demands of Atlantic Canada, Quebec, or British Columbia which did not originally take part in the proposed agreement.

The Minister's consideration of the representations made to the committee have not met the requirement to have a national program. It is clear that this is enabling legislation, but there is a great need and demand in the country now for a proper national tripartite red meat stabilization program. That certainly has not been accomplished. That is why I find the Minister's comment that this is a new era in agriculture stabilization rather hollow. I do not think it will be fulfilled.

S.O. 21

● (1400)

I understand that it is time for Question Period to begin, Mr. Speaker. Therefore I will complete my remarks after Question Period.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

IMMIGRATION

PLAUT REPORT—METHOD AND TIMING OF CONSULTATION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last week the Minister of Employment and Immigration (Miss MacDonald) tabled the long-awaited report by Rabbi Plaut on refugee determination. Two long months after the report was handed over to the Government, it was tabled in the House. Was the delay intentional, to prepare the report for a first-class burial, since summer is ideal for that? I certainly hope not.

The Plaut Report was well received in circles concerned with immigration. Rabbi Plaut states that receiving refugee status is not a privilege but a right. That is fundamental, and will, I hope, form the basis for the entire process.

Agencies and lawyers whose concern is immigration are looking forward to the consultation promised by the Minister of Employment and Immigration, so that we can finally have a refugee determination procedure that is fair, humane and efficient. I therefore suggest that the Minister of Employment and Immigration make her announcement on when and how consultation will take place as soon as possible. I sincerely hope that the summer recess will not be used to bury the Plaut Report. Immigration lawyers and agencies expect the Government to do better than that—the ball is now definitely in your court!

* * *

[*English*]

SOCIAL SERVICES

PLANNED PARENTHOOD FEDERATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Planned Parenthood Federation of Canada is a positive, healthy influence in society. This organization promotes responsible human sexuality through information and education.

I have received 243 letters from informed, concerned citizens including individuals, volunteers, professionals and organizations, stating their support for the valuable work that the Planned Parenthood Federation does, and their hope that the Government will make it possible through continued funding for this organization to continue to serve Canadians. Many of these letters, which were addressed in good faith to the Minister of National Health and Welfare (Mr. Epp), apparently have fallen upon deaf ears. We are four months into the fiscal year and Planned Parenthood has received no indication from the Minister of National Health and Welfare on the status of its funding.

Overhelming numbers of Canadians believe that they have the right to determine the number and spacing of their children. Planned Parenthood organizations throughout Canada believe that information, education, and services should be available to assist individuals to exercise that right in an informed, responsible manner.

Lack of information about funding contradicts the spirit of the 1969 amendment to the Criminal Code which recognized that dissemination of birth control information was a basic human right and guaranteed all Canadians universal access to family planning.

Teenage women are at great risk today.

Mr. Speaker: I regret I must inform the Hon. Member that her time has expired.

* * *

DISASTERS

AIR-INDIA CRASH—DEATH OF DR. YELAVARTHY NAYUDAMMA

Mr. William C. Winegard (Guelph): Mr. Speaker, I know that all Hon. Members share the grief of the many Canadian families who lost loved ones aboard the Air-India flight which crashed while flying from Canada. To all those people we extend our deepest sympathy and, in my case in particular, to the family of Mrs. Barsa Kelly, a friend of mine from Guelph for many years.

Also aboard that flight was a most distinguished citizen of India, Dr. Yelavarthy Nayudamma, a scientist of such towering international reputation that his advice was sought by people from all over the world, including fellow scientists.

Dr. Nayudamma was returning to India from Canada where he had been attending one of the regular meetings of the Board of Governors of the International Development Research Centre. He was one of ten non Canadians, all of the highest scientific rank, who served diligently on the board of this remarkable institution, one which is regarded within developing countries as a superb example of Canada's aid program but which, sadly, is less well known in Canada.

A week ago tonight I had dinner with Dr. Nayudamma. It pains me to know that he is no longer available to the developing world and to Canada.

Some Hon. Members: Hear, hear!

FOLKLORE

THIRD WORLD FESTIVAL IN DRUMMONDVILLE, QUE.

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I want to take this opportunity to invite my fellow MPs and all Canadians to come to the riding of Drummond this summer for the World Festival of Folklore. The festival has something for everyone. There will be folklore groups from everywhere in the world, all keen to show us their traditional way of life through dance, music, and song. Last year the third of these festivals attracted 400,000 people, which gives an idea of how successful is the event.

[*Translation*]

The World Folklore Festival in Drummondville is being held for the forth time, and this year about half a million people are expected to attend between July 5 and July 15.

Twenty folk dance groups from all over the world, including the United States, France, the Soviet Union and also Canadian participants from Quebec, Alberta, Ontario and British Columbia, will come together for ten days of folk dancing and folklore.

There will be all kinds of activities connected with the festival, including shows in restaurants, an international mass, the Folkothèque and parades during the day and evening. In addition, Radio-Canada will be giving a live broadcast of the impressive opening ceremonies.

Next week, Drummondville will be bursting with sound and colour, and I invite everyone to come and discover our own traditions and those of other countries.

* * *

[*English*]

THE BUDGET

EFFECT ON ELDERLY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Tory Government has betrayed elderly Canadians, and they never expected such treatment. The May 23 federal Budget attacks the well-being of elderly Canadians living on fixed incomes. It increases the cost of living for senior citizens through hidden and regressive taxes on food, drugs, and on personal tax tables which cut future purchasing power of old age benefits.

During the election campaign the Prime Minister (Mr. Mulroney) and his Tory candidates said that they were committed to full pension reform to eliminate poverty amongst retired Canadians and to improve their standard of living. What was the reality? Through deindexing, elderly Canadians will be especially hard hit, losing almost $2 a day of disposable income by 1990.

At the present time 635,000 elderly people live below the poverty line; 450,000 are single and 80 per cent of these are women. Over the next five years the deindexing of Old Age Security alone will add over 100,000 elderly to the poverty statistics.

The Tory Government has tried to justify the unjustifiable—the cutting of old age pensions. Hundreds of Mount Royal constituents have directed me to call upon the Minister of Finance (Mr. Wilson) today to restore full indexation of pensions now so that our senior citizens can maintain their purchasing power and have peace of mind to enjoy this summer.

* * *

THE BUDGET

EFFECT ON TOURISM

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the federal Budget was not welcome news to Canadians in the tourist industry. Almost no consideration was given to the effects of budget measures such as gas increases, liquor tax increases, and other taxes on tourism.

The most recent figures show Canada continuing to fall behind in the international tourist trade. Tourism is a major job creator, but the Budget did not take this into consideration.

Now the Government has decided to remove the $30 ceiling on the domestic air transportation tax, which will take an extra $90 million a year from Canadian travellers, hurting the travel and the hospitality segments of the tourist industry.

Given that the Government has not taken one positive measure yet to assist the tourist industry, other than the signing of agreements to provide funds already budgeted, and has instead used this industry alternately as a punchbag, a doormat, and a milch-cow, the Minister should do the sensible and honest thing by resigning and recommending the dissolution of this obviously ineffective Department. It would appear that we can now hypothesize that there is a "Wilson's law"—those industries that the Government wishes to neglect, it first establishes a ministry for.

* * *

CANADIAN HUMAN RIGHTS COMMISSION

CALL FOR REVIEW

Mr. Alex Kindy (Calgary East): Mr. Speaker, I am sure that most Members of the House are aware of the Canadian Human Rights Commission as well as its functions.

According to Chief Commissioner Fairweather, the Commission has received 31,473 inquiries, conducted 1,000 preliminary investigations, and investigated 400 cases that were jurisdictionally sound.

In addition, the Commission has an operating budget of $9 million, which some members of the NDP and the Liberal Parties in the House believe is too low. Even so, of these 400 cases that were completed, each carries a price tag of $22,500, with only a success rate of 31 per cent. With this in mind, I

feel the time has come for the Government to give the Human Rights Commission, as it functions now, a second look. Furthermore, it would seem that 400 investigations out of a population of 24.5 million would suggest that major human rights violations in Canada are very minimal.

● (1410)

Canada can be proud of its record on human rights and should serve as an example of tolerance to other countries.

* * *

HISTORIC EVENTS

FIFTIETH ANNIVERSARY OF NIAGARA MENNONITE SETTLEMENT

Mr. Joe Reid (St. Catharines): Mr. Speaker, 200 years ago the first Mennonites came to Canada. The Mennonite community of Virgil-Niagara, with the assistance of Multiculturalism Canada, has published an informative historical documentary textbook commemorating the fiftieth anniversary of the first Mennonite settlement in Niagara.

The social, economic, religious, and cultural influence of the Mennonite people in Niagara is deeply woven into the fabric of the whole community, and their contributions are numerous. They have firmly established themselves in every walk of life.

Two members of the Niagara Mennonite community, Mr. Jake Froese and Mr. Bill Andres, served with distinction as Members of Parliament.

This photo-journal is a testimonial to how a people, although simple in lifestyle, yet industrious in nature and committed to strong principles, helped to build our country.

In a world in which whole races of people are persecuted for religious beliefs, oppressed, and even annihilated for the colour of their skin, the world can indeed learn a lesson from the Mennonite community's belief in peace and brotherhood. It is based on the teachings of Christ from the Sermon on the Mount, when he said: "If possible as far as it depends on you, be at peace with all men".

I am proud to be able to make this presentation of "Memoirs: 50 years of the Virgil-Niagara Mennonite Community" to the Library of the Parliament of Canada.

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ATOMIC ENERGY OF CANADA LIMITED

CHALK RIVER NUCLEAR LABORATORY

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I asked how the Prime Minister of Canada (Mr. Mulroney) could possibly keep a commitment that he made to my constituents and to the employees of the Chalk River Nuclear Laboratory, in particular that:

"A P.C. Government will not only maintain this facility it will consider providing additional funds to allow greater involvement".

My question asked how could the Prime Minister honour this commitment to the science community of Canada, and to Atomic Energy of Canada Limited, when his Government has stated in the Budget that it will cut $100 million, or 50 per cent of the Government's research and development funding, from Atomic Energy of Canada Limited. The Prime Minister's Government has also taken $70 million of the company's earned savings which were to be used to pay for other AECL debts or accounts. Obviously, no one was answering for the Prime Minister because, for a moment, no one got up to offer a reply. We, and all Canadians, can understand why anyone would hesitate to answer for the Prime Minister's credibility on the floor of this House.

We know that this immediate cut was forced on Atomic Energy of Canada by this Government. We know that AECL asked to be left alone for two years to put its plans for additional revenue in place in order to accommodate the cuts, but nobody was listening. The Prime Minister has proven once again that his level of credibility to the nation is the lowest of any Prime Minister in Canada's history.

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NATIONAL PARKS

SOUTH MORESBY AREA OF QUEEN CHARLOTTE ISLANDS

Mr. Jim Fulton (Skeena): Mr. Speaker, for years groups of citizens around British Columbia, across Canada, and around the world have been calling on Canada to move and set aside the South Moresby area of the Queen Charlottes as an area of land and marine parks to have a true world heritage park there. It is now urgent that negotiations take place between the Council of the Haida Nations and the two levels of government to achieve this goal.

The Minister of Fisheries and Oceans (Mr. Fraser) is on the record as wishing to set this area aside from further industrial development. The Hon. Member for Bruce-Grey (Mr. Gurbin) on June 29, 1984, as the P.C. spokesperson on environment and parks, stated:

In short, the federal Progressive Conservative Party, if in a position to do so following a federal election, would be prepared to actively participate with the B.C. Government in the establishment of a park at South Moresby.

As a member of the recently established National Committee for the Preservation of South Moresby, I join with Pierre Berton, Dr. David Suzuki, Charles Caccia, Robert Bateman, Freeman Patterson, Andy Russell, Bristol Foster, Gregg Sheehy, Farley Mowatt, and hundress of thousands of Canadians, in saying now is the time to act; the election is over.

The decision on South Moresby is expected from Victoria in the next few days. Inaction, and a lack of political vision by the Prime Minister (Mr. Mulroney) and the Premier of British Columbia, mean, to paraphrase Jacques Cousteau: "It will be Canada's Galapagos Lost."

ORAL QUESTION PERIOD

[*Translation*]

OLD AGE SECURITY

REQUEST THAT GOVERNMENT REINSTATE FULL INDEXATION OF PENSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance who is expected to make a statement later this afternoon, my question is directed to the Prime Minister.

Could the Prime Minister inform the House whether the Minister of Finance is going to reinstate full indexation, not only for Old Age Security pensions but also for family allowance, and when is his Minister of Finance going to stop his hidden attacks on low-income families?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am somewhat surprised at the comments made by my right hon. friend, the Leader of the Opposition. If I am not mistaken, he was advised that the Minister of Finance would make a statement at three o'clock, as agreed, and the statement will deal with the question raised just now. Perhaps I may recall that, as far as I know, the only time the needy in our society suffered a cut in income was when the Liberal Government introduced its 6 and 5 program which cut Old Age Security pensions.

I know the Liberals would rather not hear this, but it is a fact. You would prefer Canadians to forget, but they are going to remember this for a long time!

As for the point raised by my right hon. friend, I think the Minister will make his statement at three o'clock, as agreed.

* * *

[*English*]

THE BUDGET

REGISTERED HOME OWNERSHIP SAVINGS PLAN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister will force me to deal with that particular issue when the Minister of Finance makes a statement. I want to assure him, however, that in no way were the old age pensioners affected in a similar fashion—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): No way.

—because, Mr. Speaker, the inflation rate during the those two years was almost identical to the 6 and 5 program. They were not affected in any way whatever.

Mr. Chrétien: It was less than that.

Mr. Turner (Vancouver Quadra): Let me tell the Prime Minister, in case he is under any false impressions that whatever his Minister says this afternoon will in any way dilute our criticism of his Budget, that he should be stimulating consumer demand.

Some Hon. Members: Oh, oh!

Mr. Andre: Where is the money coming from?

Mr. Turner (Vancouver Quadra): He has taken $4.4 billion out of the domestic Canadian economy.

Why would the Prime Minister terminate the Registered Home Ownership Savings Plan which enables young Canadians to purchase a home for the first time—and I know the Prime Minister believes, as I do, in home ownership for every Canadian—when at the same time he has given money to the wealthy investors who can take a $125,000 cash lifetime bonanza as a result of the capital gains exemption? Why did he do that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the best protection that any Government can grant to those seeking to purchase homes is to reduce interest rates by almost three points, which we have done since we came to power.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is the way to build prosperity and homes.

My right hon. friend says that the elderly were not affected in a similar manner as under the 6 and 5 program. He is quite right. The 6 and 5 program cut back on the elderly, and this Government has not cut back one single cent, not a penny.

Some Hon. Members: Hear, hear!

Mr. Mulroney: You cut back on what went to the elderly people. You are the ones.

Some Hon. Members: Hear, hear!

EXTENSION OF SALES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has a faulty recollection of the facts.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Charlie Brown.

Mr. Speaker: Order, please. A supplementary question?

• (1420)

Mr. Turner (Vancouver Quadra): In his statement on Canada Day, July 1, will the Prime Minister explain to elderly Canadians why the sales tax has been extended to include hygenic products, medical aid products, band-aids and aspirins? Why is it that this regressive sales tax will be imposed very directly on our older people? Will he devote a portion of

his Canada Day speech to explaining that to our older citizens?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I considered including that in my Canada Day speech, but inasmuch as the problem focuses on the Liberal deficit, it would have taken up the whole day.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My right hon. friend knows full well, as the father of the modern day deficit in Canada, that I would have had to spend the rest of the day dealing with his deficit. He would not want me to do that on such a nice day.

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FISHERIES

FISHING LICENCE GRANTED TO ULF SNARBY

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Yesterday, when I asked him if special favours had been granted since last September to individuals because of their PC Party association, in the granting of fishing licences, he replied that no licences were granted except where there were proper circumstances. Will the Minister tell the House what were the proper circumstances which led him to overrule established departmental policy and transfer a fishing licence to Mr. Ulf Snarby?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the circumstances were that Mr. Snarby had a vessel which was not fit for use. He applied to use another vessel for an interim period of time. The conditions set on the use of that vessel were consistent with the guidelines which have been laid down, and were expressed in the telex sent to him. It was a matter of ministerial discretion. The purpose was to put him in business, to employ Canadians and to get on with the job.

ROLE OF GOVERNMENT CONSULTANTS INTERNATIONAL

Mr. George Henderson (Egmont): Will the Minister verify that a meeting between himself and Mr. Snarby was arranged by a consulting firm, Government Consultants International? Some of its shareholders are Mr. Frank Moores, former Conservative Premier of Newfoundland, and his partner is reported to be Mr. Doucet, a brother of the former chief of staff in the office of the Prime Minister? When was he made aware that a fee was being charged for arranging the meeting?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, Mr. Snarby asked to see me, as can any Canadian. As a consequence a meeting was arranged. With respect to the latter part of the Hon. Member's question, I heard sometime after the meeting, and after my decision, that there was some suggestion that Mr. Snarby had paid a fee or a charge to a consulting company. I immediately took this information to my officials and made it clear that, under no circumstances, should any Canadian, fisherman, processor, or otherwise, feel that he or she had to engage the services of a consulting company in order to obtain an appointment with me. As the Hon. Member well knows, I have probably seen more people in the last eight or nine months than has any Minister in the last eight or nine years.

* * *

THE BUDGET

TAX REVENUE MEASURES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It concerns the budget changes which will be made. It was interesting to hear the Prime Minister debate with the Leader of the Opposition on who was treating pensioners worse, Liberals or Conservatives. We could flip a coin.

Considering that we are about to hear of the great retreat at 3.15 o'clock of the Minister of Finance on the pension issue, and considering that the effects of the Budget by 1990 will result in the poorest of Canadian families, those earning $15,000 or less, paying $650 more in taxes, while those at the upper end of the scale, for example a $200,000 family, will pay $4,500 less, would the Prime Minister acknowledge that that too is unfair—not only the treatment of pensioners—and take steps to make a change in that part of the Budget?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as my hon. friend knows, the Minister of Finance will be making a statement at three o'clock. I hope my hon. friend will agree that it is a helpful one. However, as I listened to him I could understand why his former research director, Jim Laxer, described his economics as a hodgepodge of nonsense going nowhere.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Broadbent: It is not that I want to give undue influence to the authority, but the Prime Minister ought to have heard what he said about him.

Mr. Mulroney: I am sure; I am sure.

CONCEPT OF FAIRNESS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, always, when the Prime Minister has a question of substance before him, he likes to reduce the argument to some form of rhetoric or abuse. Would he break his tradition and deal with substance at this point in the Question Period?

He called for fairness as a test of the Budget. Given that a family with two children, earning $15,000, will pay $650 more

in taxes within five years, and that a $200,000 per year family will pay several thousands of dollars a year less in taxes, is that the Prime Minister's concept of fairness?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why does my hon. friend not wait for the statement of the Minister of Finance? I know he is in a hurry to get out of here; he has to attend a convention to celebrate another defeat. It will be a big convention; it was a big defeat.

Mr. Broadbent: It was not my Party which dropped 9 percentage points in the polls.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: You couldn't; you would fall off the end of the scale.

Mr. Speaker: Order, please. The Hon. Member for Oshawa on a supplementary question.

IMPACT ON RICH AND POOR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, again I ask the Prime Minister to stop the comedy routine and answer the question. Last summer he went around the country talking about the rich needing to pay their fair share. The Budget does the opposite. Does he think that a Budget which reduces taxes on the rich and increases poverty for the poor is a fair one? That is the issue.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, nothing is less becoming than an old specialist in rhetoric indulging in false and specious rhetoric again. The Budget does no such thing. The Budget introduces, for the first time, significant measures of fairness designed to place surtaxes on corporations, taxed on the equity capital of banks, taxes on large corporations, and taxes on the rich. This is the first time that has ever been done. The Hon. Member should stand up and applaud those measures.

Some Hon. Members: Hear, hear!

Mr. Dick: Come on over, Ed.

Mr. Broadbent: There are limits.

Mr. Speaker: Order, please. This is Question Period.

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FISHERIES

GRANTING OF LICENCE TO ULF SNARBY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Surely he realizes that his decision with respect to Mr. Snarby and the vessel *Osprey* will lead fishermen to only one conclusion, rightly or wrongly, about his Department—it is not what you know but who you know and how much you are prepared to pay that get results.

In light of the fact that everyone in the Minister's Department, including the Deputy Minister, the Assistant Deputy Minister for Atlantic Canada, and the licensing section, all refused Mr. Snarby's request for a licence, whose advice, either inside or outside the Govenrment, did the Minister follow in granting Mr. Snarby an unheard of 40-foot extension on his fishing vessel, an unheard of restricted licence, and a 2,180-tonne enterprise allocation which previously did not exist? Whose advice did he follow in making his decision, in that his officials rejected it?

• (1430)

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, my hon. friend said that fishermen, rightly or wrongly, may assume influence. I just want to make it clear to my hon. friend that if they assume that, they are assuming it wrongly.

With respect to the application that I dealt with, on the day that I indicated approval the terms of that application had not been turned down by the Department. It was a modified application from earlier ones that were put in.

TERMS OF LICENCE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Minister says anybody can see him, but the fact remains that, after months of trying, a meeting was arranged within days after this man hired Mr. Moores' company. Is the Minister aware that Mr. Snarby's vessel *Osprey*, contrary to the terms and conditions that the Minister himself laid down in granting the licence, has sailed across the Atlantic with a shipment of hull-frozen cod for sale directly into the United Kingdom? He has already broken the terms and conditions of an extraordinary licence that has been issued by the Minister. Has the Minister cancelled the licence, is he contemplating cancelling the licence, or is legal action going to be taken?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, my hon. friend gives me information which I have heard by rumour and which has not been received officially within my Department or on my desk. If the information that my hon. friend has is correct and reaches me appropriately, I will certainly take cognizance of what my friend represents and I will consider what action should properly be taken.

REQUEST FOR INVESTIGATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is to the Prime Minister. The track record of the Minister of Fisheries and Oceans is not very good on the patronage issue because of the dismissal of wharfingers on the say-so of Tory back-benchers, the granting of a MILAP program worth $5 million to prominent Conservative organizers, and now the move by the Minister of Fisheries and Oceans

in granting this licence. Would the Prime Minister undertake an investigation of the office and operation of the Minister of Fisheries and Oceans in this matter, and would be further table in this House a list of people who have been referred to the Prime Minister, or to any other Cabinet Minister, by the firm operated by Moores and Doucet?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, my hon. friend from Comox-Powell River talks about the MILAP Program and his complaint is that it has met with overwhelming support in his own riding, including the support of many who worked for him in his campaign.

Some Hon. Members: Hear, hear!

Mr. Fraser: My friend refers to wharfingers. I have already told him that if he is not satisfied with the harbour masters or wharfingers in his home riding that he, as the Member of Parliament, can come and see me.

With respect to who has been referred to me by whom, what happens in my office is that requests come in for appointments, and they go in my appointment list. The Hon. Member is quite free to look through my entire diaries since September 17, if he has the time. It is a longer list than any other Fisheries Minister can point to, in seeing Canadians about matters that concern them.

Some Hon. Members: Hear, hear!

REFERRALS BY CONSULTING FIRM

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would ask to see that diary at the Minister's earliest convenience, but my question again is to the Prime Minister. The firm of Moores and Doucet obviously has connections into the Prime Minister's office. They obviously have a friend in the Prime Minister, and I would like to ask again would the Prime Minister table in this House a list of the people who have been referred to him, or to any other Cabinet Minister, by the firm of Doucet, giving this House the nature of business and the outcome?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I have invited the Hon. Member to have lunch with me tomorrow to discuss a number of matters of importance to his riding. I am quite prepared to discuss this matter further with him, but the suggestion that in some way or other all these hundreds of people whom I have seen in the last number of months have been referred by one firm or another is preposterous. I would remind my hon. friend that every time a lawyer or a union representative, or a Member of Parliament, wants to see me about some matter of fisheries, that, according to my friend, is perfectly legitimate. I see my hon. friend has already left the Chamber, so there is no use in my continuing the answer.

THE ADMINISTRATION

ACCESS TO MINISTERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question, like the previous one, is for the Prime Minister as well. Earlier in the Question Period he heard his Minister of Fisheries and Oceans confirm that a close personal friend of his, and the brother of another close personal friend, are selling instant access to Ministers, in this case the Minister of Fisheries and Oceans. I want to ask the Prime Minister if he considers that a proper role for his close friends to play in his Government.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can see that the Leader of the Opposition is keeping his applause down for that question. If the Member keeps this up, he is going to give McCarthyism a bad name.

There have been no suggestions of impropriety or any evidence of impropriety at any time, or in any circumstances, related to representations made to me or people associated with me. There is no such evidence whatsoever, because none exists.

CRIMINAL CODE INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would direct my supplementary to the Minister of Justice on the question of impropriety, and ask him if he has been following these events and if he has examined Section 110.(1)(d) of the Criminal Code to see whether there is a matter that should be referred to the RCMP or, if he has not, whether he will refer it.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, it is somewhat unusual to have the hon. gentleman address a question to me when I am in the House. I have heard the allegations here and what is in the newspaper, and there is nothing to be investigated that I can see whatsoever. I suggest to the hon. gentleman, if he has a charge to lay against any member of the administration, that he lay the charge and put his seat on the line as he should do.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: He should put his seat where his mouth is.

Mr. Axworthy: Then he would look like you.

Mr. Crosbie: In your case they are both in the same place.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. All the yelling back and forth does not help. Order, please.

THE BUDGET

SOCIAL DEVELOPMENT COUNCIL STUDY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that all the statistics quoted by my Leader a short while ago regarding the impact of the Budget on the poor, namely, the taking from the needy to give to the greedy, came from the study by the Canadian Council on Social Development. Is the Prime Minister saying that the Canadian Council on Social Development impact study is specious and, if not, he is willing now to admit that his Budget is patently and blatantly unfair?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member quotes from his Leader. I did not see Mr. Peterson around today. I am sorry I missed that. The Leader of the NDP, if this is the gentleman you referred to, was predicting a loss of 100,000 or 150,000 jobs last November, and what has happened is the opposite. Two hundred and seventy-one thousand new jobs have been created. That is the way to deal with the immediate impact.

REQUEST THAT STUDIES BE TABLED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, we all know that the Prime Minister went to help Frank Miller, and we all know where Frank Miller is today.

My supplementary question again is directed to the Prime Minister. If in fact the statistics that we have been quoting with respect to the impact of the Budget on the poor are so off the mark, is the Prime Minister prepared to table in the House the Government's budget impact studies?

● (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I must acknowledge that the Hon. Member is right. I went to help Frank Miller, and what happened? He won more seats than the Liberals and the NDP.

Some Hon. Members: Hear, hear!

Mr. Mulroney: But the voice of the people was not good enough for the Liberals and the NDP, so they got married. That is what happened.

Mr. Speaker: Order, please. We might try to stay away from too much politics in Question Period.

Mr. Mulroney: I apologize, Mr. Speaker. There have been nothing but statesmanlike comments coming from the other side.

The question of my hon. friend was in two instances prefaced very clearly as being hypothetical. I suspect it has the same credence as the observations made by his Leader in November.

FINANCE

APPLICATION OF CAPITAL GAINS TAX EXEMPTION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Finance, but in his absence I will direct it to the Minister of State for Finance. I would like some clarification regarding the application of the $500,000 lifetime capital gains tax exemption which was included in the May 23 Budget. Will the Minister please clear up the confusion which exists as to whether the proposal applies only to residents of Canada or also to non-residents?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the proposed capital gains tax exemption applies only to individuals resident in Canada. It is not designed to apply to non-residents. It is designed to encourage Canadian individuals to take risks with their capital and invest in enterprises that create jobs.

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Prime Minister and it concerns the Moores-Doucet case and the patronage that is going on in government in general. How much longer is the Prime Minister going to allow the continuation of government by cronyism, in which friends and relatives get special treatment from the Government and provide special access to the Government? Is that what the Prime Minister meant when he said last July 9: "We are going to reform this instrument of our national life"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member's statement is absolutely misleading and unworthy, as have been most of the interventions he has made in the House of Commons since he set foot here.

Some Hon. Members: Hear, hear!

Mr. Nunziata: The truth hurts, Brian, and you know it.

Mr. Boudria: Not even I would have said that the Prime Minister's statements of last summer were unworthy.

POSITION OF PRIME MINISTER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, is the Prime Minister leading the people of Canada to believe that had the senior citizens of the country hired Frank Moores and Mr. Doucet, their case would have been over a month ago rather than today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would not have thought that it was possible for my hon. friend to sink any lower, but he has indeed done so today.

Mr. Guilbault (Saint-Jacques): He will reach you soon.

Ms. Copps: He's getting to your level.

Some Hon. Members: Shush!

Mr. Mulroney: There is nothing—

Mr. Speaker: Order, please.

MEETINGS WITH MINISTERS—PAYMENTS TO CONSULTANTS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister and involves the Moores-Doucet "meet with the Minister for cash" routine. My question is very simple. Does the Prime Minister think it appropriate that Canadians should have to pay consultants money in order to arrange meetings with members of the Cabinet?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the answers to questions put to me earlier indicate quite clearly that it is not appropriate and it is not necessary.

GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister, because it is about something that I think Canadians would like to know. Does the Prime Minister think it appropriate that Canadians should have to pay consultants in order to arrange meetings with members of the Cabinet?

Right Hon. Brian Mulroney (Prime Minister): Absolutely not, Mr. Speaker. The Hon. Member has asked if it is appropriate that consultants be paid to seek meetings with Ministers. The answer is absolutely not. Under no circumstances is that appropriate.

* * *

[*Translation*]

THE BUDGET

INQUIRY WHY GOVERNMENT WANTS TO REDUCE DEFICIT AT COST TO MIDDLE-INCOME FAMILIES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister, and before he gives me his answer, I would remind him that Mrs. Denis, who addressed him in no uncertain terms here on the Hill the other day, is here again today to see whether he is going to give the House an intellectually honest answer.

Mr. Prime Minister, could you explain why your Budget, contrary to what the Government promised in its Blue Paper, is taking $15 million in 1985-86 and $40 million in 1986-87 from low- and middle-income families and using the family allowance to reduce the deficit? Why did you do that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the objectives of the Budget was to create jobs, and that is part of the story. I think my hon. friend will agree that job creation is the most important instrument we have to preserve the dignity of our families, especially those on low incomes, and I may add that the 60,000 jobs, that were created in Quebec in just two months, in April and May, are a record for Quebec. I think it is important to recognize this as a landmark achievement. The Budget is part of a comprehensive whole which includes economic recovery and increased assistance to the needy in our society, which is our main objective.

CHILD TAX CREDIT AND FAMILY ALLOWANCES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary, still in connection with the commitment made by the Government and the Minister of National Health and Welfare, who should resign if no action is taken.

Can the Prime Minister explain to the House why poor families will lose 6 per cent of the increase in child benefits, namely, 3 per cent on family allowance and 3 per cent on the child tax credit? Why should the neediest families lose 6 per cent, while the Prime Minister's family will lose only 3 per cent of the family allowance increase?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the Hon. Member has retrieved the consultation paper. If he were to look at the Budget Papers he would notice that families with incomes of up to approximately $28,000 per year will see their child benefits increased between 1985 and 1989. Some 325,000 families with incomes below $10,000 per year, many of them single-parent families, will be better off by 1990-91.

I would ask the Hon. Member if he remembers at all the debate we had when we said we wanted to target the child tax credit to those in the lower-income levels. That has been done. If the Hon. Member were to recheck the figures, he would find that that has been achieved. He should applaud that, because he asked for that previously, both in committee and in the House. I would suggest that he return to making his original statements.

* * *

SHIPBUILDING

HALIFAX INDUSTRIES LIMITED

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. I questioned him a week ago about Halifax Industries Limited in which as many as 700 jobs are threatened by the failure of the Government to assist in resolving financial difficulties. Although I urged speedy action, a week has passed

without any announcement about this matter of vital concern to the people of Halifax and Nova Scotia. When will the Minister tell us when he intends to act and whether he intends to do anything to ensure that hundreds of jobs are saved for people who are working on government icebreakers?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member will hear an answer to his question very soon.

MINISTER'S POSITION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, people working in the shipbuilding industry from coast to coast are waiting for a response to their problems in general. Does the Minister plan to let months and months more pass before he does something about an industry which is in distress and is baffled by the failure of the Government to act on promises it made during the last election campaign?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): No, Mr. Speaker.

* * *

● (1450)

EXTERNAL AFFAIRS

POSTPONEMENT OF VISIT BY SECRETARY GENERAL OF ARAB LEAGUE

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it concerns the visit of the Secretary General of the Arab League to Canada. He was invited in 1983, and reinvited by the present Secretary of State for External Affairs in January. Now we hear that the visit has been postponed. Would he explain to the House why it has been postponed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is correct that I have reiterated the invitation to the Secretary General of the Arab League. We are trying to work out mutually acceptable dates. So far that has not been done. If we cannot do it before our mutual attendance at the United Nations General Assembly, I look forward to having a meeting with him there.

* * *

THE PRIME MINISTER

VISIT TO QUEBEC CITY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister.

Some Hon. Members: Shh.

Ms. Copps: You people can shush all you want because you are not going to shush me up.

Some Hon. Members: Hear, hear!

Ms. Copps: Last May the Prime Minister and several officials flew to Quebec City to attend an NHL play-off game—

Some Hon. Members: Shh.

Mr. Speaker: Order. Neither the catcalls, the clapping, nor the shushing is appropriate.

Ms. Copps: The Prime Minister and several officials flew to Quebec City to attend an NHL play-off game involving the Quebec Nordiques and the Philadelphia Flyers, at a reported cost of approximately $2,600. It appears from press reports that the cost was paid for by someone other than the Prime Minister. Is the Prime Minister prepared to disclose the name or names of the person or persons who paid for the trip?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker, I was invited by Mr. Marcel Aubut, President of the Quebec Nordiques, to one of the playoff games between Philadelphia and Quebec. It was an important event for Quebec City. I accepted the invitation, I went there and my expenses were paid by my party.

[*English*]

MINISTERIAL GUIDELINES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am pleased that the Prime Minister has provided the information in the House. I cannot help but ask whether his office had such shoddy practices that, contrary to his own—

Some Hon. Members: Order.

Mr. Speaker: Order. Perhaps the Hon. Member has a supplementary question.

Ms. Copps: I understood the Prime Minister to say that the Progressive Conservative Party had paid for the trip. Is that what the Prime Minister said? I am glad he said it in the House. I am sorry that he has violated the guidelines—

Some Hon. Members: Question.

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

Ms. Copps: Is the Prime Minister aware that, inadvertently or otherwise, he has violated the guidelines by failing to disclose in the public registry within 30 days of the trip any personal gift or benefit of a value exceeding $200 which is received from any person not connected with him by blood relationship, marriage or adoption, together with the name and the address of the donor? My information this afternoon, from the Assistant Deputy Registrar General, is that the Prime Minister has not disclosed this gift. I would ask him to get his

office practices up to scratch and to stop violating the guidelines.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am married to the Party.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. Just two more days. Order.

[*Translation*]

Mr. Mulroney: We are not just living together, we are properly married. I can inform the Hon. Member that I was invited by the President of the Quebec Nordiques. I went there to represent the federal Government at an important event in the City of Quebec. As my predecessors did on several occasions, I let the Progressive Conservative Party pay my expenses, although I did spend some time with organizers of the subscription campaign for Laval University, of which I am Honorary President. I also spent some time with Quebec businessmen who were interested in our recovery programs for Metropolitan Quebec. And although this was important work I was doing for the Government of Canada, I felt that the Progressive Conservative Party should pay the bill, and that is what happened.

* * *

TREASURY BOARD

REASON FOR GOVERNMENT AUDITING PLACE GUY-FAVREAU PROJECT IN MONTREAL

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the President of the Treasury Board and concerns cost overruns and large sums of money spent on consultants' contracts in connection with the Place Guy-Favreau project in Montreal. Could the Minister inform the House why he decided to proceed with an audit of this project?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think the Hon. Member has already answered his question. Delays and major cost overruns led the Treasury Board to ask for a project audit, and we are awaiting the findings of the consulting auditors.

* * *

[*English*]

EXTERNAL AFFAIRS

CIA FUNDING OF BRAINWASHING EXPERIMENTS—COMPENSATION FOR VICTIMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. He is aware of the case involving the CIA funding of brainwashing operations in Canada which did very severe damage to nine Canadians? I have written twice to the Prime Minister about this matter.

Considering the intervention on the part of the Secretary of State for External Affairs with U.S. Secretary of State Shultz, appealing for something other than the insulting $25,000 settlement that was proposed by the U.S. and which was rebuffed by the Secretary of State of the United States, will the Prime Minister directly contact the President of the United States and urge that corrective action be taken by the American Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is wrong in his facts. We have not yet received a response from the Secretary of State of the United States. I am seeking that response. The Secretary of State knows the urgency with which I and my colleagues in the Government regard the matter.

SUGGESTED RECOURSE TO INTERNATIONAL COURT OF JUSTICE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I can say quite categorically that that reply is encouraging. It means that there is still some hope that there will be constructive action. Given the seriousness of the matter and the justice which all Canadians and all Members of the House desire for the Canadians who are affected, if the United States does not take corrective action will the Government of Canada consider taking this important matter to the International Court of Justice at The Hague?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think we would prefer to take this question one step at a time. In our judgment, the representations which have been made to the Government of the United States have not yet been fully or adequately responded to, and we have some hope that they will be.

* * *

OFFICIAL LANGUAGES

SUPREME COURT RULING IN MANITOBA CASE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of Justice. It has now been two weeks since the Supreme Court made a very historic decision related to the question of Manitoba language rights. At that time I asked a question in the House about what was the intention of the federal Government when it came to making its submission in the Supreme Court in terms of the question of the minimum time which would be allowed for the translation of statutes. Has the Government now decided to join the Province of Manitoba in making a submission to the Supreme Court concerning the minimum time, or is the Government also prepared to consider the question of a constitutional amendment, in consultation with the Government of Manitoba and the Official Opposition in Manitoba, in order to save the tens of millions of dollars which this particular ruling will cost?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we have discussed this matter with the Province of Manitoba. Representatives of the Province and the Department of Justice have met to discuss the next steps with the Chief Justice of the Supreme Court of Canada in order that we will have a proper procedure for the application which has to be made within 120 days. Manitoba will be making such an application. There is general agreement on how that should be done. We intend to make representations at the same time. If we agree with the facts and the representations which Manitoba presents to the court, we will support them. If we have some reason not to agree, we will make our separate position clear as to what time may be needed. I believe that in the course of this procedure we will discover just how immense the task of translation might be and just what is meant in the court's judgment.

With respect to the latter part of the hon. gentleman's question, we have not as yet discussed any constitutional amendment. I believe that that ball is really in the court of the Government of Manitoba. But we are prepared to discuss that with the Government of Manitoba at any time it might wish to take the initiative—

Mr. Speaker: Order. This is potentially becoming a Statement under Motions.

• (1500)

PROVISION OF TRANSLATION ASSISTANCE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): I have a very short supplementary question which I would like to direct to the Minister of Justice. In the May, 1983, accord the whole question of providing assistance to Manitoba on translation was tied to the question of services in the two languages. Is it still the position of this Government that such help in translation is still tied to the question of services?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we are prepared to assist the Province of Manitoba, as the Prime Minister has said, technically, by helping to assist it with provision of interpreters and the like, so that it can carry out the judgment of the Supreme Court of Canada and serve the Constitution as quickly as possible.

The other matter about which the hon. gentleman asks will have to be considered in the context of 1985, and of this judgment, once the Province of Manitoba wishes to move forward, or suggest that we move in that direction.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of several, presented by Hon. Members on Wednesday, June 26, 1985, meet the requirements of the Standing Orders as to form.

Committee Reports

The petitions presented by the Hon. Member for Bourassa (Mr. Rossi), the Hon. Member for York West (Mr. Marchi), the Hon. Member for York-South Weston (Mr. Nunziata), the Hon. Member for Kenora-Rainy River (Mr. Parry), the Hon. Member for Papineau (Mr. Ouellet), and certain petitions presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), the Hon. Member for Westmorland-Kent (Mr. Robichaud), do not meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Scarborough West (Mr. Stackhouse) and the Hon. Member for Sarnia-Lambton (Mr. James), by filing with the Clerk of the House, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

LABOUR, EMPLOYMENT AND IMMIGRATION—FOURTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Labour, Employment and Immigration concerning the detention of immigrants. In accordance with Standing Order 69(13) I request that the Government make a comprehensive response to the fourth report.

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—THIRD REPORT OF STANDING COMMITTEE

Mr. William C. Winegard (Guelph): Mr. Speaker, I have the honour of tabling the Third Report of the Standing Committee on External Affairs and National Defence.

[*English*]

JUSTICE AND LEGAL AFFAIRS—FIFTH REPORT OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Justice and Legal Affairs, and if the House will give its consent, I intend to move concurrence in the report later this day.

TRANSPORT—THIRD REPORT OF STANDING COMMITTEE

Mr. Speaker: The Hon. Member for (Annapolis-Hants) (Mr. Nowlan).

Mr. Nowlan: Annapolis Valley-Hants, Mr. Speaker.

Mr. Speaker: Excuse me.

Tabling of Documents

Mr. Pat Nowlan (Annapolis Valley-Hants): I know I have not been too vocal so far this session so I can understand your mental amnesia.

[*Translation*]

Mr. Speaker, I have the honour of tabling, in both official languages, the Third Report of the Standing Committee on Transport.

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

[*English*]

Mr. Speaker: Some day the Hon. Member may inform me of what other kinds there are.

Some Hon. Members: Oh, oh!

* * *

REFORM OF THE HOUSE OF COMMONS

TABLING OF RESPONSE TO REPORT OF SPECIAL COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to Standing Orders 69(13) and 46(2), I have the honour to lay upon the Table, in both official languages, copies of the comprehensive response to the second report of the Special Committee on the Reform of the House of Commons.

* * *

IMMIGRATION

TABLING OF REPORT ON IMMIGRATION LEVELS

Hon. Flora MacDonald (Minister of Employment and Immigration): Pursuant to Standing Order 46(2), I have the honour to lay upon the Table, in both official languages, two copies of the Report to Parliament on the review of Future Directions for Immigration Levels.

This report contains as well the Government's response to the second report of the Standing Committee on Labour, Employment and Immigration requested by that committee pursuant to Standing Order 69(13).

* * *

NUCLEAR ARMAMENTS

TABLING OF RESPONSE TO ROYAL SOCIETY OF CANADA REPORT

Right Hon. Joe Clark (Secretary of State for External Affairs): Pursuant to Standing Order 46(2) I have the honour to lay upon the Table, in both official languages, the Government's response to the Royal Society of Canada's Report on the Environmental Consequences of Nuclear War.

SECURITY INTELLIGENCE REVIEW COMMITTEE

TABLING OF ANNUAL REPORT

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, on behalf of the Solicitor General, and pursuant to Standing Order 46(2), I have the honour to lay upon the Table, in both official languages, the first annual report of the Security Intelligence Review Committee.

I ask that this report be referred to the Standing Committee on Justice and Legal Affairs pursuant to Standing Order 46(4).

* * *

THE BUDGET

PENSIONS—STATEMENT BY MINISTER OF FINANCE

Hon. Michael Wilson (Minister of Finance): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): —on May 23 I had the honour of presenting this Government's first Budget to this House. It was a comprehensive strategy designed to end the greatest social injustice in this country, the tragic lack of meaningful jobs. It introduced measures to encourage the economic growth we need to finance social and cultural progress. It outlined a balanced and realistic plan to regain control of our spiralling debt, a compounding debt which threatens government programs in the future.

During the past month my colleagues and I have had the opportunity to discuss the budgetary strategy with many Canadians. I am pleased to report that our plan of action has been generally well received.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Canadians agree that economic renewal requires job creating investment, private initiative and fiscal responsibility. However, it has become clear that a great dead of confusion and anxiety has arisen over our proposals regarding elderly benefits. The purpose of this statement is to outline the position of the Government concerning benefits for the elderly.

Last November, in the document *Agenda for Economic Renewal*, the Government stated its belief that social programs must be improved based on the twin tests of social and fiscal responsibility.

[*Translation*]

Social responsibility demands that limited resources be channelled first of all to those in greatest need, so as to

maintain a minimum level of adequate income support at all times for all Canadians.

This is a fundamental right that must be protected.

[*English*]

Fiscal responsibility implies that job and wealth creation is necessary to finance social progress and that control of the spiralling national debt is essential if we are to avoid threatening our ability to support social programs in the future. Since November the Government has acted on a number of fronts to lay the foundation for social progress. First, we broadened the social safety net to ensure greater fairness and to promote social justice. We have expanded the eligibility for the spouse's allowance, benefiting 85,000 younger widows and widowers who had previously not qualified for benefits.

Some Hon. Members: Hear, hear!

• (1510)

Mr. Wilson (Etobicoke Centre): Veterans' benefits have been improved for some 140,000 Canadians. Tax assistance has been extended to 185,000 disabled Canadians, many of them senior citizens. As proposed in the Budget, survivor benefit rules in private pension plans will be improved. Measures have been taken which will ensure social justice for native women. Additional equalization payments have been extended to less advantaged provinces to assist them in maintaining their social programs. New training initiatives have been implemented to address the tragedy of youth unemployment in the recognition that the best income security for our younger Canadians is a job.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, that is a record of this Government's action and it is a record of which I am very proud.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The cost of these new initiatives will total $2.8 billion over the next two years. Total social spending will rise by $4 billion to $46.7 billion over the same period, close to half of total government spending. The evidence is clear: This Government's emphasis on social programs is increasing, helping those who need it most.

The second part of the strategy was to implement major reforms to the private pension system to ensure that Canadians have a fair and equal opportunity to save for their own retirement.

The third part is to put the Canada Pension Plan on a sound financial basis. I have commenced discussions on this subject with provincial Ministers of Finance, and we will be discussing this important issue again this fall.

The fourth and critical element is to regain control of our spiralling national debt. As I have stated on many occasions, the financial position of the Government of Canada has worsened at an accelerating rate over the past decade, particularly over the past two years. Previous Government decisions have created a structural budgetary imbalance which has contributed to ever-growing annual deficits and a compounding national debt.

[*Translation*]

It is important that all Canadians realize the size and urgency of our financial problem and understand why we have taken measures to deal with it in the Budget. Mr. Speaker, I cannot repeat this often enough.

[*English*]

It took 100 years for successive Canadian Governments to accumulate a debt of almost $20 billion. Less than two decades later our debt is now $200 billion and it is doubling every five years. The reason for this rapidly growing debt is simple. The Government is borrowing additional funds each year to cover the interest charges on past debt.

Let us look at these figures carefully. In the early 1970s our annual interest payments on the debt were about $2 billion. In the late 1970s those interest charges had risen to $8 billion. This year they will total $26 billion, and if we fail to change our ways, interest charges at the end of this decade could approach $50 billion per year. Some Canadians have asked what harm deficits do to them. Well, there is harm. The growing interest charges to finance those deficits are crowding out worth-while programs, programs which benefit many of us. We have to take control of our debt or those interest payments will simply overwhelm us.

There is another aspect which directly affects our senior citizens. Over the past 15 years, high inflation caused by rising deficits and mounting debt literally wiped out the savings of our sernior citizens. That was a time when there was real cause for concern among our seniors.

[*Translation*]

It is our concern for the future of Government programs and for Canadians that led us to take action in the Budget and in my November economic message, in order to cut back spending in all Government programs and all departments.

[*English*]

We started at the top. The Prime Minister (Mr. Mulroney) and all Ministers took a cut in pay. Within weeks of being sworn in we launched the most comprehensive review of government programs ever undertaken in this country. This ministerial task force on program review is identifying areas for eliminating waste and inefficiency, which could lead to significant savings.

[*Translation*]

We proposed changes in the automatic indexing of pensions of public service employees and Members of Parliament. We proposed a surtax that would affect Canadians with high incomes and large corporations. We also proposed a new tax on large banks and trust companies, and elimination of a number of tax loopholes.

[*English*]

We are imposing a minimum tax on wealthy Canadians.

Some Hon. Members: When?

Mr. Wilson (Etobicoke Centre): It will be effective January 1, 1986.

Some Hon. Members: Hear, hear!

Some Hon. Members: Order!

An Hon. Member: Displays in the House.

Mr. Speaker: I am sure Hon. Members in the back row know that such displays are entirely out of order.

Some Hon. Members: Throw him out.

Some Hon. Members: Order.

Mr. Speaker: Could I ask the Hon. Member for York South-Weston (Mr. Nunziata) to please show this House the respect it deserves.

Some Hon. Members: Hear, hear!

Mr. Nunziata: What about their heckling Sheila?

Mr. Speaker: Order, please. It is the same respect—Order! It is the same respect to which the Hon. Member for York South-Weston is entitled. May I therefore ask the Hon. Member to refrain from any further displays. I make it very clear what will happen should another one occur.

Some Hon. Members: Order!

An Hon. Member: Throw the bum out.

Mr. Speaker: I am left no option but to name the Hon. Member for York South-Weston.

Some Hon. Members: Hear, hear!

Some Hon. Members: Out! Out!

Mr. Mazankowski: Sleaze.

Some Hon. Members: Where is the Leader of the Liberals?

Mr. Clark (Yellowhead): Turner set it up.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as required by the traditions of this House I have to move a motion in this regard. It is disappointing but I have to inform you that I have to keep a number of copies of this motion in my desk to take care of Members of the Liberal Party. I would have thought the Right Hon. Leader of the Opposition (Mr. Turner) would have some control over his Members. This is disgraceful! Disgraceful! It's a disgrace to this House. I therefore move:

That the Hon. Member for York South-Weston be suspended from the service of this House for the remainder of today's sitting.

Mr. Speaker: Order, please. The Hon. Member for Windsor West (Mr. Gray) on a point of order.

• (1520)

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. I just want to draw to the attention of the Speaker that the Member named in the motion has withdrawn from the House. I respectfully suggest that, therefore, the motion is not necessary.

Some Hon. Members: No, no.

Mr. Deans: Let's finish the statement.

Mr. Prud'homme: Mr. Speaker, I rise on the same point of order.

Mr. Speaker: There is no point of order.

Mr. Ouellet: What do you mean?

Some Hon. Members: Sit down.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, we all realize it is the end of the session and I am positive that we could get unanimous consent to proceed as is since the Member has withdrawn. The Member will not come back. Therefore, I do not think it necessary to put the motion to the House.

Mr. Speaker: Nothing further is achieved by further noise. Order, please. When the motion is put the Member will find that he has a way of achieving what he seeks.

Mr. Hnatyshyn: Mr. Speaker, I rise on the same point of order. I have heard the point raised by the House Leader for the Official Opposition. I think we can resolve this by simply passing the motion without any further debate and without having you read the motion. We could then carry on with the proceedings and get back to business.

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

Some Hon. Members: Agreed.

Motion (Mr. Hnatyshyn) agreed to.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I should like to continue, after that atrocious display from the other side of the House, with a little bit more respect in this place.

Mr. Ouellet: Get to the point.

Mr. Chrétien: Get to the point.

Mr. Wilson (Etobicoke Centre): I will get to the point if I can have a little respect from the other side of the House.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Earn that respect. You earn it. You have lost the respect of this country. You are a lousy Minister, so earn that respect.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have taken action across the board because we must save money wherever we can in the 1980s in order to save programs in the 1990s. In the Budget we committed ourselves to increase payments to those elderly citizens who have inadequate pensions as resources permit and in light of future circumstances. At that time I was confident that the Government would gain additional resources in the future so that it could indeed increase payments to the elderly. The recent performance of the economy has strengthened my conviction.

More than 271,000 jobs have been created since the Government came to office. Consumer confidence has been strengthened. Interest rates have fallen. Economic growth in the first quarter of this year was much higher than generally expected. Investment intentions have also risen dramatically. These trends, coupled with the investment initiatives in the Budget, should give us all confidence that we are on the road to economic renewal.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Despite our confidence, both then and now, that government initiatives and economic growth would result in increased resources, it has become clear that our commitment to increase payments as resources permit has not allayed the concerns of senior citizens, particularly those with low incomes. I realize that the concern is real and I know that I speak on behalf of all my caucus colleagues when I say that we have recognized the anxieties which have been raised.

We have met with many senior citizens. We have listened carefully to their views on this matter. I know I speak for all my Cabinet and caucus colleagues when I say that we have been impressed by the concerns they have expressed. It was not the intention of the Government to cause uncertainty for anyone, least of all those who most need assistance. Several options have been proposed to us. The guiding principle of the Government is to act responsibly and fairly and, above all, in a manner that is responsive to the genuine concerns of Canadians. I have considered these options carefully over the past few weeks and I have proposed changes to my Cabinet colleagues which they have accepted.

Therefore, I am announcing today that Old Age Security payments will remain fully indexed to the Consumer Price Index.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): As a result of this decision, the deficit projections contained in the May 23 Budget would be increased by $15 million this year and $245 million next year. However, we cannot allow these additional costs to be financed with still more borrowed money. This decision in no way lessens our determination to reduce our annual deficit and control our national debt. The threat to economic growth, to employment, and to future social programs remains. We must deal firmly with that threat.

Accordingly, I am announcing two actions today in order to offset the increased costs in the next two fiscal years. As a first step I am announcing today a change in the budgetary proposal to place a deficit-reduction surtax on large corporations. The term of the surtax will be extended from 12 to 18 months.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): This surtax will now match the surtax on high income individuals. The measure will yield an additional $200 million next year.

To help meet the continuing cost of fully indexing old age pensions, I propose to increase the excise taxes on gasoline and other motive fuels by an additional 1 cent per litre effective January 1, 1987.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): This measure will yield an additional $450 million annually. In my Budget I brought forward a clear and realistic medium-term plan to control our debt. It is a plan which requires strong actions, including both expenditure reductions and tax increases. It is a plan that will reduce the annual deficit by $20 billion by the end of the decade and cut a total of $75 billion from the projected increase in the public debt.

That plan is maintained. The additional money required to finance old age pensions later in the decade must and will be found. I will be announcing, in future Budgets, details of measures that will ensure that the dangerous trend of rising debt will be controlled.

Canadian society faces a major challenge in the future as our population ages. We must all, Governments and individual Canadians alike, plan today so that we can meet that challenge tomorrow. Our senior citizens can only be truly secure if we have a financially responsible Government and a healthy expanding economy.

• (1530)

I would like to table Notices of Ways and Means covering the measures that I have announced today.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I must say that I regret at the outset that the Minister did not give me and, I presume, the Leader of the NDP, the usual courtesy—

Mr. Hnatyshyn: You were offered it. You turned it down.

Mr. Turner (Vancouver Quadra): The House Leader says we were offered it—only if we were not allowed the usual courtesy of putting questions to the Minister on a ministerial statement. This is the first time that I can recall on a statement of this importance that the Opposition was not given the courtesy of an advance copy.

I might also say, while dealing with procedural matters, that when the Minister announced some additional taxes, he did so when the markets across this country are still open. I find that to be a highly unusual budgetary precedent. We will examine in due course what the effects of that may or may not be.

An Hon. Member: Thirty minutes.

Mr. Turner (Vancouver Quadra): Thirty minutes is enough to make or lose a lot of money on the stock exchange. I draw that to the attention of the House.

Some Hon. Members: Oh, oh!

Mr. Speaker: I will ask all Members to show the proper courtesy to another Member when the Right Hon. Member is making his speech.

Mr. Turner (Vancouver Quadra): In case the hon. lady does not know, the markets on the West Coast are open for a number of hours yet.

Mr. Speaker, only the Conservative Party would applaud a Minister of Finance who has just put senior citizens through anxiety, sleepless nights and personal torture for over a month because he failed to come to this decision as soon as he and the Prime Minister (Mr. Mulroney) realized that they had made a fundamental mistake in this Budget.

The senior citizens of this country will not forget that it was the intention of the Minister and the Prime Minister to reduce their purchasing power over a period of years in a clandestine, secret, sneaky and hidden fashion, by way of a massive tax increase and reductions of 3 per cent a year so that if this measure had been left intact, by 1989 every old age pensioner in the country would have received $30 less per month.

I do not know why Members on the government benches are applauding the reversal of a decision that never should have been taken in the first place. The Prime Minister apparently took a very intimate personal interest in this Budget, which involved two very strong commitments made by the Leader of the Government during the last election campaign. The first, made in Sherbrooke on July 17, last year, was that old age pensioners would be fully protected against the ravages of inflation by full indexation. We have read that statement over and over here in the House of Commons. It was categorical, it was clear, and it was an absolutely unqualified commitment.

Of course, the other commitment was the universality of our social programs and their delivery. I say to you, Mr. Speaker, that it is unfortunate that this statement has taken so long when the error was pointed out so quickly to the Prime Minister and the Minister of Finance after the Budget was delivered.

I have heard that feeble, economic justification for the reversal of the decision. The Budget was presented only a month or so ago. Either the Minister's projections are out of date one month later or the projections are not worth much. In any event, those projections and that economic excuse will not impress the country. Everyone in Canada will know that the Minister was searching for some flimsy hook upon which to attach an absolute retreat from an unfortunate mistake.

Let us look at the taxes which the Minister has imposed. He is extending the corporate surtax, which puts it into proper synchronization with the personal surtax. There is an increase in the excise tax on gas as of January 1 of one cent a litre, or five cents a gallon. He has not told us, but that item is worth about a billion dollars a year. We would like to see the full impact of that because it is another tax on the consumer. There is two cents, beginning September 3 and another one cent on January 1, hitting at the Canadian consumer and the tourist industry.

Mr. de Cotret: 1987.

Mr. Turner (Vancouver Quadra): It is a tax right on the farmer. I point out to the Minister of Agriculture (Mr. Wise) that every farmer in this country burns 14,000 litres of gas a year, which adds another $180 a year to the farmer's bill. Every fisherman uses 4,800 litres of gas a year, which is approximately another $90 a year for every fisherman that has been added today.

We need not repeat here what we have tried to say to Your Honour, to the House and to the country over the past month. The scheme to attack the most defenceless in our society—those who are retired, cannot rearrange their income, cannot recoup wages and those who cannot scale by way of bargaining with their employers any protection against inflation were left defenceless in the Budget. We said on Budget night that it was harsh, cruel and sneaky, massive and hidden.

[*Translation*]

—there are 1,700,000 seniors who live on the poverty line or even below. Our senior citizens are entitled to a better treatment from the Government. Once this matter is resolved, the Government and the Prime Minister (Mr. Mulroney) personally will have lost some of their credibility and the confidence of the public.

Why did the Prime Minister appear prepared to disregard his promise in the first place?

[*English*]

The action taken today in no way comes close to salvaging this Budget. Those promises of the Prime Minister and the Minister of Finance made in September and November in the House were clear and categorical: old age pensioners were not to be touched; indexing was to be left alone and sacrosanct. Those promises were broken. The fact that they are now repaired is not only the result of the efforts of this Party and the efforts of this side of the House but because public opinion from business communities, from the professional community from one coast to the other and three million senior citizens said no, we will not lie dead and take it. They rose up from one end of the country to the other in protest.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, we told the Minister on several occasions that we understood his desire to

reduce the public debt and the annual deficit of the country. However, we asked him why he should do it on the backs of the aged, the backs of those least able to protect themselves, the backs of the unemployed, the backs of the handicapped and the backs of the outlying regions of the country. Why do it that way? I suggest that he has recognized part of that situation.

I hold in my hand the Budget that I brought forward in the House of Commons when I had the honour in 1972 of holding the portfolio which the Minister holds. We indexed old age pensions because we believed that our pensioners had a social contract with this country. Having paid taxes and having worked a lifetime, they were entitled to have the increment fixed in that Budget.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In 1973 I had the honour to present another Budget in which we indexed the brackets in the Income Tax Act as well as the deductions. We protected the average family in this country. We protected the average taxpayer from the erosion and the interaction of the progressive tax system and inflation so that only real increases in income were taxed at higher rates, not inflationary increases. Yet the Minister of Finance has withdrawn that protection from inflation for every family in this country by 3 per cent a year. He has withdrawn the protection to family allowances by 3 per cent a year as well as every deduction under that statute.

That Budget was supported on this particular item wholeheartedly by the Prime Minister's predecessor, Robert Lawrence Stanfield, and the rest of the Conservative Party at that time in 1973.

It is our opinion that this Budget continues to be incompetent and irresponsible. In the way the taxes were imposed through deindexing, they were hidden, delayed and clandestine. The hon. gentleman may not understand that word, but I will give him a good Anglo-Saxon word for it that dates back a thousand years. The word is "sneaky". It was a sneaky, sneaky Budget.

● (1540)

We still have the deindexation of family allowances; we still have the deindexation of the tax brackets; we still have the sales tax on health and hygiene products. We still have the elimination of the Registered Home Ownership Saving Plan, and the Budget remains an unbelievable singular attack on the middle-class in this country. The Budget is unfair because it taxes the average Canadian family from $350 to $500 a year all told and it gives a cash bonanza as a result of the capital gains exemption—not targeted to Canadian small business, not targeted to businesses owned by Canadians listed on Canadian stock exchanges—to anyone who wants to invest in Florida real estate, in a hotel in Hong Kong or in European art.

Mr. Chrétien: Or horses.

Mr. Turner (Vancouver Quadra): For $500 a year the average family sees those 4 per cent wealthy enough to qualify for a capital gains exemption untargeted, getting a lifetime cash bonanza of $125,000 a year. That is not fair.

Some Hon. Members: Shame.

An Hon. Member: That is Tory economics.

Mr. Turner (Vancouver Quadra): As for deindexation, and this is reinforced by the figures of the Department of Finance which neither the Department nor the Minister have denied as being valid—we can see that over five years the average family earning $15,000 a year gets a cumulative 36 per cent income tax increase; a family earning $30,000 a year an 11 per cent increase; a family earning $100,000 a year a 4 per cent increase; and a family earning $200,000 a year a 2 per cent increase. You add back that capital gains exemption so a family earning $200,000 a year is ahead 2 per cent, 3 per cent or 4 per cent. Is that a fair Budget, Mr. Speaker?

Mr. Chrétien: Not at all.

Mr. Turner (Vancouver Quadra): That has not been changed today.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Budget was unfair on the afternoon of May 23. It is still unfair, Mr. Speaker. The Budget was sneaky on the afternoon of May 23, and it is still sneaky and it is still a no jobs Budget. It takes $4.4 billion out of the economy. It will affect demand and the purchasing power of Canadians to enrich the prospects of every small Canadian-owned business in the country.

[*Translation*]

From an economic standpoint, Mr. Speaker, raising taxes at this time is a stupid move. It is unacceptable that they should seek to reduce the deficit at the expense of the weak, the poor, the sick and the unemployed. It is shameful that the Minister of Finance (Mr. Wilson) would want to be congratulated for having given in under tremendous public pressure to stop attacking low income elderly Canadians.

[*English*]

I think, Mr. Speaker, and I submit it was an absolute disgrace which took almost a national outcry by a group of citizens who never were politicized before who always trusted their Government, who always thought that a social contract meant a social contract, who always were at ease with their Government because they thought the pension which they were guaranteed would remain a Pension and would remain protected against inflation. We had a national disgrace, and it took a public outcry and the work of the Opposition in Parliament to obtain this statement today.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this announcement we have just heard by the Minister of Finance (Mr. Wilson) constitutes a triumph for the pensioners all across Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to say that I try to act without illusions in spite of what the Prime Minister (Mr. Mulroney) may suggest from time to time. Notwithstanding the important efforts that have been made by my colleagues in the New Democratic Party and by members of the Liberal Party in opposition, I will also say that on this issue I am under no illusion that the Government today would not be backing down on a grotesquely unfair proposition had not the pensioners of Canada got the message through.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In the past four weeks I have talked to a number of people, not simply the pensioners. One of the most moving exchanges I had on this very important question occurred in Saskatoon with high school students who were gathered from all over the province for a regional conference, interestingly enough on the subject of justice. What was very interesting about those young people, high school students, was the conversations they had. If I recall correctly, the motion they passed pointed out that as young Canadians they did not want to see our senior citizens so unfairly dealt with. That was very moving for me.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I do not want to take up a lot of time of the House today but I want to deal in a sense with two parts of what the Minister had to say. On the one hand he provided an elaborate justification for what he has just announced that really reflects the heart and soul of the Minister of Finance. He is a man with integrity, and as I understand him, a small "c" Conservative individual. What he said was a clear giveaway about the priorities of his Government. He said, and I took down the words, that before we could have social progress in our nation, before we could have change, there had to be growth in the economy, there had to be the sign that jobs were being created. Nothing could better distinguish a Conservative approach to politics from a social democratic approach than that notion.

We believe you must have justice, whether or not you are having growth in the economy.

[*Translation*]

For the benefit of the Minister of Finance (Mr. Wilson), I would emphasize that growth is desirable in the economic sector, there is no doubt about that. But at the same time there are poor people in this country, not only retired people, others whose income is not very high. Given that context, we must now have a fair Budget. That is the point, Mr. Speaker.

[*English*]

Second, the Minister as part of his elaborate justification for introducing this one element of fairness in his Budget, referred to his fixation—I can only describe it that way—with the deficit problem. I am sure the Minister wakes up in the morning and goes to bed at night thinking of nothing but the deficit. He talked about the growing deficit. I would like to point out to the Minister, and I suspect he knows his figure well, that the reason we have had a growth in the deficit in the last few years—not the only reason but the principal economic reason—is that a downturn in economic growth and a downturn in employment levels occurred. When that happens, even a Conservative Minister of Finance should know that revenues drop because people are not paying taxes. Instead, they collect unemployment insurance, and companies not making profits, do not pay taxes. I repeat, the reason we have had an increase in the deficit is that the economy has not been growing. The way to deal with that is not a short run preoccupation with the deficit now but to get the economy growing and deal with the deficit later.

I want to come now to the Minister's two proposals. The first was to get additional revenue. He said the surtax that has been applied to corporations is to be extended for another six months. I think that, to say the least, that is quite reasonable. We looked at the Budget, and the net effect of his Budget over five years showed that the corporate sector in Canada would be paying $2 billion less at the end of five years while taxes by ordinary individuals would be going up by over $4 billion. If the Minister is now going to extend that surtax by six months, let him not expect us to applaud a lot for this elementary introduction of another degree of fairness. I will not belabour the point, because we agree with it.

I do want to say to the Minister though that we do not agree with his other proposal, the 1 cent a litre increase in the price of gasoline in 1987, which is when I believe it will be applied. This means only one thing, that all Canadians will be affected, rich and poor alike. The Minister knows that that has a negative effect on the economy in terms of our competitive position. It also puts a regressive additional burden on everyone.

• (1550)

Since the Minister addressed the issue of alternative sources of funding, and since we will be dealing with Budget Bills when we return in the fall, we are hoping that this is not the only change of mind experienced by the Government on its Budget. We are pleased that the Government has changed its mind on this issue, but we will fight hard to get the Government to change its position on other unfair aspects of the Budget.

It was interesting to hear the Hon. Leader of the Opposition (Mr. Turner) talk about all the regressivity and tax unfairness in the Budget, as if it were not the Liberal Party which reduced taxes on the rich in 1982 by almost $2 billion. The Liberals are always good social democrats when they are in opposition, but they are Conservatives when they are in power. That is the problem with the Liberal Party of Canada.

An Hon. Member: A pox on both their sides.

Mr. Broadbent: We will see about that. When we get around to debating the Budget Bills, we will have to look at alternative proposals. In terms of the part-time surtax on

incomes over $40,000 per year, people can avoid it because it is on federal taxable income. If they use the loopholes, as the Prime Minister knows well, they could end up not even paying it. I say rhetorically to the Minister of Finance (Mr. Wilson) and to the Prime Minister: Why not restore taxation levels to upper income Canadians, the marginal tax rates, to what they were before the Liberals cut them in 1982? That would give them $1.7 billion, year in and year out, to redistribute downward to the poor people of Canada.

There were good aspects of the Western Accord on energy. We in this Party were pleased to see the producing provinces, particularly Alberta and Saskatchewan, obtain a larger share of the revenue. However, we saw no economic sense or economic justice in providing some $400 million to $500 million in additional revenue to multinational oil companies for oil which they had already discovered.

Mr. Orlikow: And they want more.

Mr. Broadbent: They want more, that is correct. If the Minister of Finance and the Prime Minister are looking for additional sources of revenue, why impose a one-cent per litre tax on gasoline at the pumps which affects ordinary Canadians? Why do they not go after the multinational oil companies and get them to pay their fair share of taxes?

I want to conclude with two points. The first one concerns a very important question. The principle of universality was at stake in this issue. If we had gone the route of the Budget, and if we had followed the thinking of the vast majority of members of the Conservative Party, as I understood it and as it was expressed in the debate, we would have established a two-class system for pensioners, and a few years down the road the basic pension would have had marginal significance for the people of Canada. We on this side of the House are pleased, not simply with a political victory, although I think it was a political victory, but for the sake of the history of our country. For the last 30 years, we have been gradually building up—and we thought it was an accepted notion in the minds of members of all Parties—a social security system in this land of ours which says that everything is not a market-place commodity. When it comes to medical services, education and pensions, it does not matter if one is a doctor, a lawyer, a logger, a banker or a very poor person; eveyone is entitled to a basic program of that kind.

In conclusion, the Government backed down, not because of a newly perceived sense of fairness, but because there was opposition to a perceived unfairness in the Budget. I pay particular tribute to the older people of the country, from Halifax and St. John's in the east to Victoria in the west, who were not the passive creatures about whom some people like to write in modern society. They were men and women who perceived that the Government was going in the wrong direction and got their message through. We on this side of the House did our job. There is no doubt about that. It shows what can be done in a parliamentary system, even when the Government has a large majority.

I conclude by expressing my appreciation to the pensioners of Canada for fighting their cause, for fighting a just cause and winning.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, the Leader of the Opposition (Mr. Turner) has dealt with the issue of fairness, but I wanted to direct a question to the Minister of Finance (Mr. Wilson) with respect to the fundamental economic asssumptions upon which the Budget proceeds, especially with respect to the sales tax that will be imposed in some respects on July 1, and of course the additional gasoline tax about which we learned today.

Specifically, as the Minister knows, the Economic Council of Canada conducted simulation studies about two years ago which showed that a reduction in sales tax would decrease the rate of inflation, would increase consumer demand and would increase jobs. I think the Minister of Finance would agree that in the long term his deficit problem has to be resolved by growth, not through cuts in taxes. Next year alone he shows only a $1 billion reduction in the deficit. Has the Minister conducted simulation studies, not on the effect of increasing taxes, but on the effect of decreasing taxes? If he has done so, could he table them in the House so that we could compare them with the scenario presented to us in the Budget?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am always amused by these probing questions from the Liberal Party, the Party which says that it would control the deficit. When we look back and see what happened over the past 10 or 15 years, starting from the time when the Hon. Leader of the Opposition (Mr. Turner) held my portfolio, we know that all these questions are a lot of hot air. They do not have any idea what they would do. The Leader of the Opposition said that he would have cut the deficit by $15 billion if he had remained in the job of Prime Minister. I ask him and I ask the financial critic of the Liberal Party: If they do not like the way in which we propose to cut the deficit, let us hear what they have to say. We will have four months of consultation in the fall of this year, leading up to the next Budget. I would be delighted to hear what they have to say about how we can get on top of the deficit problem.

When the Leader of the Opposition was Minister of Finance, the spending of the Government rose 30 per cent in one year, and he says in a righteous way: "Show me the impact of what you have just done".

The impact of what I have just done is that we will maintain control of the fiscal problem, so that we will not have the runway deficits which we have experienced over the past four years, where deficits went from $14 billion, to $23 billion, to $30 billion, to $35 billion. That is what we have to stop. The sooner the Hon. Member gets that through his thick skull, the better this country will be.

Mr. Johnston: Mr. Speaker, I intended to pose my question in a serious way and tried to be helpful to the Minister of Finance. We recognize his dilemma and we recognize the

dilemma faced in this Budget document when he shows us that, with all this pain and suffering, the deficit between 1985-86 and 1986-87 comes down by $1 billion, from $33.7 billion to $32.7 billion. Magically, by 1990-91, he tells us, it will be down by $20 billion. Would the Minister show us the calculations for those intervening years, which we have not received and which were not included in the Budget documents? That is one point.

My other question is in direct response to his question when he asked what we would do. Has he considered the opposite scenario? If he has, can we see the simulation? He told us on March 1 that increased taxes would dampen demand and that there was room on the expenditure side. His seat-mate, the Deputy Prime Minister and Minister of National Defence (Mr. Nielsen), is chairing the committee looking at the expenditure side. We have not seen results of any concrete nature from that exercise. I say to the Minister of Finance: Let us look at this documentation in the course of the debate to see if there is a better way to go, because we believe that there is. This is not an expansionary Budget and expansion is required if this country is going to pull out of its deficit. It is not going to come about, I suggest to the Minister, by these kinds of taxes and these modest cuts that he has come forward with.

● (1600)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I have heard this argument before: Let us hope for growth and growth will solve all our problems. Let me remind the Hon. Member that last year in the United States I think they had growth of 6.9 per cent, and what happened? The deficit went down $15 billion. In Canada we had growth of 5 per cent, a pretty good growth rate. What happened to the deficit in the country? It went up about $6 billion. This is the sort of thing that shows there is a little bit of hokum in the argument that the Hon. Member puts out on the floor of the House of Commons.

Let me just put the numbers back to him. We are spending this year $26 billion on interest costs; we are spending $9.4 billion on defence; $2.1 billion on overseas aid. Which of those does he think he can cut? We have major statutory programs, unemployment insurance, family allowance, benefits for the elderly, EPF, the Canada Assistance Program. We have $31.6 billion in all the programs of Government, apart from those. That is why we have to be looking at some other ways, as we have outlined in this Budget, to come to terms with the deficit problem.

I will go back to what the Leader of the NDP—probably he is more the Leader of the Opposition than the current one is—said, that we will have our social programs and then we will borrow money to pay for them. If we borrow $1,000 to pay for part of a social program, in seven years' time in today's earnings that will be $1,000 that we will have paid in interest costs and we will still not have paid the money back. That is the problem that we have to get over. I think the Hon. Member knows it but either he is not admitting it or what he is saying is, "I don't know how to solve the problem and I am very happy that I am in the Opposition". I say to him, we are very happy he is too and all Canadians are happy because we cannot have any more of the type of runaway spending that we have had over the past 15 or 20 years.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, these questions are not mischievous. I have sympathy for the dilemma that faces the Minister of Finance and I know the numbers that he is faced with. I also know that he said on March 1 that taxes would have a dampening effect on the economy. He has told us in the past that taxes are not the way to go. He also said as recently as March 1 that there was room on the expenditure side.

Is he telling us today and did he tell us in the Budget, perhaps based on the advise that he received from his seat-mate, that he could find no room on the expenditure side and that he has decided that, notwithstanding the dampening effect of taxes, that is the way to get at the deficit? If that is the way to get at the deficit, how does he explain how the deficit is to be reduced by $20 billion by the year 1991 when it will only come down $1 billion, by his own numbers, by the year 1987?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me ask the Hon. Member to go back and read the Budget again, if he ever did read it. Seventy-five billion dollars is going to be reduced from the accumulated debt between now and 1990-91. That is in the Budget papers. Eighty per cent of that is on spending cuts. Only 15 per cent is going to be found through tax increases.

We have gone through all Departments of Government. My colleague, the Deputy Prime Minister (Mr. Nielsen), as the Hon. Member points out, is the chairman of the task force looking at programs, and there will be more spending cuts, more efficiencies and less waste as we go through the process of this task force.

I remind him that 80 per cent of what we will be doing over the next five or six years will be found on the expenditure side. That demonstrates the amount of waste, the amount of inefficiencies, the lack of attention that the previous Government allowed to go on. If we could find that amount of money, surely they could have done a slightly better job when they were in power. That is the sort of difference we are facing here with this Government in power and not the previous Government.

Mr. Riis: Mr. Speaker, I have three questions that I would like to put to the Minister of Finance (Mr. Wilson). The Minister of Finance will be aware, as my Leader has pointed out, that one of the reasons, perhaps one of the major reasons why we have an increasing deficit today is that personal sales tax and corporate tax simply are not flowing in to Government as we had expected and experienced in the past, as a result of the economic downturn and the economic malaise. He will also know that it is sound business practice that to make money one has to invest money. In other words, to gather sales tax and corporate and personal income tax one has to invest to see that that happens. Would it not make sense in terms of deficit

reduction for the Minister of Finance to take steps to encourage economic development in a direct way? I will use two examples. The mayors of Canada indicated that there are $14 billion of necessary municipal works that must be conducted in the country. Can the Minister of Finance think of a better time to get those kinds of projects under way? Reforestation projects are needed in virtually every province in the country, much more than the rather small step that was taken as a result of some of the ERDA agreements that were recently signed.

I would like him to comment on that. In other words, if he is serious about economic development, why not take some stimulative steps to ensure that it takes place?

Second I want to ask the Minister of Finance what he thinks about the proposal put forward by my Leader in terms of deficit reduction when he said, why not return to the tax levels of 1982 that were changed in the MacEachen Liberal Budget. That would result today in an inflow of taxes of about $1.7 billion per year. Again, this is just a practical example. The Minister has indicated he wants to hear some specifics.

Third, I want to ask the Minister of Finance if he has confidence in his Budget, in his economic statement and the economic policies therein. When I asked him in the last two or three weeks to provide me, through the Access to Information Act, with the impact studies flowing from the Budget in terms of its impact on unemployment, on regional economic development and similar kinds of impacts, the Minister of Finance signed a letter to me saying that that information would not be available. If the Minister has confidence, why not provide that material? My Leader has indicated contrary evidence in terms of the impact of the Budget and has indicated some very negative results in terms of economic development and employment opportunities. If the Minister has faith in what he is doing, why would he not share this? Is he trying to keep it secret because he does not have confidence in what he is doing, or is he pulling some kind of a double-cross on the people of Canada and not providing them with that kind of fair information? What is he trying to hide?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I ask the Hon. Member what he meant by "a double-cross on the people of Canada" not giving him information that is provided as a Cabinet confidence to me. What sort of double-cross is he talking about?

Mr. Riis: Mr. Speaker, I would remind the Minister of Finance that there were two other questions.

Mr. Wilson (Etobicoke Centre): You are not going to get an answer until you answer that one.

Mr. Riis: My question to him is this. The Minister says to the people of Canada that the measures in his Budget will create economic growth, reduce unemployment, reduce interest rates and the like. I say that his Department has information that measures the impact of his Budget. Can he think of a better way to generate confidence in the investment community, in the people of Canada generally, than to say, here it is, the best information possible to the people of Canada will be the impact of my Budget policies? When he refuses to share that with the people of Canada, how can we be confident in what he is doing if he is not prepared to share the impact of his own policies?

Mr. Wilson (Etobicoke Centre): I am waiting for the answer to the question, where is the double-cross to the people of Canada in my not giving the Hon. Member the informatian that is a Privy Council confidence?

Mr. Riis: Mr. Speaker, the double-cross is simply this. He says this is going to happen. Virtually every other study that has been made public since the Budget was presented points out reactions to the contrary. The Minister is saying one thing, but is not prepared to demonstrate the realities of that. It is double-talk. He is saying one thing and doing something else. He tells us to have confidence in what he has done, but he is not prepared to share that confidence. What is he trying to hide? Why is he afraid to share this with the people of Canada?

• (1610)

Mr. Foster: Mr. Speaker, I noticed that the Minister will be imposing a one-cent per litre gasoline tax in January, 1987. Yesterday in the House I asked him if he would give consideration to a tax exemption for agriculture and primary producers on the tax that will be imposed on September 3.

During the election campaign, the Conservative Party said that it would remove all excise taxes on farm fuels and primary-producer fuels. The two taxes that have already been announced go a long way toward reinstating full excise taxes for primary producers. In the spirit of the commitment that was made during the election campaign which the Minister fulfilled last fall in the economic statement, the Minister should consider his actions.

The Minister of Energy, Mines and Resources (Miss Carney) made a speech at Inuvik about two months ago. At that time, she indicated that she would put in place a new petroleum incentive program to replace the PIP program. We have heard reports that the program which she plans to bring forward this fall regarding incentives for drilling, exploration and development of oil and gas in the Arctic areas and offshore will cost two cents a litre as well. I wonder if the Minister of Finance (Mr. Wilson) could comment on that and tell us whether or not there will in fact be an additional two cents per litre added later this fall or next winter to cover the incentive program for exploration and development.

As well, I wonder if the Minister would give consideration to providing tax exemptions for the primary producers and particularly for farmers who will be facing serious difficulties in the upcoming year.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think that what the farmers have received from the Government has been demonstrated very, very clearly by my colleague, the Hon. Minister of Agriculture (Mr. Wise). In November, we gave a

fuel tax rebate on taxes that were levied at that time. We have reduced interest costs at the Farm Credit Corporation. We have gone off the metric system so that farmers are able to avoid the problems that they had measuring quantities of fertilizers. There are many ways that we have helped the farm community, and I think the farmers of this country realize that. Not the least of that help is the relief on capital gains tax which we promised and delivered.

Mr. Orlikow: Mr. Speaker, I would like to direct two questions to the Minister. The Minister talked about imposing a minimum income tax as of January 1 of next year. Could the Minister assure Hon. Members of the House that that tax will also apply to those over 250 people who had incomes of more than $200,000 and did not pay any income tax and to the 7,000 people who had incomes of over $50,000 per year and were able to avoid paying income tax because of the special measures in the present income tax law which permit them to make deductions and thus avoid paying all income tax?

Similarly, the Minister announced that he was extending the special tax on corporations. Surely the Minister knows that many of the large corporations have not paid any corporate taxes at all in recent years because the taxes they should have paid went into the deferred corporate tax column. Can the Minister assure us that when he brings in these measures, both wealthy individuals and large corporations will be required to pay taxes just like the small business people and individual Canadians who pay their fair share of income taxes?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the minimum tax that I have said will be put in place as of January 1 next year is a minimum tax—

Mr. Orlikow: Will it be for everybody?

Mr. Wilson (Etobicoke Centre): I am sorry?

Mr. Orlikow: The question I am asking, Mr. Speaker, is whether or not that tax will apply to all of those people who have been able to avoid paying income tax in the past just like the American tax system does.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, one of the proposals that is in the discussion paper was designed following the American system. I would encourage the Hon. Member to come to the meeting of the Finance Committee when this discussion paper will be the subject of its consideration to provide his view as they would be very much appreciated. We put forward three different proposals. We are trying to come up with the best proposal so that it will be fair to Canadians in its application.

The Hon. Member made reference to corporations not paying taxes. Some of those corporations are not paying taxes because they have been losing money. Surely the Hon. Member is not suggesting that we levy taxes on companies that have been losing money. That would be the fastest way to get those companies to lay off more people or even to go out of business. There has to be a balanced approach. What is needed is an understanding of the impact of taxation on these companies or else we will not be able to develop the government revenues required to support the social programs that both his Party and my Party are very anxious to see preserved.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would like to commend the Minister of Finance (Mr. Wilson) for his courage, his determination and his sincerity in listening to the senior citizens of this country and particularly to his colleagues in caucus.

Some Hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Does the Minister feel that the decision to eliminate the deindexation of Old Age Security payments from the Budget will contribute to the ever increasing levels of confidence that Canadians have in their country?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think the Hon. Member is quite right. That is what this is intended to generate. I would like to draw the Hon. Member's attention to the last paragraph of my remarks in which I said that elderly Canadians can only feel secure if we have a financially responsible Government and a healthy, growing economy. That is the fundamental basis for the social programs on which elderly as well as disadvantaged Canadians rely.

The Leader of the New Democratic party said that he wanted to draw a very clear distinction between the policies and the philosophies of the New Democratic Party and the Conservative Government. I would agree very much with what the Leader of the New Democratic Party has said. We understand that it is essential that we have a healthy, growing economy to support the range of government services and programs that are in place today. The Leader of the New Democratic party is telling us to spend now and perhaps we will still have money later. He is asking for an act of faith. He is saying that sometime in the future the money will be in place. That was the policy followed by the previous Government for 15 or 20 years. It cannot go on. Surely the message must be getting through the members of the Liberal and New Democratic Parties that we cannot go on spending and borrowing at rates of interest of 10 per cent or 12 per cent while expecting that everything is going to be all right.

Let me draw to the attention of members of the Opposition the fact that each year, because of its structure, some 60 per cent to 65 per cent of our debt rolls over each year. The Hon. Member for Algoma (Mr. Foster) has a big smile on his face. Let me remind him about what happened in 1981-82. Interest rates rose about 10 percentage points in that year. That 60 per cent of debt amounts this year to $120 billion and 10 per cent of that is $12 billion. Surely the Hon. Member can think of a better way of spending $12 billion than by giving it to the banks and other investors.

● (1620)

Mr. Rodriguez: Mr. Speaker, it is unfortunate that the Minister of Finance (Mr. Wilson) and the Government did not consult with senior citizens before this measure was introduced in the Budget in the first place.

I would like to ask the Minister of Finance a question. He said that he is looking for ways to reduce the deficit. There is one item in the Budget which outrages most Canadians. That item is the $500,000 capital gains exemption. It has created a tax shelter. There is no question that it is good as far as capital gains on family farms or homes are concerned, but, surely, the Minister can make provisions and restrictions to ensure that the speculative efforts of entrepreneurial Canadians do not escape the tax man. When it concerns speculative investment in art, horse racing, et cetera, surely it is not beyond the ability of the Government to set up a restrictive system in order that the tax shelter will not be used for that kind of wealth creation. Why could the Minister of Finance not tackle that? We are the only industrialized country in the western world which does not tax capital gains. The articles that I have read which were written by economists indicates that they doubt whether that tax provision will create jobs.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I would like to remind the Hon. Member that economists said the November statement would result in the loss of between 50,000 and 100,000 jobs. The Hon. Member should realize that economists talk with one hand and they talk with the other hand. A year later, they choose the hand from which they want to speak. The point that I am making is that if the economists of the world were running government policy, we would be in a lot of trouble.

Mr. Lapierre: What about your economists?

Mr. Wilson (Etobicoke Centre): If the Hon. Member would listened, he might learn something. The economists of the world are always saying: "I have got to see what the little black box tells me". They have to know what the econometric model says. That is not the way in which this country works. People respond to incentive and the motivation of an opportunity to make money for themselves so that they can give something to their kids which they did not have when they were younger. That is what makes the country tick. We are trying to motivate people to build for the country. That is what will create the jobs.

Mr. Boudria: Mr. Speaker, I would like to ask the Minister of Finance (Mr. Wilson) one question. The Minister told the Hon. Member for Algoma (Mr. Foster) that the farmers of the country liked his Budget. Is the Minister aware of the resolution which was passed by the Glengarry, Prescott and Russell Federations of Agriculture which I read in the House a week ago? It reads in part:

> Whereas Mr. Brian Mulroney during the last election campaign made a written promise to provide agriculture with long-term financing—
>
> Whereas farm financing was not addressed in the recent Budget, . . . we, the members of the Glengarry, Prescott and Russell Federations of Agriculture jointly demand that the Prime Minister of Canada fulfil his campaign promises—

The resolution continues, but I will not read it in its entirety as it has been tabled in the House under Standing Order 21. Is the Minister aware of the resolution? If so, how can he say that the farmers of my constituency and others like his Budget when two out of the three most important promises were not fulfilled? Only one promise was partially fulfilled.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am sure the Hon. Member would allow me to read a few things into the record. We said that we would abolish the imposition of capital gains tax. We have done that as far as farms are concerned, up to a lifetime maximum of $500,000. We said that we would reduce the price of farm fuels by not collecting the current excise tax. That was done in November. We said that we would extend the small business bond program. We did that in the Budget. The Hon. Member for Wetaskawin (Mr. Schellenberger) has a Private Members' Bill on the Prairie Farm Rehabilitation Act which has been referred to the standing committee. The Farm Credit Corporations interest rate conversion program has helped 5,600 producers who were locked into high interest rates. Those interest rates have dropped from 16.75 per cent to 12.75 per cent. The Minister of Agriculture (Mr. Wise) has expanded the mandate of the Farm Credit Corporation appeal boards. The debt review boards which were set up by the Hon. Member for Bruce-Grey (Mr. Gurbin) are working successfully on a private sector basis with the banks. The Minister of National Revenue (Mr. Beatty) has dealt with the whole question of Section 31 in a way which improves the administration of that section. I think the Hon. Member realizes—

Mr. Boudria: I was on the committee.

Mr. Wilson (Etobicoke Centre): If the Hon. Member would listen, he might learn of the range of things which we have done to help farmers in his riding. I want him to know so that he can tell them that the Government is acting in the interests of the farmers of Canada and, in particular, the farmers of that riding.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Amendments to the Advance Payment for Crops Act are currently being drafted to double the size of loans for advance payments. The Western Grain Stabilization Act was amended earlier this spring to enable a $450 million interim payment for the 1984-85 crop year. On April 29, the Minister of Agriculture announced $6.5 million for renovations and construction of the Ontario Veterinary College at Guelph. A new animal pathology laboratory will be constructed near Guelph. A joint Canada-Saskatchewan research program on raising beef cattle was extended for five years. Mr. Speaker, I could go on.

The Acting Speaker (Mr. Paproski): Order, please. I would like to recognize the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, one of the most important features of the statement which was made today was that in order to pay for the maintenance of senior citizens' pensions a tax of one cent a litre on gasoline was imposed as of 1987.

Will the Minister of Finance (Mr. Wilson) rule out any further tax breaks for oil companies? They have received a $5.6 billion PGRT tax break as a result of the Budget and the Western Accord. They also received some tax breaks for windfall profits. However, the newspapers today indicate that the oil companies want more money and more tax breaks.

First, will the Minister of Finance rule out any further tax breaks to oil companies? Second, given the fact that the major companies received approximately $400 million to $500 million as a result of windfalls from old oil going to world price, why would the Minister not put a windfall profits tax on that? I suggested a tax of 50 per cent. That would have represented $200 million and it would have paid for the indexing of the senior citizens' pensions. If he had done that he would not have had to place further taxes on gasoline. I am sure the Minister knows that the average price of gasoline in Canada right now is 51.5 cents a litre, which is about $2.34 a gallon. I am told that in the United States the smaller American gallon costs about $1.28. That is $1.71 in Canadian funds. There are growing discrepancies. We wonder how much more the motorists can pay at the pump. How much more in taxes are we going to put on?

• (1630)

To summarize my question, will the Minister rule out any further tax breaks for the oil companies? And why did the Minister not consider putting on a 50 per cent windfall profits tax where he could have raised $1 million and would not have had to levy that one cent a litre at the pump?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me respond to the Hon. Member's question in the same way I have responded to him before on this subject. If the Hon. Member goes back and compares the tax regime before the NEP and now, he will see that the oil companies in Canada are not as well off. I have never heard the Hon. Member acknowledge that. I have never heard him congratulate either myself or the Minister of Energy, Mines and Resources (Miss Carney) for doing this.

What we have tried to do is to provide a taxation regime for the oil industry which is comparable to tax regimes in other industries. The Hon. Member knows what happened in the industry because he and I were both energy critics at the same time. He knows what happened to the oil and gas industry in western Canada. He knows about the companies which were shut, the stores which were boarded up and the motels which went out of business because people were not travelling through the foothills of Alberta. What we are trying to do is to remove a discrimination which was hurting an industry in Alberta and also other parts of Canada where there are major suppliers to the oil and gas industry.

One cannot have it both ways on this whole question of taxation or economics. If we want to have jobs created, we have to provide the taxation regime and the economic environment to encourage people to go out and invest money in new projects and create jobs. If we take that away, if we remove that environment and develop a tax system in such a way that it takes away from those companies, those jobs are not going to be created. Either the Hon. Member wants to put people out of jobs or he goes along with it.

Since September 4, 271,000 jobs have been created, so something must be going right. Something must be going right in this country if we are able to see that sort of performance here. That is what we want to try to reinforce.

[*Translation*]

Mr. Malépart: Mr. Speaker, I would like to tell the Minister of Finance (Mr. Wilson) that we have been talking about this problem for a month had a half, and it took him a month and a half to correct his injustice towards the elderly. I can appreciate that, from a human standpoint, it is difficult for the Minister to admit his mistake today.

Mr. Speaker, I want to tell the Minister that his Budget still contains an injustice concerning families and I dare hope he will not wait until we prove it to him by having families and children demonstrate against it on Parliament Hill.

With respect to the poorest families in Canada, I wish the Minister would tell us why he chose to cut 3 per cent off family allowances and the child tax credit, with the result that the poorest families are faced with a 6 per cent income loss, whereas well-to-do families have to cope with a mere 3 per cent reduction.

I wish the Minister of Finance would tell us just how much money he expects to recoup at the expense of Canada's poorest families with that 3 per cent reduction. Perhaps this time the Minister will have the honesty to admit that in 1982 the Liberal Government did not touch the child tax credit and maintained full indexation. I know that the Minister—and I will not hold it against him—has already answered a question I asked him. He told me that the tax credit was fully indexed. I would urge the Minister of Finance to read page 47 of his document. I would like him to tell us whether he intends to change that part which is a direct attack against the poorest families.

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the premise of the question put by the Hon. Member is wrong. If the Hon. Member would look at page 44 of the Budget papers, he would see that right now if a family is earning $10,000, the family benefits amount to $1,484. If the family is earning $20,000, they amount to $1,673. If the family is earning $30,000, they amount to $1.621. Surely it is not fair that the low-income Canadians receive less in family benefits from the Government of Canada than those who are earning $20,000 and $30,000 a year. What we have done by enhancing the child tax credit over this period, is to bring up that $1,484 for the low-income Canadians to $1,812. For those families who are earning $30,000 we have essentially held that flat during that period. These are real figures. Surely the Hon. Member can see that these are real figures. That is what they will be paid in 1989.

They will receive $1,812 instead of $1,484. That is a very good increase.

I would ask the Hon. Member to give us a little credit and tell us that we have done the right thing by taking out that hump whereby the lower-income Canadians receive less than the $20,000 or $30,000 earners, so that in 1989 they will all receive the same. That is progress.

Ms. Mitchell: Mr. Speaker, I have two questions for the Minister. First, I did not hear him mention, nor have I heard many questions in the House, about all of the unpaid taxes which are owing in Canada. At one time, several years ago, people used to say that the outstanding taxes, particularly corporate taxes, were pretty close to the amount of the deficit. Could the Minister comment on what is the state of affairs in that respect? And why has the Minister not really stressed that as one pretty generous source of income?

My second question has to do with social policy and family allowances. Many, many senior groups to whom I have spoken—and I have been in many communities over the last two weeks—have told me that universality is really important in itself. They have worked for these programs over the years. When I raised as well the question of family allowances, they told me pretty unanimously that the same principle applies to children. Unfortunately, children do not have the same political clout as do senior citizens. They do not vote and they only receive the family allowance for a short period of time in their lives, and it is not a huge amount of money, not nearly as much as the cost of old age pensions. Why has the Minister not done something about reindexing family allowances? Because he has not, does that mean that he really does not believe in universal family allowances?

Mr. Wilson (Etobicoke Centre): There are two questions there, Mr. Speaker, but let me respond to the first question which, I believe, would be more appropriately put to the Minister of National Revenue (Mr. Beatty). I cannot give the Hon. Member the numbers off the top of my head—

Mr. Waddell: $24 billion.

Mr. Wilson (Etobicoke Centre): The Hon. Member for Vancouver-Kingsway (Mr. Waddell) says $24 billion. That is totally wrong. It is quite a bit lower. However, the important thing is that the Minister of National Revenue has taken very clear action arising out of the November statement to encourage a faster payment of taxes, and that is starting to pay off. There is also an item in the Budget itself which protects the Crown in the event of a bankruptcy so that those taxes which have been withheld from employees would be paid to the Government of Canada. Previously, when a company went bankrupt, we lost those taxes. We believe that if this provision is passed, we will be able to gain access to those taxes.

• (1640)

The second point relates to family benefits.

Ms. Mitchell: Family allowances.

Mr. Wilson (Etobicoke Centre): Family allowances. Certainly my children have never received the family allowance. My wife does, but the children do not. I do not know whether the children in Vancouver East get the family allowance but they certainly do not in the Toronto area, so she is wrong there.

Let me get to the substance of the question, which is whether what we are doing here is taking away from universality. Everyone will receive family allowance cheques.

Ms. Mitchell: It erodes it just the same.

Mr. Wilson (Etobicoke Centre): The Hon. Member says what we have done will erode the family allowance cheques. I ask her to read page, I think it was 43 or 44, the one that I just read out in response to the previous question. Surely she understands that there are limited resources. Does she agree with that?

Ms. Mitchell: You do not have to take it off the backs of children and families.

Mr. Gottselig: Drop that old line. Let it rest.

Mr. Wilson (Etobicoke Centre): Spend, spend, spend, and instead of $200 billion worth of debt and $25 billion—

Mr. Speaker: Order, please. The last question, the Hon. Member for Trinity (Miss Nicholson).

Miss Nicholson (Trinity): Mr. Speaker, I note that one of the measures the Minister is proposing to use to recover the revenue is increasing the excise taxe on gasoline.

He also made reference to the need to create employment, with which we all agree. There are some puzzling features in the Western Accord which gave billions of dollars to the oil industry. At the time and since, the Minister of Energy, Mines and Resources (Miss Carney) described the oil industry as an engine of growth. She gave us some very large figures concerning the expected number of jobs to be created. Subsequently we saw industry figures which were lower, and economists had figures which are lower still. Since there are a lot of people in this country who see the oil industry as capital rather than labour intensive and who see money invested in manufacturing as producing six times as many jobs as the same amount invested in the oil industry, will the Minister show us what he based this decision on? Will he show us the projections for job creation?

Mr. Wilson (Etobicoke Centre): Let me be brief on this because the Speaker apparently wants to move on to something else.

Mr. Lapierre: It is not the Speaker, it is the House.

Mr. Wilson (Etobicoke Centre): The House wants to move on. You are slowing me down again.

If the Hon. Member will look at the investment intentions as shown in the April study by the Department of Industry, she will see that the oil and gas industry have increased their

investment this year by 18.7 per cent. At the same time there is a substantial increase in investment intentions by the manufacturing industry, which she referred to, by some 33 per cent. I suggest that those two increases are closely linked because the acitvity in the oil and gas industry generated by the Western Accord is starting to spill over into increased activity in the manufacturing industry.

Some Hon. Members: Hear, hear!

Mr. Speaker: I am sure we could go on all day with questions with regard to the Budget, but at some point I have to make a judgment that the matter has had a proper airing, and I do so now.

* * *

[*Translation*]

PETITIONS

INDEXATION OF OLD AGE SECURITY PENSIONS

Hon. Jean Lapierre (Shefford): Mr. Speaker, it is with pleasure that I now table some more petitions on the indexation of pensions. While the Minister has decided to come back to his senses, I am still very happy to have petitions from the people of Shefford, from over 1,000 people from Sherbrooke, from people in Brome-Missisquoi, where hundreds of people and many senior citizens club have signed these petitions, and from people in Saint-Elie-d'Orford, who did a very job and who even went as far as Magog. I have about 4,000 signatures and I am very happy that the Minister has reversed his stand because we would have had thousands more.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the wishes of my constituents and my duties as Member of Parliament require me to table on behalf of the residents of Green Valley, Manoir Fatima, Manoir MacDonald, Manoir Victoria, Russell Manor, Manoir Bélanger, Queen Mary Court and Place Charlotte senior citizens' homes in my constituency a series of petitions which I hope will provide very strong support to the gesture made by the Minister of Finance (Mr. Wilson) today and will give him the courage not to take such action in the future.

REQUEST THAT CUTS NOT BE MADE IN UNEMPLOYMENT INSURANCE

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, I have the honour to table today before this honourable House the petition signed by the constituents and residents of the riding of Trois-Rivières who ask this Government not to make any cutbacks in unemployment insurance.

[*English*]

STRATEGIC DEFENCE INITIATIVE

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the honour to present a petition today signed by some 400 university professors, mainly from the University of Toronto. They beseech the Government to not enter into any agreement with the United States with respect to research into SDI.

INDEXATION OF OLD AGE SECURITY PENSIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, I have two petitions on two different subjects. The first one provides backing and reinforcement for the Minister of Finance (Mr. Wilson) in his statement today. It is signed by 90 some people from the City of Regina who petition the House of Commons and the Government to maintain full indexation of old age pensions.

NUCLEAR WEAPONS-FREE-ZONE

Mr. Les Benjamin (Regina West): Mr. Speaker, I have another petition with over 400 names on it. It concerns the mothers' appeal for world peace from the Congree of Canadian Women, Edmonton Branch. I say with all due modesty that they humbly petition the House to enact Bill C-218, an Act to declare Canada a nuclear weapons-free-zone, presented by Mr. Benjamin, MP for Regina West. I humbly pray as well.

[*Translation*]

INDEXATION OF OLD AGE SECURITY PENSIONS

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to table before this House a petition I received today and which is signed by about 100 senior citizens of my constituency. In this petition, they ask the Government to reverse its decision to de-index the Old Age Security Pension Plan. They deplore the fact that this decision would force the elderly to help restrict the federal deficit and that the weak would be victimized while the well-off are showered with gifts. I believe that it is very appropriate to table these petitions today.

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have a petition signed by 600 residents of my riding requesting that Parliament reinstate full indexation of old age pensions. Since the Minister's statement today, I have heard from some of these signatories who would still like the petition deposited in case the Minister's resolve should falter.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I, too, have a number of petitions. I notice most of them are from the east end of Toronto and one of the streets is where I lived when I was—

Mr. Speaker: Order, please. The Hon. Member knows that the opportunity here is to present a summary of the petition and the petition.

Mr. Waddell: Mr. Speaker, the petitions are from the east of Toronto and they seek the end of deindexing of the old age pensions. I am sure they will be pleased the Government has announced that today.

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, have a number of petitions concerning the deindexation issue. I will keep it short and just say that there are 600 signatures on one petition, 100 on another petition, and 200 on a third petition, all from groups in the riding of York West in Toronto. There are about 40 signatures from the riding of Brampton-Georgetown, 40 more from the City of East York, 35 signatures from the City of Etobicoke and signatures from members of the Club Anzioni, le Caravelle de Toronto. All of these petitioners are happy that the Government gave in to their requests to fully index their pensions.

● (1650)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a number of petitions that I would like to present as well with regard to the indexation of pensions. I am sure that my constituents, who worked so hard, would want me to table them even after the announcement which was made today. There are 32 signators to this petition from the Club L'Amicale of L'Orignal, Ontario—

[*Translation*]

—the Club l'Amicale of l'Orignal, in Ontario. There is also a petition signed by the 52 residents of Hawkesbury, one signed by 63 residents of the Saint-Jacques home in Embrun and another one signed by 40 residents of Casselman, in Ontario. I am certain that these people will be pleased by the decision made by the Minister today.

[*English*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I too have a petition to present signed by 332 residents of the communities of Devlin, Dryden, Fort Frances, Kenora, Nestor Falls, Rainy River, and Sioux Narrows who, I am sure, would join me in thanking the Government for the sensible decision of today and who pray for the reinstatement of full indexation of Old Age Security pensions.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, to commemorate the occasion of today, I have before me a petition with 2,140 names from across Essex county calling for the Government to make the very decision which it has made today. Today represents their victory and I am pleased to deposit these petitions.

PARITY PRICING FOR AGRICULTURAL PRODUCTS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I am pleased to present a petition which deals with the issue of parity pricing for agricultural products. A Bill has been passed to committee. The petitioners request that the committee give urgent consideration to this Bill and hold hearings across the country.

[*Translation*]

INDEXATION OF OLD AGE SECURITY PENSIONS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I have the honour and the pleasure to present a petition to this House signed by about 800 people, mostly from my constituency, and more specifically from the cities of Brompton, Weedon, Windsor, Richmond, Danville and Asbestos, 800 people who are probably very happy about the decision of the Minister of Finance and very proud to have contributed to this reversal.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition with well over 1,000 names of people who were asking the Government to reconsider its decision to deindex OAS. I am sure they are pleased now that the Government has listened to them. It is my pleasure to present the petition on their behalf.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present petitions this afternoon from 1,600 constituents in the riding of Algoma from the communities of Elliot Lake, Espanola and area, the North Shore area of Lake Huron, central Algoma, Manitoulin Island, Sault Ste. Marie and area, and Blind River and area. I also have a petition from the Seaforth area of Southwestern Ontario calling on the Government to reinstate full indexation. Mr. Speaker, I think it is safe to say that it is petitions like these, and millions of petitioners—

Mr. Speaker: Order, please. The Hon. Member for Windsor-Walkerville.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour to present petitions on the issue of the deindexation of pensions signed by people who are probably celebrating today. I have here some 3,000 signatures which are part of over 15,000 signatures, some of which have not yet reached my office, which were collected in the City of Windsor.

* * *

SOCIAL INSURANCE NUMBER ACT

MEASURE TO ENACT

Mr. Reg Stackhouse (Scarborough West) moved for leave to introduce Bill C-245, an Act respecting the use of social insurance numbers.

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

Some Hon. Members: Agreed.

Mr. Stackhouse: Mr. Speaker, this Bill is with respect to the use of social insurance numbers. It will give individuals in Canada the right not to disclose their social insurance numbers except where required by law. This will protect the freedom

and privacy of individual citizens against present and growing incursions. The social insurance number is increasingly being used as a national identifier.

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

* * *

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

Hon. Flora MacDonald (Minister of Employment and Immigration) moved for leave to introduce Bill C-62, an Act respecting employment equity.

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

Some Hon. Members: Agreed.

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

* * *

HOUSE OF COMMONS ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (President of the Privy Council) moved for leave to introduce Bill C-63, an Act to amend the House of Commons Act.

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

Some Hon. Members: Agreed.

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

* * *

SEEDS ACT
CANADA GRAIN ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-64, an Act to amend the Seeds Act and the Canada Grain Act.

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

Some Hon. Members: Agreed.

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

ROYAL CANADIAN MOUNTED POLICE ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Solicitor General of Canada) moved for leave to introduce Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other acts in consequence thereof.

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

Some Hon. Members: Agreed.

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

* * *

CANADA DEVELOPMENT CORPORATION REORGANIZATION ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Regional Industrial Expansion) moved for leave to introduce Bill C-66, an Act respecting the reorganization of the Canada Development Corporation.

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

Some Hon. Members: Agreed.

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

* * *

● (1700)

PAROLE ACT
PENITENTIARY ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Solicitor General of Canada) moved for leave to introduce Bill C-67, an Act to amend the Parole Act and Penitentiary Act.

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

Some Hon. Members: Agreed.

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

PAROLE ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Solicitor General of Canada) moved for leave to introduce Bill C-68, an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code.

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

Some Hon. Members: Agreed.

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

* * *

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY ACT

MEASURE TO AMEND

Right Hon. Joe Clark (Secretary of State for External Affairs) moved for leave to introduce Bill C-69, an Act to amend the Canadian Institute for International Peace and Security and certain other Acts in relation thereto.

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

Some Hon. Members: Agreed.

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

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS—CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I believe you will find unanimous consent for the following motion. I move that the Fifth Report of the Standing Committee on Justice and Legal Affairs, presented to the House earlier this day, be concurred in.

Motion agreed to.

FISHERIES AND FORESTRY—CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, on the basis of consultations with the Parties, I believe you will find unanimous consent for the presentation and adoption without debate of the following motion, that the Fifth Report of the Standing Committee on Fisheries and Forestry, tabled in the House on Tuesday, June 18, 1985, be concurred in.

Motion agreed to.

Order Paper Questions

DISABLED AND THE HANDICAPPED—COMPOSITION OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think you will find unanimous consent for the following motion to be presented and accepted without debate, that the following individuals do compose the membership of the Subcommittee on the Disabled and the Handicapped of the Standing Committee on Communications and Culture: Messrs. Boyer, Halliday, Mrs. Killens, Mr. Joncas and Mr. Young.

Motion agreed to.

OFFICIAL LANGUAGES POLICY AND PROGRAMS—FIRST REPORT OF STANDING JOINT COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, this final motion, which is on the same basis as the other two, concerns the Standing Joint Committee on Official Languages Policy and Programs, of which the Whip for the Liberal Party is a very active and outstanding Member. The motion is as follows, that the First Report of the Standing Joint Committee on Official Languages Policy and Programs, tabled in the House on Wednesday, May 29, 1985, be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am sure that all Members will be very pleased that the following questions will be answered today: Nos. 4, 243, 290, 301, 337, 343, 344, 345, 346, 347, 348, 349, 352, 353, 355, 356, 358 and 364.

[*Text*]

CDC DATA SYSTEMS INC.

Question No. 4—**Mr. Ellis:**

1. Is CDC Data Systems Inc. a wholly-owned subsidiary of the Canada Development Corporation and, if so, did it acquire a 56 per cent controlling interest in Savin Corporation of Valhalla, New York, in March, 1982 and, if so, what was the total purchase price?

2. Was Savin Corporation encountering financial difficulties prior to its purchase by CDC Data Systems Inc. and, if so, what (*a*) were their nature (*b*) steps did Savin Corporation take to rectify them?

3. What is the present financial condition of (*a*) Savin Corporation (*b*) CDC Data Systems Inc.?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): 1. According to the 1982 Annual Report, CDC Data Systems Inc. is a wholly-owned subsidiary of Canada Development Corporation (CDC). In the first quarter of 1982, it purchased 57 per cent of the voting equity in Savin Corporation for a total purchase price of $75 million (U.S.).

2. Canada Development Corporation is not an agent of Her Majesty or a Crown Corporation. Beauchesne's Parliamentary Rules and Forms, Citation 357 (dd) applies.

3. Please refer to part 2 above.

OFFICE OF THE PRIME MINISTER

Question No. 243—**Mr. Boudria:**

1. How many people are employed (*a*) directly or by contract (*b*) full time and part time, in the Office of the Prime Minister?

2. What is the expected yearly cost to the taxpayers for this service?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): 1. As of January 31, 1985: (*a*) 14 persons were employed on contract; and (*b*) 111 persons were employed full-time.

2. The expected annual cost to the taxpayers is $4,623,336.

FUNDING TO TRIBAL COUNCILS IN ONTARIO

Question No. 290—**Mr. Parry:**

1. In 1984-85, did the Department of Indian Affairs and Northern Development's Ontario region commit funds to tribal councils or groups of bands and, if so, to which ones?

2. For 1985-86, was any application for funds from the Shibogamau tribal council (*a*) received (*b*) accepted (*c*) rejected?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): 1. In 1984-85 funds were provided to Georgian Bay Tribal Council, Windigo Tribal Council, Kayahna Tribal Council, Petahbun Tribal Council and the United Chiefs and Councils of Manitoulin Island. Kayahna Tribal Council received funds only for economic development purposes.

2. An application for funding has been received from and discussed with the Shibogama Tribal Council. Bearing in mind that this is a newly formed tribal grouping, no commitment to funding was possible pending a review of available resources.

SBLA—ADMINISTRATIVE COST OF LOAN

Question No. 301—**Mr. Gagliano:**

What is the average administrative cost to the lending institution of a loan made under the Small Businesses Loans Act?

Hon. André Bissonnette (Minister of State (Small Businesses)): The Department has no specific data on the average administrative cost of a loan made under the Small Businesses Loans Act (SBLA) nor does the Canadian Bankers' Association. Since SBLA loans represent only 1.5 per cent of bank assets and 2.4 per cent of bank loans to business, their related cost is evaluated in terms of the average cost of other loans.

CONTAMINATED RADIOACTIVE SOIL

Question No. 337—**Mr. Heap:**

1. Is there contaminated radioactive soil on McClure Crescent in Malvern, Ontario and, if so, what is the estimated cost of excavating this soil?

2. Has the Government considered buying the homes from the residents who live on this crescent and, if so, at what estimated cost?

3. To date, what have been the legal expenses incurred by (*a*) the Government (*b*) AECL, in attempting to remove the contaminated soil and place it in other sites and, in each case, what was the cost?

Hon. Pat Carney (Minister of Energy, Mines and Resources): 1. On 39 residential properties on McClure Crescent in Malvern, Ontario, there is soil with concentrations of radium somewhat higher than normal background levels for that area. Radium is a radioactive element which is present to some extent in all soils.

The cost of excavating the soil and re-landscaping the affected properties is estimated at $552,000. The cost of storing the soils (an estimated $400,000), as is contemplated in an agreement between Canada and Ontario, will be borne by the province.

2. The possibility of the houses being bought by either the provincial or federal Government has been analysed. To buy the 39 properties directly affected would cost approximately $2.7 million. However, this action would likely not satisfy the concerns of owners of neighbouring properties which are not contaminated. A number of these owners are involved in litigation, claiming substantial damages, together with owners of directly affected properties. To buy all 104 houses on McClure Crescent and an additional four backing on to the Crescent would cost approximately $8.1 million. Even then, there may be some who feel the line has been drawn too closely. To purchase all houses within a zone equivalent to the uninhabited area around the temporary storage site for the soil proposed by the Province of Ontario would involve an expenditure of tens of millions of dollars.

3. (*a*) and (*b*) There have been two legal actions relating to proposed relocation of the soil. The first was an action by the Townships of Essa and Tosoronto to prevent relocation of the soil to Canadian Forces Base, Borden in 1981. The legal costs incurred by the Atomic Energy Control Board, which was the proponent of that move, were $5,000. In addition, an estimated $2,000 of an AECB official's time was involved in defending the action.

There is currently an injunction action before the Federal Court, in which Waste Not Wanted Inc. is seeking to prevent Atomic Energy of Canada Ltd. and the federal Government from relocating the soil to a storage site provided by the Province of Ontario in a sparsely populated area of Scarborough under an agreement with the federal Government.

Expenses incurred by AECL and the Government in defending this action are approximately $250,000, in addition to the time of the AECL, EM&R and Department of Justice staff involved in defending the action.

RENOVATIONS AT CBC, MONTREAL

Question No. 343—**Mr. Desrosiers:**

Did the Canadian Broadcasting Corporation renovate the tenth floor of the Dorchester Street building in Montreal recently and, if so (*a*) at what cost to the taxpayer (*b*) who authorized the work?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

No. No "renovations" were carried out on the tenth floor of Maison de Radio-Canada in Montreal. A routine building maintenance operation was conducted. The commercial-quality carpet that was there is meant to last no more than 10 years. This carpet was 13 years old and went back to the opening of the building. It had holes in it and was in such a pitiful state that the accident prevention department had indicated that its replacement should be regarded as a priority. The paint had not been done in six years and the vinyl covering on some of the walls had not been changed since the construction of the building. Since the tiles in the ceilings of Maison de Radio-Canada have not been manufactured for the past seven years, the hanging ceiling on the tenth floor was therefore changed and the intact tiles were saved to be used as replacements in other areas of the building.

(*a*) The cost of this work was $32,312.

(*b*) The work was authorized by local engineering management and local administration management.

CBC—STAFF CUTS IN MONTREAL

Question No. 344—**Mr. Desrosiers:**

Did the Canadian Broadcasting Corporation shuffle the staff of the Engineering Department on Côte St. Luc Street in Montreal recently and, if so (*a*) how many employees were moved from the (i) second to the third (ii) third to the second floor (*b*) at what cost to the taxpayer (*c*) was the telephone system relocated under the floors and, if so, who authorized the relocation and any other related expense?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

No. However, as a result of the recent budget cuts, the staff in Accounting at Engineering Headquarters, located in another building, was reduced considerably. Almost all the remaining employees from this Department were relocated in the Côte St-Luc building and the space was reallocated to consolidate services. By vacating premises in the other building, the Corporation will save $325,000 on rent. (*a*)(i) 12, (ii) 6.

(*b*) The cost of the new arrangements was $288,000. This will be recovered as a result of the $325,000 saving on the rent for the partially vacated building.

(*c*) Yes. The sinking of the telephone system below the floors, which will save Engineering Headquarters about $211,000 a year in operating expenses, was done by means of pipes and ducts already in place. In view of these savings, the system will pay for itself in a little over three years. The work was done in accordance with work orders signed by members of Senior Management duly authorized to sign such documents in the CBC.

Order Paper Questions

CBC—ENGINEERING DEPARTMENT IN MONTREAL

Question No. 345—**Mr. Desrosiers:**

Is the (*a*) Director, Building Services (*b*) Chief Engineer, Electrical Section (*c*) Chief Engineer, Mechanical Section (*d*) Chief Architect, Building Department (*e*) Senior Architect, Building Section (f) Senior Engineer, Building Section (*g*) Supervisor, Mechanical Section in the Engineering Department and of the Canadian Broadcasting Coporation located in the Côte St. Luc Street building in Montreal (i) bilingual (ii) unilingual, and do they all have an assistant?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

Engineering headquarters is attempting to ensure bilingual replacements, and the incumbents of the four professional positions it has filled since 1983 in the building section are all bilingual. Only the Director, Building Services (*a*), is backed up by a bilingual Assistant Director. None of the incumbents of the other positions mentioned has an assistant. One of the three senior architects in the building section (*e*) is bilingual. The other incumbents are not. Most of the incumbents of these positions are employees of long standing, who have performed their present duties for an average of 10 years. Some of them are expected to retire in the near future.

CBC—REPORTING OF TRAFFIC CONDITIONS

Question No. 346—**Mr. Desrosiers:**

Does the Canadian Broadcasting Corporation lease an aircraft for reporting on traffic conditions in the Montreal area and, if so (*a*) what type (*b*) who owns the aircraft (*c*) was a leasing contract or other arrangement entered into between the two parties and, if so (i) as of what date (ii) on what date will the contract expire (*d*) were tenders called and, if so, on what date and in what manner (*e*) what is the leasing cost of the aircraft?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

Yes. The CBC French Radio services in Montreal, as is the case with many other broadcasters, leases an aircraft for reporting on traffic conditions five days a week in the Montreal area.

(*a*) Trade mark of aircraft Cessna—model RG-117 Cardinal.

(*b*) Andrair Aviation.

(*c*) The contract was signed September 3, 1984 and is valid until the end of August, 1985.

(*d*) Yes, tenders were called during the summer of 1982. Subsequently, the contract was renewed.

(*e*) $78,408 for the present year.

CBC—CONSTRUCTION OF RAMP AT STUDIO 42

Question No. 347—**Mr. Desrosiers:**

Was a contract awarded by the Canadian Broadcasting Corporation for the construction of an extension ramp for the handicapped, at Studio 42 in Montreal and, if so (*a*) were public tenders called (*b*) who was awarded the contract (*c*) at what cost (*d*) were restrooms built?

Order Paper Questions

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

No. The CBC used its own personnel to build a ramp enabling handicapped persons to have access to Studio 42.

(*a*), (*b*) and (*c*) Not applicable.

(*d*) No. Nor does the CBC plan to provide restrooms specially for Studio 42 since there are already some in the area that can accommodate handicapped persons.

CBC—COMPUTERS

Question No. 348—**Mr. Desrosiers:**

Did the Canadian Broadcasting Corporation provide its French network television and radio directors with computers and, if so (*a*) were public tenders called (*b*) who was awarded the (i) sales (ii) service contract (*c*) what was the purchase price for each computer (*d*) how many computers did the corporation purchase?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

No. But the CBC at Montreal, as do many other broadcasters, uses a central computer to prepare and broadcast its programs.

CBC—REUSABLE SETS

Question No. 349—**Mr. Desrosiers:**

Does the Canadian Broadcasting Corporation in Montreal burn or destroy its decors after use and, if so, what was the amount allocated for such purposes in the fiscal years (*a*) 1983-84 (*b*) 1984-85 (*c*) 1985-86?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

Reusable sets are kept in storage. Some set elements, such as furniture and accessories that have not been used for a long time and which are not likely to be used in the short or medium term, are sold. However, it is more economical to destroy, rather than store, set elements that cannot be used again or sold. Reusable elements, including doors, handles, hinges, kitchen cupboards and counters, windows, stairways, floor tiles, curtains and draperies, backdrops, cycloramas and orchestra platforms, are recovered and stored.

(*a*), (*b*) and (*c*) No funds are allocated specifically for the destruction of set elements.

CBC—"LE CHEZ-NOUS DES ARTISTES"

Question No. 352—**Mr. Desrosiers:**

1. What were the (*a*) production (*b*) direction (*c*) distribution costs of the gala performance "Le chez-nous des artistes" on December 16, 1984?

2. How many performers participated in the gala at the Place des Arts?

3. Were the performers paid the same fees and was it agreed, orally or in writing, between CBC and the performers that their culture fees would be paid to La maison des artistes, a non-profit organization?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. (*a*), (*b*) and (*c*) Program expenses are not broken down in this way. The costs of this special program were as follows:

Performers' fees and other direct expenses	$476,618
Indirect expenses	$234,064

2. There were 211 performers.

3. No. The fees paid to each performer were in keeping with the role played in the gala and with the standards of the Union des Artistes. All performers who were asked to participate in "Le Chez-nous des artistes" were verbally invited to contribute their fees to the Fondation du Chez-nous des artistes.

CBC—FRENCH TV NETWORK

Question No. 353—**Mr. Desrosiers:**

Who is the programming manager of the Canadian Broadcasting Corporation French TV network and is this a (permanent full-time) position?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

Strictly speaking, there is no longer a programming manager for the French Television network. The position was abolished in April, 1985, and the French Television network underwent a change in its administrative structure; this resulted in a reduction in the levels of management.

CBC—READING COMMITTEE

Question No. 355—**Mr. Desrosiers:**

Does the Canadian Broadcasting Corporation have an anonymous reading committee and, if so (a) are its members permanent or contract employees (b) do they have offices at the Corporation or do they work at home?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

No. For several years, various people have been asked to evaluate the scripts submitted to the Corporation's French networks in Montreal (in particular to the Drama Programs Department and the Script Bureau). Whenever a drama competition is organized by the French television or radio networks, the CBC invites writers and actors/actresses to be members of the jury. Routine affairs are handled from inside the Corporation by employees of the departments concerned.

CBC—ENTERTAINMENT AND DRAMA DEPARTMENTS

Question No. 356—**Mr. Desrosiers:**

Is the head of the (*a*) entertainment (*b*) drama department of the Canadian Broadcasting Corporation French TV Network a permanent or contract employee and, in the latter case (*a*) what is the termination date of his or her

contract (*b*) does CBC intend to renew the contract (*c*) did the contract employee inform CBC whether he or she would like the contract renewed?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

The heads of the entertainment and drama departments for the French Television Network are both permanent CBC employees.

CBC—PROGRAM *AVIS DE RECHERCHE*

Question No. 358—**Mr. Desrosiers:**

Was there more than one Canadian Broadcasting Corporation director in charge of the daily program *Avis de recherche*?

Hon. Marcel Masse (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

Yes. *Avis de recherche* is a daily program produced five times weekly for 39 weeks, for a total of 195 programs. To ensure the smooth running of this program series, which consists of studio elements and inserts shot on location, the crew is made up of one producer, one executive producer and two production assistants. In addition to producing a few programs, the executive producer must make plans weeks in advance to invite guests to the program.

CONSCIENCE CANADA INC.

Question No. 364—**Mr. de Jong:**

1. Did Conscience Canada apply to the Department of National Revenue for designation as a charitable organization and, if so (*a*) on what date (*b*) was the application approved and, if not, for what reason?

2. Have there been any groups who for reasons of conscience been exempted from the payment of taxes?

Hon. Perrin Beatty (Minister of National Revenue): 1. (*a*) Conscience Canada Inc. applied for charitable registration on December 22, 1983.

(*b*) The organization was denied registration because it was the Department's view that its resources were not being devoted to exclusively charitable activities as required under the Income Tax Act. Conscience Canada Inc. is appealing the Department's decision.

2. I am not aware of any instances where groups were exempted from the payment of taxes for reasons of conscience.

[*English*]

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

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

Mr. Boudria: Mr. Speaker, I want to ask the Parliamentary Secretary why the Government is unwilling to answer a very simple question which I put on the Order Paper on February 28, 1985. I have another question asking if the Prime Minister (Mr. Mulroney) went to Jamaica on March 6, 1985, and other questions like it. I know that this must be terribly embarrassing, but surely there must be a way for the Government to answer other questions in my name, such as Nos. 349, 400, 388 and Question 313. Why will the Government not answer these questions?

Mr. Dick: I know that the Government will be pleased to answer these questions and will get around to answering the questions. The problem to date is that there are so many silly questions put on by that Hon. Member.

Mr. Boudria: The people of Canada have a right to know.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. That is the kind of remark that draws blood over here. The Parliamentary Secretary was doing very well, thank you very much, until he made that silly remark.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 9 could be made an Order for Return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 9 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

HOUSING STARTS

Question No. 9—**Ms. Copps:**

1. How many housing starts are expected during the fourth quarter of 1984 by (*a*) province (*b*) type of dwelling (*c*) city?

2. How many housing starts were financed through CMHC during the first three quarters of 1984 by (*a*) province (*b*) type of dwelling (*c*) city?

3. What was the average purchase price of each unit financed by CMHC by (*a*) province (*b*) type of dwelling (*c*) city?

4. How many geared to income units were built during the first three quarters of 1984 by (*a*) province (*b*) type of dwelling (*c*) city?

5. How many geared to income units have been approved for the fourth quarter of 1984 by (*a*) province (*b*) type of dwelling (*c*) city?

6. How many housing starts are projected for 1985 by (*a*) province (*b*) type of dwelling (*c*) city?

7. What will the allocation of publically assisted housing units be for in 1985 by (*a*) province (*b*) type of dwelling (*c*) city (*d*) rental (*e*) size?

8. (*a*) How many temporary shelter units are available in Canada by (i) province (ii) city (*b*) how many were funded by the (i) government (ii) provinces (iii) municipalities?

9. By province and city, how many temporary housing units were or will be funded by CMHC (*a*) during 1983 (*b*) during the fourth quarter of 1984 (*c*) for the first quarter of 1985?

10. During the fourth quarter of 1984 and the first quarter of 1985, how many rental housing units will be financed by CMHC?

11. By province and city, how many rental units financed through CMHC will be (*a*) geared to income (*b*) used for senior citizen housing?

12. Will any new housing starts projected for the fourth period of 1984 and for 1985, replace existing housing and, if so (*a*) how many (*b*) will the previous inhabitants be rehoused in CMHC financed projects and, if so, how many?

13. By province and city, how many co-op housing units will be allocated by CMHC in 1985?

14. Since 1974, what was the average income level of persons housed in co-op units by (*a*) province (*b*) city (*c*) type of dwelling?

15. How many persons residing in a co-op, financed through CMHC, own another residence by (*a*) province (*b*) city (*c*) type of dwelling?

16. How many persons have defaulted on their mortgages during the fourth quarter of 1984 by (i) province (ii) city (iii) number of persons in the household (*b*) what assistance is available to them at the present time?

17. How many CMHC financed housing units are available at this time to Canada's native peoples by (*a*) province (*b*) type of dwelling?

18. How many CMHC financed housing units are available to the handicapped by (*a*) province (*b*) city (*c*) type of dwelling?

19. How many new housing units were or will be financed by CMHC in Hamilton East during 1984 and 1985?

Return tabled.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise that Bill C-25, an Act to amend the Agricultural Stabilization Act, be read the third time and passed.

Mr. Maurice Foster (Algoma): Mr. Speaker, when we adjourned for Question Period, I was speaking to Bill C-25. I pointed out that the amendment to Clause 8 introduced by the Minister last week broke the harmony that existed with the producers, the four provinces and the federal Government, which had agreed to a red meat stabilization tripartite agreement.

The producers have told me that they are totally confused by that amendment to Clause 8. It removes the provision that provincial Governments must phase out any existing stabilization program when they participate in the tripartite stabilization program. The Minister's amendment does not seem to have satisfied the concerns of the producers in the Maritime Provinces, Quebec and British Columbia.

This Bill does not take advantage of the harmony that existed in those four provinces. In fact, when I spoke to a representative of the Canadian Cattlemen's Association yesterday, he said that producers are thoroughly confused as to what the amendment means and will not support it at this time because they do not understand it. The Minister has created the worst of all worlds.

There is another matter of great concern to the committee. According to presentations from organizations like the Canadian Pork Council, the Alberta Government and other provincial Governments, the parties to the original agreement want the Bill passed in the form in which it was presented. The Minister is not only confusing that situation, but has not met the demands of the Maritime provinces when they asked that the Minister establish a grain feed freight assistance program as well as a program which will allow them to become self-sufficient in feed grains over the short run. I think those are a very great concern, Mr. Speaker.

• (1710)

The Minister said this Bill offers an opportunity to resolve our trading problems with the United States. Before the committee the Minister as a witness said that the U.S. Secretary of Agriculture, John Block, in the meetings he had with him over the course of the spring months while the Bill was being discussed and studied, was hardening in his position. The question is as to whether or not stabilization payments made under a tripartite arrangement are subject to a countervail. The countervail which is in position now is apparently to be confirmed on the twenty-fifth of the month. Most of these payments seem to be subject to the U.S. countervail.

The question is how do you gain by stabilization payments through a tripartite arrangement if they are going to be subject to countervail? The Minister has to be prepared to go to Washington and to negotiate with the Secretary of Agriculture. If tripartite agreements are put in place in the future, they should not be subject to countervail, otherwise the whole Bill and exercise is really futile.

We see many non-tariff barriers. They tell me in the last two or three days we have had two or three more loads of Canadian cattle going to the United States turned down because of technical mechanisms that some States are using which is, from all I know, totally illegal. During the last couple of weeks we have had some 30 loads of cattle coming into the Toronto market from the United States. We have to ask our trading partner is this free trade thing for real or it is just a one way free trade which the Minister and the Government have been talking about? During the committee study, the Minister kept referring to a London *Free Press* article on June 17 in which he seemed to be saying to the farmers of Canada, at least the article says, referring to the whole problem of countervails and stabilization payments that, and I quote:

> The best solution would seem to be a stabilization plan administered by the Government but entirely financed by the farmers who choose to participate.

That is the final paragraph of the article.

Surely, Mr. Speaker, it is not the Minister's policy that we are going to have the Government administering the program but not making any contributions. I do not know why he would continue to refer to that. It is not the policy of this Government. It is not the policy of this Government to have stabilization payments in total made by the federal Government.

Mr. Wise: Read the first paragraph for us.

Mr. Foster: I hear the Minister talking about the first paragraph of this article.

Mr. Wise: Just read it, please.

Mr. Foster: During the committee studies, the Minister continued to refer to farmers sort of providing all the stabilization. I thought what we needed was a stop loss program where the federal and provincial Governments would contribute to assist hard-pressed producers. At the same time, the Minister seemed to be speaking a great deal, even during the course of the study of the Bill, about the possibility of a tripartite stabilization program where we have four provinces in agreement to it. He continued to speak about the possibility of a national hog marketing agency. Those recommendations during the course of debate on the stabilization program only confuse the situation.

This Bill provides retroactive arrangements for payments which are not made within the crop year. This Bill would be very beneficial to groups like the Alberta Sugar-Beet Growers who have suffered incredible hardship this year. This is the first time in 65 years that they have not been able to produce a crop, the plant will not run and beets will not be seeded. This Bill provides for retroactive payments where one grows a crop one year, markets the produce the following year and payments are made at the end of that year or in subsequent years. This Bill makes provision for that and is an important part of the Bill.

Unfortunately, the Minister was not prepared during the committee studies to make a commitment that the $10 million or $12 million, which is owed to the Alberta Sugar-Beet Growers, would be paid. That is most unfortunate because they have suffered a great deal. The situation is one in which the producers are very uncertain as to whether this legislation can or will be used. I think we have to put it in the backdrop of the over-all agriculture situation.

The Minister of Finance (Mr. Wilson) when speaking this afternoon outlined his total ignorance about the farm financial situation in Canada today. In January he brought down a White Paper on farm taxation issues. It outlined how great and how rosy things were on the farm scene. In that statement, the Minister pointed out that farmers earned twice as much as the average Canadian, but they pay one-quarter as many taxes and are worth eight times as much. I put a question to the Minister about an exemption on the gas tax which he is to impose on September 3, which will reinstate about one-half of the excise tax taken off last fall. By the time he is through imposing the tax on January 1, 1987, the situation will be that much worse.

It is really sad that the Minister of Finance does not seem to be aware of the concern when he brings down a budget. He starts reeling off a number of items, but he does not realize now much anguish, hardship and difficulty there is in the farming community.

There is a strong recommendation from the Finance Committee that we position a major agri-bond program which would have provided long term low interest rates of 8 per cent over a number of years. Apparently the Minister of Agriculture (Mr. Wise) was not able to convince the Minister of Finance in his Budget that he should have had a positive program to assist the 17 per cent of farmers who are in serious financial difficulties.

• (1720)

I should like to refer to a resolution which was passed by the directors of the Ontario Federation of Agriculture which indicated that the Government had betrayed Canadian farmers, that it ignored the consultative process and its recommendations, and that it ignored the legitimate needs of farmers. It seems to me that we should have received more action from the Government in terms of providing retroactive payments under the stabilization program. Sugar-beet growers of Alberta will be eligible once the bill is passed, yet the Minister is not prepared to make those payments even though they were dealt with in Committee of the Whole.

The Minister talked about a new era in agriculture. Many people are very concerned about the new tripartite era. If we look at the document entitled: *A New Direction for Canada* which was tabled last fall, particularly at the section dealing with agriculture, we see that the federal Government will opt out of many support and stabilization programs in which it is now involved. For example, on page 60, it is noted that out of the $1.35 billion budget of Agriculture Canada, some $700 million is devoted to price and income supports. In part it reads:

> The federal Government must examine its involvement in the sector to ensure that it is directed at maintaining a strong, efficient, and competitive Canadian agricultural sector, and that it recognizes its special challenges. It will be important to determine whether existing price and income support programs are still appropriate for present-day conditions and to ensure that they are not causing structural inefficiencies in the industry.

The next sentence is the key one, and it reads:

> The new tripartite approach to red meat stabilization may be a good example of how both levels of Government and the producers themselves can co-operate to develop improvements over former arrangements.

Is the federal Government looking to the possibility of having crop insurance programs instead of federal-producer programs with the provinces administering them? Is it planning under the tripartite stabilization legislation to have the province pick up a third of the cost of crop insurance? Is it planning to have provincial Governments pick up a third of the costs of the western grain stabilization program? Is it planning to have provincial Governments and producers pay a third each of the costs of the dairy stabilization program? In total, the dairy program would cost some $300 million.

A New Direction for Canada, under the Tory Government, suggests that the tripartite arrangement is what the Government has planned. If so, it will be a great revelation to hard-pressed producers and provincial Governments. For instance, if they each had to put up $100 million under the dairy support program, it would not only be the cause of great

revelation. I wonder whether that is what the Minister of Agriculture (Mr. Wise) has in mind.

The Budget has provided that for each year, for the next five years, there will be a $50 million reduction in the funding of Agriculture Canada. I assume, from reading *A New Direction for Canada*, that it will come out of the $700 million devoted to price and income support.

There is great uncertainty in the agricultural community as to whether the amendments of the Minister will allow the red meat program to go ahead. In fact, the Bill does not provide for the concerns of the Maritimes or the Province of Quebec. We should not only look at the immediate concerns in the red meat industry, but we should look ahead at the demands which the Minister and his Government will make on producers and provincial Governments to pay a third of the costs of stabilization programs for many other commodities which heretofore were either totally, or to a large percentage, paid by the federal Government.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Trade—Steel exports to United States. b) Request that monitoring system be established; The Hon. Member for Gander-Twillingate (Mr. Baker)—Airports—Stationing of RCMP officers at airports; The Hon. Member for Ottawa-Vanier (Mr. Gauthier)—The Constitution—Supreme Court judgment. (b) Consultations with Maintoba Government and Society of Franco-Manitobans—Government position.

GOVERNMENT ORDERS

[*English*]

AGRICULTURAL STABILIZATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wise that Bill C-25, an Act to amend the Agricultural Stabilization Act, be read the third time and passed.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in closing the debate on this particular Bill, I should like to sum up the position of my Party. For several weeks we have been discussing an amendment to the Agricultural Stabilization Act, an Act which has been around since 1957-58. It was offered in response to a need in agriculture which had been expressed by farmers for ages, a need to come up with programs which would permit them to remain in business during the tremendous price cycles which occur in agricultural production and pricing.

We in Canada have approached this question from two directions. For some commodities we offered the possibility of national marketing board legislation. Most of the commodities which we produce, other than those under the Canadian Wheat Board or the current national supply-managed marketing systems, have been exempted from the ability to apply under that particular legislation. For example, a red meat producer cannot knowingly set up a national meat marketing agency because there is no room under the umbrella legislation for producers of beef or pork to do so. As an alternative, Governments of the past offered agricultural stabilization programs which in effect took an average of the ups and down of prices over five years and guaranteed producers approximately 90 per cent of that floating or moving average.

This particular set of amendments came about in response to several initiatives which were taken outside the House. The first amendment included a change to designated products. I must point out that there are two sets of products under the Act. Some farmers realize that there are named products, for which the stabilization program and formula are automatic, and that there are designated products that are usually less widely produced products, over which the Minister has some discretion in designating as products. The Minister can decide on the level of pay-out for a particular commodity over a period of time. There has been some difficulty in that regard, in that the old Act suggested that pay-outs had to be based upon the prices of the past year. They ran into some legal problems, thus a minor change was made to make the year a retroactive one so that pay-outs could be made legally under the Act.

• (1730)

The amount of named commodities has been enlarged and extended somewhat with these amendments but mostly what the Act is purporting to do, if we listen to the Minister and some of the witnesses, is to take care of a fear that is in some parts of the farming community that our farm production will be Balkanized because of the interference of some provincial treasuries in the subsidization of agricultural products in their province. This is legal under our constitution, but creates some interprovincial trade problems. That fear was carried forward and provided with some impetus by the fact that some of our trading partners have now begun to interfere with and react to the kind of stabilization policies we have in this country. In particular, the United States of America has moved, through its Commerce Department to put on a countervail tariff of 5.5 cents a pound on pork and about 4.4 cents a pound on live hogs.

The argument that is offered for changing the Agricultural Stabilization Act is that if we have a national program where-

by producers can only collect under a national program that somehow or other, through some magic that has never been totally explained, the U.S. will stop their countervail.

However, we should point out, as was pointed out through the witnesses and during the investigation of this Bill, that the U.S. has, during the course of its countervail, countervailed almost equally against provincial programs as it has against federal programs. It does not seem to provide any immunity to federal programs. We are operating very much on faith if we think that these particular changes will change the minds of the U.S. regarding the countervail of pork. I expect if it behooves them to do so, they will countervail equally against us when we come in with a beef program and it all depends under what sort of political pressure producers in the United States put their Government. They have a procedure that permits them to act and get a countervail much quicker that most countries have. In a matter of a few months, they were successful in having the countervail on pork and they, I think, would move equally as quickly if beef producers in the United States felt that their markets were being jeopardized as well.

We heard about a lot of frustration in the committee from producers of pork in particular because they thought we had a free trade agreement with the United States in pork. It is not too many years ago when Canada accepted between 14 and 15 per cent of our total pork consumption from the United States. While there may have been some grumblings, we realized that we had a free trade agreement with them and, therefore, if that was going to be any good, we would have to accept their pork when their product was cheaper than ours and could find a ready market in Canada. When the tables were reversed, however, with less than 3 per cent of the American market for pork being taken up by the Canadian product, the Americans moved a countervail action in an attempt to stop Canadian pork going into their market.

It is very difficult to see the justice in that and very difficult to see that we have in fact a free trade arrangement with the United States when we will accept between 14 and 15 per cent of their product and they move unilaterally against us when we take up 2 or 3 per cent of their market. There was a lot of frustration and we had two points of view—there were probably far more than two points of view but there were certainly two distinct schools of thought—in the information that appeared before us.

I pointed out because of the formula that Canada has adopted for stabilization programs when we get into a period of rapid inflation that is not matched in the market-place, as has happened with red meats, the 90 per cent of the five-year average does nothing to stabilize the industry. It does nothing to assist producers to stay in business.

We have in the late 1970s come through a period when interest rates virtually tripled, fuel prices tripled and a great many other production costs also went up very rapidly, but the price of beef and pork only went up a small part of the increase in cost. The 90 per cent of the five-year market average fell far short of covering the actual cash cost of the producers. As a consequence, a great many of the provinces, in order to maintain production and to assist the maintenance of farmers in their provinces, came in with bipartite stabilization programs based on a cost of production formula rather than on a market-pricing formula. They experimented, I think quite successfully, with the cost-based formula. They pioneered the programs where producers were able to recoup all of their cash costs and part of their investment costs each year through a program to which the producers contributed approximately one-half of the insurance premiums and those premiums were shared by the provinces.

Many of the producers who had experience with these programs had been agitating for these kinds of cost-based programs to be presented at the national level and that the contributions be done by farmers, provincial treasuries and the federal Treasury. These proposals seem to have been largely rejected by the Government. There is some mention of costs in the new formula but it is only used to arrive at a factor or an index and that then becomes part of a calculation.

The cost being the main source of triggering a pay-out is not going to be part of this particular program that we have offered to us here. They have come a little ways so that costs can make up part of the formula, but it is still basically a market-oriented program. When market prices fail to meet the cost of production, it simply locks in a situation which many of the producers who appeared before us describe by saying that it stabilizes poverty or it stabilizes bankruptcy.

During the course of hearing the witnesses on this, we also saw some changes to the political lexicon and redefinitions that will, I hope, not become part of the political dictionary of this country because prior to the changes we had some of the provinces attempt to come up with a tripartite agreement that was suitable to them, to the federal Government and to some of the farm groups within these provinces. Remember, Mr. Speaker, this is in a confederation of Canada which has taken pride in surviving with 10 distinct provinces and two territories for more than a century and has taken pride in recognizing the need for some recognition of differences for regions in the different areas of the country.

● (1740)

In spite of that, we started hearing about the majority of provinces which, when one understands the lexicon, means the four provinces that produce most of the livestock, and then we heard about the minority of provinces which turns out to be the six provinces that have most of the farmers. I am afraid that we ended up, by my assessment, listening to the livestock rather than the farmers.

The Minister attempted to bring in some amendments which he feels address some of the problems. The major amendment is one that I find very difficult to accept, and I voted against it in committee. I would like to talk about it for a few moments because I think the amendment misses the whole purpose of a tripartite scheme.

As we read the Bill initially, most of us thought that a tripartite scheme as presented by the Bill would be the establishment of a framework under which producer groups, provin-

cial Governments and federal Governments could meet to bargain, discuss and negotiate to arrive at a proposal which would provide a stabilization program that would cover the agreed to commodities in those agreeing provinces. The federal Government would participate by paying one-third of the premiums. However, the most noteworthy amendment put by the Minister in an effort, we were told, to go some way toward meeting the problems of the so-called minority of provinces, was a different proposition. As when the original Bill went through the House at second reading, it permits the tripartite discussions to take place, but the Minister has added something that he feels will look after everything. I will read this amendment into the record so that you may make up your own mind about it, Mr. Speaker. It reads:

> The Minister may enter into an agreement with a province in respect of an agricultural commodity only if he is of the opinion that such an agreement
>
> (*a*) would not give to the producers of the commodity who are to be parties to the agreement or for whose benefit the agreement would be entered into, a financial advantage in the production or marketing of the commodity not enjoyed by other producers of the commodity in Canada.

Reading that, I realize that for every dollar a producer puts up in premiums, the province will put up a dollar and the federal Government will put up a dollar. This means that for every $1 put up, two more come into existence. That sounds like a bit of an advantage for those who participate in the plan over those who do not. However, the Minister may veto the program if it suddenly hits him when he looks at the plan that this is what is does.

Not only can the Minister have that kind of discretion. His motion goes on to say that the Minister could stop the plan if in his opinion the agreement would be an incentive to the producers of the commodity who are to be parties to the agreement or for whose benefit the agreement would be entered into to over-produce the commodity. We know by the very nature of the agricultural community that according to economists, the economic reason for market lows is over-production. If we are going to have periods of time when there are low prices, the Minister can call it over-production and veto the program.

I have great difficulty understanding the Minister's explanation of these words. When I read them, they seem to be very clear. I think that—

Mr. Wise: That's because you and I are not lawyers, Vic.

Mr. Althouse: My lawyers tell me the same thing.

Mr. Wise: That's not what my lawyers tell me.

Mr. Althouse: I think the proposal has to be tested simply because of the force of the all Members against everyone else. However, I do not think it will be effective in responding to the trade war initiated by the U.S. I do not think it will properly address the problems that exist interprovincially. I think that we have only stirred up the hornets and the nest is now broken. We will simply have to live again with an Agricultural Stabilization Act that does not do what farmers expect it to do.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I am not going to be on my feet for very long. However, there are some things that I feel should be said about this Bill.

First, I would like to remind the Hon. Member for Algoma (Mr. Foster) that this Party was in power for 10 or 15 years. When his Party was in power, we never heard about any of these new ideas he is now suggesting. Now when the Party is in opposition, Liberal Members suddenly have a great many new ideas that they are bringing forth. Why did they not bring them forth during the years they were in power? It makes me think of something somebody said which goes, "Don't do what I do, do what I say".

This Government is doing something about the problem. The Bill may not be perfect but the problem is being tackled. The Minister is putting his neck on the line and his head on the block and he is trying to do something for agriculture, the backbone industry of this country that has been neglected for 15 years. That in itself is a great step forward.

The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) took such a negative view of the Bill I was surprised, because normally he has some pretty good ideas about agriculture. He is a practical man of the land. Today he reminded me of the fellow who, when he held up his whisky bottle, said, "My God, the thing is half empty". Another fellow looked at it and said, "Good, it's half full". We are doing something about the problem. I do not like the idea of Members saying that it is a failure before it even gets started. I would like to give it a chance.

I would like to deal with some of these items. First I want to say that we live in a wonderful country. I am proud to be a Canadian. I was proud to wear a Canadian uniform. Wherever I go in the world, I find that people recognize and appreciate Canadians. However, Canada is a vast country. It is far flung. One time a fellow said, "I think Canada is far flung but sometimes it's flung too far".

When dealing with problems from the Pacific to the Atlantic and from the 49th parallel to the Arctic Ocean, Ministers must get an overwhelming feeling. Each province has its own beauty and its own differences. Each province has its own ideas. Agriculture is important to every province and Territory in this country.

I do not want to leave the impression that we will not do anything about the differences between the provinces. I do not want the provinces to be all the same. However, I would like to use the differences to show that we can strengthen our nation by recognizing and dealing with our differences.

The point I would like to make is that we must recognize that Canada is composed of a lot of provinces. I am a Canadian. I come from Alberta and I was born in Alberta. When I die, I hope I will die in Alberta. I know every province. As a former Minister of Highways for Alberta it was my pleasure to spend two or three days with Ministers of Highways from every province of this great country. From that I learned that every province has its own objectives and ambitions. All the provinces want to make Canada a united and

greater country. When I decided to run federally, I hoped that I would be part of the solution, not part of the problem.

● (1750)

I want to deal with the matter before the House today with the view of trying to solve the problems which face our agricultural industry. The bottom line in the Bill is that producers in each and every province must be treated fairly and equitably. I do not know of a farmer in Alberta who expects special treatment. I do not know many farmers in Quebec or the Maritimes, but the few I do know have never said that they want special treatment. They all want fair and equitable treatment in order that they can survive and make a living. That is the bottom line of the Bill.

This Bill is not exactly what the people of my province or I wanted. I would have preferred a straight red meat tripartite stabilization bill. For many years we spoke about that. However, that would affect only four provinces and there are six other provinces that have something to say about the matter. The committee accommodated and listened to people from each province. Then it attempted to address the problems of each province. There had to be some compromise. During the meetings of the Standing Committee on Agriculture it was argued that the original Bill, while it would have been very helpful to red meat and pork producers in Alberta, would have destroyed the agricultural industry in the Maritimes. I do not want the agricultural industry in any province to be destroyed. I want the agricultural industry in every province to have the opportunity to survive and to contribute to this great nation.

I would like to deal with the matter of subsidies. We know what EEC subsidized beef meant in Canada. It almost destroyed the beef industry in Canada. During the Liberal administration nothing was done about it. It was dumped into Canada, subsidized to the hilt and almost destroyed our industry. The beef producers of Canada could not compete against subsidized beef from another part of the world. Therefore, it reduced the standard of living of our farmers. We know what subsidization means, when a farmer cannot compete against government subsidies. However, now the shoe is on the other foot.

We have subsidized pork in every province except Alberta. The Alberta pork producers have a double whammy. They do not have a provincial subsidy, as do farmers in other provinces, and they also have to deal with U.S. countervailing duties. The Alberta producer must compete interprovincially against government money. The provincial Governments of British Columbia, Quebec, Saskatchewan and every other province pay a subsidy for pork. That subsidy varies in accordance with the reasoning of the industry and the Government of each particular province. We must decide whether we want subsidies or want to remain an exporting nation. Already we are seeing that we will lose part of our market because the United States has told us that their farmers cannot compete against subsidized pork from Canada, just as we cannot compete against subsidized beef from the European market.

What is the solution? Alberta thinks that all provincial subsidies should be eliminated. That would do it, but many provinces are not prepared to do that. I would like to have seen a clause in the Bill stating that there would be no top loading, underloading or side loading. However, that was not satisfactory to six provinces.

Are we going to give special treatment to one province? I complained about special treatment being given to any province in a number of areas, as an MLA and as an MP. Therefore, I cannot say that I want special treatment for my province. I do not. Neither do the cattle producers, the pork producers or the Government of Alberta. I want equal and equitable treatment to be given to Alberta, Quebec, the Maritimes and Ontario. That is building a nation.

The Minister has come up with a "no financial advantage". That replaces the top loading-underloading. We have a responsible Minister who wants to build the country, not destroy any province. Therefore, he came up with the best way in which he could get agreement. I do not particularly like it, but I am a Canadian. I do not think that my province should have the whole say. If I did, we would not be a nation. It is the best the committee could do. The Minister has told us that he does not want top loading or bottom loading. How fairer can he be? The Minister made it very clear that he did not want producers in one province to have a financial advantage over producers in another province. Is there something wrong with that? I do not see anything wrong with it. The Minister has made it very clear.

It is not only the wording of the Bill which counts, it is the administration and the interpretation. We have the Minister's interpretation. When the agreements are entered into, the Minister will have the final say as far as the federal Government is concerned. The Minister wants to give fair treatment to every agricultural industry in every province of Canada. The agreements will be signed by the provincial Governments and the federal Government. Surely at that time the details can be worked out. I have every hope that this legislation will meet the problems. We have a Minister who is agriculturally-minded and determined to build Canada, not destroy any part of it.

Agriculture takes in a lot of fields. My interest is in grain, beef and pork. I do not have much to do with blueberries. There are a few honey producers in my riding. My interest is to ensure that the hog producers, beef producers, honey and grain producers in my riding have a chance to compete in Canada and in external markets. If they can do that, I will be happy.

We are on the way. I think this administration and the Minister will be a tremendous boost to agriculture in Canada. I will not go into other examples of how the law was interpreted by other administrations in such a way as to destroy provinces, because our Minister will do the very opposite. It is a case of building within the framework of this Bill. The Minister believes this law is right. It will indeed stop bottom loading and or top loading or, in other words, stop provincial or federal subsidization. It will be up to the provincial Govern-

ments to decide whether we are to go into this tripartite agreement and stop subsidization, or we are going to keep subsidization and take the chance of losing our markets. We cannot go on with subsidization and still have our markets in other parts of the world, because that subsidization will be resented in the same way as we resent the subsidization of European beef. The bottom line is that producers in every province must be treated fairly and equitably with special favours to none. Alberta producers want to stand on their own feet. They want fair competition because they cannot compete against government subsidies.

● (1800)

I think one would find that the farmers and producers in every province say the same thing. They want fair treatment. Keeping Canada together is important. I am sure in the minds of most Canadians when they elected this Government was the thought that we would try to keep Canada together. The Progressive Conservatives were the last hope of many people in this country. When this Bill is passed it will be demonstrated to all Canadians and to the world that we want to be fair to every part of Canada and keep all of Canada together.

I want the producers of every province to be able to compete and produce fairly and equitably. I want the beef and pork producers of Alberta to have an opportunity to survive, grow and contribute to a prosperous and united nation, and I want the same for every other province and every other producer. If this administration fails to acomplish that, then we can still do something different—at least we are trying. I have no intention of stopping an effort by saying it has failed before it has even started.

The red meat industry is important to me, to the Minister, to the people of Alberta and to all of Canada. I am sure that the goal of fair treatment will be accomplished.

We are a trading nation, an exporting nation. We cannot afford to lose our markets. Agriculture must decide whether to exist with its government subsidies and lose its market or forego government subsidy and live good and increasing markets. That is what I hope this Bill will accomplish. No subsidies, provincially or federally, will invoke fair trade in this country. We want to show other parts of the world that we are not asking our produces to compete against government money.

International law must not be used as a back door to come in and destroy some of our industries. So I also urge the Government to take a look at these international laws and GATT agreements so we will not have unfair treatment to our agricultural industry in any part of Canada. That has been too evident in the past.

I want to say, Mr. Speaker, that this Bill may not be perfect but it will give Canadians a chance. It will give the whole industry, including the beef and pork producers in every province, an opportunity to grow and prosper and to contribute to a greater and better Canada and to a better world.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I was very happy to hear the speech by the Hon. Member for Bow River (Mr. Taylor). His eloquent defence of Canada as a nation was very interesting but hardly appropriate, since he was talking about unity in connection with a Bill that is so divisive and on which it has been impossible to get any consensus. Telegrams are pouring in for the Minister of Agriculture (Mr. Wise), announcing that most intervenors are against the Bill. When the Hon. Member for Bow River (Mr. Taylor) talks about national unity and Canada's great virtues as a nation, he should realize that this measure has divided the Canadian agricultural community more than ever. I think the Hon. Member would be doing farmers a favour if he recognized this country's diversity as well as its unity.

Mr. Speaker, I think this Bill is a mistake in that it fails to recognize the diversity of this country and of Canadian agriculture. The Hon. Member gave an example of a situation in his province. I have a great deal of respect for his province, but the practice there is entirely different from the situation in other provinces. Of course he sees the Bill as an advantage since there is no such program in his province, but, and he said this earlier, there are other farmers who already have vested interests. There are farms across the country, in other provinces, who have made sacrifices to set up stabilization programs. There are provincial governments that have already made sacrifices and have used some of their resources to set up a stabilization instrument.

The Hon. Member refuses to admit that not all Canadian provinces are in the same situation. Nor will the Minister admit it, and that is why there is so much concern about this Bill.

The Minister is oblivious of the fact that for several days, Quebec farmers have been going from Member's office to Member's office, trying to persuade Members to stop the Minister and tell him: We need more consultation and more guarantees. And up to now, the Minister has refused to listen. He was at the committee sitting when the UPA president was there with representatives from other federations, but I wonder whether he was really listening, because none of their representations were incorporated in this Bill.

Mr. Speaker, the Minister will have to recognize that there is disagreement on this Bill. He will have to, and I am thinking of the editorial in "*Terre de chez nous*", where François Côté says: "Instead of taking a vigorous stand against this manœuvre, the Canadian Government seems to want to use it as an excuse to justify the adoption of Bill C-25. It is a constraint that is unacceptable for two reasons." And then we get comments on the pork issue, and I will get back to that later. Mr. Côté goes on to say: "Adopting Bill C-25 would mean adopting institutionalized hypocrisy, because from the strictly economic point of view, increasing income or reducing costs produces exactly the same results".

Mr. Speaker, it was in all the newspapers, and I just quoted an example from a Quebec newspaper, but I could also quote from the *Calgary Herald*, which says:

[*English*]

"Agriculture Bill appears to be waste of effort".

[*Translation*]

And he comments in great detail on the Bill. Mr. Speaker, no one at this time seems to think the Bill meets their needs and expectations.

The Minister claims there is no risk involved and that the Bill is just going to be a kind of testing ground. I have the impression the entire Bill is some kind of test balloon. Lately, the Minister has been unable to convince his fellow Members from Quebec that there is any justification for this Bill. He only managed to twist their arms, Mr. Speaker.

I was very pleased to hear the Parliamentary Secretary wonder about last night's voting. He must know that the Whip had to go down and make Members go upstairs, because they were not very keen.

Mr. Speaker, unless the Hon. Members who confirmed this had shaky knees . . . All I can say is, I am convinced that this Bill has created considerable concern within the Conservative caucus. And if it is not real, that means Hon. Members are not doing their job and that they are not properly representing the interests of their own producers.

● (1810)

The Minister should realize the responsibilities and mandate given to his Quebec colleagues by their electors. One of those responsibilities is to represent them with dignity in this House and they certainly would not be assuming those responsibilities if they were to cave in under ministerial pressure.

Mr. Speaker, the issue of regional production costs has been the main topic since debate began on this Bill. A few minutes ago I was talking to farmers who told me: It is impossible, it is illusory to think that costs are the same throughout Canada. In their brief they asked for the establishment of a system acknowledging the existing cost difference. Last night our colleagues introduced an amendment which would have accomplished that to a point so as to take regional concerns into account, but the Progressive Conservative Members voted against it, Mr. Speaker. Once again that is what I call the tyranny of the majority. But the Minister will have to live with the consequences of his action, just as he will have to explain next July 25 his failure to convince the Americans not to impose the surtax. Indeed, Mr. Speaker, I am prepared to bet that the Minister will again lose the last round to the American authorities.

I can tell you as well that the Minister will have to chose his words very carefully if he hopes to hide from Canadian and Quebec farmers the fact that his departmental budget is to be reduced by $50 million. He will also have to skate in circles once he starts tinkering around with the dairy policy. He should not forget to sharpen his skates.

Unfortunately, Mr. Speaker, this Bill does not meet the legitimate aspirations of Quebec producers. As an example I told the Minister about one of my constituents who last year got $24 through the provincial pork stabilization program to which he has contributed. He was offered another program, a federal program which I describe as "stabilization of misery"—$6.54 to boot—except that APU members did not get it. It was promised to him all right, but he is still waiting, so given the difference can the Minister blame the producer? Can the Minister blame the producer who would rather keep his own program? Surely the Minister understands and agrees with me that the producer wants to keep the benefits and advantages he already has. As the saying goes, a bird in the hand is worth two in the bush!

As a producer himself the Minister would certainly opt for the provincial solution if he were in the same dilemma. I am sure of that. But he is the Minister responsible, he has his marching orders, so I understand he is forced to ignore this legitimate request but I do find that unacceptable. As a result, Mr. Speaker, it is as though the Minister is attempting to rewrite the Canadian Constitution, for he takes it upon himself to have the last word with respect to agricultural stabilization. Only the Minister will have the right of veto. In fact we have just witnessed the creation of a federal right of veto over everything connected with stabilization in Canada.

That is the kind of power the Minister wants to assume, yet agriculture is a joint federal-provincial jurisdiction under the provisions of the Canadian Constitution. The Minister will have a lot of difficulty when he attempts to explain his reasoning to Quebec producers.

I deplore the fact that the Minister did not see fit to consult more, for I am sure he might have been able to come up with a more realistic and more understanding amendment.

The Minister himself was forced to issue a rather half-baked press release on the meaning of his amendment, trying to run with the hare and hunt with the hounds. But by doing so no one was satisfied and it is my view, Mr. Speaker, that over the coming weeks, and the coming months, and the coming years probably, the Minister will realize that his program does not interest many people. What will happen unfortunately, is that producers who will be counting on what they already have will be penalized by the federal stabilization program. Those people also are federal taxpayers, and under Bill C-25, if they do not meet the Minister's requirements, they can never get federal funds, which is not good enough in a confederation such as ours. It is not good enough that the program should have no flexibility. Mr. Speaker, the Minister could tell us that in the past we have had similar examples. Well, we did, and indeed we paid dearly, and I thought the Minister would have learned their lesson from last year's Bill C-54. I thought the Minister would also learn his lesson from other programs. In

fact, other designated products could be covered by that and it would mean that producers who did not meet the Minister's requirements would have no access to any part of the federal funds, and there is the dilemma, Mr. Speaker.

We have seen over the last few days a number of farmers oppose this Bill. Some Members acted as if they opposed the Bill and, Mr. Speaker, I will never forget last Thursday when Quebec's great champions on the Committee were nuzzled around the noon hour, those Progressive Conservatives Members from Quebec, and in the afternoon they disappeared when the time came for the vote. But I say to the Minister: This may work this time, you may have succeeded in convincing your colleagues to trust you. But you will need to deliver, and I am convinced that the way the program started you will never deliver. I am sure also that the Minister will not deliver because of the American surtax, and I am sure that by the end of the summer there will be disappointment after disappointment, and what he saw with the senior citizens is nothing compared with what he will see this fall if he has the same attitude. If the Minister keeps scoffing at producers who have legitimate claims, if he will not defend them, because as Minister of Agriculture, he is the farmers' spokesman in Cabinet rather than a Cabinet spokesman for dealing with the farmers, and although the Minister was a good Member of Parliament in opposition he might even have done a better job had he stayed there longer, farmers now are under the impression that unfair provisions are forced down their throat. This is the perception that is evolving, just as senior citizens had the legitimate perception that they were being had, as you were forced to recognize belatedly, and it is my forecast, Mr. Speaker, that the Minister will be forced to do exactly the same thing. He will be forced one of these days to backtrack because of this country's diversity. We may refer to unity within diversity, but diversity must be emphasized in a legislation such as this.

In that sense, I am sure that what with the coming events and the failures on the horizon, unless the Minister knows from the horse's mouth, unless he can tell us that he succeeded in convincing the Americans, but since this issue started he admits from week to week that special advantages are granted, he used the plight of pork producers as a rationale for Bill C-25, and he would have us believe that the granting of federal funds, federal stabilization is more acceptable than provincial stabilization. This is what he would have us believe. This is what he tried to tell the committee, that this Bill would be very well received by the Americans. Indeed, he did not consult the representatives of Canadian producers before introducing his Bill, but he did consult the Americans. This is what is incredible. The UPA people told us that they had not been consulted, and one week later, the Minister admitted that he had his Bill checked by the Americans. This is what he admitted to us, that this measure would not embarras them too much, and that if it made then happy, it might work. This is what the Minister admitted in the committee, Mr. Speaker, that the Americans had been consulted.

Mr. Speaker, I do not understand his reasoning. Why would his Bill not create the danger of surtaxes while provincial money would be dangerous? Something is wrong in his reasoning. This is why, for the moment, we think that this Bill is premature in view of the lack of consultation and consensus.

The Minister has received telegrams in the last few days. I challenge him to table a single telegram of support. All the copies of telegrams that we saw were from people who said: This will not work. If the Minister has any that say something else, I think that it might be useful to the Hon. Member for Bow River (Mr. Taylor) to know what support his Government has in this country. However, during the last few hours, my colleagues from the Maritimes have shown us some negative telegrams that they have received. We from Quebec have also received negative messages. People from the West have also sent negative telegrams and I am simply wondering whether the Minister is the only one not to have received any. In my opinion, this legislation will have to be reviewed and the Minister will realize that his standardization or stabilization of poverty is unfortunately utopic and that, in practice, there is so little consensus that his scheme will not work. In the interests of the producers I represent. I can only say that I wish that he does realize it because he is now jeopardizing stabilization instruments which were developed by the provinces following epic battles by the farmers. These programs were not given gradly. They were the product of numerous fights to assure at least some income stability and some survival in this sector.

Mr. Speaker, we have only to look at pork, beef, grain or lamb production to realize that Quebec producers are slowly gaining. There have been setbacks in pork production and there will be even more because of the grovelling of the Government before the Americans. However, on the whole, I believe that we had developed valid instruments. In any case, because of the tyranny of the majority, as I said earlier, the Minister will have his Bill in spite of what everyone says. However, I trust that, in the weeks to come, the Minister will use his time off to reflect on the lack of any practical options in his Bill, and I personally invite him to come and meet the farmers of my constituency. I would be very happy to meet the Minister, and I think that it would be in his interest to go also to the riding of Brome-Missisquoi, and I see my colleague for Brome-Missisquoi (Mrs. Bertrand), who would be very happy to welcome the Minister. We could have him meet real people, real farmers who would tell him what they think. I am certain that he would come back with a whole new perspective in the fall. I find this Bill really regrettable, Mr. Speaker, because I believe that the intentions of the Minister are good. The problem is in applying these intentions to reality and I must unfortunately oppose this Bill which, if it were properly amended, could be useful to the people I have the honour to represent. Unfortunately, the Minister has not deemed it

appropriate to listen either to his colleagues from Quebec, or to the representatives of certain provinces, or to the members of certain federations, and also—

The Acting Speaker (Mr. Paproski): I am sorry. Questions and comments.

● (1820)

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am indeed quite pleased to take part in the debate on third reading of this bill. I cannot help remembering the summer months last year when Quebec farm producers were very concerned. Rightly or wrongly, they had the brilliant idea to meet with the various party candidates who were hoping to represent their respective constituencies. The discussions focused on a number of problems faced by the farmers. We heard quite a lot about the unpaid $31 million, as well as the $450,000 to sheep producers. We heard also a lot about their problems with the Farm Credit Corporation. We were told about the long term dairy policy, the concern of the retiring farmer about the future of his farm, the problems of research, as well as all the other problems stemming from those I have just enumerated.

Overriding these problems, Mr. Speaker, we could see as a sort of common denominator the very deep concern Quebec farm producers had about their future, and what lay ahead. Well, I felt it was quite normal and proper for these farmers who, for the most part are businessmen, to inquire and possibly find out what the future and the various political parties had to offer.

In reply to these questions, various candidates, including some hon. members who unfortunately are sitting on the government side, told Quebec farmers what they wanted to hear. They promised an era of stability. They promised them security. I repeat, they told them what they wanted to hear. Hardly a year had elapsed when the Minister of Agriculture (Mr. Wise) introduced Bill C-25 which is an unbelievable insult and a denial of the farmers' well deserved aspirations, a total disregard of Quebec farmers' concerns, and an end to the very good protection schemes they had devised for themselves over the past few years.

My colleague from Shefford (Mr. Lapierre) pointed out a few minutes ago that for pork production, which is extremely important in Quebec, the provincial stabilization program has paid over $20 per pork unit, while the federal program has paid slightly more than $6. For that reason, it is quite normal, fair and reasonable that Quebec pork producers want to keep what they have obtained, set up, built out of nothing and paid for, because those payments are not a godsend, Mr. Speaker, they come from the producers' contributions.

Now in Quebec, and I think that our colleagues opposite should know that a number of decisions were made in Quebec in the past few years: the decision to promote certain types of production and to support producers; the decision to intensify production in certain sectors. And in my opinion, those are quite legitimate decisions, because the provinces are allowed to make them under the Canadian Constitution.

In that connection, I should like, if you allow me, Mr. Speaker, to quote from an editorial published in *La Terre de chez nous* which says:

> Under the Canadian constitutional system, agriculture is a shared responsibility, and the federal government has no right to prevent any province from supporting its production and developing its agriculture through means deemed to be the soundest and the most appropriate by that province.

That was precisely, Mr. Speaker, the decision and the step taken by Quebec farmers a few years ago, and now with Bill C-25 they are told: "Ladies and gentlemen, if you want to take advantage of this legislation—which, by the way, is indeed less generous than the legislation now covering them—you will have to give up in the first place the system which you have set up and your yearly contributions." This is rather unacceptable, it seems to me, and I can easily understand that all farmers without exception are up in arms against the federal measure. I also understand why the unions and producers' associations so fiercely object to Bill C-25.

As a result of the uncertainty, discrimination and inequity, they feel prompted to ask: "What do you have to offer in return?" Producers have the right to wonder what the Government is ready to offer as an alternative after denying them what they have so dearly paid for throughout the years. What is the Government entitled to offer as an alternative, what is it entitled to give them? Unfortunately, Bill C-25 does not provide any answer to those concerns, and here is another interesting excerpt from *La Terre de chez nous:*

> Bill C-25 does not specify on what bases the stabilization payments will be calculated nor what will be the contribution of every party to those agreements.

Two items which, rightly so, as you will agree, Mr. Speaker, are extremely important. This legislation provides that the formula for computing stabilization payments and the contribution of each party shall be agreed upon by the three parties. Finally, he concludes that part by stating:

> In this, the Progressive Conservative Government is following the same strategy as with all other issues. It shies aways from decisions by minimizing the opportunities for confrontation.

On that item, Mr. Speaker, not only are farmers just as concerned, there is simply utter confusion, total and absolute uncertainty. One thing that is still more frustrating, still more unbelievable is the fact that the Minister is using an extremely acute problem, a most difficult problem now faced by farming in Quebec, the countervail that was slapped on pork products some time ago. At that level, there is ample talk that any direct or indirect subsidy would be liable to be met with that kind of countervail, which sooner or later would do considerable harm to farming. Again, that attitude, those comments are definitely and absolutely refuted by an article that sounds

quite interesting to me, in which it is stated, Mr. Speaker, that—

—this is only a pretext, because the Provinces have found over the years a number of loopholes.

In cases where indeed there is no direct subsidy, they find a way to subsidize farmers in respect of fences, ditches, a number of items which as such, are perhaps not direct subsidies to any specific industry but which considered indirectly are a subsidy, to the point where the implementation of Bill C-25 would change absolutely nothing, would simply result in somehow institutionalizing a number of loopholes with the result that the unity or consistency aimed at by the Minister would in no way be reached.

Under the circumstances, Mr. Speaker, to me this legislation seems quite simply a piece of utter discrimination against all Quebec commodities and producers. Remember, Mr. Speaker, how this Government supported those great principles of consultation, openness, forthright and honest discussion with all parties involved! Do you remember all that talk about how this Government would definitely be a model of communication and consultation with provincial Governments? It is rather amazing that on this issue that is so basic to Quebec farming, all producers, all farmers, the Minister of Agriculture, all organizations, all unions unanimously and strongly opposed, and have been pressuring the Government for a long time to postpone or to further consider the consequences seen to be absolutely harmful to Quebec farming.

Finally, Mr. Speaker, I ask the Minister of Agriculture to recognize that basic reality in Canadian farming, that the Quebec Government, the Province of Quebec and all Quebec farmers ferociously oppose the Bill. We urge the Minister and all Hon. Members opposite who made the same points, who met the same producers, who are aware of the same problems, to please beg the Minister and ask for a fair and just bill that will protect what Quebec farmers have gained over the last few years.

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

The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin).

● (1830)

Mr. François Gérin (Mégantic-Compton-Stanstead): Thank you, Mr. Speaker. I was anxious not to miss this last opportunity to speak to the Bill before the House, a Bill that is so important to agriculture both in Canada and Quebec. After listening to two Liberal Members from Quebec on this Bill, I must say that I did not altogether like what they said about the Quebec caucus, Mr. Speaker. But I suppose it is because they do not have a Quebec caucus, in fact never had one because it was not much use in the past.

I think it would be appropriate to recall what has transpired in connection with this Bill, and so correct a number of statements made by the two previous speakers, the Hon. Member for Shefford (Mr. Lapierre) and the Hon. Member for Richmond-Wolfe (Mr. Tardif). First of all, I think there was full and adequate consultation. I am sure we could have gone on consulting for two years, but I also think that everyone who wanted to be heard on this Bill had that opportunity.

I may recall, first of all, that there were 12 days of hearings before the committee, from May 28 to June 21. There was always at least one Quebecer present on each of those days. There was always one Member of the Quebec caucus of the Conservative Party at each of those hearings. Thirty-four associations were heard. A number of briefs drafted by people who did not come in person were submitted, but nevertheless, 34 associations took the trouble to come here, be heard, make suggestions and comments, and give constructive criticism, not like what we have just heard from Liberal Party Members who only want to be negative and kill this Bill.

In fact, we heard a lot of constructive criticism. Four provincial Ministers of Agriculture came to Ottawa to testify before the Committee. There were two representatives from other provinces, representing provincial Departments of Agriculture, and of course we had officials from Agriculture Canada as well as the Minister of Agriculture who came several times to answer questions put to him by the committee.

From Quebec alone and I am going to name only a few because Quebec belongs to practically all Canadian agricultural associations, such as the Canadian Pork Council, the Canada Sheep Council, the Retail Council of Canada, the Canadian Cattlemen's Association, the National Farmers' Union, and I could name most of the 34 associations I referred to earlier there were six which are particularly important to Quebec producers and these were the Union des producteurs agricoles du Québec, whose President, Jacques Proulx, appeared before the committee, and I will talk about Mr. Proulx a little later. We had the Fédération des producteurs de porc du Québec, represented by their president, Yvon Scalabrini, who lives in the great riding of Mégantic-Compton-Stanstead, about five miles from my home, and for whom I have great respect—he is a remarkable man. We had the Fédération des producteurs de bovins du Québec, with their President, Mr. Gilles Saint-Laurent who came to testify before the committee. We had the Fédération des producteurs d'agneau et de mouton du Québec, which testified through Mr. Gauthier. We had the Office des producteurs de porc du Québec, the Conseil de la production intégrée du porc and the Fonds de recherche porc sain.

Mr. Speaker, how could anyone say this Bill is being adopted without consultation? This is consultation beyond one's wildest dreams!

Mr. Lapierre: Window dressing!

Mr. Gérin: It was not window dressing, to quote the Hon. Member for Shefford (Mr. Lapierre), who is interrupting my

speech. This was full consultation. These people came to tell us what kind of legislation would be the best according to them. And we saw a number of regional interests. Everybody always looks after his own, and we saw, for instance, that produces from British Columbia took one position and producers from the Maritimes a different one and Western producers another position again, and of course there were some differences. Following these discussions, the Minister of Agriculture, after all witnesses had been heard, tabled a major amendment that responded more or less to what the producers, the pork producers wer asking, half—

An Hon. Member: More or less.

Mr. Gérin: —half of the basic demands of the UPA, half of the basic demands of the Fédération des producteurs de porc du Québec which correspond with the demands of the Canadian Pork Council. I have it all here:

The CPC members from the other provinces, British Columbia, Quebec and the Atlantic provinces, support the position that the Bill be amended to delete the requirement that provincial plans be dropped as a precondition for the respective provinces to participate in a national agreement and that the terms for this provincial participation—

—that is, both producers and provincial governments—

— be elements to be negotiated in the development of any national agreement.

That is exactly what the Minister's amendment added. So it cannot be said that we are not meeting one of the two conditions.

The other condition refers to production costs. It says here:

The basic position of the members of the Canadian Pork Council is that there are in fact major differences in the costs of production in the respective provinces and that a single, national support level, based on a national average of prices and costs, so far as the latter are and would be used in determining the support level, fails to recognize their cost and price situations.

● (1840)

In addition, any payment based on national average costs and prices would be an advantage for regional producers whose costs are lower. According to the members, the fact is that agriculture in Canada is a joint federal-provincial responsibility and provincial Governments now have a wide range of policies and programs whose consequences vary appreciably, so the federal legislation under which producers might be eligible for participation ought not to exclude the producers in certain provinces for the only reason that a provincial support program already exists.

They maintain that this enabling legislation must not be a way to redress injustices stemming from provincial agricultural programs or policies. So here is the amendment introduced by the Minister of Agriculture (Mr. Wise). And the statement goes on to say:

"Canadian Pork Council members think that Bill C-25 should be amended to delete the requirement that provincial programs be abandoned prior to participation in a national agreement, yet keeping in mind that equity and balance in the way producers are treated under the various provincial stabilization programs would still be the subject of serious negotiations in the preparation of agreements."

Therefore I fail to see how the Hon. Member for Richmond-Wolfe (Mr. Tardif) can say that this Bill—and that is a reproach he voiced—evades the issue by avoiding confrontation. Of course not! It is a general legislation seeking to achieve consensus. Will we have consensus? I do not know. Nobody here can predict that.

No, Sir, we should not necessarily refrain from drafting a piece of legislation simply because we are not yet sure the producers will go along with it. But we do have a general legislation as it is and it makes it possible for pork producers of all regions of Canada to regroup, consider what might be the best formulas, and recommend to the Canadian Minister of Agriculture and to the provincial Governments a stabilization plan which they could live with.

This is how I understand that piece of legislation and how I see that it does give pork producers a fighting chance to improve their industry.

The leaders of Quebec pork producers had an opportunity to appear before us, as reported in issue 25 of the Votes and Proceedings of the Standing Committee on Agriculture.

If I may, I would like to quote a few comments made by the president of the UPA, Mr. Jacques Proulx.

As concerns the first point, namely the fact that he objected to the Bill because it deals with price stabilization and not income stabilization, he said: "—even though Bill C-25 appears to create openings for income stabilization programs based on production costs—". He therefore admitted that this Bill is an improvement and aims at providing stabilization based on production costs.

You can read the whole text if you like!

On page 25:8, he said the following: "In our view, this desire on the part of the federal government to penalize provinces that have their own stabilization scheme is illogical in terms of its content and unacceptable in terms of its underlying principles." However, at that time, the amendment which Quebec producers have found entirely satisfactory had not been proposed.

Mr. Speaker, Mr. Proulx then added: "We agree that, at the national level, there should exist a tripartite stabilization program of the most beneficial and flexible type possible. We also believe that there should continue to be complimentary income stabilization schemes based on the priorities and objectives of each province. There should also be co-ordination between the two levels of government, and the governments should conduct such co-ordination through ongoing consultations aimed at adjusting their policies."

He then said on page 13: "Given the hog surplus in the United States and elsewhere in the world, it is not the only solution.

● (1850)

There is another solution, and it may be to reduce our production, or in any case, attempt to do something along those lines. Whether it is federal stabilization or any other kind of stabilization, I have the feeling that if we continue to produce more and more, we will come to a dead end."

All this was said by Mr. Jacques Proulx, president of the UPA. In the same issue, we find similar comments by Mr. Scalabrini. I do not think that anyone can say that Mr. Scalabrini is not representative of his sector. He said the same thing.

After all these representations, Mr. Speaker, the very next week, on June 17, the Conservative Members of Parliament from Quebec asked for the support of the Federation of Quebec Pork Producers and asked Mr. Scalabrini, among others, to appear before the Standing Committee on Agriculture to help analyse possible amendments which would be acceptable in Quebec.

Following two full days of hearing on June 17 and 18 all Conservatives members, regular and substitute alike, sitting on our Standing Committee on Agriculture, together with Mr. Scalabrini and Mr. Pélerin, the new President of the Quebec Hog Producers Federation, tried to convince their committee colleagues and the Minister of the need for an amendment acceptable to Quebec. On Thursday morning, since the committee did not sit on Wednesday, we had made sure that the Farm Producers Union appeared once more before the committee to examine again with us a number of potential amendments, and on Thursday afternoon, the Minister of Agriculture moved an amendment which fully met one of the two requirements of the Quebec hog producers. And you can read all the testimonies.

That is just how effective the Quebec members of the Progressive Conservative Party can be! Contrary to what used to happen in years gone by under the previous government, they know how to present their views to the various committees, and to the House as well. This piece of legislation is quite good. What we have here is a framework legislation which will make it possible for the federal government to consult with the various provincial governments and hog producers organizations for the purpose of stabilizing the industry.

Mr. Speaker, hog producers . . . How long do I still have left, Mr. Speaker? Five seconds or five minutes? Five minutes. The hog producers in my riding are well aware that agriculture is a difficult industry. They know about the overproduction problem. They know that we produce more milk than we can use, more hogs than we can eat, and that we must export a large quantity of farm products. They know that our exports are no longer what they used to be. The countries which used to buy from us have either improved their own agriculture, or they cannot afford any longer to do so. Mr. Speaker, the farm producers in my riding are aware of these problems. They are also aware of the need to find new solutions and develop a new approach. I do not think this new approach would be for hog producers to say: Let us limit our production to the needs of the domestic market, and let us forget about exporting to other countries. Quite the contrary. I feel that Canada must seek export markets and, to this aim, that the government should set up programs to promote our exports, provided that we develop a healthy and positive attitude, not a negative one.

Quebec hog producers have suggested that a meeting with all the other Canadian hog producers, the various organizations of hog producers in Canada might help devise a scheme to be submitted later to the Federal Government and the various provinces, a scheme that might help save this imperilled industry. It is not this bill which is likely to jeopardize in any way the hog industry in Canada, but the overproduction and the dissensions between hog producers.

And it is my felling that sooner or later the Canadian pork producers will have to sit down together, and the Canadian Government can then join them in the talks because we will have provided a blanket legislation that will allow those talks.

The Acting Speaker (Mr. Paproski): Questions, comments. The Hon. Member for Shefford (Mr. Lapierre).

Mr. Lapierre: Mr. Speaker, I listened very closely to my hon. friend for Mégantic-Compton-Stanstead (Mr. Gérin), and I am sorry to tell him that he understood absolutely nothing about the stabilization program. He set out to prove that we needed the stabilization program to help exports, but the Minister can tell that the stabilization program is altogether worthless where exports are concerned.

Mr. Speaker, I would ask the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) to clarify his view and tell me what impact the stabilization Bill now before us will have on the level of our exports, because if he read the Bill correctly, he knows it is strictly for domestic production.

The other point . . . when the Hon. Member for Mégantic-Compton-Stanstead—

Mr. Gérin: Mr. Speaker—

[*English*]

The Acting Speaker (Mr. Paproski): Order. I believe the Hon. Member would like to answer your first question.

[*Translation*]

Mr. Gérin: This is because basically, Mr. Speaker, he is merely asking questions for the fun of it, for the pleasure of hearing his own voice rather than wanting to get an answer.

Mr. Lapierre: Mr. Speaker—

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member is entitled to a short preamble and a comment and a fast question put succinctly.

[*Translation*]

Mr. Lapierre: Thank you, Mr. Speaker, I will be very brief. First there is the impact of the legislation on the level of exports; second, he said that UPA is totally dissatisfied with the amendment. I will tell him, for the record, that UPA's amendment has no common denominator with the amendment tabled by the Minister. Therefore, I would ask the Hon. Member for Mégantic-Compton-Stanstead to tell me who, from UPA, confirmed that he was totally satisfied. I would like to have his name, and certainly we can then have the reaction of that person. And, secondly, the impact of the legislation on exports.

Mr. Gérin: First, Mr. Jacques Proulx, UPA's president. The first thing he had to say before the Standing Committee on Agriculture was that Liberals, for 11 years, had promised them a legislation but never could come up with one. He recognized this legislation was a serious effort—

An Hon. Member: We stood up.

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

Mr. Gérin: At any rate, Mr. Speaker, I think the Hon. Member for Shefford will agree with me that in the pork industry, exports are vitally important. There is no way the pork industry in the current situation could be restricted to domestic consumption. I think we should have a broad mind, we should go beyond the scope of this legislation when looking at the problems with agriculture. This Bill helps, but it will not solve all the problems faced by Canadian farming, that is a sure thing. I say to you please try and have a broad mind; you Liberals, try not to be partisan. You often brag that you are trying not to be partisan. But make an effort not to be, in actual fact. How can we offer pork producers their present high volumes if we have no exports?

That is the problem, the big problem. Mr. Scalabrini and Mr. Proulx came to us and said this was one of their big problems. Surely they will have at some point to get together with producers in other Provinces, they will have to sit down, agree on what the industry will do. We have trouble with our exports to the United States and other countries; we have trouble exporting our commodities. We produce more than we eat; what are we going to do? Mr. Scalabrini said: Could we not have some kind of national plan to increase Canadian consumption? Could we not . . . For, as he knew very well, Mr. Scalabrini said: There will have to be some consensus among pork producers. The beginning of the end will come when all Canadian hog producers can sit together at the same table in an effort to really try to solve this problem. In this endeavour, they can rely on the support of all Progressive Conservative members. Can they rely also on the support of the Liberal members?

An Hon. Member: Absolutely not!

Mr. Gérin: I really do not know, because all that Liberal members are trying to do is to cause trouble. It is clear that a solution will not be found in an atmosphere of dissension and trouble. On the contrary. So let us be logical. Let us be practical. And let us promote these meetings. Personally, I tell the farm and hog producers in my riding that they can rely on me to promote a meeting of hog producers from across Canada, so that they can all sit together and find a solution.

Mr. Malépart: Mr. Speaker, I was—

• (1900)

[*English*]

The Acting Speaker (Mr. Paproski): Excuse me. Your colleague would like to ask a question and there is only five minutes left.

[*Translation*]

Mr. Malépart: Thank you, Mr. Speaker. I had no intention to deal with this issue, but when I heard these remarks from my office, I was shocked. How can the hon. member who spoke before me tell us that Quebec farm producers support this legislation, when right outside this House representatives from farm organizations from all over Quebec are telling us that they are against it? How can the hon. member tell us that to our face, when there are people at the door who are telling us something entirely different? Personally, I should like to hear the hon. member tell the truth!

Mr. Gérin: I am quite surprised the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is here tonight, because he was supposed to celebrate or, rather, attend a party in his honour. Nobody knows exactly what for, but anyway.

A while ago, I met the Prime Minister (Mr. Mulroney) who had come to the House to support this bill to amend the Agricultural Stabilization Act, and he told me that—

An Hon. Member: Oh, oh!

Mr. Gérin: —he had met this afternoon with the Quebec hog producers who had indicated to him that they could live very easily with this bill and that they would seek the consensus the Hon. Member for Shefford (Mr. Lapierre) mentioned a while ago.

Mr. Tardif: Mr. Speaker, I must admit that the comments made by the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) show he has some courage, and I mean the courage to rise in the House. Unfortunately, his comments also proved beyond a doubt that he is toeing the party line to a

shocking extreme. He said earlier that we had no caucus. Mr. Speaker, the Hon. Member's predecessor at least had some backbone, and when he spoke in the House, he was not concerned about party lines.

I would like to ask the Hon. Member what he thinks about the credibility of the UPA, considering that the Nicolet UPA had a delegation here yesterday, knocking on the doors of all Progressive Conservative Members to show its complete disapproval of Bill C-25.

Mr. Gérin: So you knew the Hon. Member I defeated at the last election? The pork producers in my riding went to see him at the last election, and he had a nice little pig he brought along. Maybe the Hon. Member for Richmond-Wolfe (Mr. Tardif) was there. Well, let us not talk about that. Let us get down to serious matters. Look at what Mr. Scalabrini says, a guy from my riding you can trust, speaking of pork producers. I would say the problem in the pork industry is not necessarily stabilization, whether federal or provincial. The problem is overproduction. The warning light is on. It is time to stop and try and get a nationwide consensus to see where we are going, perhaps reduce our production or find some other solution. Pork producers want to meet and discuss these problems together. Help us help them. Let us make it unanimous so we can all try and help them find a solution. That is what we are asking you to do.

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired. Debate. The Hon. Member for Papineau (Mr. Ouellet).

Hon. André Ouellet (Papineau): Mr. Speaker, I welcome this opportunity to speak at the third reading stage of Bill C-25. I see the Parliamentary Secretary to the President of the Privy Council is surprised at my presence in the House during a debate on agricultural legislation. I may remind him that since 1972, I have had annual meetings with representatives from the agricultural industry in the province of Quebec. Every year since 1972, the first year I attended a convention of the Union des producteurs agricoles du Québec in Drummonville, where I did not have the pleasure of meeting—

Mr. Gérin: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin), on a point of order.

Mr. Gérin: Yes, Mr. Speaker. I think the Hon. Member for Papineau (Mr. Ouellet) should talk about the future instead of the past.

Mr. Ouellet: Mr. Speaker, I have plenty of time. If the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) wants to raise frivolous points of order, he is just diminishing the impact of his speech. I was about to say, when the Hon. Member interrupted me, that Quebec's farm producers, and especially the UPA representatives I have met on many occasions, realize that year after year, together with our fellow members from the rural ridings of Quebec, we have fought major battles to protect the interests of Quebec's farm producers. The reason we have a large and prosperous dairy industry, an industry and a policy that are the envy of dairy producers all over the world, is because Quebec Liberal Members have been working for years to ensure that this dairy policy is both fair and generous to dairy farmers. Quebec has experienced unprecedented expansion in the agricultural sector because Liberal Party Members, and especially Liberal Members of Parliament, have been fighting for years to ensure that producers in Quebec and Eastern Canada are able to obtain sufficient quantities of feed grains at competitive prices, to help them maintain their production and compete not just with other Canadian producers but also with foreign producers on Canadian and world markets.

In this debate on third reading of Bill C-25, I cannot help referring to the document tabled by the Progressive Conservative Government, entitled: "A new direction for Canada". A program for economic renewal, that in pages and pages of text contains only a few paragraphs, not even a whole page on agriculture. I am sure that all farm producers in Canada, whether they are from Quebec or the Maritimes, from Ontario or Western Canada, have read this document published by the Progressive Conservative Government which discusses a new direction for Canada and provides an agenda for economic renewal, while showing so little concern for the problems and demands of our farmers.

• (1910)

As I said, hardly one page on agriculture, but how dangerous and how significant it is, Mr. Speaker, and I will quote briefly one of those paragraphs:

> Canada is a leading force in the world agricultural marketplace. Agriculture is a pillar of the economy in the west, and the mainstay of many communities in the east. The sector has demonstrated its resilience in responding to change to an extent probably unmatched by other industries.

Fancy words and compliments for the farmers of Canada. But where this gets serious is when the Progressive Conservative Government states, and I quote:

> However, government involvement, both federal and provincial, is significant. In addition to substantial regulatory intervention, annual federal budgetary allocations to the sector amount to some $1.35 billion through Agriculture Canada. Of this, some $700 million is devoted to price and income supports.

So what is the meaning of that, Mr. Speaker? It means that, in its economic statement, the Progressive Conservative Government acknowledges the vitality of the agricultural sector. It acknowledges that Agriculture Canada does spend a lot of money each year for the Canadian agricultural community. In other words, this Progressive Conservative Government admits that the previous administration did well. They admit that the Liberals, the predecessor of the Minister of Agriculture, the

Hon. Eugene Whelan, did much for Canada's farmers and that considerable funds are earmarked each year to help Canadian farmers.

But if that was all they are saying we could congratulate the Progressive Conservative Government, but it goes farther and that is where we are concerned and must talk about it. I take this opportunity to voice our concern: In an underhanded manner they want to put a stop to this assistance and those grants to Canadian farmers. This is an economic document which states that the federal Government wants to reduce the deficit, that the federal Government wants to intervene less directly in the economy, and that by every means it seeks to cut down its expenditures. So in this economic statement, in those short few sentences about agriculture the Canadian Government is telling all farmers: We give you too much money, we are now giving you about $700 million under price and income support programs, that is too much, we want to cut down a little. That is what has me seriously worried. I am not surprised to see that the various agricultural organizations are beginning to be quite concerned about the position taken by this Government.

Obviously the Government wants to take a new approach, and it says so: The new tripartite approach to red meat stabilization may be a good example of how both levels of government and the producers themselves can co-operate to develop improvements over former arrangements. What does that mean? It means that the Canadian Government now wants to make the provinces pay part of the bill and make the farmers pay part of the bill, while the Government will only pay one-third and probably reduce its assistance and subsidies to support prices and incomes in the agricultural industry.

I want to ask a question to the Minister of Agriculture. Will the next program to be affected not be the dairy policy? Is the Minister of Agriculture getting ready to cut back the $300 million or so which have been allocated for many years, year after year, to support the Canadian dairy policy? Is the Minister of Agriculture not getting ready to put an end to this assistance which is absolutely essential for all industrial milk producers who, throughout the years, have received the assistance of the Canadian Government, not only to earn a decent living, but also to work in a sector where they could at least have some returns?

The document published by the Canadian Government entitled *A New Direction for Canada: An Agenda for Economic Renewal* suggests that the Government is getting ready to cut back its agricultural support programs and I find this quite unacceptable. I would like to say this to the Minister of Agriculture: You are about to rush Bill B-25 through the House in spite of the opposition of Quebec farmers and of several provincial governments who said that they did not approve this Bill. However, I am telling you that if you touch the Canadian dairy policy, you have seen nothing yet. The protests and opposition provoked by your proposal to deindex pensions is nothing to what you will see if you try to touch the dairy policy.

Mr. Speaker, I do not understand this Government which, after its victory on September 4, said that we were beginning a new era of good relations and cooperation between the Canadian Government and the provinces. Why is it that the Minister of Agriculture wants to rush Bill C-25 through against all this opposition before the House adjourns? Why is it so urgent to adopt this Bill which has met with so much opposition?

The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) referred briefly earlier to those who appeared before the Parliamentary committee to make representations. I do not question the figures he has quoted and he named accurately some of the witnesses who appeared before the Parliamentary committee. However, I must point out to him that consultation means dialogue, that you speak to each other, that you ask each other questions and that you try to understand each other.

• (1920)

What consultation seems to mean for the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) is that the Government gave its opinion when introducing its Bill, all the witnesses who appeared before the committee raised objections to this Bill, but in site of all that, the Government seems satisfied that it has consulted everyone. They introduced the Bill. All those who were consulted told them: It is no good. But the Government now says: We have consulted and we are going forward with our Bill without making any substantial amendments.

Earlier, an amendment presented by the Minister in committee was mentioned, but this amendment was rejected by Ministers from the Western provinces. We have been informed that the Alberta and Saskatchewan Ministers of Agriculture are against this amendment and that, in their opinion, it means absolutely nothing and does not meet their basic objections.

This amendment which so impressed the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) does not have the agreement or the approval of the Quebec Union des producteurs agricoles either. This amendment is much too timid and only creates confusion which will allow the Minister of Agriculture of Canada (Mr. Wise) to decide arbitrarily and alone how the tri-partite program will work. It does not allow the provinces to take part in the final decision. The Minister of Agriculture of Canada will decide alone whether or not a provincial program will be maintained or whether it will have to be abandoned even though doing so would be to the disadvantage of the farm producers of that province.

This is not a satisfactory amendment. It means that each farm producer in the provinces with existing programs are at the mercy of the whims and the fancy of the Minister of Agriculture, and this is totally unacceptable.

Mr. Speaker, since the Hon. Member for Mégantic-Compton-Stanstead referred to it, I can only underline that this Bill has been rushed through this Parliament. In fact, second reading of this Bill began on May 17. On that date, the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) introduced the Bill on behalf of his Minister. And when I refer to *Hansard* of that day, those who took part in that debate were members of the Liberal Party and the New Democratic Party, but no other Tory Member from Quebec spoke.

An Hon. Member: Shame!

Mr. Ouellet: The only one who spoke was the Parliamentary Secretary to the Minister of Agriculture.

An Hon. Member: He could not figure out what he was reading!

Mr. Ouellet: The debate resumed a few days later on May 21, and then a rather remarkable thing happened, the only one to speak before the Bill obtained second reading was the Official Opposition critic on agriculture, and he was the only Liberal Member with a NDP Member to take part in the debate at that time.

An Hon. Member: It was fortunate that he was there.

Mr. Ouellet: The Minister did not speak on the 17 nor on the 21.

An Hon. Member: He was ashamed until then!

Mr. Ouellet: The Bill came back yesterday with amendments for our consideration and which . . . I still have—

The Acting Speaker (Mr. Charest): About a minute.

Mr. Ouellet: A minute, thank you. The Bill came back yesterday and once again, unfortunately, only our NDP colleague took the floor, along with a good number of Liberal Members and the Minister still remained silent. Does he really want to have that Bill passed? One wonders. I think, Mr. Speaker, and I am coming to an end, that this Bill has not been fully looked into in this House. I think that there is too much opposition as well in the Maritimes. Yesterday, my colleague from Prince Edward Island mentioned a telegram he had received from the Minister of Agriculture of that Province objecting to the Bill. We know that dozens and dozens of farmers' organizations object to the Bill and that other provincial Ministers of Agriculture also object to it. I wonder why the Minister is bent on having that legislation passed in a hurry before the summer recess, a legislation which does not meet the legitimate aspirations of Canadian farmers. The Liberal Party will surely fight to the end against that Bill and we will surely vote against it, because it is prejudicial, not only in the short term but also in the long term, to Canadian farmers.

The Acting Speaker (Mr. Charest): Questions, comments or debate? The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to have the opportunity to participate in this very important agricultural debate. I note a certain sadness on the face of the Minister of Agriculture (Mr. Wise). It is no doubt caused by the assault which was perpetrated on the farmers earlier by the Minister of Finance (Mr. Wilson) when he imposed a one cent a litre tax on gasoline. I know that the Minister of Agriculture, like myself, is very worried about the effect that will have on the agricultural industry in Canada. I do not blame him for being disappointed. Members representing agricultural constituencies are also disappointed with a Government which gives so many breaks to the rich and so little to the poor and the farming communities of Canada.

A few days ago I made a few remarks in the House concerning Bill C-25, and for the benefit of Members who were not present on that day I would like to repeat those remarks.

An Hon. Member: I missed something.

Mr. Boudria: The Hon. Member opposite said that he missed something, so I will repeat it for his benefit. I know that the Member opposite is on the Standing Committee on Agriculture and is very interested in the well-being of farmers across Canada.

I would like to draw to the attention of the House the minutes of the Standing Committee on Agriculture, Number 39 of June 18, 1985. The Hon. Member for Algoma (Mr. Foster) asked the Minister a very important question in committee. He was talking about agricultural stabilization and, in particular, pork. He asked what effect this Bill would have, in the event it was passed, in establishing stabilization in the pork industry. Much of the debate over the last few days in this House has surrounded the whole area of the pork industry because we know the terrible condition of that industry. I outlined to the committee and to this House the fact that this industry has been diminishing in numbers and amount of production every year for the last five years in the constituency I represent. I know the Minister of Transport (Mr. Mazankowski), who is listening very attentively, will be interested in hearing this, as he usually is. I would just like to quote something the Minister of Agriculture said. He said the following in Committee:

● (1930)

If I were presented with that decision today, and recognizing the extent of the percentage and the impact and the importance of the size of the hog industry to one or two or three provinces, I can assure you, given the conditions today, that I would not be recommending that we go forward with a hog plan.

We are in a situation, Mr. Speaker, as we discuss hog stabilization, with the Minister saying we need this Bill right away in order to help the agricultural industry out of a difficult position. Of course, in my own riding that is very much the case. We are in a very difficult position. On the other hand, a large number of the people in my own constituency are hog producers who need these measures, yet we have no assurance that they will be helped in any way, shape or form. So we wonder what the rush is to pass a Bill which is not going to be of assistance to a large number of those who need the assistance.

Furthermore, there are confusing interpretations about some of these situations at the present time. For instance, the Minister of Agriculture was quoted in a *London Free Press* article of June 17, 1985. The article describes how subsidies invite retaliation such as countervails, and so forth, from other countries. I would like to quote part of the last paragraph of the article in the *London Free Press*. It states:

The best solution would be a stabilization plan administered by Government but entirely financed by farmers—

But if a plan is going to be funded only by the farmers, that is no plan at all. Our farmers need help at this point. And if the farmers wanted a plan of their own, it would be administered by themselves. If you were one of those farmers, Mr. Speaker—recognizing the neutrality of your position—would you trust the Tories with your money? Obviously not, Mr. Speaker. We can see that you would not trust the Tories with your money.

Mr. Boyer: Let the record show the Speaker nodded.

Mr. Boudria: Of course, neither would the farmers. Like yourself, Mr. Speaker, they would be very reluctant to get into that kind of proposition.

My distinguished colleague, the Hon. Member for Papineau (Mr. Ouellet), referred to the Agenda for Economic Renewal proposed by the Government last fall. He explained very well some very important questions he wanted answered. I invite the Minister to take note of those questions, as I am sure he did.

The Government seems to be of the view that tripartite is the way of the future in providing assistance to agriculture. In its Agenda for Economic Renewal the Government states in part:

The federal Government must examine its involvement in the sector to ensure that it is directed at maintaining a strong, efficient, and competitive Canadian agricultural sector, and that it recognizes its special challenges.

It states further on, and I quote:

The new tripartite approach to red meat stabilization may be a good example of how both levels of Government and the producers themselves can co-operate to develop improvements over former arrangements.

What does that mean, Mr. Speaker? Does it mean, for instance, that there would be tripartite in the dairy industry in the future? I ask you, Mr. Speaker, does it mean that? Of course, in that case the Canadian farmers would be worried that the Government would withdraw from its present responsibilities.

Obviously, Canadian farmers are upset. They are in a difficult situation. They have been promised a lot by the present Government and have received very little. Just to outline to you, Mr. Speaker, the frustration of the Canadian farmers at the present time, I would like to read a resolution passed by the Glengarry, Prescott and Russell Federations of Agriculture. It states, and I quote:

Whereas Mr. Brian Mulroney during the last election campaign made a written promise to provide agriculture with long-term financing at stable and affordable rates and

Whereas farm financing was not addressed in the recent budget,

Therefore we, the members of the Glengarry, Prescott and Russell Federations of Agriculture jointly demand that the Prime Minister of Canada fulfil his campaign promises and be it further resolved that we demand that the cuts of $60 million in the Agriculture programs announced November 8, 1984 and the proposed $50 million cut in the May 23 Budget be cancelled and that full funding be immediately restored to the Agriculture Department.

I bring this to your attention, Mr. Speaker, so that you will understand, as I am sure you do, the difficulty facing the agricultural industry of our country.

The Bill before us has generated quite a bit of controversy. We know that some Conservative Members from Quebec, and other areas where the cost of production in certain commodities is higher than in other regions, want to have provincial programs which will bring those producers into a more advantageous position. That, of course, is very important to the farmers of those regions.

As I said the other day, the farmers of the regions I represent are located right near the City of Montreal in eastern Ontario. They compete against the Quebec farmers. They receive little or no programs in Ontario which could help them because the previous Conservative Government of Ontario did nothing for the farmers. So they are selling on the Quebec market in competition with the Quebec farmer who has a larger provincial subsidy. The difficulty with this, of course, Mr. Speaker—and I am sure you have recognized it by now—is that it leaves them a lot less profit.

At a time when agriculture was somewhat more profitable—not that it was ever very profitable but it was more profitable than it is now—the farmers of my constituency still made money, even though others made more. They managed to make ends meet. But at a time when the margin of profit has decreased, so much, or does not even exist, they are in a losing proposition. Therefore, the farmers I represent in eastern Ontario want a regional component, but "regional" not necessarily meaning provincial. In other words, there should be smaller regions within the provinces so that the farmers of my riding, and others in similar circumstances, could be assisted.

The Minister has brought forward an amendment. As far as we are concerned, Mr. Speaker, it brings more confusion and less clarity to a Bill which is already controversial and difficult to understand. Let me read briefly, Mr. Speaker, Clause 8(3)(a) of the amendment. It states, and I quote:

● (1940)

The Minister may enter into an agreement with a province in respect of an agricultural commodity only if he is of the opinion that such an agreement

(*a*) would not give to the producers of the commodity who are to be parties to the agreement or for whose benefit the agreement would be entered into, a financial advantage in the production or marketing of the commodity not enjoyed by other producers of the commodity in Canada;

Let us say two provinces have an agreement with the Federal Government, and a third province with a lower cost of production wants to join in that same commodity agreement. That province would, of course, be in a financially advantageous position *vis-à-vis* the production and marketing of the commodity. Would that mean that the province would be excluded from a previously implemented plan? If that is the case, I wonder what the amendment does other than nullify the Bill in its entirety. I am at a total loss to understand why the Government is proceeding with the Bill in this manner.

It is obvious that we have to get more agreement from producers and redefine what we are trying to do. Everyone wants stabilization. Everyone wants our farmers to be assisted. But we do not want the farmers of one part of the country pitted against the others. We do not want farmers of the same province but in different parts to be pitted against each other. That is not why we are here. What we all want is to assist the farming industry.

We can do something tonight for that industry. Let us get together and withdraw those gas price increases for the farmers of Canada. Let us do that right now. I am sure if you would seek unanimous consent of the House to withdraw that ridiculous tax increase you would get it.

Mr. Gottselig: Dream on.

Mr. Boudria: You see, again I over-estimated the Tories. I will never do that again. I thought at least some were in favour of farming, but perhaps I was wrong. Well, after the next election the new Liberal Government can take care of farmers, because obviously the Tories refused to do it.

Some Hon. Members: Oh, oh!

Mr. Boudria: That is very unfortunate. I am sure that if I spoke to my colleagues on this side they would want the farmers of Canada to pay less in gasoline taxes. I am sure all Liberals would agree with that right now. That is a good Liberal policy. But the Conservatives, while they are proceeding with this legislation, are creating this atmosphere of difficulty.

Mr. Wise: You are creating it.

Mr. Boudria: The Minister says I am creating that atmosphere.

Mr. Wise: Sure you are.

Mr. Boudria: He has repeated it. I am sure you have noted it, Mr. Speaker. I am sure he is aware that there are many commodity groups across this country—

Mr. Wise: That is right.

Mr. Boudria: —who appeared before our committee, some of whom were for and some of whom were against the measure. We even had one group come up with two resolutions, one saying they wanted top loading and the other saying they did not, and this from the same group.

Mr. Parry: They must be Liberals.

Mr. Boudria: What this Government should do is postpone this Bill, we should hear more from the farming community and obtain that very valuable consensus that the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) referred to earlier. We should spend the summer listening to their concerns, so that when we do something we do it properly. Meanwhile, if we want to do something constructive tonight and tomorrow, let us reduce the gas taxes which the Minister of Finance is attempting to raise on the backs of the farmers of this country. That would be a good and constructive move at the present time.

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

Mr. Hawkes: I sat in this House in 1980 when the Government was defeated on the Budget over a gasoline tax. The Liberals came into government and transferred that tax burden to home-heating fuel which hurt the senior citizens of this country. Is that what the Member is proposing we do, increase taxes on home-heating fuel instead of motor vehicles, just like they did for so many years?

Mr. Boudria: That is an excellent question. The Member is asking where I propose to increase taxes. Well, I don't.

Mr. Towers: Then move over to your left.

Mr. Foster: I just wanted to ask the Hon. Member whether he thinks the Government should be plunging ahead with this Bill when the Alberta and Saskatchewan Ministers of Agriculture have expressed their concern and opposition to it. Many producer groups say they cannot understand the amendment the Minister has put forward. Does the Hon. Member feel it is wise to be plunging ahead with this Bill when there is no consensus?

As well, I am very conscious of the Hon. Member's concern about the two cent a litre gas tax which the Minister is going to impose in September. In the west they call that the new Tory harvest tax. The Hon. Member from Saskatchewan over there is very nervous because he knows that although the Liberal Government promised a $16 million assistance program for northeastern Saskatchewan, the Tories only delivered about $8 million. So he is obviously very nervous.

Mr. Taylor: The Liberals destroyed the west.

Mr. Foster: He also knows that the imposition of a 9 cent a gallon tax on farm fuels during the harvest this fall will be very bad.

Mr. Scowen: It is your tax, don't forget that.

Mr. Foster: I asked the Minister yesterday whether there was going to be an exemption for farmers and he said there is no exemption for farmers. The Tories were very proud last fall to announce a reduction in excise tax for farmers, but they did not say anything about the 9 cents a gallon tax they were imposing in September. I asked the Minister if the additional 4 cents or 5 cents a gallon tax announced today was going to be imposed on farmers and he as much as said yes. The Minister of Energy, Mines and Resources made a speech at Inuvik about two months ago saying that she was going to put in place a new petroleum incentive program. The discussion in her department is that another 2 cents a litre tax is going to be imposed on Canadians some time next fall or winter.

I wanted to comment on the speech by the Hon. Member because he certainly touched on those points where the Tories are really putting pressure on Canadian agriculture.

Mr. Boudria: Mr. Speaker, I am pleased to respond to the comments of my hon. colleague. The amendment proposed by the Minister resembles an economic forecast. It could be interpreted about 45 different ways and there does not seem to be a consensus even on what it means. He issued a press release to explain what he means, but reading the press release and then reading the amendment is like reading two different things. That has a number of people worried.

The tax increase on gasoline for farmers, the harvest tax if you like, perpetrated by the Minister of Finance (Mr. Wilson) and put up with by the Minister of Agriculture (Mr. Wise), undoubtedly with a lot of reluctance, is shameful indeed. The Conservative Party pledged so much to the farmers last summer. I have a list of Tory promises, 20 of them specifically for the farming sector.

Mr. Wise: Sixteen.

Mr. Boudria: Well, there are 20 here. That is the problem with the Tories; they promise things and then they forget, or they try to forget. But we are here to remind them. None of the promises which I have here say, "Vote for us and we will tax you more". If this is such a great idea, why did they not advocate it last summer when they were seeking the votes of farmers across the country? The reason is obvious, Mr. Speaker. They did not talk about it because there were no votes in it. That is the trouble with that Party. It has made too many promises to too many people and cannot live up to the commitments it made. That is called breaking promises or breaking sacred trusts.

● (1950)

Mr. Caldwell: You are breaking my heart.

Mr. Boudria: I don't know if I am breaking the Member's heart, and I don't really care. I care about the farmers of this country and that is what is important. Maybe the Member across will stand and speak on behalf of the farmers of his riding. That is what he should do. He should stand up to the Minister of Finance and tell him that he cannot tax the farmers out of business, as the Government is trying to do.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Ouellet: Mr. Speaker, I would like to congratulate the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a speech that was right to the point, and ask him to comment on one aspect of this Bill which has raised major concerns across the country, not only among provincial representatives but also among many groups of producers. It was said, more specifically, that once a province had signed an agreement, it would no longer have the right to plead variations in production costs that would necessarily occur, and they will necessarily occur across the country. We cannot expect costs to be the same for a farmer in Western Canada, a farmer in Ontario, a farmer in Quebec and a farmer in the Maritimes.

According to the parties who appeared before the committee, some way must be found to enable a province, once it has signed the agreement, to raise the issue of costs specific to a certain region and make it possible to negotiate the kind of system that will be required to make the tripartite system suggested by the Conservative Government function satisfactorily across the country. To resolve this problem, yesterday the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) presented an amendment that would allow for cost variations and would make the legislation a little fairer and a little more equitable. I would like to know what the Hon. Member thinks of the Government Members' incredible refusal, especially those Members from Eastern Canada, an area where costs vary considerably. Why did Conservative Members from Eastern Canada not support this amendment?

Mr. Boudria: As you would know, Mr. Speaker, I made a speech in support of the amendment described by my colleague the Hon. Member for Papineau (Mr. Ouellet). Frankly I too was very surprised to see that the Conservative Members did not at least express an opinion in favour of this amendment, as they should have done if they really represented their ridings.

Now, Mr. Speaker, what is happening is that not only do costs differ in certain provinces, as my colleague the Hon. Member for Papineau so aptly described it, but they sometimes differ within the same province. For instance, production costs in a given region of the Gaspé area might differ from those in the Eastern Townships, and the same thing goes for Eastern Ontario which I represent, costs are not the same as those in the southwest. It is obvious that an amendment such as the one proposed by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) should have been unanimously endorsed by all Members of the House.

The Acting Speaker (Mr. Charest): Resuming debate. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Agricultural Stabilization Act

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I believe that this is the first time I rise in this House to speak on a Bill which deals with the farmers.

An Hon. Member: Hear, hear!

Mr. Malépart: I think that everyone knows that I represent an urban constituency. Why did I rise this evening to speak on a Bill whose purpose is to defend Quebec farmers? Yesterday evening, at the door of the House of Commons, members of the UPA came to see me and told me: "Mr. Malépart, you have to join the battle for Quebec farmers!" I told myself that it had to be serious if representatives of urban centres were being asked to become involved in a battle to defend farmers.

Mr. Lapierre: The Conservatives are not there!

Mr. Malépart: That is true. My colleague for Shefford (Mr. Lapierre) has given one of the reasons for this. Unfortunately, the Progressive Conservative Members in Quebec are mostly from rural areas and they are behaving like cowards, Mr. Speaker.

An Hon. Member: Jelly-fish!

Mr. Malépart: Second, these people told me: "This will affect your constituency because food prices will increase and the low- and middle-income people of Sainte-Marie who will be the ones to pay the bill.

Another reason why I wanted to speak about this legislation, Mr. Speaker, is that I do not understand the reasoning of these Progressive Conservative Members who should have learned a lesson today from the Official Opposition. One month ago, this whole gang of Quebec Conservative jelly-fish, the 58 silent Members, said after the Budget: This is excellent for senior citizens. Today, they all looked like dummies. They all looked humiliated, and once more, the representatives of Quebec are telling these Members: Wake up, you have found the rest-rooms in Parliament, get down to the issues which concern us, stand up! Mr. Speaker, since September 4, Quebec has been ripped off four times by this Progressive Conservative Government Mr. Speaker, today—

Ms. Jacques: Come on!

Mr. Malépart: The Hon. Member for Montreal-Mercier (Ms. Jacques)—

An Hon. Member: She never speaks in this House!

Mr. Malépart: Mr. Speaker, since September 4, how many promises have been made by the Prime Minister to Quebec men and women throughout the province? Yet, this same Government is shamelessly deceiving the population. Are we going to have to find another Mrs. Denis in the farming community? Who will come on Parliament Hill to shake up the Prime Minister?

Mr. Speaker, I would like the Minister of Agriculture (Mr. Wise) to listen to us.

An Hon. Member: It is very sad!

Mr. Malépart: The Minister of Agriculture does not understand Quebecers. He saw his Minister of Finance eat crow today and reverse his decision. I can tell the Minister of Agriculture not to depend on the representatives of Quebec in his own party, because if ever the Quebec farmers, the men and women from Quebec, come here, the Minister of Agriculture will have to do what the Minister of Finance did today and retreat, Mr. Speaker!

Quebec was ripped off by the tax, by de-indexation and by the $2.5 billion giveaway to oil multinationals to create jobs in the West and increase consumer taxes in Quebec! The housing sector in Quebec has been ripped off as far as the RRAP is concerned and these 58 silent Progressive Conservatives did nothing! You are aware of this, Mr. Speaker! Sherbrooke will become a subsidiary of Longueuil for social housing! Trois-Rivières will become a subsidiary of the City of Laval! Fortunately, Montreal is represented mostly by Liberals who hold together and do not lose the Budget battle.

Mr. Speaker, I could list all the commitments made by the Prime Minister which have been forgotten since September 4. For one month, we kept after him, we gave him a little lesson, we shook him up just a bit, and today he retreated, but he does not know how hot it will be next fall. I have been a Member of the Quebec National Assembly. At 12, I went on strike as an altar boy. I shook up the parish priest, and I can tell you that the Minister of Agriculture (Mr. Wise), if we get involved, will be shaken up and will realize that we Quebecers know how to go about all that.

• (2000)

Mr. Speaker, there is something else. Last week, our very dear Prime Minister (Mr. Mulroney), the bright kid from Baie Comeau, the life citizen of Westmount, will meet Quebec's Premier. And he solemnly swears, as he can do so well with his grave and mellow voice, to recognize Quebec's special status. He goes along saying whatever comes to his mind. To wit: his Members from Quebec, with him taking the lead, have said concerning agriculture, and it is written in black and white, in an editorial, that Quebec farmers want a special status. Why not support that amendment?

Mr. Speaker, the Prime Minister—this is a childhood sickness, do not worry about it, there are ways to cure that—says anything, uses any word, but in actual fact, it is Quebecers who are had. Luckilly, Quebecers can count on my colleagues from Richmond-Wolfe (Mr. Tardif) and Shefford (Mr. Lapierre), who have expertise in that area and who know how to defend the industry.

Mr. Speaker, it seems to me that this would be a golden opportunity for the Prime Minister and his Conservative

Members to show their intellectual honesty on that issue, and to say: "We are ready to take up constitutional negotiations, we are ready to recognize a special status for Quebec." Let us start by granting Quebec a special status as far as agriculture is concerned, to provide what Quebec farmers need. Our 58 speechless—we had in Quebec a leading pump attendant and we expected him to put oil multinationals in step, but now, Mr. Speaker, we have absolute silence. Among Quebec Members, two have shown courage, the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) and the Hon. Member for Rouyn-Noranda. But all the others are just cowards.

I think they will have time to think the legislation over during the summer recess. Because as I recall, when I was MLA in Quebec and farmers were not satisfied with the provincial Government's policies of the time, things went rough. Manure flew over the lawns. There were a number of activities, and I remember that Members for those areas stood up after that, but it was too late. Where are those Quebec Members? We see here Mr. Proulx, representing UPA. We crumble under new taxes. In the federal budget, the bill is steep: "UPA opposes the Bill on red meat."

Faced with American threats of tariff barriers, Garon, the Quebec Minister, supported the Hon. Member for Lévis (Mr. Fontaine), a Conservative, during the last elections. He must be rather sorry that the latter should have betrayed him here today. Garon, in Ottawa, failed to defend pork producers in this country. Oh yes, a headline we saw every where: "Mulroney promises to defend pork producers". He made so many promises that guy. But we see no action.

"Red meat stabilization. Quebec farmers press for the Bill's withdrawal". Can you read? Do you understand anything, Members from Quebec? Can you speak? You should stand up a little. Another newspaper report: "Pork returns. UPA calls for general mobilization". The Hon. Member for Richelieu (Mr. Plamondon) never rises to do anything. It is about time he woke up over there. He was here to vote on his knees for Mr. Reagan's party. How many millions did that cost for the Conservative gang, to go there on their knees: "Mr. Reagan, we are going to fix all that?" The next day, Quebec farmers took the loss. The very next day, Canadian producers incurred losses. The balance sheet for hogs is as follows: for the Beauce area, a loss of $4.5 million. Where is our brave member for Beauce (Mr.Bernier)? Where is he hiding? Has he left for the pigsty? Come on, that is unacceptable.

From the Editor . . . François Côté: Bill C-25 and the US imposed countervailing duties on Canadian hogs. Mr. Speaker, I think everybody should read this. Two major events are occurring now within the agricultural community. Each of them is very complex, but the link between the two is even more complex which makes the whole situation for most people understandably confusing. That is the perfect image of our Prime Minister. On the one hand, there is the Federal Government who has introduced in the House of Commons bill C-25 and who, while seeking to amend the Agricultural Stabilization Act, is in fact trying to get rid of the provincial price and income stabilizing schemes which exist in Quebec and several other provinces.

Mr. Côté continues: Bill C-25 provides that producers involved in a provincial stabilization scheme could not benefit from the federal one. Which means that because Quebec is helping farm producers, the Federal government will keep away. Once again Quebecers are being stuck in the middle! Again from Mr. Côté's article: The bill provides that producers—that is worth repeating—who benefit from a provincial scheme will be penalized by the Federal scheme. If adopted, this legislation would confirm the government's refusal to pay Quebec producers $6.54 per hog for 1983-84, in line with its refusal a few years ago to pay sheep producers. I thought the Minister of Public Works had promised a cheque during the election campaign, but there is a problem with his cheque: it is worthless for lack of sufficient funds. Mr. Speaker, it is a shame that such things should happen.

I continue quoting from Mr. Côté's article: The decision to stop the various provinces from implementing top-loading plans does not make any sense at all in view of the fact that nothing prohibits the provinces anxious to help their farmers from subsiding them indirectly by reducing the difference in costs or from adopting policies aimed at providing farmers with services more cheaply. To pass Bill C-25—and it is important that all Members of this House hear this—would be to systematize hypocrisy and I will say it over again, Mr. Speaker, in case someone failed to understand: To pass Bill C-25 would be to systematize hypocrisy, because from a strictly economic point of view, to increase revenues or reduce costs amounts exactly to the same thing.

I quoted part of an editorial signed by Mr. Côté, a well-known authority on agriculture in Quebec and a highly qualified man.

Mr. Speaker, in the past week of two all the Liberal Members in this House have been trying by every possible means to sensitize the Members of this House, mainly the Quebec Members, and convince them that Bill C-25 should be geared to regional needs at the provincial level. Such a request, Mr. Speaker, would be consistent with the comments made by the Prime Minister (Mr. Mulroney) during the election campaign in Quebec and with the same comments repeated when the Quebec Government requested constitutional amendments, as well as the comments he made at his meeting with the Quebec premier this week.

What producers are asking is quite simple. They want the same thing the Prime Minister wants but in fact refuses to give. They want programs that are regionally adapted that acknowledge the specific nature of agriculture in Quebec. They do not want promises, they want action to harmonize federal stabilization programs with the programs the provincial government makes available to farmers, including subsi-

dies, and that in return, the federal Government will not withdraw its programs but continue to maintain the same kind of action to help Quebec producers.

It seems to me this is very simple and easy to understand. I do not know what the Minister of Agriculture (Mr. Wise) can be thinking.

Unfortunately, the most shocking aspect of this question is that the Parliamentary Secretary to the Minister of Agriculture is from Quebec. Often, for a mere $8,000 more as Parliamentary Secretary, some people are willing to sell out anyone. And that is exactly what is happening with respect to the agricultural sector in Quebec. I do not think the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) who comes from Quebec, is being paid a salary to sell the Minister's policies to Quebec farmers and to put his fellow Members to sleep. His role is to defend the interests of Quebec farmers. And the same definition of a Member's role applies to those Conservative Members in this House who since September 4 thought they were elected and paid to sell the policies of the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) to their constituents. Meanwhile, they are not doing the work they should be doing, which consists in representing and defending the interests of their constituents in Parliament.

Mr. Lapierre: Pensions!

Mr. Malépart: Mr. Speaker, the Hon. Member for Shefford (Mr. Lapierre) is referring to the last debate we had on de-indexation of Old Age Security pensions. How many Conservative Members in the House—Mr. Speaker, I am about to finish my speech—have said: Canadians agree, I saw my constituents and they approve? I see the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand) who on some occasions,—I have heard quite a few debates—also defended the Minister's policies. Today, the Prime Minister dropped the whole gang to save this skin. He saved his image, but it makes the rest of his Members look very foolish.

Mr. Speaker, in conclusion, I hope that after this humiliating experience on the issue of Old Age Security pensions, Hon. Members opposite, and especially new Members, will stand a little straighter and now they have some backbone and defend the interests of Quebec farmers. And I hope these people will have the guts to talk to the Minister of Agriculture.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Shefford (Mr. Lapierre).

● (2010)

Mr. Lapierre: Mr. Speaker, first I would like to pay special homage to my colleague from Montreal-Sainte-Marie (Mr. Malépart). I think that as a Member from an urban riding he has shown that he can defend the interests of the people who have elected him, and his oustanding intervention proved that he can also defend the interest of all Quebecers. I find it admirable on his part that he would want to take part in a debate which more directly concerns rural Members. Thanks to his co-operation and his participation, we had at least an input from Quebec in this discussion, particularly since the rural Members of the Government chose to remain seated. He did point out that Members were silent. I see the Hon. Member for Richelieu (Mr. Plamondon) is in the House. I salute him, Mr. Speaker, but I would like to hear his views. I see my neighbour riding representative, the Hon. Member for Brome-Missisquoi (Mrs. Bertrand), who has as many pork producers in her constituency as I have in mine. She has yet to say a word in this debate. That is regrettable because, frankly, Shefford is not the only riding where pork producers are experiencing difficulties. Our neighbours of Brome-Missisquoi do have problems and I find it rather discouraging that she quite simply refuses to join in the debate and defend the interests of her electors. It is a shame that the electors of Brome-Missisquoi cannot have their say about what is for that agricultural community a very basic issue. Thanks to people like my colleague from Montreal-Sainte-Marie, Quebecers have someone to speak up for them in the House, and I commend him for that.

Still, Mr. Speaker, I have a question for him. Does my colleague from Montreal-Sainte-Marie not think it is a bit ridiculous that this Government, which since the beginning of its mandate and throughout the election campaign talked about nothing but new harmony, consultations galore and consensus, now finds itself in a dilemma—there is no consensus nor harmony with respect to this Bill? The Minister is all by himself, no partners. I would ask the Hon. Member whether finally his riding . . . Considering the battle he has won today about the old age security pensions, I certainly want to congratulate him. He must be thinking about Quebec farmers, the intransigence of the Minister of Agriculture, his lack of understanding and his incompetence when dealing with the Americans. We know now that a permanent surtax will be facing Canadian farmers as of July 25 and we are also worried about his approach to the dairy policy. I think we will need the support of the Hon. Member for Montreal-Sainte-Marie to launch an attack when the session resumes and to make sure that, once again, after weeks and months of efforts we will be able to stir our Quebec colleagues so that we might at long last have some Quebec input in this House. I want to ask my colleague whether he thinks that it might be the only way to wake up those Members?

Mr. Malépart: Mr. Speaker, first of all, I want to tell my colleague that, in my opinion, we should not wait till September to mobilize Quebec farmers to put pressure on the Minister, and I am not speaking of putting pressure on the Conservative Members because it would be useless as we saw in that other matter, but to put pressure on the Minister of

Agriculture and the Prime Minister. We should start as soon as August to tour the constituencies like we did for the old age pensions, to meet the farmers in each town and each village to develop an action plan to force the Minister of Agriculture, and if he does not want to listen, to force the Prime Minister to respect his commitments to provide a special status for Quebecers.

Mr. Tardif: Mr. Speaker, with your permission, I would like to join my colleague for Shefford in paying a special hommage to my colleague for Montreal-Sainte-Marie, who, because of his involvement, has succeeded in defending the interests of Quebec farm producers and who has just fought and won an historic battle for all Canadian men and women.

Mr. Speaker, I would like to hear what my colleague for Montreal-Sainte-Marie thinks of the comments made by the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin) who, earlier this evening, showed how the Quebec Members had submitted most shockingly when he said in his speech that farm producers agreed with the intentions of the Government to pass Bill C-25.

I would like to ask my colleague for Montreal-Sainte-Marie, whom I understand met with UPA representatives from Nicolet yesterday here in Parliament, what was the reaction of these farm producers and what they asked him to do as a Member for an urban riding.

Mr. Malépart: Mr. Speaker, my colleague asks what I think of the comments made by the Conservative Member whom I do not know by name or by constituency as we hear so little from these people. I am told he is from the Eastern Townships.

It was the same for the old age security pensions. All the Conservative Members learned a single sentence. Like in Russia, they are briefed to say a certain word.

Everybody repeats the same thing, nobody knows what it is all about but it does not make any different, we have met the people and they agree. However, I must say to my colleague that when I met the APU representatives yesterday, they told me the same thing. They did not say what the Tory Members and the Miniser of Agriculture are saying in this House. However, those people completely disagreed and urged us to make a similar request to the Tory Members and bring pressure to bear so that the Bill would not be passed. They want that Bill to be delayed so that the Minister of Agriculture and all Members of this House, especially those from Quebec, may visit their constituencies during the summer recess and sound out the farmers and the people, because I think it is important, as a Member from Montreal, that my colleague from Papineau (Mr. Ouellet), my colleague, the Member for Langelier (Mr. Côté), the Minister of Consumer and Corporate Affairs, who represent urban ridings, state their views, since the decision of the Minister of Agriculture will have an impact on the increase in food prices.

So, I think that all Members of this House should do their utmost to prevent the passage of this Bill so that the Canadian peopel may be consulted.

The Acting Speaker (Mr. Charest): The period for questions and comments has now expired. Resuming debate? Question?

● (2020)

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my Quebec colleagues have asked me to say a few words on this particular Bill. It certainly does not have the acceptance of producers in the Province of Quebec. In fact, having listened to the debate, I would say that it does not have the acceptance of producers in eastern Canada or in the Maritimes. Now we have discovered that it does not have the acceptance of producers in some western provinces.

I listened to the comments of the Minister when he introduced this Bill, in particular to his remarks regarding statements made by opposition Members, particularly Members from the provinces of Quebec and Ontario. One gets the feeling that perhaps the policy of this new Government, in terms of dealing with Bills which concern primary producers and the stability of their incomes, does not mesh with what the Government said prior to being elected.

Perhaps the most blatant example of this can be found in the statements of government Members concerning provincial agreements. This Government was supposed to be the Government which would answer all disputes with provincial Governments. From now on, everything would be hunky-dory. There would be no objections. The federal Government would become suddenly benevolent and the provincial Governments would say: "Isn't this wonderful; look at our wonderful system".

What has happened along the way as a result of this Bill and other ones? The Province of Saskatchewan and the great Province of Alberta are not very happy with this particular Bill. In fact, the Maritime provinces are saying that they need one of two things, either a substantial subsidy on their feed in the east or some sort of buoying up in the form of top loading on what would be in existence under this Bill.

We have seen provincial Governments accepting the actions of this Government for some time. They accepted them and looked the other way. Along came the cuts in November, and the provincial Governments turned a blind eye and said that things would change. As time went on they saw this Bill, the legislation affecting the fisheries, FIRA legislation, as well as other legislation, and then the Budget. At that point they could no longer accept what the federal Government was offering and saying.

For example, the Province of New Brunswick said no to the fisheries Bill, that was an intrusion into its area of jurisdiction. The provincial Governments are now asking what will be the end result of the Minister's amendment. It leaves things at the discretion of the Minister, and when one looks at the amendment, one understands why there is some concern. I remind the

House that the amendment indicates that the Minister may, only if he is of the opinion, stipulate the stabilization and may allow additional subsidies on top of what the Bill will provide, if they do not exceed the general subsidy given by another province covered under the legislation.

One can understand why the provincial Governments are objecting. They should be objecting. They should have been objecting all along, ever since the new Government of Canada took office. They should have objected when a measure was passed by the Government which drastically affected the people of their provinces, but they turned a blind eye. This is a good example of a provincial Government saying that it does not agree with what the federal Government is doing.

I should like to refer to another area of great concern to me. The Government made promises in terms of trade with the United States.

Mr. Fraleigh: Stick to the Bill.

Mr. Baker: I hear the Hon. Member. When I mention trade with the United States, the Hon. Member should realize that it is one of the pertinent points which should be discussed when dealing with this Bill. We have seen the Government of the United States, under the guise of its Department of Commerce and under the guise of the International Trade Commission, act in such a way as we have never seen before on a variety of items, including hogs. Tariffs have been imposed on many items. Some Hon. Members would disagree, but if our exporters to the United States are required to post bonds, I consider that to be the imposition of tariffs.

When we look at what has happened under the International Trade Commission and the U.S. Department of Commerce to other primary producers in Canada, we can understand why producers in the Province of Quebec are objecting. For example, in one of our primary products, that of fish, the Government of the United States through those mechanisms imposed a bond structure. In fact, our hog exporters have to put up bonds, blank cheques, promissory notes or whatever when exporting their products to the United States, which are called due when the final decision is made. When they post bonds they are really posting money in financial terms. It is a hardship on them and they have to consider then what the result would be if that was called by the U.S. Government.

• (2030)

So we have seen the U.S. Government now for first time in Canadian history taking a crack at all kinds of items from lumber to footwear to saltfish to raspberries and now to hogs. One wonders, as a primary producer, as a farmer, as a person involved in agriculture in this country—one would have to wonder—where the end is going to come, and what is going to happen when those bonds are called. What is going to happen if the decision that is brought down is going to be in favour of the initial judgment of the International Trade Commission who had to examine documents, had to examine books, had to come up with some good rationale for the imposition of the posting of the bond in the first place?

On those two items the people of Canada are wondering what went wrong. What went wrong with this great relationship that was supposed to emanate automatically when this new Government of Canada came into power? What happened to this marvellous trade relationship that it was going to have with the United States of America? What happened to all of those meetings that were supposed to have taken place between the Prime Minister (Mr. Mulroney) and the president of the United States when each of these items came up for public debate? When people knew that there was a possibility of a tariff on a product they automatically complained, they went to their provincial Governments who automatically asked the federal Government, through the Department of External Affairs, to intervene.

The point of the matter is that the answer from the Department of External Affairs has been the same as the answer from the Prime Minister's Office; "Well, we will make representations but we really cannot interfere at this point in the negotiations". Primary producers have listened to that, with saltfish, with the Prime Minister down in his own riding prior to the Quebec Summit, and the Prime Minister said "yes, I am going to take this up with the president of the United States". The producers went home and they figured that if the Prime Minister of Canada is going to take this up with the president of the United States then surely a solution is going to be found. Then all of a sudden the axe came down and when that axe comes down it is an interesting axe because it cuts in many directions. It ultimately cuts each province and each exporter differently. Tariffs could range from 2 per cent to 22 per cent, and they call that a 12 or 13 or 14 per cent average.

On those two questions of dealing with the provincial Governments, the Governments duly elected by the people of the provinces, everything was supposed to be fine and dandy, and everything with U.S. trade was supposed to be great.

There is just one other item that I wanted to bring to the attention of the House concerning what appears to be, on the part of this Government, an inevitable desire for the Minister in charge of the Department to always have unlimited power under the Act, even after decisions are made. We see it in this Act and in this particular amendment.

Fishermen, such as those involved in the saltfish industry, farmers, people who are involved in forestry and those who raise hogs, are faced with tariffs. They are asking the Government of Canada what it will do about it. Who is going to pay the tariff to be imposed on hogs under this legislation? Who is going to pay the difference of 12 or 13 or 14 per cent? Is it going to be the farmer? Is it going to be the producers' organization? Is it going to be the provincial jurisdiction responsible, or is it going to be the federal Government of Canada?

I would suggest that this Bill and many other Bills before this House, and many other actions of this Government since they have been elected, be sent back to the drawing-board for more discussion, more consideration and more consultation with the people affected, the provincial Governments affected and the producers' organizations affected.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have a very brief question for the Hon. Member who just made a highly interesting contribution. I would like to advise him that the former Member for Lotbinière (Mr. Dubois), who was Parliamentary Secretary to the Minister of Agriculture under the Trudeau administration, has been calling us over the telephone in the lobby reminding us about the strength and determination with which he, as a Liberal Member from Quebec, used to defend the interests of the Quebec farmers when he was a Member here. He reminded me that the work he did with all the Members of the Quebec caucus sitting on the sub-committee on Agriculture bore fruit, because when the Government had intended to put forward a similar bill, Members from Quebec, at the request of representatives from the Quebec Union des producteurs agricoles, were able to make representations to the Government so that the Bill would not get approval in the previous Parliament. Our friend Jean-Guy Dubois was wondering over the telephone a few minutes ago why the present Member for Lotbinière (Mr. Tremblay) did not rise in this debate to defend the interests of farmers in his area, and I would like our colleague who just spoke, who knew our friend Jean-Guy Dubois well, to tell us how much he has been disappointed at the lack of responsibility of those Members for rural constituencies in Quebec and Eastern Canada who yesterday opposed the amendment put forward by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) who wanted to make sure that regional interests of farmers in rural areas would be safeguarded by Bill C-25.

[*English*]

Mr. Baker: Mr. Speaker, I do not know for the life of me why every single Member of Parliament has not spoken at some point or other on this particular legislation, not only in the House of Commons or in committee but to the Minister and the Prime Minister and every single Cabinet Minister in his caucus, no matter which one it was. I cannot understand how since last fall we have seen the Government of Canada bring in measures like this, that nobody agrees with, that affected those primary producers and those farmers and those fishermen and those lumbermen, in such a way as has never been done before.

● (2040)

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please! The Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Gray) on a point of order.

Mr. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, there is one thing that is being steadily ignored this evening.

[*English*]

With our new Government, we want to put some order—

[*Translation*]

The Acting Speaker (Mr. Charest): Order! I am sorry but this is not a question, nor is it a point of order. It is a point of debate.

Mr. Lapierre: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Charest): I hope the Hon. Member for Shefford (Mr. Lapierre) rises on a point of order.

Mr. Lapierre: On a point of order, Mr. Speaker. I am pleased to see the Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Gray) has come in. Since the beginning of the debate he has not uttered a dam word. It is time he say something!

The Acting Speaker (Mr. Charest): If there will be two, there will be three, as we say in French.

[*English*]

Mr. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my point is very clear. The Hon. Member from the Opposition was saying that they could not resolve the problems with the Bills. We will with our Minister of Agriculture (Mr. Wise).

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member knows full well that that is not a point of order.

Mr. Baker: Mr. Speaker, the Hon. Member did get on the record saying that this is a new order. Yes, this is a new Government and a new order. It taxes the poor people. It taxes the farmers. This new order allows the United States to impose tariffs on the farmers and the people who are trying to sell products to the United States. This is the new order that is now picking a fight with the provincial Governments on practically every bit of legislation that it is introducing—

The Acting Speaker (Mr. Charest): Order. I call the Hon. Member to order on a question of relevancy.

Mr. Baker: Getting back to the relevant question asked by the Hon. Member concerning the input of Members of Parliament, this is a very, very important subject. No matter on which side of the House one sits, there is a mechanism to effect legislation. Unfortunately, on this side of the House the only thing we can do is hold up legislation. When one is on the government side, one can apply the appropriate pressure and make the appropriate threats that need to be made on behalf of the primary producers of this country. One can make those threats to the Cabinet and one can be heard. Of course, no one outside the caucus room knows what is said inside, but I would predict that there has been a great deal of discussion and argument, not only on this issue but on other issues. If the original legislation as it was presented was not acceptable, then what would we do with the Minister's amendment to the original Bill? Then certainly it becomes doubly unacceptable to anyone, because that amendment is what caused the uproar

with the Province of Saskatchewan, the Province of Alberta, the Maritime provinces and the producers of Quebec.

You will notice, Mr. Speaker, that I said with the producers of Quebec. I said this because I think that the point of the producers in Quebec is being made more in this Chamber than it is at the provincial Government level. I think that that is a fair statement to make. Hon. Members from Quebec have been very vocal on this issue. They want the producers of Quebec to be heard. They want the people of Canada to know that they are being hit with that quota. They want the people to know that they have to post a bond every time they export to the United States.

An Hon. Member: Who caused the bond?

Mr. Baker: Who caused the bond? I can tell you what caused the bond on the hogs, Mr. Speaker, because I have examined the issue. It was caused by inaction by the Government of Canada when making representations to the United States Government and the President of the United States, as the Prime Minister stated he did. There was no formal representation made. If one was made, that does not say very much for the Government of Canada because the United States Government did not listen.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions, comments. The Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: Mr. Speaker, my colleague for Papineau (Mr. Ouellet) mentioned earlier the excellent job done by our colleague Jean-Guy Dubois from Lotbinière.

Mr. Speaker, I would like to recall that if—

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I think the speaker who has the floor has already spoken on this debate. The Hon. Member for Papineau (Mr. Ouellet) did not make a speech. He is not the Member being questioned.

[*Translation*]

Mr. Malépart: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Charest): If I recognized you, it is because I wanted you to continue. I do not intend to reply to the argument of the Hon. Member for Calgary West (Mr. Hawkes).

Mr. Malépart: Mr. Speaker, I want to state emphatically that this bill would have never been passed if our colleague Mr. Lapointe, the former member for Beauce, had been here. My old colleague, Mr. Leduc, the former member for Richelieu, would have been up on his feet defending farm producers. If Mr. Gourd, the former member for Argenteuil, had been here, he would have argued the case of the farm producers. If Mrs. Céline Hervieux-Payette, our former member for Montreal-Mercier had been here, she would not have been satisfied with free travel passes as a reward; she would have spoken in support of farmers and consumers. If Mr. Campbell, the former member for the La Salle riding, had been here, he would have put up a defence for the farmers and consumers in his riding, instead of—

The Acting Speaker (Mr. Charest): Order, please! The question and comment period has now expired.

[*English*]

Is the House ready for the question?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

BORROWING AUTHORITY ACT 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed from Tuesday, June 25, 1985, consideration in committee of Bill C-51, an Act to provide Borrowing Authority—Miss MacDonald (for the Minister of State (Finance))—Mr. Charest in the chair.

The Assistant Deputy Chairman: Order. House again in Committee of the Whole on Bill C-51, an Act to provide borrowing authority.

[*Translation*]

When the committee suspended its sitting at 9 p.m. on Tuesday, the 25th of June 1985, it was dealing with Clause 2 of the bill and the amendment moved by the Hon. Member for Gander-Twillingate (Mr. Baker).

[*English*]

Shall Clause 2 carry?

On Clause 2—

Mr. Baker: Mr. Chairman, the amendment before the House was put forward by the Official Opposition, and it was a very important amendment. Because the Government of Canada wanted to remove three percentage points from the indexation of senior citizens' pensions, we as the Official Opposition demanded that the Government of Canada take a 3 per cent cut on its borrowing authority.

As we witnessed today, the Government finally relented, because of a number of things. First and foremost were the objections from senior citizens, and from all people, regardless of age, in the country. The Government also relented because it had a feeling that the Official Opposition would not permit it to have its borrowing authority unless it brought in closure. Then we would have debated that. That was the purpose of this particular amendment.

• (2050)

Some Hon. Members: Oh, oh!

Mr. Baker: If Hon. Members opposite start making remarks, I will speak until after nine o'clock. That is fair. If I talk until after nine o'clock, the Government will be forced to come back to the House tomorrow on Bill C-51. At that time I will speak again, have someone interrupt, and continue all day long.

I would like to return to my original point. The Government of Canada has now changed its policy. That was accomplished by the people of Canada who opposed the terrible measure to be imposed upon them by the new Government. It was an accomplishment. Those of us who objected should all take pride in that. A headline in *The Citizen* of Ottawa reads: "The Minister of Finance and the Prime Minister Split Over Pensions". We know who won. The people of Canada won against the decisions of both those gentlemen.

My colleagues have advised me that we wish to seek unanimous consent to withdraw the amendment we are now discussing. I am going to do that in a minute.

However, let us not forget that this Government has whacked another tax on transportation fuel. The people of Canada will not forget that. That is in addition to the other taxes which were imposed in the Budget. Let us not forget that the Government has also imposed a sales tax on items which all Canadians use. That tax was extended for the first time to include additional items, and it was increased.

Let us not forget what the Government has done since it took office. It has selectively given to certain groups, such as the oil companies, billions of dollars. Then the Government turned around and whacked taxes on the ordinary people of Canada. That is what the Government did. That is how the books are balanced by the Government of Canada. The people of Canada will not forget that. They will not forget the actions which have been taken by the Government. Never again will the people of Canada trust the words of the Government.

With those words I would respectfully ask all Members of the House for their unanimous consent that I withdraw the amendment is presently before the House.

Mr. Deans: Mr. Chairman, I rise on a point of order.

The Assistant Deputy Chairman: The Hon. Member for Hamilton Mountain on a point of order.

Mr. Deans: First, I would like to offer the consent of this Party to withdraw the amendment. I am sure there is unanimous consent. However, it may require that the Speaker be in the chair in order to facilitate what I am about to request. I would like to ask that the committee rise now and report. Then with the Speaker in the chair I could make a suggestion regarding this legislation and two or three other pieces which are still before the House.

The Assistant Deputy Chairman: Shall I rise and report progress?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Chairman, I gather that there is unanimous consent. We in this Party certainly appreciate the gesture made by the Hon. Member in withdrawing his amendment. If we could have it declared that the amendment is now removed, Mr. Chairman, then you could proceed back to the chair.

Mr. Gauthier: Mr. Chairman, in the spirit of co-operation, we agree with the proposal which has been made and we will give our unanimous consent to have you reoccupy the chair.

The Assistant Deputy Chairman: Is there unanimous consent?

Some Hon. Members: Agreed.

The Assistant Deputy Chairman: Shall I rise and report progress?

Some Hon. Members: Agreed.

Progress reported.

* * *

BUSINESS OF THE HOUSE

Mr. Deans: Mr. Speaker, certain discussions have taken place over the course of the day and we have agreed to pass certain legislation this evening in order that Royal Assent can be obtained. In addition to that, an understanding has been reached that at the end of tomorrow's Question Period the House would rise. Mr. Speaker, I would ask you to seek the unanimous consent of the House not to see the clock this evening until such time as the legislative package which has been agreed upon has been completed, and until such time as Royal Assent has been sought and received.

Mr. Gauthier: Mr. Speaker, I understand what the House Leader for the New Democratic Party is attempting, but I would like him to give us the list to which he has referred so that all Members of the House would be aware of what we are talking about. Secret deals have taken place, without any consultation, to my knowledge, and I would like to participate.

Mr. Hnatyshyn: Mr. Speaker, if there has been secrecy, I am about to do away with that secrecy. In my usual way, I would like to inform the House, and the people of the country who are all glued to their television sets watching this as opposed to the Blue Jays or the Expo games, what we intend to do.

The legislative package which we had discussed was to obtain third reading of Bill C-51, which is the borrowing Bill and third reading of Bill C-44, which is a Bill respecting amendments to the Western Grain Transportation Act. We also discussed legislation which must be dealt with before the House rises for the summer. That legislation included amending the Judges Act and other statutes concerning additional

judges in certain provinces, at their request. New provisional Standing Orders have been circulated to opposition House Leaders which will come into effect when Parliament reconvenes next fall. They are in response to the first report of the Special Committee on Reform of the House of Commons.

● (2100)

We also have a Bill which I introduced for first reading today, which would go through all three stages and receive third reading. It:s an amendment to the House of Commons Act, the main purpose of which is to establish a new Board of Internal Economy. That also takes effect on the recommencement of Parliament.

I am reminded by my Parliamentary Secretary that I should now seek agreement that we should not see the clock until we finish our arrangements. I would ask for unanimous consent so we could continue, and I can complete my dissertation.

Mr. Gauthier: Mr. Speaker, I would second the motion that you do not see the clock, Mr. Speaker. However, I would like to clarify the shopping list put to us by the Government House Leader. We are going to get to third reading of Bill C-51 in a few minutes. Bill C-44 is the next item of business, or is the Government House Leader going to talk about the motions? Is he going to talk about the House of Commons Act? Is that the order in which he is going to call the Bills? Because that changes what I was told.

Mr. Hnatyshyn: Mr. Speaker, in my own hand I gave to the Hon. Member's Deputy House Leader the listing. It is Bill C-51, Bill C-44, the Judges Bill, the Bill with respect to the House of Commons Act and the Standing Orders. There is a good reason for that, Mr. Speaker.

The Senate has preconsidered the first items to which I referred up to Bill C-44. The House of Commons Act is a Bill which the Senate has not preconsidered, but it only affects the House of Commons. I thought I would leave that until the end because it is something that the Senate could leave and deal with, I think, rather expeditiously. I do not want to presume that, but I think the Senate would be inclined to understand that this is something affecting only the House of Commons.

The understanding would be, of course, that the arrangement about adjourning tomorrow is conditional upon obtaining Royal Assent tonight. I will not get into the details but, obviously, if we do not get Royal Assent, we will have to sit tomorrow and continue on until Royal Assent is obtained. However, I believe it is possible to get Royal Assent tonight, in which case we can convene tomorrow.

I would be quite prepared to accept the suggestion of the House Leader of the New Democratic Party. I think I should put this in context. The House Leader of the New Democratic Party asked me for this particular move—as the Whip for the Official Opposition will understand—because that Party has its national convention here. It is on the basis that those Hon. Members are meeting in national convention that we would agree to this proposition, and only on that basis. It is a courtesy extended to the New Democratic Party in respect to its national convention. I want to make that perfectly clear.

I think I have given the undertakings and understandings as requested by the House Leader for the New Democratic Party.

Mr. Gauthier: Mr. Speaker, I take it that the items enumerated by the Government House Leader will be made an order of this House and that we will protect the rights of Hon. Members of this House to have their late adjournment debate.

Mr. Benjamin: Are they here?

Mr. Gauthier: I do not know, but I am protecting their rights as an Hon. Member of the House. I think we should protect those people. I do not know who they are.

The Government House Leader is telling us that in the spirit of co-operation with the New Democratic Party, we will adjourn the House after Question Period tomorrow. Is that what I understand?

Mr. Hnatyshyn: Mr. Speaker, I would say after the Question Period and after Routine Proceedings because, as the Whip of the Liberal Party will understand, there are a number of requests which have come from his Party with respect to changes in membership of committees which will be sitting during the course of the summer. There are various items. I think Routine Proceedings would be the end. We will adjourn before Orders of the Day would be called, if that would be to the satisfaction of the Whip of the Liberal Party.

Mr. Deans: Mr. Speaker, since I seem to have started this mess, let me finish it. I want, first of all, to say that the understanding as outlined by the Government House Leader is exactly the way I understood it to be. I appreciate the intervention of the Whip for the Official Opposition.

I want to thank both the Official Opposition and the Government for agreeing that tomorrow we could rise at the end of Routine Proceedings in order that all of my colleagues and myself could be in attendance at the national convention.

The Acting Speaker (Mr. Charest): Is there unanimous consent that the Chair does not see the clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): I also take it that the late show will be held?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): The Speaker wishes to thank you.

BORROWING AUTHORITY ACT 1985-86 (No. 2)

MEASURE TO ENACT

The House resumed consideration in Committee of Bill C-51, an Act to provide borrowing authority—Miss MacDonald (for the Minister of State (Finance))—Mr. Charest in the Chair.

The Assistant Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: Agreed.

Clause 2 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-44, an Act to amend the Western Grain Transportation Act, as reported (without amendment) from the Standing Committee on Transport.

Hon. Don Mazankowski (Minister of Transport) moved:

That Bill C-44, an Act to amend the Western Grain Transportation Act, be amended in sub-clause 1(1)

(*a*) by striking out line 7 at page 1 and substituting the following:

"(D) nine Members who shall be",

(*b*) by striking out line 16 at page 1 and substituting the following:

"Manitoba four representing the pro-".

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise on a point of order. I thought that was my amendment, not the amendment of the Minister of Transport. I filed it earlier this day.

The Acting Speaker (Mr. Charest): With respect to the point of order of the Hon. Member for Regina West (Mr. Benjamin), he has brought a similar motion before the House, but to be able to present the motion he would need Royal recommendation. In this case he does not have it. The Minister of Transport (Mr. Mazankowski) does have Royal recommendation.

Mr. Benjamin: We went through this yesterday in the Transport Committee. It makes no difference in terms of the Royal recommendation whether an amendment is moved by the Minister or by an Hon. Member of the Opposition. The point is that this amendment, whether moved by the Minister or myself—and I submit that my amendment was in first, but that does not matter—the Royal recommendation covers a lump sum of money which he is allowed to spend under the provisions of Bill C-44. The Bill in no way specifies how much will be paid to each member of the advisory committee. If the Minister or myself increase the number of members on the

committee, with the consent of this House, and if it was originally conceived that the per diem was $100 a day, given the amount of money available to the Minister under the Royal recommendation, and the number is increased from eight to nine, that may mean the Minister pays the members only $90 a day in order to pay that one additional member. There is nothing in the legislation which specifies how much is going to be paid to the members of that committee. I submit that the Royal recommendation does not enter into this because the Bill itself does not spell out what shall be paid to individual members on a per diem, or any other basis. It only spells out the amount which the Minister has available.

● (2110)

I submit that it makes no difference whether the Minister or I present the amendment. That has nothing to do with the Royal recommendation presently before the House. If it does, the Minister and the Government House Leader will have to come back and ask for unanimous consent to have the Royal recommendation changed. Either that or my amendment or that of the Minister is acceptable now. You cannot have it both ways. My amendment, or a similar amendment proposed by the Minister, does not mean any extra expenditure by the Government under the present Royal recommendation. We do not need to go through that nonsense again.

By the way, you should know that this has been the result of much consultation and meetings in the committee and other places, and there need not to be any more nit-picking about Royal recommendations because the Minister has the authority to pay 8, 9, 10, 12 or 100 members with the amount of money already in the Royal recommendation.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I do not want to prolong this debate, nor do I want to deny the Hon. Member for Regina West (Mr. Benjamin) the credit for initiating the amendment you are now dealing with. It clearly is his amendment. There is no question about that. The advice we received both from the President of the Privy Council (Mr. Hnatyshyn) and my legal advisers was that this did require a change in the Royal recommendation. I know the Hon. Member is making an argument tonight similar to what he made in committee. To in effect do what he is suggesting would mean that all members of the Senior Grain Transportation Committee who are presently members would receive a lower per diem allowance as the result of the addition of another member to represent the Province of Saskatchewan.

The fact that we have a change in the Royal recommendation now gives the Minister the prerogative of adding additional funds to pay for the person who is going to be added to the Senior Grain Transportation Committee. It was in the spirit of ensuring that the amendment would be incorporated in the legislation that we took this extra precaution.

I in no way want to assume credit or authorship for this amendment. I will simply give the Hon. Member for Regina West full credit and full marks for bringing the amendment forward and making a strong case. We agreed. We discussed it at some length and I certainly wanted to incorporate the

desire and the wish he enunciated in an earlier amendment. it is only to ensure that the amendment is incorporated that it was brought forth in this fashion.

The Acting Speaker (Mr. Charest): I can see the Hon. Member for Regina West (Mr. Benjamin) rising again, I presume on the same point of order, but if he will permit me, I think it is the Chair's turn. I might clear this up by pointing out to the Hon. Member for Regina West, who is a very experienced and learned Member of this House, that in this case the Minister of Transport is not bringing in the amendment on the original Royal recommendation but on a separate Royal recommendation which I have in hand now. It says:

Her Excellency the Governor General recommends to the House of Commons that Bill C-44, An Act to amend the Western Grain Transportation Act, be amended in subclause 1(1)

(*a*) by striking out line 7 at page 1 and substituting the following:

"(*d*) nine members who shall be"

(*b*) by striking out line 16 at page 1 and substituting the following:

"Manitoba four representing the pro-"

It is the same in the French language version. I hope that clears up the matter as far as the Royal recommendation is concerned.

Mr. Benjamin: Mr. Speaker, may I make it perfectly clear right away to the Minister and yourself that it is not a matter so much of who is moving the amendment. I would like to point out to the Chair that once the Royal recommendation has been amended it makes no difference who moves the amendment. However, I am prepared to give way. The amendment can be in the Minister's name, and God bless him. But I think the Chair errs. Once the Royal recommendation is changed, then any Member can move an amendment on that matter. I am not going to argue about it; I just wanted to leave that with the Chair. If you want to accept the amendment from the Minister, so be it; I will support him on it.

The Acting Speaker (Mr. Charest): Is there unanimous consent to adopt the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Is that agreed?

Mr. Benjamin: Mr. Speaker, I want other Hon. Members besides the Minister of Transport (Mr. Mazankowski), myself and the rest of us in the NDP to understand what is happening here. Originally I proposed an amendment to make this read "10 members" and the Minister and I agreed that we would go along with nine. The reason for the amendment is that the Province of Saskatchewan has as many grain producers as the other two provinces and the Peace River district of B.C. put together. In addition, the Province of Saskatchewan grows and ships as much grain as the other two provinces and the Peace River district of British Columbia put together. So all we are trying to do is equalize the membership on this committee, having regard to the number of producers and the volume they produce and ship. If you were really going to equalize it, Mr. Speaker, and I am doing this for the record, we would have the number "10" in there instead of the number "9". There would be five members from Saskatchewan. That would equalize it. But the Minster and I have agreed that we will make it four instead of three and I have given way, he has given way, and I want to give him credit for recognizing this.

I would remind the Chair to look again at the advice he has received about once a Royal recommendation is changed and who can or cannot move amendments. To be accommodating, I am glad the Minister moved the amendment in order that we can have this change made.

• (2120)

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Mazankowski moved that the Bill, as amended, be concurred in.

Motion agreed to.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. There is another motion at report stage moved by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) on Clause 5 of this Bill, which motion was filed several hours ago. We had two amendments which were properly filed with the table. There is one more amendment to be dealt with.

The Acting Speaker (Mr. Charest): Is there unanimous consent to revert to report stage of Bill C-44?

Some Hon. Members: Agreed.

The House reverted to the consideration of Bill C-44, an Act to amend the Western Grain Transportation Act, as reported with amendments from the Standing Committee on Transport.

Mr. Iain Angus (Thunder Bay-Atikokan) moved:

That Bill C-44, be amended in Clause 5 by striking out line 38 at page 2 and substituting the following therefore:

"repealed, and the following paragraphs are added:

(B) a person who in his opinion represents the Port cities of the Eastern Division; and

(C) a person who in his opinion represents the Port cities of the Western Division."

He said: Mr. Speaker, I will not take much time. I know that all Members of the House would like to finish our business and get on to enjoying the summer. I moved this amendment to this very important Bill in an effort to ensure representation from the many communities in the east and the west which owe much of their economy to the movement of grain through their ports. I feel very strongly that ports, whether the port of Vancouver or the port of Prince Rupert on the west coast, or the port of Churchill or Thunder Bay on what we refer to as the east coast of grain shipment, have a right to representation, at least with observer status, in order to keep track of the decisions being made and to have some input.

It was suggested in committee that the groupings were very vague. Presently an individual is a voting member of the group but is in effect representing all of the trade unions involved in the movement and handling of grain. I believe that if the Minister could select an individual, mechanisms could be found to ensure that both eastern and western ports have representation as well. I believe that the existing representative could be from either the east or the west. They have no distinct loyalties to any one of the ports and have some participation in them. The same thing applies to the railroads.

I urge the Minister to give consideration to, at the very least, providing observer status for the ports in order that they can lobby on behalf of their citizens to ensure that their ports are used to the best possible advantage.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I follow the argument of the Hon. Member. However, I am having some difficulty with the wording of the proposed amendment. I have great difficulty trying to determine how this particular amendment would fit in with Clause 5, because that clause says "Paragraph 10(3)(b) of the said Act is repealed". The motion says:

That Bill C-44, be amended in Clause 5 by striking out line 38 at page 2 and substituting the following therefore:

"repealed, and the following paragraphs are added:

(B) a person who in his opinion represents the port cities of the eastern division; and

(C) a person who in his opinion represents the port cities of the western division".

I suspect that part of the problem is that we do not have a printed version of the Bill as it was amended in committee. That may have some bearing on it. I wonder if that could be explained.

While I appreciate the purport of the Hon. Member's motion, to suggest that one should appoint a person representing the port cities of the eastern division and western division is fairly broad. In reality it is poorly drafted and I am not sure whether it would be found acceptable by the legal draftsmen.

For example, in British Columbia, which could be referred to as the western divsion, there is a port in Vancouver, North Vancouver, New Westminster, Roberts Bank, and Prince Rupert. There would be a lot of discretion left to the Minister. Quite frankly, I think the Hon. Member may want to reflect and probably withdraw.

I believe that what the Hon. Member has said has merit. I believe he is really thinking about getting some assurance that the port of Thunder Bay will have some representation on the Senior Grain Transportation Committee, either as a representative or as an observer. I think he would also expect, as a balance, to have someone representing the western ports, either Prince Rupert or Vancouver. Quite frankly, I think his suggestion has merit. Notwithstanding the disposition of this particular motion, I would certainly undertake to explore ways and means to bring forward representatives, perhaps in the form of observers for starters. We will be going through a complete review of Bill C-44. We may be able to accommodate the thrust of his motion in that respect.

If he would be willing to accept it on that basis, perhaps he might agree to withdraw the motion. I repeat that the review of Bill C-44 will take place, commencing the crop year 1985-86, at which time there will obviously be further amendments as the Hon. Member for Papineau (Mr. Ouellet) suggested yesterday. I will certainly take into consideration very seriously the valid arguments that he has made tonight.

Mr. Angus: Mr. Speaker, I thank the Minister for his comments. Assuming that we have unanimous consent to withdraw the motion, I would be very happy to do so.

The Acting Speaker (Mr. Charest): I presume that the Hon. Member is rising on a point of order. I cannot let him take the floor under any other circumstances.

Mr. Angus: I am rising on a point of order to indicate to the Minister that I would be more than happy to withdraw my motion because very clearly he has indicated his willingness to ensure there is representation in the organization. I look forward to working with him to ensure that that happens.

Mr. Benjamin: Mr. Speaker, I rise on the same point of order. The Minister raises a valid point. It may be that the amendment moved yesterday was on the wrong line and on the wrong clause. That happens to all of us. I only want to add what my colleague for Thunder Bay-Atikokan (Mr. Angus) said. I will confess right now that we made a slight error and should have said "grain handling ports" which would have eliminated a number of ports on the West Coast in particular that do not handle one bushel.

I simply want to make it clear to the Minister that we want someone there, whether it is an observer or a voting Member, to represent Prince Rupert and Vancouver in the grain handling operations and Thunder Bay and Churchill in the grain handling operations which is the western and eastern directions in the context of the language used by the Canadian Grain Commission, the Canadian Wheat Board and others.

When we talk about Eastern Division, that goes as far as Thunder Bay and slightly east. That is the point we want to make to the Minister. We are concerned about the Western Grain Transportation grain operations from Thunder Bay west. It would be one person for Thunder Bay and Churchill and one person for the West Coast grain handling ports. Whether they are observers or become voting members later on, we welcome the Minister's undertaking and my colleague is prepared to withdraw the amendment, as he indicated.

The Acting Speaker (Mr. Charest): Is there unanimous consent to withdraw the amendment?

Some Hon. Members: Agreed.

Amendment (Mr. Angus) withdraw.

Hon. Don Manzankowski (Minister of Transport) moved that Bill C-44, an Act to amend the Western Grain Transportation Act, as amended, be concurred in.

Motion agreed to.

Western Grain Transportation Act

Mr. Mazankowski moved that the Bill be read the third time and passed.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to spend approximately three or four minutes—

Some Hon. Members: Too many.

Mr. Benjamin: All right. I will make it two. I believe that under the rules I have 30 minutes, but I promise not to take that long.

In winding up the debate at third reading of this legislation, I want to remind the House and the Minister that there were other amendments that were not accepted or defeated which will crop up again in another year or two.

I also remind the Minister and the Government that, as I said in December of 1983, the Crow may be sorely wounded, but it isn't dead. Therefore, I say to the Minister that we are pleased that he accepted one amendment tonight and one yesterday. I believe that he probably sympathizes a great deal with many other amendments but could not persuade his Cabinet colleagues to accept them. If he wants our help at any time in the coming year or two, we will be glad to provide it.

I remind the Minister that according to the amendments to the Western Grain Transportation Act in this Bill, during the review process in the next two years there will be no application before the Canadian Transport Commission for variable rate implementation, no moves either by legislation, propaganda or press releases about changing the method of payment while the review process is going on. I will be glad not to make any speeches on that matter if the Minister will agree to do the same thing out in western Canada.

We are not letting this go through because we like it. We still have mixed feelings and the Minister's amendments so far have not done any more harm to the statutory grain rate provisions for western grain producers. However, I want to serve notice on him now than in a year or two he better keep in mind what occurred in 1983 and what has occurred in the past week with this legislation.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I should like to follow the good example set by my colleague and deal rather briefly with third reading of Bill C-44.

The Official Opposition has agreed that the report stage be immediately followed by Third Reading, so that this Bill to amend the Western Grain Transportation Act might be passed tonight. But as I said in committee, these amendments are only the very first of a whole series of amendments which the government will have to introduce within the next few months, if not within the next few years.

As members of the Official Opposition, we are going to watch very closely the whole review process in the case of the Western Grain Transportation Act. It is vital for Canadian producers that this review be carried out most objectively, so that they get a fair deal whether they live in Western Canada or Eastern Canada. It is clear that Quebec producers in particular are seeking a fair deal for all, and if they are somewhat concerned and apprehensive it is about the government's intentions with regard to payments, and whether they will be made to the railways or directly to the producers.

I cannot help being concerned about the intentions of the Minister and this Progressive Conservative government. The Hall report has now been made public; the Minister of Transport who has it will have to make a decision within the next few weeks or months, before introducing new amendments to the Western Grain Transportation Act.

I want to make sure that the Minister of Transport fully realizes the importance of giving a fair deal to all Canadian producers from coast to coast.

• (2140)

[*English*]

Mr. Darryl L. Gray (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I think it is only fitting as Vice-Chairman of the Transport Committee that I thank Members of Parliament who took part in the discussion of the Bill which the Transport Committee discussed. As the Hon. Member for Papineau (Mr. Ouellet) said, he gave assurances to the Minister of Transport (Mr. Mazankowski) that he is a competent person and will in the years to come look after the transport situation and our farmers.

Let me say, and pardon the expression, Mr. Speaker, a virgin of truth, that as a new Member of Parliament I do not wish to go on record as being a blabber mouth but whether we are Conservatives, Liberals or New Democrats we cannot play politics in transport. I think the Minister has expressed that with what he has done in this Bill. I look forward to the co-operation of Members in years to come and I thank them.

Some Hon. Members: Hear, hear.

Motion agreed to and Bill read the third time and passed.

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Justice and Attorney General of Canada) moved that Bill C-61, an Act to amend the Judges Act, the Federal Court Act, the Canada Pension Plan, the National Defence Act in relation to judicial matters and to amend an Act to amend the Judges Act and the Federal Court Act in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: I think by unanimous consent we had agreed to have the matter after second reading referred to a Committee of the Whole, concurrence, third reading and all stages so that the Senate may deal with this matter. If the motion could be

deemed to be a reference to a Committee of the Whole, it would receive unanimous approval.

Mr. Kaplan: Mr. Speaker, the statement just made by the Government House Leader is acceptable to Her Majesty's Loyal Opposition.

Mr. Robinson: We, too, concur, Mr. Speaker.

The Acting Speaker (Mr. Charest): Mr. Hnatyshyn (for the Minister of Justice and Attorney General of Canada), seconded by Mr. Côté (Mr. Langelier) moves that Bill C-61, an Act to amend the Judges Act, the Federal Court Act, the Canada Pension Plan, the National Defence Act in relation to judicial matters and to amend an Act to amend the Judges Act and the Federal Court Act in consequence thereof be now read a second time and, by unanimous consent, referred to a Committee of the Whole.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Is the Hon. Member for Burnaby (Mr. Robinson) rising on debate?

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I think the motion carried. I suggest in the interests of efficiency of time that Hon. Members who wish to participate in this debate do so in Committee of the Whole and we will all listen with rapt attention.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the Chair.

On Clause 1—

Mr. Speyer: Mr. Chairman, I will attempt to be as eloquent in Committee of the Whole as we all were with respect to second reading.

Many provinces desperately need judges. In Alberta, for example, there are four positions to be filled. The provincial legislation has been passed, the Judicature Act, but cases have had to be cancelled because we have not had enough judges. In the Province of Manitoba there has been created by provincial statute a senior associate chief justice position but that position cannot be filled until this Bill is passed by Parliament. In Quebec there has been provincial legislation to add six new judges. Unfortunately, that cannot be done until this Bill is passed.

This Bill will add a total of 38 judicial positions to federal and provincial courts, 19 of which have been filled in the past two years by draws from the pool of positions authorized by the provincial, superior, district and county courts by Section 19.1 of the Judges Act. All but three positions will be allocated to courts in eight provinces pursuant to requests for additional judges to handle increasing case loads in these courts. The pool will be restored to its full strength and will be restructured to authorize the appointment of up to 20 trial judges on provincial superior courts.

Over the past two years, provincial requests have been heavy with respect to this category of judges resulting in the rapid depletion of the positions allocated by the pool for trial judges as set forth in Section 19 of the Judges Act. While the total number of positions will remain unchanged, the restructuring should permit the pool to meet the needs of the provinces over the next three to five years.

Other features of the Bill, very quickly, are restoration of the former one-third ratio of judges required to be appointed to the Federal Court of Canada from the bench or bar of the Province of Quebec. This measure is designed to assure to the courts sufficient judges trained in civil law to hear the increasing numbers of such cases being heard by both divisions of the Federal Court. It will require that a least eight of the 25 judges of the court meet this qualification. There will be an addition of two members of the court to the Pension Appeals Board. This will bring membership on the Board to 12 and, again, is in response to increasing workload. Finally, there will be a provision for the disposition of all matters, short of an appeal by a single judge of the Court Marshall Appeal Court of Canada. The National Defence Act presently requires a panel of not less than three judges to determine any matter before the court.

In summary, let me just say that although these amendments are of a technical nature, they are certainly essential. This Bill has nothing to do with compensation for judges. I am happy to hear of the agreement of all Parties that we receive expeditious passage.

Mr. Kaplan: Mr. Chairman, I am pleased to report to the House that the Parliamentary Secretary had consulted with me on behalf of my Party in connection with this Bill. I have no objection to it.

I would like to indicate that I was surprised to notice in the allocation that there was a very small increase proposed for the Province of Ontario. I understand the principle followed for proposing the increases in the legislation was the request for increases by the provincial Government. It is a legal maxim or a popular maxim that justice delayed is justice denied. I know there is a backlog, no less in the Province of Ontario than in the Province of Quebec. However, it appears that the former Government of the Province of Ontario did not request any increase in the number of judges in that province, and that is why this legislation proposes no increase. I regard it as a priority to increase the number of judges in the Province of Ontario, but the expense of supporting the court and building courtrooms is that of the province. Now that we have a sensitive Government in power in the Province of Ontario, I hope there will be a recognition of the fact that more judges are needed in that province. I hope the new Attorney General of Ontario will request an increase soon.

• (2150)

As the Parliamentary Secretary indicated, that request for an increase will not need legislation by existing legislation, which I think was introduced 10 or 12 years ago by the former Government. We will be able to fill Ontario's needs, if the

federal Government is disposed to do so, out of the allocation of available appointments. I want to point out to the people of Ontario that their interests are covered in this new legislation, even though there is no official plan to allocate positions to the requirements for additional judges and courts in that province.

[*Translation*]

I would also like to add a comment on the issue of judges' appointments. We know that during the last election campaign, this Government promised a new system of appointments that would perhaps involve parliamentary participation, and what we are giving the Government today is the right to appoint a further seventeen or eighteen judges, if I am not mistaken. I am not making it a condition of our approval of the legislation that the Government introduce a new system of appointments to become effective with this legislation, but I would like to remind the Government of the promises it made to the Canadian people during the last election campaign.

[*English*]

I want to remind the Government that it will now, as a result of the unanimous consent being given to it, have the opportunity to appoint new judges to the bench. During the last election campaign we heard much about a new system of appointments which would involve parliamentarians and would confirm the judgment of the Government by some broader parliamentary participation. We are not making it a condition of our approval that the Government deliver on that election promise. However, I remind Canadians that that promise was made. As proud as we are of the judges who are serving the people of Canada today, this Government promised that it would have a more accountable system. I look to the Government to deliver on that promise. With its new authority to appoint some 17 or 18 new judges, I look to the Government to live up to its campaign promises.

Mr. Robinson: Mr. Chairman, I am pleased to rise to say just a few words on this Bill and to confirm the remarks of the Hon. Member for York Centre with respect to the consultation which took place before the Bill was actually tabled in the House. It is for that reason that we are in the position this evening of being able to facilitate the passage of the Bill in the spirit of co-operation which has characterized the House today in most respects.

I want to make a couple of comments with respect to the legislation. As has been noted, it adds some 37 judicial positions to federal and provincial courts. I would hope, in making these new appointments, appointments which in some cases are long overdue, the Government would be particularly sensitive to the fact that more women and more minorities must be appointed by the federal Government to the bench. The excuse made in the past was that there were not enough qualified women. Fortunately there are many very capable women who have put in the minimum of 10 years required before appointment to a federally appointed judgeship. I hope the Government takes this opportunity with these new appointments to appoint a very significant number of women, as well as minorities, to these important positions.

It is essential, in an era of the Charter of Rights and Freedoms which gives a significantly enhanced role to judiciary, to ensure that those judges are sensitive to the concerns of minorities and to civil liberties. I hope the Government looks very seriously at changes to the appointments process itself to involve Parliament, at least in the appointments to senior levels of the judiciary in Canada, including the Supreme Court of Canada. The Canadian Bar Association, to its credit, has conducted a major study. I believe its results will be made public in the month of August. As I understand it, certainly it will look at a number of important changes to the appointments process for judges.

Coming from the Province of British Columbia, I should like to indicate that we are very proud of our judiciary at all levels. However, the process of appointments is one which is long overdue for re-examination. As has already been noted, this Bill responds to the concerns of a number of provinces. There are shortages in British Columbia, Manitoba, New Brunswick and several other provinces, which have resulted in delays. In some cases it has resulted in serious delays in the delivery of judicial services. As the Hon. Member for York Centre said, justice delayed is justice denied. It is in that spirit of co-operation that we are supporting the passage of this Bill this evening.

When we talk about the courts and the judiciary, it is essential to recognize that the poor and the powerless must also have access to the courts. In many jurisdictions legal aid programs, which are at the core of accessible courts, are seriously underfunded. I hope the Government makes a major commitment to federal funding of legal aid programs in Canada in order that there might be access to the courts for all who seek justice, not just for those who can afford to do so. Also, I hope the Government lives up to its promise to establish a fund to assist those who wish to make challenges under the provisions of Section 15 of the Charter of Rights and Freedoms, the equality rights section. In fact, the subcommittee on equality rights decided unanimously to report to Parliament upon the need for such a fund. As this House is rising for the summer, certainly the sentiments of that committee should be conveyed to it, and I am pleased to have the opportunity to do so in the context of this debate on the Judges Act.

There remains a number of inequities with respect to certain elements of the treatment of judges who have left the bench. I believe the Parliamentary Secretary to the Minister of Justice and perhaps the Government House Leader are sensitive to the concerns which have been raised by a very distinguished gentleman, a former judge of the Supreme Court of British Columbia, Tom Berger, about the provisions of the pension plan for judges who have served our country and our bench with distinction. I hope the Government looks seriously at recognizing the existing inadequacies in that pension scheme and moves forward to correct the existing problems which have affected judges such as Tom Berger.

Those are the remarks I wish to make at this point. We are supporting the legislation. Certainly we hope that the Govern-

ment appoints a large number of women and minorities to the bench at this time.

Clause agreed to.

Clauses 2 to 15 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I think Your Honour will find that there is unanimous consent to revert to the tabling of documents.

Some Hon. Members: Agreed.

● (2200)

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

AMENDMENTS TO STANDING ORDERS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in accordance with the Government's response to the first report of the Special Committee on the Reform of the House of Commons, I have the honour to table the proposed amendments to the Standing Orders which will I am sure go a long way in making the House of Commons and committees more effective. There have been extensive consultations with both of the other Parties and with the Table officers respecting the drafting of these amendments. These are for tabling.

* * *

HOUSE OF COMMONS

PROVISIONAL STANDING ORDERS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, therefore I believe there would be unanimous consent for the following motion to be put at this time and passed with limited debate.

The Acting Speaker (Mr. Charest): Does the Hon. President of the Privy Council have the unanimous consent to move his motion?

Some Hon. Members: Agreed.

Hon. Ray Hnatyshyn (for the Minister of Justice and Attorney General of Canada) moved:

That, notwithstanding any Standing Order, the proposed amendments to the Standing Orders, laid upon the table earlier this day, be deemed to have been read, adopted and made Provisional Standing Orders of this House;

Provided that, unless otherwise ordered, the Provisional Standing Orders shall be in effect during the period commencing at 11:00 o'clock a.m. on Monday, September 9, 1985 and concluding at 10:59 o'clock a.m. on Monday, September 12, 1986; and

Provisional Standing Orders

That the Clerk of the House be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the Provisional Standing Orders and making any necessary amendments in consequence thereof.

He said: Mr. Speaker, I have just a brief word. I want to say that when I had the opportunity of stating the response on behalf of the Government to the first report of the Special Committee on the Reform of the House of Commons, that response took place after there had been full and, I think, fruitful consultations and discussions with my colleagues, the House Leaders of the opposition Parties. As a result, I think you will find that these new Provisional Standing Orders are based upon a mutual understanding and a mutual respect for the House of Commons and a mutual concern that the recommendations of the Special Committee on the Reform of the House of Commons be made to work.

When we reconvene next September 9, Mr. Speaker, it will be on a slightly different basis insofar as the rules respecting the election of the Speaker are concerned, although you, Mr. Speaker, will not be affected until by some stroke of fate you decide to offer yourself up for election in this House. This does not apply to the occupant of the chair at the present time.

I think that one of the most interesting parts of the proposals will be with respect to the concept of legislative committees. It will be a new endeavour on the part of the House.

We will try to make these rules work for the benefit of Members of Parliament and for the benefit of the people of Canada.

There are other changes that will take place in terms of Standing Orders to place the management of Private Members' Bills with the Table as opposed to the office of your humble servant, the Government House Leader, who has in effect had the responsibility of arranging the Private Members' Business. I can only say, Mr. Speaker, as much as I enjoyed that very distinguished task of serving my colleages in the House, this will allow me to sit back and enjoy the speeches more, rather than rushing around and finding out who is up in the Private Members' hour at any particular time. I think that will be an interesting and a desirable change to the procedure, because it will put Private Members' Business with the Table and not with a representative of the Government. I think that is at least one move forward in the interest of free debate on the part of Private Members.

There are other items in the Standing Orders that we will be dealing with, which I suppose are important, but these are only, I think it is fair to say, the first steps on the journey toward parliamentary reform because we have the second and third reports to respond to.

I see the Hon. Member for Papineau (Mr. Ouellet) sitting here, the distinguished vice-chairman of the committee, who will understand that on the basis of those reports, and particularly the final report, the recommendations in respect to the committee system are very interesting, and very innovative and will mean quite a change if adopted in the way in which things operate in the committee system in this House.

I conclude with these few remarks simply by saying once again that I appreciate the co-operation I have had from both

opposition House Leaders and, if I may be permitted to say so, by the officials at the Table who, as usual, have been oustanding in their co-operation and outstanding in the quality of work that they deliver to us on behalf of the people of Canada.

● (2210)

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to speak very briefly to the amendments to the Standing Orders proposed by the Government House Leader. First, I would like to thank him for the understanding and co-operation he extended to all Members of the McGrath Committee which presented this first report. Mr. Speaker, I would like to remind Hon. Members that the amendments being proposed today, in addition to being the subject of an unanimous recommendation by representatives of the three parties of this House in this Parliament, are also identical to amendments proposed in the previous Parliament by a committee chaired by Mr. Tom Lefebvre, now Senator Lefebvre, amendments which also received the unanimous approval of representatives of all three parties in this House. This means, Mr. Speaker, that today we are approving amendments to the Standing Orders of the House that have been approved unanimously twice in two successive Parliaments by representatives of the three political parties in this House.

I express the wish that these amendments contribute to improve parliamentary proceedings, but more particularly that those amendments contribute to highlight the role of ordinary Members, those who are commonly called back-benchers. If this parliamentary reform is to be valid, I think it is essential that the extraordinary talents of parliamentarians on both sides of the House be put to continuous and efficient use.

Too often men and women who had the confidence of their electors came here and before very long they felt frustrated. They realized to what extent our parliamentary system denied them the opportunity to make a valid and useful contribution to the administration of public affairs. I think that the Government is quite justified to launch this parliamentary reform project. Quite rightly, the Government House Leader pointed out that this is only the first report we are adopting today.

Over the next few weeks, of course, the Government will have to consider the second and third reports drafted by the committee under the chairmanship of the Hon. Member for St. John's East (Mr. McGrath) who has done an excellent job and has directed the work of the committee like a real professional. And since I have an opportunity to say it in this House, I paid homage to him at the last sitting of our committee, I want to do so again in the House as we are about to adopt these amendments which confirm the soundness of the recommendations of the first report. If we had to pay homage to a parliamentarian who particularly distinguished himself among all parliamentarians on the Government side, I would say that, far ahead of even the Prime Minister or several Ministers, the Conservative Member who has been the most outstanding during the first session of this Parliament is the Hon. Member for St. John's East.

I hope that during the summer the Government will give particular consideration to the recommendations of the second and third reports. Mr. Speaker, I have no hesitation in saying that this parliamentary reform can be truly worthwhile only if the Government fully endorses not only the first but also the second and third reports.

I think the Government is to be commended for its wisdom in taking this first step and accepting the first report. I dare hope that before the end of 1985 we will all be able to rejoice about having accepted the very important recommendations which complement this first report and which the Government can find as well in the second and third reports presented by the committee on parliamentary reform.

I therefore want to congratulate the Government on its action today and say that we are impatiently waiting for its favourable reaction to the other recommendations that have been made to overhaul our parliamentary proceedings and give a leading role to the Members of the House of Commons in the administration of Canada.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to thank the Hon. Government House Leader for his resounding applause. First, it is necessary for the House to recognize and fully understand the work done by this committee. In my opinion, it has been one of the hardest working committees that has ever been structured by the House of Commons. The committee devoted countless hours, and I do not think anyone appreciated it, to looking at matters that many people take for granted. Without the care and deliberation of the members of that committee, the intricacies of the House of Commons would be impossible for most of us to understand.

I would like to pay particular tribute to the Chairman of the Committee, the Hon. Member for St. John's East (Mr. McGrath), as did my colleague, the Hon. Member for Papineau (Mr. Ouellet). The Hon. Member for St. John's East, when given the responsibility, took it with vigour and with dedication. He saw his task as being one of great significance and he lived up to it. I might say that he elevated the entire committee to his own level of concern and hard work.

I would also like to say to the Hon. Member for Papineau and to my good friend and colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), who co-vice-chaired the committee, I know from having read the committee report and having watched the work of the committee that their leadership was of vital importance. They showed a capacity to rise above the normal partisanship that exists in politics to recognize the House of Commons for what it really must be. I hope that the good sense that was displayed throughout the deliberations of this committee will someday become the good sense that will be displayed within the House of Commons. I hope that the co-operation that the committee was able to develop

will, through its reports, become the order of the day for the operation under normal circumstances of the House of Commons itself.

The committee's report was reported on in various ways by the media. Certain members of the media saw it as being a great step forward, while others were less inclined to see it that way. Those who were less inclined to see the importance of the committee's report did not understand that parliamentary change by necessity must be slow but steady. That is what has happened over the course of the last few years.

The changes that have taken place in the rules and procedures of Parliament since 1980 have transformed Parliament itself. This is not the same Parliament that was operating in the early part of the 1980s. Perhaps new Members have not yet recognized the changes, and I appreciate that the changes have not yet been fully implemented and perhaps not even understood all that well by many of the older Members. Nevertheless, Parliament has changed dramatically. The way we do business has changed dramatically. The emphasis on individual Members of Parliament will become even greater with the adoption of subsequent reports, but this report in itself, with its greater emphasis on committees, will give Members of Parliament who are not privileged to be in Cabinet or to be the more prominent players the opportunity on a day-to-day basis to participate as they have never participated before.

From the point of view of Members on this side of the House, we look forward to these rules being put in place. We recognize that you, Mr. Speaker, and others who will fill the chair will have to be patient with us, because we will not all pick the rules up as quickly as will the Chair and the Table. Perhaps from time to time we will make reference to rules that no longer exist. I hope that the Chair and Table Officers will be lenient in dealing with us in September and October. I anticipate and expect that each Member, on receiving a copy, will take it home and make it necessary bedtime reading in order that we can come to grips with the intricacies of Parliament, and in order that we can serve our constituents better, as these rules intend.

• (2220)

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

Some Hon. Members: Agreed.

Motion (Mr. Hnatyshyn) agreed to.

House of Commons Act

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (President of the Privy Council) moved that Bill C-63, an Act to amend the House of Commons Act be read the second time and referred to the Committee of the Whole.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Paproski in the Chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-63, an Act to amend the House of Commons Act. Shall Clause 1 carry?

On Clause 1—

Mr. Hnatyshyn: Mr. Chairman, this Bill is an amendment to the House of Commons Act. It will give effect to one of the key recommendations of the First Report of the Special Committee on Reform of the House of Commons. It will establish, for the first time in the House, a Board of Internal Economy which will not only have representation from the government side, but also representation from opposition Parties. Members of the Opposition will be selected to participate in the management of the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: The content of the Bill was recommended by the Special Committee and I am honoured and pleased to sponsor the passage of the Bill through all stages tonight.

There is an amendment which I have discussed with the House Leaders of both opposition Parties. Mr. Chairman, I think that you will find unanimous consent for the acceptance of the amendment.

As the Bill is presently structured, upon dissolution the positions of Speaker and Deputy Speaker would not continue for the purposes of the Board of Internal Economy or for the purposes of the administration of the House of Commons during the course of an election campaign. It is our intention that the Speaker and the Deputy Speaker will continue to occupy their offices until a new Speaker and Deputy Speaker have been selected under the new Standing Orders. In addition, I would point out that upon dissolution of Parliament, the Board of Internal Economy will continue to function, with the Speaker as Chairperson and the Deputy Speaker acting in committee.

Therefore, I move:

That Clause 1 of Bill C-63 be amended by striking out lines 18 and 19 on page 3 and substituting the following:

House of Commons Act

"Economy and the Speaker and Deputy Speaker shall be deemed to remain in office as such, as if there had been no dissolution, until another member is appointed in his place".

The Deputy Chairman: Shall the amendment carry?

Mr. Ouellet: Mr. Chairman, I would like the Government House Leader to clarify something for me. Clause 18 reads:

On a dissolution of Parliament, every member of the Board of International Economy shall continue in office—

It seems to me that "every member" includes the Speaker, the Deputy Speaker, two members of the Queen's Privy Council for Canada, the Leader of the Opposition or his nominee and four other members. That is the composition of the Board which is found in Clause 15(3). I am wondering why the Government House Leader has to repeat on lines 18 and 19 of Clause 18 on page 3 the names of the Speaker and the Deputy Speaker. I believe that is redundant. The previous lines state "every member", including the Speaker and the Deputy Speaker. I would like the Government House Leader to clarify that.

Mr. Hnatyshyn: Mr. Chairman, I am pleased to provide an explanation. That matter was raised with me in a different context. I read the Bill and thought, along the same line of reasoning enunciated by the Hon. Member for Papineau, that there would not likely be a problem. However, Clause 15 states:

(1) There shall be a Board of International Economy of the House of Commons, over which the Speaker of the House of Commons shall preside.

That was one reason for which I thought there should be some provision for the Speaker to continue in office, notwithstanding dissolution, so there would be no question as to who would be the Chairperson of committees. In addition, if the Hon. Member would look at the present House of Commons Act, we are deleting from that legislation a provision which has the effect of keeping the Speaker in charge of the administration of the House after dissolution. My judgment was that I should bring forward this amendment, out of abundant caution, to ensure that there would be no question upon dissolution that the Speaker would remain in charge of the administration of the House and as Chairperson of committees. I share the logic and the reason of the Hon. Member, but I was persuaded, out of abundant caution, that we should move the amendment.

Mr. Deans: Mr. Chairman, I would like to say two things. I agree that the amendment is redundant, however, I do not see that it would do any harm. With that in mind, we would be prepared to pass the amendment.

I can remember when I was elected to the House of Commons and we were involved in a discussion on the Board of International Economy. It struck me as passing strange, coming from the Ontario Legislature where opposition Members had been a part of the administration of the Legislature, that the House of Commons did not have opposition participation on matters which were not only government, but matters which affected every Member of Parliament.

• (2230)

I recall one evening speaking in the House on that very topic. I felt it would be appropriate at some point to amend the Board of Commissioners to include Members of the Opposition in order that everyone could feel, as decisions were made, that they had some input into the decision-making process which affects every day of our lives.

I want to say that this change is one which I believe, and certainly hope, will be of benefit to every Hon. Member for the first time, without passing any judgment on the capacity of those who served before. For the first time individual Members of Parliament will be represented on the Board of Internal Economy of the House of Commons. The concerns of individual Members will be able to be brought to that board. I anticipate—in fact, I expect—that the board will operate in a totally non-partisan way, that it will operate on the question of merit and not on the question of politics, and that the decisions made by that board will be seen by every Member of Parliament to have been made without consideration for the source of the suggestion or whether it was presented by the Opposition or by government supporters or by the Cabinet. I am sure that the Cabinet itself will come to live with the new reality that while those Members continue to be the Government of Canada, Parliament itself has its own administration representing all Hon. Members. I think this is a truly great step forward.

Mr. Gauthier: Mr. Chairman, I just have a few comments and perhaps one question. I fully endorse the comments made by the House Leader for the New Democratic Party. There is no doubt that this is a great improvement to parliamentary affairs.

I would just like to reiterate that I take it that all members of the Board of Internal Economy will have the same status, that some members will not have more status than others. Of course, under the Financial Administration Act, that may be a little difficult to reconcile but, nevertheless, I take it the House Leader will confirm that there will not be some members of that Board of Internal Economy who will be of, say, advisory status rather than some others. That is, the Ministers will not impose themselves, as they sometimes do, by their presence and their authority.

Perhaps the President of the Privy Council can answer this question. Clause 18(1) of Bill C-63 reads:

On September 9, 1986, Sections 15 to 18 shall stand referred to such Committee of the House of Commons as may be designated or established for the purpose—

I take it there is no time limit attached to when the committee must report to the House after its review of the operation of these new amendments, is that correct? There is no time limit attached to the review process?

Mr. Hnatyshyn: Mr. Speaker, in answer to the first question, there will be no first class or second class members. There will be only one category of members and they will be full participants.

I was interested in the comments made by the Hon. Member for Hamilton Mountain. I take his comments and thank him for the compliment he has given to us. I think all Hon. Members felt that this move was one which had to be taken in the House of Commons in order to allow Members of Parliament, and not only Members of the Queen's Privy Council of Canada, who are part of the Government, to be involved in the internal economy of the House of Commons.

Indeed, I recall very vividly the rather dramatic point of order raised—my first challenge—by the Hon. Member for Notre-Dame-de-Grâce-Lachine East who interrupted the very benign proceedings which usually take place here on the opening day of Parliament with the election of the Speaker. He thrashed away at the Prime Minister because of the fact he had appointed the usual Commissioners of Internal Economy by the usual motion. I had to point out to the Hon. Member at that time that we just did not have quite the time to change the Act, that it was only the first day. However, I am glad to say that before we adjourn this summer we are able to do that.

With respect to the observation of the Hon. Member for Ottawa-Vanier concerning the review of the operation, there are two courses of action we could have taken. I had originally suggested that we have this on a one-year trial basis to coincide with the Standing Orders which will be used provisionally for a period of one year. At the request of the Hon. Member's House Leader, I was quite prepared to have this review of the legislation not terminate but will carry on.

The Hon. Member for Kamloops-Shuswap speaks day in and day out and here it is my chance to speak and he is making a gesture that he wants to go to the Senate. I don't understand this.

I conclude only by saying, Sir, that, yes, this is only a provision for review. We want to have the matter of the operation of the Board of Internal Economy reviewed by an appropriate committee. I would hope, along with the Hon. Member for Hamilton Mountain, that the Board of Internal Economy would operate not only on a non-partisan basis but I would hope it will be able to operate on a consensus basis, that it would not be necessary to have a division on questions put to the committee. I would hope that there would be a discussion and a give and take which I think would benefit the operation of this House. It is going to require the co-operation of all Hon. Members in the spirit of collegiality on that particular board because I believe the people who will be on that board will represent their caucuses and the members within their caucuses. I think the people, therefore, will be people who love the House of Commons and understand it as an important institution. These responsibilities will make it easy to avoid becoming involved in partisanship.

Mr. Gauthier: Mr. Chairman, in his comments, the President of the Privy Council said that the Clerk was to be authorized to reprint the Standing Orders. As he knows, since 1983 we in this House have been working out of a 1982 edition with some glued-on pages. I wonder if the President of the Privy Council could, through his good offices, ask the Clerk if we could have these printed before we come back on September 9, that is, sometime in August.

Mr. Hnatyshyn: Yes, Mr. Chairman.

The Deputy Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Hawkes: Mr. Chairman, I have just two or three questions. Can the President of the Privy Council tell us when the new composition comes into effect?

Mr. Hnatyshyn: September 9, 1985, Mr. Chairman, on the day that the House will reconvene for the next session.

Mr. Hawkes: Thank you. As I work through the Budget in part, and having just read the changes to the Standing Orders where legislative committees or standing committees must submit budgets, I could not see the tie-in as to how those budgets would end up in Treasury Board hands and have money voted by Parliament. It talks about staff control by the Clerk. It talks about staff control by the Sergeant-at-Arms. Where is the mechanism which takes the committee budget and puts it through the hand of the Treasury Board Minister and gets voted by Parliament?

Mr. Hnatyshyn: Mr. Chairman, I have a brief answer which I hope will be sufficient for the Hon. Member. We are moving and have been moving under this Government to have more accountability with respect to the expenses of committees. The Hon. Member will know that the Speaker has written to all chair persons of standing committees requesting that they submit to him and, thereby, to the present Commissioners of Internal Economy, their budgets with respect to extraordinary expenses.

Under the new regime, the new Board of Internal Economy will, in fact, review all committee expenses and I believe they will be putting in place a system under which the committees will have allocated to them certain basic start-up funds. Then the committees will be expected to outline to the new Board of Internal Economy their requirements for their activities.

• (2240)

It will be up to the board to decide on each of these budgets and there will be an obligation on the part of the committee concerned and on the chairperson in particular. When you look at some of the other recommendations of the third report the logical conclusion is carried through. We want to start now on accountability and make sure that people are getting value for money and there is some control over the expenditures in committee. The Hon. Member will know there has been some very substantial bills run up by certain committees, albeit quite inadvertently and with the best intentions. We want to have some control and give leadership through the accountability concept over the operation of our own affairs.

The Hon. Member will undoubtedly have read the third report and will understand that if the provisions regarding the

transfer of control over spending to the committees are accepted, the committees will have greater independence. They will have to justify their budget, but once they have it they will be in a position to spend the money without further reference to the House.

Mr. Hawkes: Mr. Chairman, if I may clarify one of the things which concerns me, earlier this morning we changed the Standing Orders. They say that the committee chairman shall not incur any expenses until the chairman of the committee or the member acting for the chairman has presented a budget and so forth to the Board of Internal Economy. What I am concerned about is the legal position of the committee chairman. I am a committee chairman and if we call witnesses during the summer and incur expenses, am I left in some kind of limbo where I have no authority to incur expenses until the budgets are presented? Is there a mechanism which enables committees to function between now and September 9?

Mr. Hnatyshyn: Mr. Chairman, these provisions do not come into effect until September 9 for a good and valid reason. We do not want to affect anything going on this summer. The Hon. Member can rest assured that he will not be incarcerated for misappropriation of funds if he carries out his mandate. He has the authority and will continue to have that authority. When we come back there will be a new regime which will involve a mechanism, which is now being worked on, about how to operate this system. I think it will satisfy all Members and I alluded to it earlier. It simply provides that, for example, committees will have a basic amount allocated to them equivalent to what they will have available to carry on their normal operations in Ottawa. They will then simply have to make a presentation to the board with respect to any other activities, whether it involves travel or extraordinary investigations. All that will be subject to justification to the board which will be sitting on a frequent basis so that committee members will not be inconvenienced by having to wait for adjudication on their budget request.

Mr. Benjamin: Mr. Chairman, as an ordinary private backbench Member, so that the House Leaders are not patting themselves and the committee on the back, I want to extend congratulations to the committee and the three House Leaders for what they have accomplished. With one small caveat. I worry that when all three House Leaders agree on something like now we operate down here, does that mean less work for them and more for us?

Mr. Hnatyshyn: You bet your life it does.

Mr. Ellis: Mr. Chairman, I want to briefly deal with this legislation. There are some things in it which I have a great deal of difficulty with.

Mr. Benjamin: Not at this hour of the night.

Mr. Ellis: Yes, at this hour. The Hon. Member for Regina West kept us here for hours talking about things that some of us had very little interest in so another two or three minutes on this will not be too bad.

I want to put on record that Clause 16 of this legislation reflects legislation which was prepared by the Lefebvre Committee and does not reflect the reforms put forward by the Auditor General in his 1978 report. The fact is that the Clerk of the House does not and has not for many years prepared any estimates. The Sergeant-at-Arms does not and has not for many years prepared any estimates. The estimates have been prepared by the House administration. In addition, when those estimates have been looked at by the Speaker or given to him, they are then referred to the Standing Committee on Management and Members' Services for their scrutiny as they have been for many years, before they go back to the Speaker.

I am not going to get into the things that happened in committee, but I tell you that there are four Speakers who are on record as supporting that type of administration. There are three Auditors General who have studied the system and are on record as supporting that kind of system. I only say to you, Mr. Chairman, that I do not intend to make a motion to change this piece of legislation tonight. It comes at almost the eleventh hour of our sitting, literally as well as figuratively. I do know that legislation such as this can be changed and I think that with the putting in place of new rules for the Commissioners of Internal Economy that it in fact should be and perhaps will be.

Clause 1, as amended, agreed to.

On Clause 2—

Mr. Nickerson: Mr. Chairman, Clause 2 deals with the date on which the Act shall come into force. It is evident that this Clause was drafted by someone who did not know whether this Bill was to be dealt with before or after September 9. It is now quite evident the Bill is to be dealt with before September 9. Therefore, unless there is some good reason why we should retain the present wording, it would be my suggestion—and unless I get the explanation it would be my intention—that we make the necessary resolution to reword Clause 2 to say that this Act shall come into force on September 9.

Mr. Hnatyshyn: Is 1985 okay?

Mr. Nickerson: Nineteen eighty-five.

Mr. Hnatyshyn: Mr. Speaker, Parliament lives! There is a legislator who reads legislation. In deference to that distinguished Parliamentarian I accept his suggestion and I therefore move:

That the words

", or be deemed to have come into force," be deleted.

The clause would now read:

This Act shall come into force on September 9, 1985.

Some Hon. Members: Agreed.

Clause 2, as amended, agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Hnatyshyn moved that Bill C-63, an Act to amend the House of Commons Act, be read the third time and passed.

• (2250)

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to thank the Government House Leader for his co-operation in agreeing to amend the House of Commons Act, especially as concerns the Board of Internal Economy. I would remind this House that this was one of the major recommendations of the Committee on Reform of the House of Commons and one on which there was unanimity from the start. Not only we were unanimous at the time, but we had even proposed in our first report an amendment which corresponds word for word to that introduced by the Government House Leader, except for section 18(1) which has been added. On behalf of all members of the Committee, and especially our Chairman, I therefore want to thank the Government House Leader for approving this proposal and introducting this Bill today.

I believe that the Hon. Member for Hamilton Mountain (Mr. Deans) said earlier that, since 1980, we had witnessed a lot of changes in Parliamentary procedure and the way Members of Parliament view their work. In my opinion, he is absolutely right. I would like to remind him that the relationship which had evolved among the then Government House Leader, the Hon. Justice Pinard, the late Hon. Walter Baker and the Hon. Member for Hamilton Mountain himself greatly contributed to the improvement in the conditions offered to Members of this House. I especially recall when we decided to stop sitting in the evenings except on rare occasions like tonight. We are these new Standing Orders which allow us to have a more normal and more decent way of life to the co-operation of these three House leaders in the previous Parliament. In closing, Mr. Speaker, I would like to say that we would not have been able to bring about these changes, especially the changes to the Standing Orders which were agreed to earlier this evening and in this Bill C-63, without the understanding and cooperation of the three present House Leaders. I therefore want to thank the Government House Leader. I wish to thank the Hon. Member for Windsor West (Mr. Gray), House Leader of the Official Opposition, and the Hon. Member for Hamilton Mountain, House Leader of the New Democratic Party, who appeared together before the Special Committee on Reform of the House of Commons, which had never been done before. I would like to thank the House Leaders of the three parties for their co-operation and understanding in trying to improve the conditions for all Members of this House. I am very happy that Bill C-63 is before us this evening and I hope that it will receive unanimous approval.

[*English*]

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to thank all Members who gave unanimous consent earlier this evening to sit late. I want everyone to understand that it was at my request that we sat late this evening in order to allow my colleagues to attend the convention of the New Democratic Party tomorrow here in Ottawa. Anyone who wishes to attend will be most welcome. They might in fact find it enjoyable. I hope they would. In any event, I thank the Members who had to sit late this evening in order to accommodate my desires.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the spirit of amity and friendship I will not even comment on what I am going to be doing tomorrow, but I do not think I will be at the NDP convention, as much as I would love to be there.

Mr. Deans: But you will miss so much.

Mr. Hnatyshyn: Since we have concluded the business which we agreed to conclude today, I would like to make a motion that the sitting of the House be suspended to the call of the Chair. When we receive a message from the other place, you might be good enough to ring the bells or let us know in some other way that you want us back in the Chamber. We can then, receive Royal Assent and then adjourn for the evening.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to join with all Members in wishing the New Democratic Party a very good and, hopefully, a very fruitful weekend. We agreed with the proposals of the New Democratic House Leader in the spirit of objectivity, knowing how he would appreciate it.

I would like to ask a question of order of the Government House Leader (Mr. Hnatyshyn). I heard the suggestion he made that the bells be rung to invite the Members back to the Chamber when the Senate is ready to proceed with Royal Assent. Is that the suggestion which I just heard? I kow that some Hon. Members are very impatient to go home. Do we have any idea of when the Senate will be ready to receive us?

Mr. Speaker: As the House knows, the information systems around here are circuitous. On my way in I was informed by a gentleman in a blue shirt and a hat that it would probably be in 20 minutes. I have learned that one can trust those systems. The House has heard the suggestion. I suspect that not all Members who are present will return for Royal Assent. I simply wish those who have stayed a happy summer. Since so much has been done today in an amicable way, this seems an appropriate time to say something that is important to me personally. I am now a new boy who feels comfortable. It has

been an extraordinary eight or nine months for me. That is just something I have been waiting to say.

Some Hon. Members: Hear, hear!

Mr. Speaker: The House has heard the suggestion of the House Leader. Is it the wish of the House to suspend the sitting to the call of the bell?

Some Hon. Members: Agreed.

At 10.58 p.m. the sitting of the House was suspended.

SITTING RESUMED

At 12.25 a.m. the House resumed.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills without amendment: Bill C-25, an Act to amend the agricultural Stabilization Act; Bill C-26, an Act to amend the Old Age Security Act; Bill C-32, an Act to amend the Fisheries Act; Bill C-44, an Act to amend the Western Grain Transportation Act; Bill C-51, an Act to provide Borrowing Authority; C-53, an Act to authorize the disposal of the Northern Transportation Company Limited and the Forgiveness of its Debt to Her Majesty and to amend other Acts in consequence thereof; Bill C-56, an Act to amend the Farm Improvement Loans act; Bill C-57, an Act to amend the Fisheries Improvement Loans Act; Bill C-58, an Act to amend the Advance Payments for Crops Act and Bill C-61, an Act to amend the Judges Act, the Federal Court Act, the Canada Pension Plan and the National Defence Act in relation to judicial matters and to amend an Act to amend the Judges Act and the Federal Court Act in consequence thereof; and Bill C-63, an Act to amend the House of Commons Act.

* * *

● (0030)

THE ROYAL ASSENT

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

Rideau Hall
Ottawa

June 28, 1985

Sir:

I have the honour to inform you that the Honourable Gérard La Forest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 28th day of June, at 12.25 a.m., for the purpose of giving the Royal Assent to certain Bills

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler
Secretary
to the Governor General.

ROYAL ASSENT

[*English*]

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

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

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

● (0040)

And being returned:

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

Bill C-24, an Act to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act—Chapter No. 25.

Bill C-27, an Act to amend certain Acts having regard to the Canadian Charter of Rights and Freedoms—Chapter No. 26.

Bill C-31, an Act to amend the Indian Act—Chapter No. 27.

Bill C-36, an Act to amend the Aeronautics Act—Chapter No. 28.

Bill C-39, an Act to provide for the making of supplementary fiscal equalization payments to certain provinces for the period April 1, 1982 to March 31, 1987—Chapter No. 29.

Bill C-26, an Act to amend the Old Age Security Act—Chapter No. 30.

Bill C-32, an Act to amend the Fisheries Act—Chapter No. 31.

Bill C-56, an Act to amend the Farm Improvement Loans Act—Chapter No. 32.

Bill C-57, an Act to amend the Fisheries Improvement Loans Act—Chapter No. 33.

Bill C-58, an Act to amend the Advance Payments for Crops Act—Chapter No. 34.

Bill C-53, an Act to authorize the disposal of the Northern Transportation Company Limited and the forgiveness of its debt to Her Majesty and to amend other Acts in consequence thereof—Chapter No. 35.

Bill C-25, an Act to amend the Agricultural Stabilization Act—Chapter No. 36.

Bill C-51, an Act to provide borrowing authority—Chapter No. 37.

Bill C-61, an Act to amend the Judges Act, the Federal Court Act, the Canada Pension Plan and the National Defence Act in relation to judicial matters and to amend an Act to amend the Judges Act and the Federal Court Act in consequence thereof—Chapter No. 38.

Bill C-63, an Act to amend the House of Commons Act—Chapter No. 39.

Bill C-44, an Act to amend the Western Grain Transportation Act—Chapter No. 40.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

THE CONSTITUTION—SUPREME COURT JUDGMENT—CONSULTATIONS WITH MANITOBA GOVERNMENT AND SOCIETY OF FRANCO-MANITOBANS—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, first of all, since it is already 12:45 in the morning, I want to thank the House staff for their patience. I do not intend to use up the full seven minutes I am allowed, but I think the matter is sufficiently important, Mr. Speaker, to discuss it at this time. I simply wanted to make sure the Government would have an opportunity to keep an election promise it made with respect to a very important program which provides court challenge assistance, a program that expired on April 30 of this year.

I also wish to point out the presence of one of my good friends, the Hon. Member for Saint-Denis (Mr. Prud'homme), who is at my side this evening, at this late hour, and who has always shown great dedication to the cause of Canada's linguistic minorities.

Mr. Speaker, my question on June 13 of this year to the Minister of Justice concerned the recent decision by the Supreme Court, dealing with a referral aimed at emphasizing minority rights and especially at enshrining Section 23 of the Manitoba Act on the same terms as the generous interpretation given Section 133 in Quebec since Confederation, that is, for over 100 years. The Supreme Court has confirmed beyond a doubt that the wording of Section 23 of the Manitoba Act has the same effect as Section 133, and that today we are to understand that for over 100 years, the intent of this section was that laws, statutes, regulations and all matters arising from the powers of the Manitoba Legislature should have been drafted in both official languages, that is in French and English.

Editorial writers were quick to comment on this historic decision by the Supreme Court. In the newspaper *Le Devoir*, we read: "One hundred years lost". *Le Devoir* said that this clear and forthright decision by the Supreme Court restored a measure of justice which, however, could not bring back to life what had been buried by 100 years of injustice. The decision in itself would not be enough to make amends and give back to this minority that part of itself that was oppressed by the particular form of madness that has surrounded and will always continue to surround Francophone minorities in Canada, a country where violence is supposedly non-existent.

Mr. Speaker, in this connection, and to save time, now that the Supreme Court has spoken categorically and clearly on the interpretation of Section 23, today, the Minister of Justice (Mr. Crosbie) was saying in the House:

● (0045)

[*English*]

In answer to a question from the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), the Minister of Justice (Mr. Crosbie) said that they had discussed the matter of translating all statutes and all documents of the Manitoba Legislature since 1870 or 1890 when, by some legislative fault, English was made the official language of that province. That fault has now been corrected by the Supreme Court and gives Canadians a challenge to meet, a challenge with which we must deal in the next few months if we want to justice done, and be seen to be done.

[*Translation*]

Mr. Speaker, the Minister of Justice (Mr. Crosbie) said today in the House that the Government of Manitoba would in effect be making a submission to the Supreme Court, as required, concerning the minimum time to be allowed for the translation of all these documents.

[*English*]

The question of translation is not one that I would like to address. The question I would like to address in the few minutes that I have is the question of helping to assist those who, in my view, have over the years sustained an injustice and require assistance. The courts will, of course, hear the Manitoba case regarding the minimum time required to translate all the statutes. I take it from the answer of the Minister of Justice today that the Government of Canada will also participate in that process.

Tonight, I would like to ask the Parliamentary Secretary if the Government will now reconsider its position on the court challenges program and put forth a generous program which will give minorities that will be invited by the courts to present their arguments the necessary assistance, be it financial or a matter of human resources.

[*Translation*]

I simply would like to ask the Parliamentary Secretary whether his Government is prepared to establish a program to support linguistic minorities, and especially in Manitoba. I am thinking of the Franco-Manitoban Society, the Federation of Francophones outside Quebec and Alliance Québec, and that these people should have access to Government funds to help them draft and submit their arguments regarding the minimum time to be allowed for translating all these statutes.

I am very well acquainted with the position of the Minister of Justice, who said in the House on May 15 of this year—

● (0050)

[*English*]

I would like to quote from an article quoting the Minister of Justice as saying, "Charter challengers don't need federal financing". He was talking of the citizens and groups which

can apply to the courts if they believe they have a cause under the Charter. He said those people—

Mr. Speaker: I regret to advise the Hon. Member that his seven minutes have expired.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, we entirely agree with the Hon. Member for Ottawa-Vanier (Mr. Gauthier) about the historic character of the unanimous judgment on the use of French language delivered by the Supreme Court of Canada on June 13 last.

However, we would like to make a few relevant comments on that epoch-making decision which has clarified and removed any ambiguity from the constitutional requirements in connection with the Manitoba laws and parliamentary procedures.

[*English*]

The Supreme Court has upheld the Constitution of Canada while preserving the rule of law and avoiding legal chaos in the Province of Manitoba. We can only be impressed by the rigour and wisdom of the court's reasoning in coming to that decision, particularly with regard to the primacy of the Constitution and the rule of law, as well as the role of the judiciary in upholding these two fundamental principles of our system of Government.

[*Translation*]

However, that is not all Mr. Speaker. Each and every Canadian has something to learn from that major decision which confirms the sacrosanct character of minority language rights in Canada, that point of honour which has always been upheld by our valiant Canadian Prime Minister. However, it is imperative to quote a brief excerpt of that judgment delivered by the Supreme Court in this matter and I quote:

[*English*]

> The importance of language rights is grounded in the essential role that language plays in human existence, development and dignity. It is through language that we are able to form concepts; to structure and order the world around us. Language bridges the gap between isolation and community, allowing humans to delineate the rights and duties they hold in respect of one another, and thus to live in society.

[*Translation*]

Mr. Speaker, our Government is seriously committed to protecting minority rights wherever they exist, as stated in the throne speech and the unequivocal commitment of our Government to improve and monitor such an important aspect of a truly national life.

[*English*]

With regard to the legal procedures leading to the resolution—

Mr. Speaker: I am afraid I must advise the Parliamentary Secretary that his three minutes have expired.

Mr. Prud'homme: On behalf of those who are sleepy-eyed, I would like to thank you very much for your patience.

Mr. Speaker: Before I adjourn, I would like to thank the staff for a job extremely well done.

It being 12.53 o'clock a.m., this House stands adjourned until eleven o'clock a.m. pursuant to Standing Order 2(1).

The House adjourned at 12.53 a.m.

APPENDIX

(*See p. 6253*)

(Documents tabled by Hon. John Wise, Minister of Agriculture)

Operations under the Farm Improvement Loans Act
During the year ended December 31, 1984

40th ANNUAL REPORT

The Farm Improvement Loans Act came into force in March, 1945 for an initial period of 3 years and was subsequently amended from time to time to remain in effect for additional lending periods. The current lending period expires June 30, 1985.

The purpose of the Act is to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms and for the improvement of living conditions thereon. To this end, the Act authorizes the Minister of Agriculture to guarantee, against loss, term loans made to farmers by chartered banks, Alberta Treasury branches and other lenders designated by the Minister, for a wide range of farm improvement projects.

The main purposes for which Farm Improvement Loans could be made during 1984 were:

—purchase of agricultural implements and equipment;
—general works for the improvement or development of a farm, including clearing and breaking of land, irrigation systems, farm electric systems, fencing and drainage works;
—construction, repair or alteration of farm buildings;
—purchase of livestock;
—purchase of additional farm land;
—major repair or major overhaul of agricultural implements and equipment (including equipment for beekeeping) where the cost of such repair or overhaul is not less than $400.

A borrower may have several guaranteed loans outstanding at any one time up to a maximum combined amount of $100 000.

The repayment term of a loan depends largely upon the amount borrowed and the particular circumstances of the borrower. The maximum repayment period is 15 years where a loan was granted for the purchase of additional land, and 10 years for all other purposes.

Farm Improvement Loans must be secured and borrowers are required to provide a certain portion of the cost of a purchase or a project from their own resources.

The maximum rate of interest on loans made under the program is equal to the prime lending rate of chartered banks, plus 1%. This maximum, which varies with the prime rate, applies to both new and outstanding loans.

Review of 1984 Lending

During the year, 12 037 loans were made, amounting to $159.9 million. The average loan made during the year was $13 288. The total amount lent was borrowed for the following purposes:

—$105.7 million or 66.1% to purchase agricultural implements;
—$14.1 million or 8.8% for construction, repair or alteration of farm houses and buildings;
—$15.7 million or 9.8% to purchase land;
—$10.5 million or 6.6% for other improvement purposes such as clearing of land, fencing, irrigation and similar projects;
—$13.4 million or 8.4% for the purchase of livestock;
—$0.5 million for major repair or major overhaul of agricultural implements and equipment.

From the inception of the program to December 31, 1984, approximately 1 904 200 Farm Improvement Loans were made amounting to approximately $5 152 million. During the same period, payments were made to lenders under the guarantee provision in respect of 7 177 claims amounting to approximately $17.0 million, while recoveries were effected of about $2.8 million.

Appended to this Report are the following tables showing in detail the lending operations for 1984:

Table 1. Summary of Operations
Table 2. Loans and Repayments to Lenders
Table 3. Loans Classified by Province and Lender
Table 4. Loans Classified by Province and Purpose
Table 5. Loans for Implements
Table 6. Loans for Various Farm Improvement Purposes
Table 7. Loans for Construction, Repair and Alteration of Farm Houses and Buildings

TABLE 1. SUMMARY OF OPERATIONS

Year	Loans Made		Average Amount of Loan	Claims Paid		Recoveries on Claims Paid
	Number	Amount		Number	Amount	
1945 to 1954	474 474	513 606 646	1 082	282	149 814	8 743
1955 to 1964	689 626	1 013 202 985	1 469	2 393	1 742 217	229 694
1965	91 191	202 706 910	2 223	229	202 373	36 397
1966	85 553	212 796 464	2 487	243	248 209	43 242
1967	78 249	203 664 856	2 603	285	339 394	43 451
1968	14 204	40 243 867	2 833	232	321 936	45 780
1969	46 891	142 056 482	3 030	222	263 439	57 913
1970	35 992	103 029 735	2 863	367	540 603	43 683
1971	46 790	147 847 184	3 160	468	726 626	79 352
1972	53 591	181 921 661	3 395	367	657 974	83 404
1973	58 267	231 852 523	3 979	289	628 691	139 408
1974	33 685	167 626 413	4 976	238	503 608	227 791
1975	29 928	209 868 002	7 012	100	290 747	213 232
1976	20 721	164 319 192	7 930	84	199 731	243 637
1977	17 172	130 778 224	7 616	118	296 008	108 445
1978	24 712	228 607 019	9 251	138	452 094	163 100
1979	25 309	265 475 706	10 489	118	354 009	131 513
1980	19 439	222 435 504	11 443	120	435 796	106 308
1981	15 266	187 798 212	12 301	124	514 524	175 560
1982	15 795	211 804 525	13 409	137	1 013 764	149 451
1983	15 276	210 843 122	13 802	240	2 301 703	250 859
1984	12 037	159 949 154	13 288	383	4 815 747	282 466
TOTAL	1 904 168	5 152 434 386	2 706	7 177	16 999 007	2 863 429

NOTE: Data on loans made in 1983 have been adjusted to reflect lending reported publication of the 1983 report.

TABLE 2. LOANS AND REPAYMENTS TO LENDERS

Periods	Loans Made	Repayments[1]	Balance of Loans Payable to Lenders
Period 1: March 1, 1945 to February 28, 1948	33 605 576	33 605 576	
Period 2: March 1, 1948 to February 28, 1951	142 372 774	142 372 774	
Period 3: March 1, 1951 to March 31, 1953	190 449 006	190 449 006	
Period 4: April 1, 1953 to March 31, 1956	222 723 494	222 723 494	
Period 5: April 1, 1956 to March 31, 1959	239 064 072	239 064 072	
Period 6: April 1, 1959 to June 30, 1962	346 906 122	346 906 122	
Period 7: July 1, 1962 to June 30, 1965	447 767 384	447 767 384	
Period 8: July 1, 1965 to June 30 1968	553 823 636	553 814 738	8 898
Period 9: July 1, 1968 to June 30 1971	326 195 760	326 052 543	143 217
Period 10: July 1, 1971 to June 30, 1974	572 731 335	569 055 887	3 675 448
Period 11: July 1, 1974 to June 30, 1977	528 950 634	517 322 940	11 627 694
Period 12: July 1, 1977 to June 30, 1980	654 451 920	615 637 135	38 814 785
Period 13: July 1, 1980 to June 30, 1985 (As of December 31, 1984)	893 392 673	449 783 913	443 608 760
TOTAL	5 152 434 386	4 654 555 584	497 878 802

[1] Includes principal amount of claims paid under the government guarantee.

TABLE 3. LOANS CLASSIFIED BY PROVINCE AND LENDER

Province \ Lender	Bank of Montreal		Bank of Nova Scotia		Royal Bank of Canada		Toronto Dominion Bank	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia	183	2 527 765	9	207 160	62	1 211 086	89	1 309 260
Alberta	152	2 789 821	503	7 461 639	33	995 210	1 101	12 228 787
Saskatchewan	72	1 507 697	556	9 960 065	359	6 951 255	654	7 642 547
Manitoba	63	1 119 310	133	1 657 425	21	719 535	228	2 448 302
Ontario	251	4 560 882	32	463 078	78	1 648 480	426	6 184 460
Quebec	8	165 125			87	1 943 312	5	45 660
New Brunswick	55	533 360	55	497 603	33	370 574		
Nova Scotia	3	16 154	30	365 568	23	306 103	1	11 000
Prince Edward Island	14	217 110	184	2 087 778	5	72 178	5	116 291
Newfoundland			16	265 912	3	35 600		
TOTAL	801	13 437 224	1 518	22 966 228	704	14 253 333	2 509	29 986 307

TABLE 3. (Continued)

Province \ Lender	National Bank of Canada		Canadian Imperial Bank of Commerce		Bank of British Columbia		Continental Bank		Total Chartered Banks	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia			217	2 965 789	2	115 000			562	8 336 060
Alberta			1 912	23 487 529	5	66 100	4	200 335	3 710	47 229 421
Saskatchewan			2 736	32 906 355					4 377	58 967 919
Manitoba	10	221 525	984	10 142 078					1 439	16 308 175
Ontario	11	188 139	190	2 711 441					988	15 756 480
Quebec	30	866 690	5	39 960					135	3 060 747
New Brunswick	16	107 870	12	94 424					171	1 603 831
Nova Scotia	4	30 295	28	279 475					89	1 008 595
Prince Edward Island	16	251 050	130	1 358 957					354	4 103 364
Newfoundland			2	10 200					21	311 712
Yukon			2	22 000					2	22 000
TOTAL	87	1 665 569	6 218	74 018 208	7	181 100	4	200 335	11 848	156 708 304

TABLE 3. (Concluded)

Province \ Lender	Alberta Treasury Branches		Credit Unions		Total Other Lenders		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia							562	8 336 060
Alberta	30	645 800	20	219 716	50	865 516	3 760	48 094 937
Saskatchewan			107	1 575 681	107	1 575 681	4 484	60 543 600
Manitoba			10	179 765	10	179 765	1 449	16 487 940
Ontario			11	336 888	11	336 888	999	16 093 368
Quebec			10	268 000	10	268 000	145	3 328 747
New Brunswick							171	1 603 831
Nova Scotia							89	1 008 595
Prince Edward Island			1	15 000	1	15 000	355	4 118 364
Newfoundland							21	311 712
Yukon							2	22 000
TOTAL	30	645 800	159	2 595 050	189	3 240 850	12 037	159 949 154

TABLE 4. LOANS CLASSIFIED BY PROVINCE AND PURPOSE[1]

Province	Purchase of Agricultural Implements and Equipment		Clearing/Breaking Fencing/Drainage Improvement/Development-Irrigation Fixed Equipment		Construction Repair or Alteration of Farm House and Buildings		Purchase of Livestock		Major Repair/ Overhaul Additional Land		Implements Equipment		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia	409	4 324 264	48	781 723	51	1 002 363	82	1 429 975	18	761 200	7	36 535	615	8 336 060
Alberta	2 763	32 321 454	263	3 579 305	240	3 411 591	489	4 907 846	83	3 722 215	35	152 526	3 873	48 094 937
Saskatchewan	3 563	44 426 992	227	2 169 351	254	3 250 892	363	3 028 332	162	7 504 611	35	163 422	4 604	60 543 600
Manitoba	1 103	11 240 699	36	286 266	106	1 572 995	219	1 969 806	35	1 285 610	14	132 564	1 513	16 487 940
Ontario	662	7 995 719	182	2 652 499	147	2 687 272	88	991 244	41	1 752 334	3	14 300	1 123	16 093 368
Quebec	97	1 283 526	30	481 724	23	962 841	26	408 686	7	182 160	1	9 810	184	3 328 747
New Brunswick	135	1 111 325	13	105 375	26	316 185	3	9 830	3	54 000	2	7 116	182	1 603 831
Nova Scotia	65	636 201	7	97 953	9	120 880	10	144 561	1	9 000			92	1 008 595
Prince Edward Island	266	2 222 567	20	325 164	38	802 814	42	362 039	14	400 530	1	5 250	381	4 118 364
Newfoundland	13	114 986					8	196 726					21	311 712
Yukon	4	22 000											4	22 000
TOTAL	9 080	105 699 733	826	10 479 360	894	14 127 833	1 330	13 449 045	364	15 671 660	98	521 523	12 592	159 949 154

[1] Data in this table relate to the number of purposes for which loans were negotiated, not the number of loans. Some loans were made for more than one purpose.

TABLE 5: LOANS FOR IMPLEMENTS[1]

Province	Combines		Hay Balers		Tractors		Trucks		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia	9	100 070	25	124 582	100	1 396 003	107	1 007 116	168	1 696 493	409	4 324 264
Alberta	253	5 480 085	99	648 637	587	11 113 202	664	5 776 375	1 160	9 303 155	2 763	32 321 454
Saskatchewan	409	9 651 284	71	379 283	826	16 187 029	696	5 414 061	1 561	12 795 335	3 563	44 426 992
Manitoba	110	2 271 785	39	250 247	249	3 992 287	234	1 896 383	471	2 899 997	1 103	11 240 699
Ontario	63	1 429 709	20	110 734	197	2 953 555	109	828 944	273	2 672 777	662	7 995 719
Quebec	4	109 000	2	11 500	19	369 889	26	341 582	46	451 555	97	1 283 526
New Brunswick	3	45 950	2	17 020	34	426 200	33	181 417	63	440 738	135	1 111 325
Nova Scotia	2	25 800	3	19 800	19	216 369	12	101 062	29	273 170	65	636 201
Prince Edward Island	10	136 178	14	80 775	70	845 029	42	291 195	130	869 390	266	2 222 567
Newfoundland					7	75 673			6	39 313	13	114 986
Yukon			1	2 250			1	2 250	2	17 500	4	22 000
TOTAL	863	19 249 861	276	1 644 828	2 108	37 505 236	1 924	15 840 385	3 909	31 459 423	9 080	105 699 733

[1] The numbers referred to in this table relate to the actual number of implements purchased and not the number of loans negotiated.

TABLE 6: LOANS FOR VARIOUS FARM IMPROVEMENT PURPOSES[1]

Province	Clearing and Breaking of Land		Fencing and Drainage Works		Other Works for Improvement or Development		Irrigation Systems		Fixed Equipment and Electrical		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia	3	18 525	1	4 050	15	250 542	15	303 145	14	205 461	48	781 723
Alberta	22	119 410	8	33 384	83	741 563	133	2 498 778	17	186 170	263	3 579 305
Saskatchewan	55	314 064	7	32 045	121	1 039 446	23	429 409	21	354 387	227	2 169 351
Manitoba	9	43 440			20	137 106			7	106 720	36	286 266
Ontario	3	11 600	38	520 583	43	672 587	12	150 187	86	1 297 542	182	2 652 499
Quebec	1	16 935	3	62 800	7	81 598	2	33 200	17	287 191	30	481 724
New Brunswick					4	36 530	1	9 745	8	59 100	13	105 375
Nova Scotia							2	26 893	5	71 060	7	97 953
Prince Edward Island	1	14 783			8	161 535			11	148 846	20	325 164
TOTAL	94	538 757	57	652 862	301	3 120 907	188	3 451 357	186	2 715 477	826	10 479 360

[1] Data in this table relate to the number of purposes for which loans were made, not the number of loans negotiated.

TABLE 7: LOANS FOR CONSTRUCTION, REPAIR AND ALTERATION OF FARM HOUSES AND BUILDINGS[1]

Province	New Barns and Utility Buildings		New Houses		Repairs and Alterations		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
British Columbia	37	807 433	1	65 000	13	129 930	51	1 002 363
Alberta	139	1 902 581	27	815 474	74	693 536	240	3 411 591
Saskatchewan	163	1 595 651	35	1 129 518	56	525 723	254	3 250 892
Manitoba	65	936 349	12	411 500	29	225 146	106	1 572 995
Ontario	65	1 398 347	6	160 000	76	1 128 925	147	2 687 272
Quebec	10	576 255	3	64 600	10	321 986	23	962 841
New Brunswick	12	156 625	1	65 000	13	94 560	26	316 185
Nova Scotia	6	105 700			3	15 180	9	120 880
Prince Edward Island	25	455 305	2	128 000	11	219 509	38	802 814
TOTAL	522	7 934 246	87	2 839 092	285	3 354 495	894	14 127 833

[1] Data in this table relate to the number of purposes for which loans were made, not the number of loans negotiated.

ADVANCE PAYMENTS FOR CROPS ACT
FINANCIAL STATUS REPORT
JUNE 1, 1985

	1984-85	1985-86
Budget Allotment (1985-86 Fiscal Year)		$12,000,000.00
Interest Paid—1984-85 FY—1984-85 Program	$4,344,697.	
Interest Paid—1985-86 FY—1984-85 Program		1,393,933.00
TOTAL EXPENDITURES		$ 1,393,933.00
Interest Recapture on cash repayments (to consolidated revenue) Only 85-86		$ 14,134.71
TOTAL		$ 14,134.71
Outstanding Agreements 1979-80 Crop Year		$ 35,640.00
1980-81 Crop Year		25,879.00
1981-82 Crop Year		182,198.00
1982-83 Crop Year		571,912.00
1983-84 Crop Year		167,168.33
Current Year		75,176,173.00
TOTAL		$ 76,158,970.33
CONTINGENT LIABILITY		$ 72,301,882.60
ACCOUNTS RECEIVABLE $1,066,607.47		

STATUS REPORT—JUNE 1, 1985

PROGRAM	NO. OF APPLICANTS (AGREEMENTS)	TOTAL GUARANTEE	AMOUNT ADVANCED (PAID)	INTEREST (PAID)
A.P.C.A.	42	$183,730,622	$136,420,470	$5,738,630
A.P.C.M.A.	10	138,679,000		N/A
A.P.M.A.	27	N/A	N/A	N/A
C.A.M.D.F.	23	329,201	278,588	N/A
S.P.E.P.P.	2	398,621	N/A	N/A
F&VSCFAP	51	3,468,454	2,593,391	N/A

SUMMARY OF PRODUCERS IN DEFAULT TO ORGANIZATIONS UNDER THE A.P.C.A.

P.E.I. Potato Prod.			1	5,350	1	17,210	1	4,097	—	—
N.B. Potato Agency	2	4,860	2	9,733	6	39,565	20	216,870	1	29,715.49
Fédération des			3	10,796	8	33,091	8	33,129	3	11,480.77
cultures commer-					6	64,001	8	106,910	8	55,387.00
ciale du Québec						(corn)		(corn)		(corn)
Fédération des maraichers du Québec							5	93,980	1	8,440.67
Fédération des producteurs de pommes	2	30,780	—	—					1	7,219.20
Fédération des pommes de terre du Québec					2	28,331	6	81,701	—	—
Association pour l'administration des paiements anticipés							5	8,904	—	—
Ontario Soyabean Marketing Board							1	3,862	—	—
Ontario Corn Producers' Association									1	7,096.00
CSP Foods								—	1	15,000.00
Man. Pool Elevators							6	3,789	5	30,829.20
Alberta Potato Commission							2	18,670	1	2,000.00
Total (this month)	4	35,640	6	25,879	23	182,198	62	571,912	22	167,168.33
Total (last month)	4	35,640	6	25,879	25	245,643	65	604,366	24	190,293.32

Percentage change

	This Month	Last Month	Percentage Change
Total Number of Producers	117	124	- 5.6
Total Amount in Default from 1979 to 1984	982,797	1,101,821	-10.8

All P.E.I. Potato Marketing Board extensions were paid on or before December 31, 1984.
Follow-up action and repayment schedule in place for each producer in default to its organization.
AS OF JUNE 1, 1985
M.A. Franchina

ACCOUNTS RECEIVABLE—APCA

	Crop Year	Commodity	Default Payment 90%	Accumulated Interest	Total Debt to Crown	Recovered	Debt out-standing	Year Minister's Guarantee Honoured
David B. Hamilton R.R.1 Florenceville, N.B.	1978	Potatoes	8,245.70	9,879.34	18,125.04	—	18,125.04	1983-84
Charles and Lois Gardner	1978	Soybean	7,550.03	957.92	8,507.95	—	8,507.95	1979
Alain Albert Grand Falls, N.B.	1979	Potatoes	6,255.00	2,836.19	9,091.19	—	9,091.19	1982-83
Cérétec Inc. Bernieres, Québec	1979	Barley Oats	29,468.34	13,123.40	42,591.74	—	42,591.74	1982-83
Raymond Côté	1979	Corn	6,646.22	3,667.25	10,313.47	—	10,313.47	1982-83
E. Cage Dixon Cornwall, P.E.I.	1979	Potatoes	1,994.99	873.79	2,868.78	—	2,868.78	1982-83
Calvin De Marchant Bath, N.B.	1979	Potatoes	4,897.51	4,008.00	8,905.51	—	8,905.51	1983-84
Joseph Fay Souris, P.E.I.	1979	Potatoes	11,885.58	5,216.97	17,102.55	9,768.00 (Sept. /84)	7,334.55	1982-83
Ferme la Crainetiere	1979	Corn	8,610.21	6,324.98	14,935.19	—	14,935.19	1982-83
Garnet Hawskley R.R.2 Florenceville, N.B.	1979	Potatoes	6,945.30	6,035.96	12,981.26	—	12,981.26	1983-84
Ronald Hawksley	1979	Potatoes	4,532.36	5,710.73	10,243.09	—	10,243.09	1984-85
Hillcrest Farms Ltd. Louis, P.E.I.	1979	Potatoes	16,317.90	9,898.65	26,216.55	—	26,216.55	1982-83
Cecil Hughes Montague, P.E.I.	1979	Potatoes	2,625.27	1,174.63	3,799.90	—	3,799.90	1982-83
Frank Mazza Dundas, Ontario	1979	Soybeans	3,375.00	1,673.99	5,048.99	—	5,048.99	1982-83
R & S Enterprises Hartland, N.B.	1979	Potatoes	1,681.15 15,130.35	11,347.51	28,159.01	—	28,159.01	1982-83
Richard Sewell N.B. Potato Agency	1979	Potatoes	1,025.74	2,868.80	3,894.54	—	3,894.54	1982-83
Albert O. Wood Kensington, P.E.I.	1979	Potatoes	9,945.66	5,369.47	15,315.13	(7,200.00 July/84) pd on principal	8,115.13	1982-83
Gilbert Bourgoin N.B.	1980	Potatoes	23,699.88	10,898.93	34,598.81	—	34,598.81	19 82-83
Ferme Gergean (Jean-Paul & Germain Allard Rang V1, 518 Saint Bonaventure, Québec	1980	Corn	9,986.76	4,989.38	14,976.14	—	14,976.14	1983-84
Ferme Clair Martin 44A rue Lainesse Victoriaville, Québec	1980	Barley	3,891.56	1,849.55	5,741.11	—	5,741.11	1983-84
Walter Metherell	1980	Potatoes	13,500.00	5,083.00	18,583.00	—	18,583.00	1984-85
Richard Minard RRb3, Dunham	1980	Apples	1,377.60		1,377.60	—	1,377.60	1984-85
Gerard Moreau	1980	Potatoes	7,830.00	2,386.31	10,216.31	—	10,216.31	1982-83

ACCOUNTS RECEIVABLE — APCA

	Crop Year	Commodity	Default Payment 90%	Accumulated Interest	Total Debt to Crown	Recovered	Debt out-standing	Year Minister's Guarantee Honoured
Windy Crest Farms Florenceville, N.B.	1980	Potatoes	14,116.57	6,750.54	20,867.11	—	20,867.11	1983-84
Hubert Anderson R.R. 4 Andover, N.B.	1981	Potatoes	4,590.00	1,632.15	6,222.15	—	6,222.15	1983-84
Raymond Anderson R.R.4 Perth-Andover, N.B.	1981	Potatoes	5,825.70	1,427.19	7,252.89	—	7,252.89	1983-84
Papin Beliveau 850 Pays Brule St-Celistin, Co. Nicolet Québec	1981	Barley & wheat	12,420.00	2,634.68	15,054.68	—	15,054.68	1983-84
John Bolstridge	1981	Potatoes	13,500.00	1,656.41	15,156.41	—	15,156.41	1983-84
Frank Brown, Jr. Grand Falls, N.B.	1981	Potatoes	13,500.00	3,424.64	16,924.64	519.84 recovery Cheque received May 15, 1984	16,404.80	1983-84
Donald Canfield P.E.I. Potato Mktg. Bd.	1981	Potatoes	12,621.87	2,798.04	15,419.91	—	15,419.91	1982-83
Ray Christensen Grand Falls, N.B.	1981	Potatoes	1,960.74	518.65	2,479.39	—	2,479.39	1983-84
Richard E. Corrigal Altona, Manitoba	1981		910.80	202.50	1,113.30	—	1,113.30	1984-85
Denis Cusson 239, de l'Église Roxton Falls, Québec	1981	Corn	13,500.00	5,245.95	18,745.95	—	18,745.95	1984-85
Reno Daigle N.B. Potato Agency	1981	Potatoes	12,330.00	3,150.21	15,480.21	—	15,480.21	1982-83
C&M Farms Ltd. R.R. #1 Grand Falls, N.B.	1981	Potatoes	22,511.48	2,834.03	25,345.51	3,281.35 recovery on May 15, 1984 by cheque	22,064.16	1984-85
Allison W. Gee	1981	Potatoes	17,536.00	2,164.50	19,700.50	—	19,700.50	1983-84
Ferme Girouard Inc.	1981	Cabbage	40,500.00	5,414.18	45,914.18	—	45,914.18	1984-85
Danny Hendricken Mount Stewart, P.E.I.	1981	Potatoes	5,760.00	1,804.21	7,564.21	—	7,564.21	1983-84
Gary Inman Albertson, P.E.I.	1981	Potatoes	6,300.00	2,171.83	8,471.83	4,280.00 (partial recovery on principal)	4,187.83	1983-84
R. Langevin 1083 Rang. 1 (Riv. Blanche) Acton Vale, Cté. Bagot, Qué.	1981	Corn	2,914.26	3,107.01	6,021.27	—	6,021.27	1984-85
Société F.A.P. Leclair Inc., 22 Rang des 24 St-Basile-le-Grand, P.Q.	1981	Corn	33,369.92	19,915.78	55,285.70	—	55,285.70	1984-85
Y. Ledoux	1981	Corn	11,790.00	5,204.67	16,994.67	—	16,994.67	1984-85

ACCOUNTS RECEIVABLE — APCA

	Crop Year	Commodity	Default Payment 90%	Accumulated Interest	Total Debt to Crown	Recovered	Debt out-standing	Year Minister's Guarantee Honoured
Earl James MacDonald Souris, P.E.I.	1981	Potatoes	11,695.05	3,962.25	15,657.30	3,600.00 (partial recovery)	12,057.30	1983-84
Terrence MacDonald Mt. Stewart, P.E.I.	1981	Potatoes	5,191.20	1,683.06	6,874.26	—	6,874.26	1983-84
Ferme Maître Inc. (Michel & Annie Maître) 553, Grand Rang St-Michel, P.Q.	1981	Vegetables	20,547.24	4,047.02	24,594.26	—	24,594.26	1984-85
Bernard McCarthy Grand Falls, N.B.	1981	Potatoes	13,500.00	1,554.49	15,054.49	—	15,054.49	1983-84
Denis Melançon	1981	Corn & barley	3,548.61	697.22	4,245.83	—	4,245.83	1984-85
Enoil Michaud Grand Falls, N.B.	1981	Potatoes	4,405.70	1,120.02	5,525.72	—	5,525.72	1983-84
George Murphy Augustine Ave, P.E.I.	1981	Potatoes	3,068.20	2,891.86	5,960.06	1,800 900.00 (on principal July/84) (partial recovery)	3,260.06	1983-84
Semence Norbec Inc. Sept-Îles, Québec	1981	Potatoes	13,500.00		13,500.00		13,500.00	1984-85
Ferme des Peupliers Inc.	1981	Corn Oats	2,439.00 941.48	3,895.75	7,276.23	—	7,267.23	1984- 85
Stanley Reimer	1981	Corn	13,500.00	1,828.42	15,328.42	—	15,328.42	1984-85
Raynald Saindon 86 Des Pins St. Arsène, Qué.	1981	Avoine	587.93	318.69	906.62	—	906.62	1984-85
Simon Bros.	1981	Potatoes	35,606.97	3,536.33	39,143.30	—	39,143.30	1983-84
F & T Smallman Bros. Ltd. O'Leary, R.R.#3, P.E.I. C0B 1Y0	1981	Potatoes	13,500.00		13,500.00		13,500.00	1984-85
Orville Smith P.E.I. Potato Mktg. Bd.	1981	Potatoes	11,718.00	2,846.52	14,564.52	743.12	13,821.40 (Partial recovery)	1982-83
Renaud Thériault Grand Falls, N.B.	1981	Potatoes	4,997.77	1,278.39	6,276.16	—	2,276.16	1983-84
Donald Antworth R.R.#6, Woodstock, N.B.	1981	Potatoes	7,349.64	969.48	8,319.12	—	8,319.12	1983-84
Ferme Robert Brodeur Inc. St-Mathias 324 Ch. des Hurons Co. Rouville, P.Q.	1982	Corn	10,260.00	2,360.11	12,620.11	—	12,620.11	1984-85
Ken Jarvis Gladstone, Manitoba	1982	Corn	5,403.73	1,070.70	6,474.43	—	6,474.43	1983-84
Christian Lapierre 1190 Principale Batiscan, P.Q.	1982		11,238.75	2,674.85	13,913.60	—	13,913.60	1984-85
Ferme R.S. Lefebvre	1982	Grains	1,048.16	328.00	1,376.16	—	1,376.16	1984-85
Jacques Nadeau	1982	Potatoes	7,200.00	483.18	7,683.18	—	7,683.18	1984-85

ACCOUNTS RECEIVABLE — APCA

	Crop Year	Commodity	Default Payment 90%	Accumulated Interest	Total Debt to Crown	Recovered	Debt out-standing	Year Minister's Guarantee Honoured
New Line Farms Ltd.	1982	Potato	11,700.00	1,543.85	13,243.85	—	13,243.85	1984-85
Richard Ouelette	1982	Potatoes	11,700.00	1,795.22	13,495.22	—	13,495.22	1984-85
Maurice & Claudette Pelletier	1982	Potatoes	22,936.04	1,727.28	24,663.32	—	24,663. 32	1984-85
Denis Raymond 424, Rang St-Augustin Ste-Hélène, P.Q.	1982	Corn	13,500.00	3,082.05	16,582.05	—	16,582.05	1984-85
Rosaire Sansoucy 3795 Rang des 30 St-Jean-Baptiste, P.Q.	1982		4,617.00	378.21	4,995.21	—	4,995.21	1984-85
Ferme Michael Sauriol et Fils Eng.	1982	Vegetables	17,820.00	4,251.54	22,071.54	2,827.68 (Stab Cheque)	19,243.86	1984-85
Barrie T. Shaw	1982	Potatoes	7,200.00	760.50	7,960.50	—	7,960.50	1984-85
Ferme M. Trépanier Inc. 1150 Rang Sud Herouxville, Québec	1982	Grains	7,580.24	1,877.97	9,458.21	—	9,458.21	1984-85
Debilly, A.F. Inc.	1982		7,492.00				7,492.00	1984-85
Cathercole, David	1983		17,977.05				17,977.05	1984-85
Maraichers, Bagot Inc. 1996 Haute Rivière Sud Ste-Pie, Québec J0H 1W0	1983	Onions	40,500.00	5,767.38	46,267.38	—	46,267.38	1984-85
TOTAL			819,645.21	246,962.26	1,066,607.47	34,923.99	1,031,683.48	
TOTALS OF ACCOUNTS RECEIVABLE BY YEAR AGRICULTURE ASSUMED DEBT								
	1979		7,550.03	957.92	8,507.95	—		8,507.95
	1982-83		183,161.16	86,455.64	269,616.80	17,711.12		251,905.68
	1983-84		220,694.10	69,013.61	289,707.71	11,103.84		278,603.87
	1984-85		408,239.92	90,535.09	498,775.01	6,109.03		492,665.98
	TOTAL ALL YEARS		819,645.21	246,962.26	1,066,607.47	34,923.99		1,031,683.48

June 1, 1985

ADVANCE PAYMENTS FOR CROPS ACT
1984-85 CROP YEAR ON ADVANCES AS OF JUNE 1, 1985

Organization	Crop	Guarantee Time Period	No. of Producers Partici-pating	No. of Producers at Maximum	Minister Guarantee	Amount Advanced	Contingent Liability Outstanding	Interest Paid 84/85 Fiscal Year	Interest Paid 85/86 Fiscal Year	Total
British Columbia										
B.C. Tree Fruits Ltd.	Apples Bart Pears Anjou Pears	840801 850731	0	0	9,000,000 600,000 400,000	7,892,569	2,615,345	285,298	76,335	361,633
B.C. Coast Vegetable Co-op Assn.	Onions Rutabagas Potatoes	840801 850731	11	7	90,000 15,000 495,000	260,000	55,120	7,934	1,822	9,756
Okanagan Fruit Producers and Shippers Assn.	Apples Bart Pears Anjou Pears	840801 850731	111	0	800,000 50,000 150,000	699,643	410,727	25,824	4,935	30,759
Island Vegetable Coop Association	Potatoes	840801 850731	5	3	150,000	62,000	7,189	0	1,407	1,407
Interior Veg Agency Ltd.	Potatoes Onions Rutabagas	840801 850731	0	0	20,000 80,000 20,000	57,500	2,015	1,046	171	1,217
Sub-Total			127	10	11,870,000	8,971,712	3,090,396	320,102	84,670	404,772
Alberta										
Alberta Potato Commission	Potatoes	840801 850731	54	49	1,500,000	1,369,500	962,033	33,887	21,711	55,598
Alberta Honey Producers	Honey	840801 850731	189	57	2,290,000	2,000,000	1,256,162	132,805	13,080	145, 885
Alberta Beekeepers	Honey	840801 850731	0	0	250,000	146,087	96,557	6,395	1,990	8,385
Alberta Wheat Pool	Field Beans Flax Canola	840801 850731	91	57	250,000 2,000,000 5,000,000	1,109,119	472,444	42,232	14,422	56,654
Sub-Total			334	163	11,290,000	4,624,706	2,787,319	215,319	51,203	266,522
Saskatchewan										
Saskatchewan Wheat Pool	Canola	840801 850731	752	0	11,000,000	8,383,282	4,506,894	330,442	121 ,577	452,019
Sub-Total			752	0	11,000,000	8,383,282	4,506,894	330,442	121,577	452,019
Manitoba										
CSP Foods Ltd.	Sunflowers	840915 850914	31	10	1,500,000	282,735	155,765	10,798	1,683	12,481
Manitoba Veg Producers Mktg. Board	Potatoes Onions Rutabagas	840801 850731	0	0	1,000,000 100,000 30,000	1,079,041	498,013	39,189	7,241	46,430
Manitoba Coop Honey Prod. Ltd.	Honey	840801 850731	0	0	2,000,000	1,859,043	103,031	9,374	112,405	
Manitoba Corn Growers Assoc.	Corn	840915 850914	138	75	5,000,000	2,728,215	1,820,958	64,300	42,879	107,179
Manitoba Honey Mktg. Board	Honey	840801 850731	0	0	550,000	336,352	261,133	2,682	15,901	
Manitoba Pool Elevators	Flax Canola	840801 850731	477	0	1,000,000 5,000,000	5,520,780	4,442,000	199,639	0	199,639

ADVANCE PAYMENTS FOR CROPS ACT
1984-85 CROP YEAR ON ADVANCES AS OF JUNE 1, 1985

Organization	Crop	Guarantee Time Period	No. of Producers Partici-pating	No. of Producers at Maximum	Minister Guarantee	Amount Advanced	Contingent Liability Outstanding	Interest Paid 84/85 Fiscal Year	Interest Paid 85/86 Fiscal year	Total
Manex Forage Seed Co.	Alfalfa Seed	840801 850731	22	1	800,000	138,964	118,964	6,168	1,329	7,497
Prairie Canola Growers	Canola	840801 850731	0	0	20,000,000	16,698,183	11,284,823	789,856	128,917	9 18,773
Sub-Total			668	86	36,980,000	28,643,313	19,498,822	1,226,200	194,105	1,420,306
Ontario										
Blue Water Storage Ltd.	Apples	840801 850731	0	0	350,000	288,015	100,570	10,893	1,216	12,109
Norfolk Fruit Growers, Assn.	Apples	840801 850731	37	14	850,000	711,409	711,409	18,014	0	18,014
Ontario Soya-Bean Growers, Mktg. Bd.	Soybean	840915 850914	1,655	19	25,000,000	16,438,863	9,921,181	573,548	100,897	674,445
Ontario Apple Mktg. Comm.	Apples	840801 850731	16	2	750,000	244,609	116,023	7,839	2,681	10,520
Ont. Burley Tobacco Growers, Mktg. Bd.	Tobacco	840801 850731	39	0	250,000	145,000	0	4,834	459	5,293
Ont. Flue-Cured Tobacco	Tobacco	840801 850731	1,724	1,254	20,819,822	20,819,822	0	487,895	0	487 ,895
Ont. Corn Prod. Assn.	Corn	840915 850914	936	368	20,000,000	16,158,883	11,654,043	247,851	281,861	5 29,712
Sub-Total			4,407	1,657	68,019,822	54,806,601	22,503,226	1,350,874	387,114	1,737,988
Quebec										
Coop des pomiculteurs du Québec	Apples	840801 850731	20	1	300,000	190,000	181,000	10,906	1,756	12,662
Fédération des producteurs de pommes du Québec	Apples	840801 850731	57	20	1,750,000	969,152	838,664	33,182	18,146	51,328
Fédération des producteurs de cultures comm.	Grains Corn	840801 850731 840915	1,294	1,108	5,000,000 18,000,000	15,229,737	11,698,993	308,722	406,102	714,824
Féd. des prod. maraichers du Québec	Onions Leeks Rutabagas Cabbage Carrots	840801 850731	56	18	800,000 60,000 220,000 460,000 460,000	938,890	462,771	34,312	10,904	45,216
Scoiété Coop des apiculteurs	Honey	840801 850731	0	0	240,000	225,000	227,500	7,340	4,369	11,709
Assoc. des jardiniers maraichers	Rutabagas Cabbage Leek Carrots	840801 850731	31	16	90,000 185,000 35,000 290,000	600,000	399,300	25,730	4,021	29,751
Société Coop agricole de Montcalm	Tobacco	840801 850731	111	0	500,000	400,000	49,943	8,943	525	9,468

ADVANCE PAYMENTS FOR CROPS ACT
1984-85 CROP YEAR ON ADVANCES AS OF JUNE 1, 1985

Organization	Crop	Guarantee Time Period	No. of Producers Partici-pating	No. of Producers at Maximum	Minister Guarantee	Amount Advanced	Contingent Liability Outstanding	Interest Paid 84/85 Fiscal Year	Interest Paid 85/86 Fiscal Year	Total
Fédération des prod. de pommes de terre du Qué.	Potatoes	840801 850731	112	79	3,000,000	2,161,724	1,688,915	78,405	39,380	117, 785
Sub-Total			1,681	1,242	31,390,000	20,714,503	15,547,086	507,540	485,203	99 2,743
New Brunswick										
N.B. Fruit Growers Assoc.	Apples	840801 850731	10	0	250,000	99,121	75,564	1,154	2,583	3,737
N.B. Potato Agency	Potatoes	840801 850731	236	183	5,500,000	5,250,000	4,166,883	223,173	42,998	266,171
N.B. Flue-Cured Tobacco Growers Assn.	Tobacco	840801 850731	7	0	255,000	225,000	11,250	7,556	0	7,556
Sub-Total			253	183	6,005,000	5,574,121	4,253,697	231,883	45,581	277,464
Nova Scotia										
N.S. Fruit Growers Assn.	Apples	840801 850731	45	11	1,000,000	599,413	577,693	25,637	0	25,637
N.S. Grain Mktg. Board	Wheat Soybeans Feed Wheat Oats, Rye Barley Corn-84915-	840801 850731 850914	295	2	493,500 55,800 127,500 258,000 138,000 192,000	736,224	428,914	33,881	4,323	38,204
N.S. Potato Mktg. Bd.	Potato	840801 850731	14	2	200,000	165,278	165,278	4,868	1,633	6,501
N.S. Flue-Cured Tobacco	Tobacco	840801 850731	14	0	350,000	287,048	41,999	8,434	0	8,434
Sub-Total			368	15	2,814,800	1,787,963	1,213,884	72,820	5,956	78,776
Prince Edward Island										
PEI Vegetable Growers	Cabbage Rutabagas Carrots	840801 850731	22	2	12,000 19,000 19,000	127,298	127,298	4,286	1,737	6,023
PEI Potato Mktg. Board	Potatoes	840801 850731	97	68	3,000,000	1,866,971	1,647,327	58,733	16,787	75 ,520
PEI Tobacco	Tobacco	840801	44	39	1,200,000	920,000	347	26,498	0	26,498
Sub-Total			163	109	4,361,000	2,914,269	1,774,972	89,517	18,524	108,041
Total			8,753	3,465	183,730,622	136,420,470	75,176,173	4,344,697	1,393,933	5,738,630

STATUS REPORT (CROP YEAR 1984)
Agricultural Products Cooperative Marketing Act
May 1, 1985

Applicant	Period of Agreement Y/M/D	No. of producers	Production under Agreement (t)	Initial Payment $/unit	Cost $/unit	Total Guarantee $/unit (5 + 6)	Average Wholesale Price to Date ($/unit)	Guarantee versus Average Wholesale Price to Date	Contingent Liability $,000,000 (4 × 7)	Comments
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(%)	(9)	
BRITISH COLUMBIA										
B.C. Tree Fruits Ltd. (Cherries)	84/06/01 to 85/05/31	600	3,651.2t (NBR 1)	308.56/t	411.44/t	720.00/t	1127.27/t	6 4	2.665	The product is all sold. Final payment is approved.
			63.8t (O.R.)	308.56/t	255.44/t	564.00/t	1152.79/t	49		
B.C. Tree Fruits Ltd. (Apricots)	84/07/01 to 85/06/30	500	1,480t	176.32/t	383.68/t	560.00/ t	755.83/t	74	.829	The product is all sold. Final payment is
B.C. Tree Fruits Ltd. (Peaches)	84/07/01 to 85/06/30	600	4,104t	176.32/t	486.68/t	663.00/t	744.06/t	89	2.721	The product is all sold. Final payment is
SASKATCHEWAN										
Keewatin Wild Rice Cooperative	84/06/30 to 85/07/01	141	250t	3465.00/t	2835.00/t	6300.00/t	10,088/t	62	1.575	64% of the product is sold as of May 1, 1985
ONTARIO										
Ontario Wheat Producers' Marketing Board	84/07/01 to 85/11/30	18,000	800,000t	(#2) 119.42/t	11.37/t	130.79/t	171.39/t	77	104.632	99% of the product was sold as of May 1, 1985.
				(#3) 116.92/t		128.29/t	188.08/t	68		
				(#5) 104.42/t		115.79/t	145.81/t	80		
				(CFW) 89.42/t		100.79/t	142.62/t	71		
Ontario Bean Producers Marketing Board	84/09/01 to 85/08/31	3,000	50,000t	263.75/t	142.03/t	405.78/t	698 .66	58	20.289	88.7% of product was sold as May 1, 1985. Interim payment approved.
Eastern Ont. Veg. Growers Coop, Inc. (Green Peas)	84/07/01 to 85/06/30	142	2,098t	estimated average 372.56/t	178.12/t	550.68/t	784.62/t (FCY)	70	1.155	87% of the product was sold as of May 1, 1985.
							688.09/t (CH)	80		
				COMBINED			757.27/t	73		
Eastern Ont. Veg. Growers Coop, Inc. (Sweet Corn)	84/08/01 to 85/07/31	142	4,561t	79.90/t	470.10/t	550.00/t	713.87/ t (WK-FCY)	77	2.509	80% of the 1984 production is sold as of May 1, 1985. The Cob-choice grade represents less than 1% of product.
							597.06/t (WK-CH)	92 95		
							582.52/t (COB-FCY)	144 80		
							382.83/t (COB- CH)			
				COMBINED			684.02/t			
QUEBEC										
Les producteurs de sucre d'érable du Québec	84/03/01 to 85/02/29	3,900	97t	1763.70 /t (Ex. C.)	1146.40/t	2910.10/t	4,940.00/t	59	2.202	Agreement has expired.
			362t	1763.70/t (C.)	1146.40/t	2910.10/t	4,700.00/t	62		
			336t	1433.00/t (Med.)	1146.40/t	2579.40/t	4,380.00/t	59		
PRINCE EDWARD ISLAND										
PEI Vegetable Growers Association Ltd.–Strawberries	84/07/01 to 85/06/30	20	102t	nil	1000.00/t	1000.00/ t	1,619.00/t	62	.102	The product is completely allocated to buyers.
Total 10		27,045	—	—	—	—	—	—	138.679	

STATUS REPORT
FOR
AGRICULTURAL PRODUCTS MARKETING ACT (APMA)

	Name of Order or Regulation	Changes Contemplated	Status	Expected Completion Date
ALBERTA				
1.	Alberta Potato Order	Regulate the marketing of potatoes in interprovincial and export trade	Sent to PCO Legal Section for blue-stamping	June 1985
2.	Alberta Potato Marketing Levies Order	Establish levies re: marketing of potatoes in interprovincial export trade	Sent to Legal Section PCO	July 1985
SASKATCHEWAN				
3.	Saskatchewan Sheep & Wool Marketing Levies Order	Establish levies re: marketing of sheep and wool in interprovincial and export trade	PCO Legal Section	June 1985
MANITOBA				
4.	Manitoba Turkey Marketing Regulations	Regulate the marketing of turkey in interprovincial & export trade	Followup request sent to PCO Legal Section	July 1985
5.	Manitoba Chicken Broiler Marketing Regulations	Regulate the marketing of chicken in interprovincial and export trade	Sent to PCO Legal Section	July 1985
6.	Manitoba Chicken Marketing Levies Order	Establish levies re: marketing of chicken in interprovincial and export trade	Forwarded to PCO for registration and publication	June 1985
7.	Manitoba Vegetable Order	Reflect amalgamation of boards for marketing of vegetables	Submission to Council sent for Minister's signature	June 1985
8.	Manitoba Vegetable Marketing Regulations	Regulate the marketing of vegetables in interprovincial and export trade	Sent to PCO Legal Section	July 1985
ONTARIO				
9.	Ontario Flue-cured Tobacco License Fees (Interprovincial & Export) Regulations, Amendment	Reflect change in amount	Returned to Board for further clarification	August 1985
10.	Ontario Flue-cured Tobacco Order, Amendment	1) Amend Section 3 2) Add Section 4	1) Confirmation required from Marketing Board 2) Section 4 to be added	August 1985
11.	Ontario Rutabaga Order, Revocation	Revoke Order as Marketing Board has been dissolved	Submission to Council sent to Minister for signature	June 1985
12.	Ontario Rutabaga Order, Amendment—Revocation	Revoke Order as Marketing Board has been dissolved	At PCO Legal Section	June 1985
13.	Ontario Rutabaga Pricing (Interprovincial and Export) Regulations	Revoke Order as Marketing Board has been dissolved	At PCO Legal Section	June 1985
14.	Ontario Rutabaga Information (Interprovincial and Export) Regulations	Revoke Order as Marketing Board has been dissolved	At PCO Legal Section	June 1985
15.	Ontario Rutabaga Service Charge (Interprovincial and Export) Regulations	Revoke Order as Marketing Board has been dissolved	At PCO Legal Section	June 1985
16.	Ontario Rutabaga Licensing (Interprovincial and Export) Regulations	Revoke Order as Marketing Board has been dissolved	At PCO Legal Section	June 1985
17.	Ontario Rutabaga Producer-Packer and Producer-Packer-Shipper (Interprovincial and Export) Regulations	Revoke Order as Marketing Board has been dissolved	At PCO Legal Section	June 1985
18.	Ontario Sweet Corn Price Determination (Interprovincial & Export) Regulations, Amendment	Reflect change in amount charged	Certificate to be approved by PCO Legal Section then sent to Board for certification	August 1985
19.	Ontario Vegetable Growers Marketing for Processing Order, Amendment	1) Amend Section 3 2) Add Section 4	Forwarded to PCO Legal Section for blue-stamping	July 1985
20.	Ontario Wheat Marketing Levies Order	Establish and regulate levies in interprovincial and export trade	Re-draft forwarded to Board for review	August 1985

STATUS REPORT
FOR
AGRICULTURAL PRODUCTS MARKETING ACT (APMA)

	Name of Order or Regulation	Changes Contemplated	Status	Expected Completion Date
NEW BRUNSWICK				
21.	New Brunswick Licensing of Potato Shippers (Interprovincial and Export) Regulations, Amendment	Amendment to the French version to rectify errors in translation to ensure French and English read the same	Revocation procedure being approved by PCO	July 1985
22.	New Brunswick Licensing of Potato Exporters (Interprovincial and Export) Regulations, Amendment	Amendments to the French version to rectify errors in translation to ensure French and English read the same	Revocation Order being approved by PCO	July 1985
23.	New Brunswick Fixing of Export Seed Prices (Interprovincial & Export) Regulations	1) Revocation Order to be prepared 2) New certificate to be issued	Revocation Order being approved by PCO	July 1985
24.	New Brunswick Licensing of Potato Exporters (Interprovincial & Export) Regulations	1) Revocation Order to be prepared 2) New certificate to be issued	Revocation Order being approved by PCO	July 1985
25.	New Brunswick Licensing of Potato Shippers (Interprovincial & Export) Regulations	1) Revocation Order to be prepared 2) New certificate to be issued	Revocation Order being approved by PCO.	July 1985
26.	New Brunswick Licensing of Potato Producers (Interprovincial & Export) Regulations	1) Revocation Order to be prepared 2) New certificate to be issued	Revocation Order being approved by PCO	July 1985
27.	New Brunswick Potato Marketing Levies (Interprovincial & Export) Order	Revoke present Order and issue new Order reflecting changes in amount and application	Registered and published in Canada Gazette as SOR/85-401	Final

OTHERS

Ontario Grapes-for-Processing Order	—Revoke Order and all Regulations: Approval of procedure
Ontario Soybean Order	—Amend Section 3 or Order
Quebec Apple Order	—Revoke Order
Quebec Wood Order	—Amend Section 3 of Order

Standing Joint Committee

Ontario Greenhouse Vegetable Marketing Regulations
Ontario French Grape Shipper and Dealer-Shipper Regulations
Ontario Hog Marketing Regulations
Ontario Fresh Fruit Handling Regulations
Ontario Fresh Grape Handling Regulations
Ontario Fresh Fruit Shippers, Dealer-Shippers and Producer-Shippers Regulations

STATUS REPORT
CANADIAN AGRICULTURAL MARKET DEVELOPMENT FUND (CAMDF)
1984-85 FISCAL YEAR
May 31, 1985

	Title of Project	Coordinator	Applicant	Total Project Cost $	Contribution CAMDF $	Reimbursement			Comments
						Total Paid To Date	10% Holdback Left to be Paid	Balance	
1.	Développement des Marchés Publiques (Qué)	B. Bouchard	Fédération des producteurs maraichers du Québec	95,000.00	20,000.00	15,735.06	1,751.64	2,513.30	The ninth payment has been made to the applicant.
2.	Shipping Containers for Floral Products (Ont)	H. Blommers	Flowers Canada			CANCELLED			
3.	Marketing Study for Ontario Grain Corn (Ont)	M. Pearson	Ontario Corn Producers' Association	49,000.00	20,000.00	18,000.00	2,000.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
4.	Canola Meal in Swine Rations (Alta)	M. Pearson	Canola Council of Canada	30,350.00	5,000.00	2,998.80	333.20	1,668.00	Final Claim submitted. Final Report required before Holdback can be paid.
5.	New Potato Promotion (Man)	K. Hunter	The Manitoba Vegetable Producers' Marketing Board	20,213.00	10,106.50	9,095.85	1,010.65	0	Final Claim submitted. Final Report required before Holdback can be paid.
6.	Marketing for Domestic Fresh Lamb in B.C. (B.C.)	A. Dagenais	B.C. Sheep Breeders' Co-op Association	89,530.00	19,986.00	15,111.94	1,617.10	3,270.96	The third payment has been made to the applicant.
7.	Magnificent Canadian Mushrooms (National)	P. Sereda	Canadian Mushroom Growers Association	57,731.67	20,000.00	18,000.00	2,000.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
8.	"Starting Out"—Primary Education Kit (Sask)	S. St-Jacques Hamelin	Saskatchewan Commercial Egg Producers' Marketing Board	9,603.00	3,600.00	1,259.35	139.93	2,200.72	Final Claim submitted. Final Report required before Holdback can be paid.
9.	Cultivated Blueberry Promotion (B.C.)	A. Durand	B.C. Blueberry Co-op Association	27,915.87	13,957.94	12,767.77	1,418.64	0	Final Claim submitted. Final Report required before Holdback can be paid.
10.	Development of the Market System for Fresh Lamb in Nova Scotia (N.S.)	A. Dagenais	Northumberland Lamb Marketing Co-op Ltd.	99,530.00	9,287.00	6,986.08	776.23	1,524.69	Final Claim submitted. Final Report required before Holdback can be paid.
11.	Meat Awareness Month (National)	L. Fisher	Canadian Meat Council	40,000.00	20,000.00	18,000.00	2,000.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
12.	Niagara Grape and Wine Festival Promotion (Ont.)	A. Durand	Ontario Grape Growers' Marketing Board	43,985.00	20,000.00	18,000.00	2,000.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
13.	Honey Marketing Communications Campaign—Phase II (National)	J. Brown	Canadian Honey Council Promotion Committee	81,800.00	20,000.00	18,000.00	2,000.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
14.	Consumer Frozen Food Brochure (National)	J. Oickle	Canadian Frozen Food Association	45,392.00	20,000.00	18,000.00	2,000.00	0	Final Claim submitted. Final Report required before Holdback can be paid.

STATUS REPORT
CANADIAN AGRICULTURAL MARKET DEVELOPMENT FUND (CAMDF)
1984-85 FISCAL YEAR
May 31, 1985

Title of Project	Coordinator	Applicant	Total Project Cost $	Contribution CAMDF $	Reimbursement: Total Paid To Date	Reimbursement: 10% Holdback Left to be Paid	Balance	Comments
15. Domestic Promotion of Wild Blueberries (Maritime)	A. Durand	Wild Blueberry Association of North America	40,000.00	20,000.00	15,009.30	1,667.70	3,323.00	The second payment has been made to the applicant.
16. All Canadian Luncheon (National)	S. Lapierre D. Pearen	Beef Information Centre	15,000	7,500	6,749.74	750.26	0	Further Claim expected after March 31, 1985.
17. All Canadian Luncheon (National)	S. Lapierre D. Pearen	Canadian Pork Council	35,000	17,500.00	15,750.00	1,750.00	0	Further Claim expected after March 31, 1985.
18. All Canadian Luncheon (National)	S. Lapierre	National Dairy Council	15,000	7,500.00	6,750.01	749.99	0	Further Claim expected after March 31, 1985.
19. Beef, A Workable Balance	R. Williams	Beef Information Centre	124,000.00	20,000.00	18,001.00	1,999.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
20. Improved Swine Trailers (National)	J-G Lalonde	Donaldson International Livestock Limited	39,800.00	19,900.00	18,000.00	1,900.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
21. Mountain Squab Product Brochure	J. Stevens	Vancouver Island Mountain Squab	9,700.00	4,850.00	4,365.00	485.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
22. Sparkling Apple Juice	R. Woodward	Logo Products Canada Ltd.	41,175.00	20,000.00	13,009.00	1,445.44	5,545.56	Final Claim submitted. Final Report required before holdback can be paid.
23. Benchmark 100	L. MacLachlan	Holstein Association of Canada	24,000.00	10,000.00	9,000.00	1,000.00	0	Final Claim submitted. Final Report required before Holdback can be paid.
TOTAL			1,033,725.54	329,201.44	278,588.90	30,794.78	19,817.76	

C.A.M.D.F.'S 1984-85 FISCAL YEAR

TOTAL PAID TO DATE	278,588.90
PROJECTS CARRIED-OVER FROM 1983-84 FISCAL YEAR	
—Bleuets du Saguenay Lac St-Jean	926.09
—Honey Communications Campaign (Phase I)	2,657.00
HOLDBACK	30,794.78
TOTAL EXPENDITURES	312,966.77

J. Brown

May 31, 1985

STATUS REPORT
CANADIAN AGRICULTURAL MARKET DEVELOPMENT INITIATIVE (CAMDI)
(SEED POTATO EXPORT PROMOTION)
1985-86 FISCAL YEAR
AS OF MAY 31, 1985

Title of Project	Coordinators(s)	Applicant	Total Project Cost	Approved Contributions	Reimbursement			Comments
					Paid 1985-86 Fiscal Yr.	Paid 1984-85 Fiscal Yr.	Total Payment To Date	
1. Overseas Trial Project 1984-85	I. Glass	Potatoes Canada	$ 248,151	$ 124,075.50	0	$51,254.48	$51,254.48	Total funds available for projects #3 & #4 are $181,000
2. Product Promotion and Market Intelligence Project 1984-85	I. Glass	Potatoes Canada	$ 150,470	$ 75,235.00	0	$15,724.35	$15,724.35	Maximum of $88,840 available in the 1985-86 fiscal year

Holdback account 1984-85: $6,697.89

N.B. Please be advised that the Seed Potato Export Promotion Program (SPEEP) is now an integral part of the Canadian Agricultural Market Development Initiative (CAMDI). A budget for the seed potato portion of CAMDI has not yet been determined, however, $88,840 has been committed for the above mentioned projects.

HOUSE OF COMMONS

Friday, June 28, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENERGY

GOVERNMENT'S CONSERVATION POLICY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, today I would like to bring to your attention the fact that the Government has abandoned energy conservation and increased our dependence on diminishing oil supplies. This pattern emerged last November when cuts of $32 million were made to the energy division of the National Research Council. Bill C-24 followed, which eliminates programs which encourage switching to energy sources other than oil, and to energy conservation, respectively. Then came the May 23 Budget which wiped out the federal sales tax exemption for home insulation, energy conservation products, and alternate energy equipment.

The Government seems to be insensitive to the necessity of conserving Canada's oil supply and the necessity of reducing our reliance on this form of energy. Furthermore, the Minister of Energy, Mines and Resources (Miss Carney) just said that a federal subsidy may have to be instituted to assist oil companies with exploration activities in frontier areas.

Instead of financing high risk activities in the Arctic, we should encourage better reuse of the oil already in the marketplace. For example, the removal of federal sales tax from recycled oil sold in Canada would not only help the Canadian re-refining industry that is in the forefront of world technology, but would also reduce the need to explore for oil in the expensive and high risk frontier areas. Indeed, Mr. Speaker, with appropriate—

Mr. Speaker: I regret to inform the Hon. Member that his 90 seconds have expired. The Hon. Member for Brant (Mr. Blackburn).

* * *

SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—KROEGER REPORT

Mr. Derek Blackburn (Brant): Mr. Speaker, it is unbelievable that the Government plans to keep secret Arthur Kroeger's report on the U.S. invitation to participate in the Strategic Defence Initiative. This makes a mockery of the commitment of the Secretary of State for External Affairs (Mr. Clark) for public debate and consultation in matters of foreign policy. Apparently the Government agrees with Ken Lewis, the retired general who is now on the payroll of Canada's defence contractors. You remember General Lewis. He is the one who said that ordinary Canadians should not debate star wars because that is like grade six students discussing surgery.

The aerospace industry thinks Canadians are too stupid or ignorant to make decisions for themselves. I guess the Government wants to keep them that way. However, I have news for the Government. Canadians will not be fooled by its attempt to stifle debate. They will be out in force to debate star wars whether the Government likes it or not. They will speak from an intelligent and informated point of view.

For example, yesterday I had the pleasure to table a petition in the House from over 400 academics, mostly from the University of Toronto. Such distinguished Canadians as George Ignatieff and Northrop Frye are telling the Government that Canada should have no part of star wars. Will the Government listen? I do not know. It certainly seems reluctant to discuss the matter with Canadians. It even wants to keep the Kroeger report secret. In that respect it is the Government of Canada which is behaving with a grade six mentality. The citizens of Canada, on the other hand, continue to distinguish themselves with their thoughtful contributions to the star wars debate.

* * *

DISASTERS

AIR-INDIA CRASH—DEATH OF LEGISLATIVE ASSISTANT COLETTE ALLARD

Mr. Jim Edwards (Edmonton South): Mr. Speaker, scores of families across the nation are mourning friends and loved ones lost when Air-India Flight 182 plunged into the North Atlantic Sunday morning. Prayer services have been held in temples and churches throughout Canada. Many memorial and funeral services remain to be scheduled pending identification of the 131 bodies now recovered. It is an agonizing time for the families whose grief is suspended or compounded through not knowing.

One such waiting family is the Allard family of Ottawa and Hull. Stephanie, David, and Harold are the three teenaged children of Colette Allard, a warm, intuitive lover of music and life, who served this House as my Legislative Assistant

and, for two terms previously, on the staff of the Hon. Marcel Lambert. She was never unkind.

Colette Allard was on summer vacation on her way to hike the Himalayas in the company of Rachel Castonguay, a friend from the Department of Indian Affairs. I spoke with Colette on the phone on Friday and wished her a safe trip. She replied: "I embrace my fate". Colette will be greatly missed by my staff, myself, and her many other colleagues and friends on the Hill. To her family, and the families of the other victims of Flight 182, we extend our deepest sympathy.

* * *

HOUSE OF COMMONS

TRIBUTE TO PAGE STAFF

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I have the pleasure to rise in the House today to pay tribute to 40 great young Canadians, many of whom are sitting right beside me, who have worked as pages with all of us in the House of Commons during the first session of the Thirty-third Parliament.

Some Hon. Members: Hear, hear!

Mr. Ravis: These young ladies and gentlemen have competed to come to Ottawa from all provinces and the territories, to work in the House of Commons while at the same time carrying on full-time studies at a university in Ottawa. These young people are of the highest calibre and represent some of the best junior leaders, achievers, and young academics in our country.

I want to compliment them specifically on the manner in which they cheerfully and generously served the Members in all Parties and assisted Members in making our jobs easier.

Some of the pages will travel abroad and some of them will remain in Ottawa, while others will return to their home towns to take up their studies at a university in the fall. Wherever they go, I wish them all the very best of luck on behalf of all of my colleagues in the House of Commons. I want to thank them again for their excellent service and dedication. I hope that many of them will return to work for the Government of Canada, and possibly to represent a constituency as a Member of Parliament in this great House.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

SENATE COMMITTEE REPORT ON RELATIONS WITH MIDDLE EAST COUNTRIES

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on Thursday, June 27, 1985, Senator George C. van Roggen, chairman of the Senate Foreign Affairs Committee, tabled the committee's final report on Canada's Relations with Countries of the Middle East and North Africa. The report is the result of a detailed study during which the Senators heard from 63 witnesses. In addition, a sub-committee held high level meetings with leaders and officials in Egypt, Saudi Arabia, Syria, Jordan, and Israel. Senator van Roggen said the report provides a balanced assessment of the Arab-Israeli conflict.

I deeply regret that the Canada-Israel Committee has attacked the Senate's Committee Report as "ill-considered" and "misleading". I urge all Canadians to read the report. I extend many thanks to the chairman, the Hon. Senator van Roggen, and the vice-chairman, the Hon. Senator Heath Macquarrie, for a job well done.

* * *

• (1110)

IMMIGRATION

MINISTER'S RESPONSE TO COMMITTEE REPORT

Mr. Dan Heap (Spadina): Mr. Speaker, I commend the Standing Committee on Labour, Employment and Immigration on having initiated, for the first time in years, a public discussion on immigration policy, and I also commend the Minister on the response she tabled on Thursday, which is straightforward and positive toward immigration.

However, I am seriously concerned by a characteristic of the Minister's report, namely, a strong parternalism, or maternalism. For example, first, the committee report asks for a Standing Committee on Immigration to review immigration levels within a population policy, and report to Parliament each May with projected levels. However, the Minister instead prefers a secretariat, that is, retaining initiative with the bureaucracy.

Second, the Minister proposes to handle the contentious issue of family reunification with more distant relatives "in a managed way". This strongly suggests increasing the already dangerous level of arbitrary decisions by the bureaucracy, as against the Canadian people's demand for clear guidelines uniformly administered.

Third, the Minister's report omits reference to the landing of persons who claim refugee status in Canada. This reinforces the hints that the bureaucracy wishes to close Canada's doors.

Fourth, a new category is proposed, "immigrant workers without relatives", suggesting that Canada skim skilled workers from other countries but avoid having them become rooted in Canada. Is it intended to enlarge the policy of "migrant workers" with little or no right of permanent residence?

Fifth, the Minister rejects the committee's recommendations for an annual report on how well Canada succeeds in employing immigrants without disrupting the employment of others.

The Minister's reply is a stimulating mixture of promise and danger.

[*Translation*]

THE ADMINISTRATION

GOVERNMENT'S ACHIEVEMENTS DURING PAST TEN MONTHS

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, today our Government ends a session which will prove to be very important for the future of Canada. Over the past ten months we have made every effort in an attempt to correct and lighten the heavy burden left behind by the previous administration.

After ten months of work, Mr. Speaker, our Government is proud of its outstanding performance. Among other achievements I might mention the settlement of the Mirabel expropriation issue after 16 years of consecutive failures; the reopening of many VIA Rail passenger lines; the signature of federal-provincial agreements on industrial development, tourism, communications and forestry; pensions for widows and widowers aged 60 to 64, just to name a few.

Our Government has also paved the way for the proposed parliamentary reform designed to give all Hon. Members the opportunity to participate actively in Government decisions. I had the privilege of sitting on the special committee presided by the Hon. James McGrath, and I hope that the reform will become reality at the beginning of the new session.

Finally, Mr. Speaker, I want to tell the House that I am very proud and honoured to represent the constituency of Argenteuil-Papineau. My constituents realized that a young Government having to cope with a legacy of unemployment and public debts could hardly have done more in only ten months.

I have confidence in the future and in our Government. I am convinced that the people of Canada strongly support our policies aimed at reducing the deficit.

* * *

[*English*]

THE DISABLED AND THE HANDICAPPED

CROSS-CANADA "WALK FOR THE BLIND" BY BRITISH COLUMBIA GRANDMOTHER

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, it is for good reason that many of Canada's most outstanding individuals and national heroes come from my home province of British Columbia. It is a land of rugged individualism, with people as tall as the mountains. Terry Fox and Steve Fonyo are two names that come to mind.

Last night, Mr. Speaker, you warmly welcomed another B.C. hero to Ottawa, wheelchair marathoner Rick Hanson.

Today I would like to call the attention of the House and our nation to another rugged individualist from British Columbia, a 57-year old grandmother, Hildegard Buschhaus, of Coombs, a small town in the middle of my riding.

This summer Hildegard is walking across Canada to raise funds for the visually impaired. Her "Walk for the Blind" began on March 20 at Tofino on the Pacific Rim of our nation. Today she has reached Sault Ste Marie, and on July 22 Hildegard will reach Ottawa. By autumn the good people of Newfoundland will welcome her to their shores.

The "Walk for the Blind" intends to raise the awareness of Canadians to the plight of the visually impaired. Hildegard Buschhaus needs your support and our support. On behalf of my colleagues may I say: "Bonne chance, grand-mère, bonne chance".

* * *

[*Translation*]

THE ADMINISTRATION

MAJOR ACTIVITIES AND POLICY OF GOVERNMENT DURING PAST TEN MONTHS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): This being the end of the session, Mr. Speaker, I would like to go over the recent past and sum up what has happened since September 4 and since November 5 when the House resumed its sittings.

Most people will recall that House business before the holiday season had to do with universality. Again the Government had failed to live up to its promise, but it had to reverse its decision as a result of strong opposition from the Liberals and the New Democrats.

The major activities of this Government and this Parliament after New Year's Day were highlighted by scandal—the Hatfield-MacKay scandal; the scandal related to the Minister of Finance (Mr. Wilson) and his brother-in-law; the scandal related to Clark and his brother; and the scandal of the Minister of Justice (Mr. Crosbie) and his children.

The second incident which drew attention was again a promise which the Prime Minister (Mr. Mulroney) wanted to break concerning the deindexation of old age security pensions.

To mark the end of the session, Mr. Speaker, the Prime Minister thought he would offer a gift to all Canadians, so as of July 1 candies, medicine, soap, tooth paste, everything will be subject to a 10 per cent tax. That, Mr. Speaker, is the balance sheet of this Government since September 4.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

NEW GASOLINE TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, may I have the indulgence of the House to echo what the Hon. Member for Saskatoon East stated in his opening remarks, and to add my words of congratulation and praise for the pages of the House of Commons who have studied here at our two universities, Carleton University and the University of Ottawa, during their tenure. I congratulate them on the very fine service they have given to Members on all sides of the House, and wish them well in their future careers.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It might also be appropriate to wish Members and yourself, Sir, a good summer, some rest and relaxation and, in certain quarters of the House, perhaps some renewed wisdom after Members return to their constituencies. Let me also add those good wishes to members of the Press Gallery who participate so intimately in our deliberations.

[*Translation*]

In the absence of the Minister of Finance, my question is directed to the Prime Minister.

Why did the Minister of Finance introduce new taxes yesterday, especially the new tax on gas, thus adding to the most massive and underhanded tax increase in this country's history? Why did he introduce taxes that are going to cost Canadians far more than the Government needs to finance full indexation of Old Age Security benefits? Why this new sleight-of-hand?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yesterday the Minister of Finance announced a surtax that will be levied on Canada's large corporations to help us finance our programs. He also announced a tax that will become effective on January 1, 1987, and we think it is a reasonable way to try and finance our social programs and, of course, reduce the deficit.

That being said, I would like to add my own words of praise to those expressed by my right hon. friend for the staff of the House. I want to thank them and wish them a very pleasant summer.

[*English*]

EFFECT ON ECONOMY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, at his press conference this morning the Prime Minister admitted that the Budget in very serious respects had violated what he called the rule of fairness, particularly as it related to our pensioners. Would the Prime Minister now agree that the Budget, using words well chosen, will have a restraining effect on the economy, that the net increase in personal tax burden will slow consumer spending, and there will be an increase in inflationary pressures as a result of the Budget? Would he agree with those words?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated this morning, without any hesitation, that in our judgment, as brought to us by the Minister of Finance, that in one instance the Budget violated the notion of fairness, and that we could have done one of two things faced with that. We could either give Canadians a hearing or give them the finger. The Liberals always gave them the finger. We gave them a hearing. We listened to them and we acted, having heard Canadians.

Some Hon. Members: Hear, hear!

• (1120)

CONFIDENTIAL DOCUMENT PREPARED BY TRANSPORT ASSISTANT DEPUTY MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister just cannot resist resurrecting the past in a very unattractive way.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): If he wishes to contribute and to lead the civility in this House, I recommend that that is not the technique which will prompt the best response from all quarters in the House.

The damning analysis which I recited to the Prime Minister in my first supplementary question comes from a confidential document, prepared by the Assistant Deputy Minister of Transport, for the eyes of the Minister of Transport. That document goes on to say that "incentives for business" are "insufficiently strong", and that most provinces in Canada will suffer employment loss in 1986. If the Prime Minister will not believe me, will he believe the advice which his senior officials are giving to his Ministers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is not through any lack of respect for my right hon. friend that I, from time to time, take views on the economy different from his. One of the reasons is, for example, on November 8 or 9 he was on his feet in the House of Commons predicting that there would be a loss of about 150,000 jobs. Since this Government came to office, 271,000 new jobs have been created. I know that it is my right hon. friend's job to preach doom and gloom, but he had better be careful; he is in the process of making a career of it.

Mr. Turner (Vancouver Quadra): We will see.

REQUEST FOR NEW MEASURES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the document to which the Prime Minister did not refer, read by the Leader of the Opposition, was from the Department of Transport. It said that the Budget would increase inflationary pressures through sales and excise taxes, taxes on fuels and construction goods. Everyone in the country knows that this crushing tax burden is the wrong way to go. The Prime Minister knows it, the Minister of Transport knows it, and all their colleagues in the House know it.

Will the Prime Minister instruct the Minister of Finance, or his successor, to return to the drawing-board and bring forward an alternative scenario which will basically decrease inflation, increase consumer demand, and increase jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I realize that it is a little early in the day. My hon. friend says that this is the wrong way to go. The Right Hon. Leader of the Opposition says that he will cut the deficit by 50 per cent in a modest period of years. I realize that it is early in the day, but at some point in time Canadians will ask them what they have in mind. All they have had in mind so far is criticism and negativism. That is not selling, because what the country needs is prosperity and hope—and it is getting it from this Government—designed to create new jobs and new wealth. They are going to be asked what they stand for.

SALES TAX INQUIRY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, since the Prime Minister has invited such a response, would he consider asking the Minister of Finance to look at the prospect of a sales tax cut, which the simulations of the Economic Council of Canada have shown effectively would decrease inflation, would increase demand, and would increase disposable income? In that manner he will get his deficit down. Would he consider that scenario?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if that scenario is valid, why didn't you argue that with Mr. Lalonde when he imposed sales tax increases? You were a member of the Government and you remained silent. That is the problem. They are impaled on their own contradictions.

EXTENSION OF CORPORATE TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I should like to begin by extending the best wishes of my colleagues to the pages of the House of Commons who have performed their task very well for us. We wish them well in their future pursuits.

I am not sure whether their experience with us gave them any lessons in civility. I am not sure whether they learned anything about the real world, but maybe something about the real world of politics. We all wish them well.

Some Hon. Members: Hear, hear!

• (1125)

Mr. Broadbent: Mr. Speaker, now back to the real world of politics. I would like to ask the Prime Minister a question, and maybe he will be a little more co-operative today than he was yesterday. It pertains to the change that the Minister of Finance announced yesterday extending the corporate tax for another six months.

My question is simply this. When one of my colleagues proposed such an extension about ten days ago, the Minister of Finance thought it would be ridiculous. Such an extension of corporate tax, he argued, would be a disincentive and he would not make the change because he said that that would lead to fewer jobs and not to more jobs. If this was the case ten days ago, why was it not the case yesterday?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it always help to sleep on it. The Minister of Finance has indicated, and I confirmed as much several times during the press conference this morning, that we are not here as emperors but as servants of the people. Our duties include the obligation to listen, and we listened to what the people had to say on an important issue. I do not think anyone can fault us for doing that.

[*English*]

OIL INDUSTRY TAXATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister said night brings wisdom. I thought the pensioners were just badgering him during the daylight hours. I hope during the summer at least he will get some sleep on that issue.

There is another aspect of the Budget that does cause us concern, and that is the 1 cent per litre increase in tax that the Government has announced which will be very negative for consumers, and very negative in terms of the competitive position of Canadian industry. Since he could have obtained almost exactly the same amount of revenue by imposing a windfall profits tax on the oil companies, on the profit that they would get for the old oil that had already been discovered, a windfall profit not being new in this country or in other countries, instead of going after the consumers to pay the additional revenue why did he not bring in a windfall profits tax on the oil industry to get the same amount of revenue?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the things we have been trying to do, and I think, with at least a modest degree of success, is to resurrect an industry in western Canada, namely, the oil and gas industry, that had been devastated and savaged by the Liberal Government. We are trying to resurrect that in the interest not only of western Canada but of all Canadians, because of a dollar spent in western Canada in investment, 50 cents approximately thereof find their way back to the rest of the country in terms of job creation.

It is vital that the energy-based industries in western Canada and off the coast of Newfoundland and Labrador be given an opportunity to become the engines of growth, of job creation, that we know they can. After four years of having been crippled by a Government in Ottawa, we are now getting that industry back to the point where it will bring new prosperity to the West and to all Canada, and I know my hon. friend would want to support us on that.

IMPACT ON FAMILIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I repeat to the Prime Minister we are not talking about normal profits, we are talking about windfall profits. It is quite clear that the Government has no intention of getting the oil companies to pay their fair share.

I want to ask him one other question that he did not deal with yesterday. He did say in reply to a question from the Leader of the Opposition a few minutes ago that the only aspect of the Budget that was unfair was the proposal as it affected pensioners. Does he regard a Budget that, over five years, will result in a net reduction in taxes in excess of $4,000 for a family earning over $200,000 on the one hand, but increases taxes by over $600 for a family earning $15,000 a year, as being fair and, if he does not, when he comes back in September will he change that as well?

● (1130)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, again I say with respect that I think we have all learned to listen carefully to my hon. friend, but when he deals with mathematics or job creation, most people tune out. The numbers the Hon. Member put forward in November and December have turned out to be absolutely false. Job creation is at a record high, because the Hon. Member was wrong and the Government happened to be right.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. HOWARD PAWLEY, PREMIER OF MANITOBA

Mr. Speaker: May I advise Hon. Members of the presence in our gallery today of the Hon. Howard Pawley, Premier of the Province of Manitoba.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

TRANSPORT DEPARTMENT'S ANALYSIS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to ask a question of the Minister of Transport before he leaves the sinking ship and goes off to greener pastures in Alberta. The Prime Minister has indicated that the Budget will have a wonderful job-creation impact, yet a report prepared by the Minister's own Department, the Economic Analysis Section of the Policy Co-ordination Unit, has said that the federal Budget of May 23 is assessed by the Economic Analysis Unit as having the potential to slow down economic growth and will provide little stimulus to transportation activities. Further, it says that there is an expected loss in 1986 of 20,000 to 50,000 jobs.

Does the Minister of Transport agree with the assessment that was prepared by his own economic forecasters? Has he shared this assessment with the Minister of Finance? Does he stand by the figures prepared by his own Department which predict that the Budget will, in fact, have the effect of a direct job loss for Canadians, contrary to what the Minister of Finance and the Prime Minister have been saying?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am surprised that the Hon. Member would fail to acknowledge the fact that there have been 271,000 new jobs created since this Government took office.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: That fact is contrary to the speculation that was made by the Hon. Member, by the leader of his Party, and indeed by the Leader of the New Democratic Party. I suggest that the comments he is trying to read into the record are of a similar nature.

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I find it curious that the Minister of Transport is now denying the forecasts made by officials of his own Department. This is not speculation, it is hard figures and forecasts made by senior officials of his Department who go on to say that, in fact, there will be a major—

Mr. Speaker: Order, please. I think the Hon. Member is embarking on a preamble. Could he please ask a question?

Mr. Axworthy: Mr. Speaker, I will ask the Minister of Transport directly once again if he has conveyed the results of this economic report, prepared by his Department, to the Minister of Finance, and if he will take some action in his own Department to restore the kind of stimulus his own Department says is needed if the transportation industry is not to be hurt over the next four years.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I know that when the Hon. Member was Minister of Transport he chose to ignore the advice of his Department on a number of occasions. He had his own views on certain aspects of transportation policy contrary to the views of his own departmental officials. I have not seen the document to which he is referring, so I am not sure what it is. However, assuming that it is a Transport Canada document, I would say to the

Hon. Member that there may be different points of view, as has been acknowledged by the Hon. Member himself.

[*Translation*]

INQUIRY WHY CHILD BENEFIT PROGRAMS NOT IMPROVED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister. I was delighted to hear this morning that he and his party have decided to listen to people. He should have done that before the Budget was brought down. It would have made matters a lot easier.

Mr. Prime Minister, this morning during the press conference, you admitted that the Budget had infringed the principles of equity and justice with respect to the elderly. Could the Prime Minister inform the House why the Governemnt is not changing budgetary measures concerning family allowance and child tax exemptions? Do you not think the Budget has also infringed the principles of equity and justice with respect to Canadian families with children?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a careful examination of political history would show that the one and only time the elderly in Canada suffered cutbacks in benefits was when the Liberal Government cut those benefits in 1982. This, among other things, was in fact admitted by the Hon. Member for Winnipeg-Fort Garry, who is on the record as saying in *Hansard*: Yes, we did proceed with de-indexation of senior citizens' pensions. That is what the Hon. Member . . . He may be trying to impress his "co-leader" here today, but that is what he said.

Instead of refusing, we had the option of listening to the elderly and that is what we did. We listened to senior citizens, and unlike the Liberals, we took action to correct the situation.

REQUEST FOR CHANGES TO BUDGET

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary.

Mr. Speaker, the kind of charade the Prime Minister indulges in . . . he did the same thing after the Budget was brought down, with respect to senior citizens, and yesterday, it was the Minister of Finance who looked foolish. Could the Prime Minister be sincere, for once? Will you admit that in your Budget, you are making the same mistake with your policies for families with children as you did with senior citizens? Are you going to wait until families with children come and demonstrate on Parliament Hill to make changes in your Budget? Do you intend to change these measures as soon as possible?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member asked that question of me yesterday. At that time I gave him figures that showed very clearly that the least well off in the country will see their payments under the child benefit program increase quite substantially because of the increase in the child tax credit. He knows that very well, but he is persisting in putting out the wrong impression because he knows he cannot justify his figures after seeing the absolute figures. The increases in the child tax credit over the next five years will be very significant.

* * *

THE ADMINISTRATION

APPOINTMENTS WITH MINISTERS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Prime Minister. Will the Prime Minister confirm that the consulting firm run by Moores and Doucet has set up, for substantial fees, meetings for their clients with members of the Conservative Cabinet other than the Minister of Fisheries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no knowledge of what private companies do. I gave the indication yesterday of my view, which is that any such activity would be inappropriate and unacceptable. I have no knowledge that it has ever taken place, nor has the Hon. Member. In fact I think I can tell the Hon. Member that yesterday I was informed that the President of the Privy Council received a group of business people on behalf of a lobbyist who is a former press secretary to the Leader of the NDP.

REQUEST FOR INVESTIGATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, since there are no regulations in our country concerning lobbyists, would the Prime Minister agree that he has a responsibility to investigate thoroughly the matter of this consulting firm of his good friends Frank Moores and Gerald Doucet, and report the results of that investigation to this House? Further, would he agree that he should create a list of individuals who have been clients of that firm and who, for a substantial fee, have been given privileged access to Cabinet Ministers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no one has been given privileged access to Cabinet information of any kind or under any circumstances. I think it can be said fairly that many people of Liberal persuasion, Conservative persuasion, and NDP persuasion, earn their living in this town by representing clients in various Departments of Government and making what I understand are legitimate representations. If the Hon. Member thinks that that is an inappropriate or an illegal way for anyone to conduct himself or his business, then he ought to say it. As I understand it, the people with whom we have dealt—former prominent members of the Liberal Party, members of the NDP, and even a couple of Conservatives—have always conducted themselves very

honourably in representing their clients before government agencies.

* * *

● (1140)

MARINE TRANSPORT

TASK FORCE REPORT

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of Transport. The Minister has recently received the Report of the Task Force on Deep-Sea Shipping. Its recommendations frustrate the hopes of many Canadians, including those who sail the seas, that we shall see Canadian-owned and registered merchant vessels on the high seas. Will the Minister indicate whether he plans to accept the recommendations of the task force, or does he appreciate that Canada could use its very large export trade to develop a large merchant marine if only we had the right policies?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the task force has brought forth a number of good recommendations. I think it is realistic in view of the times. We are examining it very carefully. There are a number of proposals which can be accepted by the Government which will serve to strengthen Canada's influence and participation in the international shipping community.

TAX LEGISLATION RECOMMENDATION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, is the Minister giving any consideration to the dubious recommendation that tax legislation should be used to create Canadian-owned international shipping corporations, whose ships would remain registered elsewhere and sail with foreign crews, under the lax laws of foreign countries?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can tell the Hon. Member that we are looking very seriously at creating a climate which would be conducive for the Canadian shipping industry to grow so that it would be treated taxwise in a manner more consistent with that of the international community. Discussions are ongoing with my Cabinet colleagues, and we hope that we will be able to provide a more favourable climate in order that the very important shipping industry in Canada can flourish.

* * *

EXTERNAL AFFAIRS

CANADA-ISRAEL RELATIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. A report on Canada's relations with countries in the Middle East and North Africa was tabled in the other place this week. My question to the Prime Minister concerns what I believe to be an unbalanced and misleading report. What effect, if any, will it have on Canada's policy toward Israel, and the search for peace in that vital area of the world?

Mr. Prud'homme: Did you read it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member for Saint-Denis asked if I had read it. No, I have not yet had an opportunity to read it.

Mr. Prud'homme: No, not you, him.

Mr. Mulroney: I want to make it very clear that Canada's policy toward the Middle East is based on an unshakable commitment to the integrity and independence of the State of Israel. Nothing will cause the Government of Canada to waver in its long and steadfast support for Israel's security and well-being. We will continue to support credible efforts at all times with moderate and thoughtful nations in the area, to secure for the region a just and endurable peace.

Some Hon. Members: Hear, hear!

* * *

THE BUDGET

CHANGES TO FAMILY ALLOWANCES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Since the Prime Minister stated this morning that the budget proposal to deindex senior citizens' pensions violated the principle of fairness, will the Minister agree that that applies equally to the proposed changes to family allowances?

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker. I think the proposed changes to the family benefit package have been very fair, very progressive, and will result in those families who need the help the most receiving a greater amount of support as these changes are phased in over the next three or four years. The child tax credit will increase significantly during that period. I believe it will increase by approximately $140 a year. There will be some shift in the resources because of the child tax exemption which currently favours those in upper-income brackets. That will be phased back so that we can direct more support to those most in need.

Some Hon. Members: Hear, hear!

REQUEST FOR REVIEW

Miss Aideen Nicholson (Trinity): Mr. Speaker, the very poorest will receive marginal increases, but if a family is barely above the poverty line they will lose benefits and they will face higher living costs because of the increased sales tax. Will the Minister agree to review further this matter over the summer, and try to bring back a fair proposal in the fall?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe the proposal is very fair, and it is widely regarded as being fair. I would ask the Hon. Member, over the course of the summer, to spend some time understanding the financial position of the Government. The reason some of these changes had to be made is because of the mess in which the Liberal Party left the Government of Canada. The previous Government had 15 years of profligate spending which started when the Leader of the Opposition was the Minister of Finance in 1974-75. At that time government spending increased by 30 per cent. That is when the problems started, and that is why we have to take these measures.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CLOTHING INDUSTRY

INQUIRY IF GOVERNMENT PREPARED TO START EMERGENCY ACTION PROGRAMS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. My consultations this week with the unions and employers of the clothing industry in Montreal indicate that the Government has done nothing to support this industry in spite of the 100,000 jobs threatened by the creation of third world cottage industries.

Is the Minister willing to initiate an urgent action program to support this industry based on commitments by the major retailers to guarantee at least 60 per cent Canadian content in their clothing sales?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I thank the Hon. Member for his question. I would like to assure him that the Government of Canada is quite concerned with respect to the plight of the clothing and textile industries in Canada at the present time. The situation is actively under review, and I believe that we will be able to come to a position very shortly. I am very pleased that I have been able to talk to both textile representatives and to clothing and apparel representatives. If the Hon. Member would like to be more specific on how we could secure that 60 per cent portion to which he referred, naturally we would be interested in any representations which he would like to make.

LABOUR ADJUSTMENT BENEFITS PROGRAM

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the people in Montreal to whom I have spoken—employers and unionists—feel frozen out of the negotiation.

My supplementary question is directed to the Minister of Labour. In view of the problems within the textile industry, will the Minister commit himself and his Department to renew the Labour Adjustment Benefits Program for textile workers, clothing workers, and footwear workers, which is due to expire in August and about which, again, the workers involved have said that there has not been consultation—

Mr. Speaker: Order, please. The question is very long.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to inform the Hon. Member that I have met with both union and management representatives in the textile and clothing industries. As he is aware, the Labour Adjustment Benefits Program is due to be reviewed. The expiry date of that program is August 18, and the Cabinet is considering the review. In due course an announcement will be made.

* * *

● (1150)

PUBLIC WORKS

CANADA PLACE PROJECT IN EDMONTON

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is directed to the Minister of Public Works. Six months ago Edmonton Members of Parliament recommended the Canada Place Project go ahead. The Minister's Department concurred. But to date nothing has happened. Hundreds of workers are waiting to work. Would the Minister tell the House why construction has not begun, and who is holding up the project?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I believe that we have done a lot in six months when we consider the importance of this project and the interest shown by Members of Parliament from the Edmonton region. If I may reassure the Hon. Member, we had anticipated to begin work during the summer, and as far as I know, there is every reason to believe that the work can begin as expected. However, in view of the scope of this project and its importance for construction workers, there are still a few details to finalize between the developer and the regional Public Works office in Edmonton. Things are going very well. Work will begin and the project will go forward, Mr. Speaker.

* * *

[*English*]

FISHERIES

APPOINTMENT WITH MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to return to the Prime Minister with questions about the Moores-Doucet project. The Hon. Member for Comox-Powell River asked a question which gave the Prime Minister the opportunity to define the legitimate role of a lobbyist. I would remind him that that is not what happened in this case. The Minister

of Fisheries and Oceans himself indicated that absolutely no representations were made to him by Moores-Doucet. The only thing which was done was that a meeting was set up, access to Ministers, on behalf of friends of the Prime Minister, for cash.

Does the Prime Minister hold to the view he expressed yesterday that there was nothing inappropriate, no impropriety, in that kind of activity by his friends—it's not lobbying, it is simply setting up meetings for money?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member has heard quite clearly in this House and, no doubt, has also heard statements I made surrounding this situation, to the media and to Hon. Members. I repeat to my hon. friend that I said yesterday that if—and it is an "if", because the company may well have done other services for Mr. Snarby—anyone should suggest that they have to pay a fee to anyone to get an appointment with this Minister of Fisheries and Oceans, that is inappropriate and unacceptable, because we have an open door policy, and it is something which is completely unnecessary.

TIMING OF MEETING

Hon. Bob Kaplan (York Centre): Mr. Speaker, I ask the Minister of Fisheries and Oceans, in view of that answer, whether he denies the story which is reported and well documented in *The Globe and Mail*, that a citizen, Mr. Snarby, tried for two months to have a meeting with the Minister unsuccessfully, and that within five days of entering into a deal with friends of the Prime Minister, for no other services which are disclosed, he had a meeting? Is the Minister contradicting that view?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I do not speak for Mr. Snarby. Mr. Snarby may have his version of what he thinks happened or what he says has happened. I have made it quite clear that if someone wants to ask Mr. Snarby what he did, they can go and ask him. What I know is that Mr. Snarby's application was in the Department and was brought to me in the usual way. In December, on the basis of what he was proposing, I turned it down. Some weeks later, on the basis of a changed proposal, I accepted it, with certain conditions.

If the Hon. Member does not want to accept that, then he must go to see Mr. Snarby and find out what Mr. Snarby says. But, I repeat, there was no need for anyone to be led to believe, nor is there any need now for anyone to think that, to get to see this Minister of Fisheries and Oceans, anyone has to pay a fee to anyone.

* * *

YOUTH

KATIMAVIK PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Deputy Prime Minister. Katimavik has been a program much praised for its benefits to thousands of Canadian youths. Nevertheless, expenditures this year have been cut from $50 million to $19 million. Open House Canada is another program which benefits Canadian youth. Can the Deputy Prime Minister assure the House that his ministerial task force has not been the author of further cuts to Katimavik, and that Open House Canada is not at risk as well?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am very pleased to tell the hon. gentleman that the Katimavik Program is continuing along quite nicely and doing the job which is expected of it.

FUTURE OF PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, will the Deputy Prime Minister assure the House that his committee will not have been the author of the cancellation of Katimavik at the end of IYY?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to say to the Hon. Member that the programs for youth he has mentioned have taken this morning, I should say, a very dramatic and positive step forward. This morning the Government announced its job strategy in which there is one program, Job Entry, which is specifically designed for young people and which will involve some $350 million this year. It is for young people—hundreds of thousands of young people—

Some Hon. Members: Hear, hear!

Miss MacDonald: —who are going to be able to go from school, or those who have dropped out of school, and be assisted to go into the work force with training which will lead to permanent long-term jobs—

Mr. Speaker: Order. Given the question, I think that is a slightly long answer.

* * *

REFUGEES

PLAUT REPORT—PROCEDURAL DELAYS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Plaut report, tabled last week by the Minister, noted lengthy delays in the current refugee determination system. This causes hardship for genuine refugees but, more important, it invites unscrupulous individuals to misuse the system and prolong their stay in Canada, as was the case of which I have given the Minister notice. What steps is the Government taking to speed up the process to help the deserving, and remove those who abuse the system?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member made reference

to the Plaut report and I could say on behalf of the Government that it is a very thoughtful and profound study of this very troublesome area. I have also indicated that we will be giving it priority attention. We tabled it just the other day. It is very complex.

What we had proposed in the interim was to bring into the House legislation to increase the Immigration Appeal Board so that it could meet the requirements of the decision of the Supreme Court of Canada to provide oral hearings to every one of the some thousands of persons in the backlog before the Immigration Appeal Board. Unfortunately, and I say this with profound regret, the Liberal Opposition would not allow that Bill to go through so that many people in the system will not be able to be assisted this summer through the months of July and August, and through the fall, until we can deal with the Plaut report. If people want to find out about delays, ask the Liberal Party.

* * *

[*Translation*]

OFFICIAL LANGUAGES

TRANSLATION OF MANITOBA LEGISLATION—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is for the Prime Minister. In 1983, the Prime Minister and his party supported a resolution of this House on the Manitoba issue to the effect that, in exchange for certain services, we would agree to translate a limited number of statutes.

Yesterday in this House, the Minister of Justice reversed his stand on this issue by saying that these services were no longer committed under a federal agreement; according to him, 1985 is not the same as 1983.

I would like to ask the Prime Minister, who is well aware of the federal expertise and the services provided in both official languages, whether he is still willing to offer such services to Manitoba in exchange for a reduced number of statutes to translate.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what we want is to provide integral protection for the rights of the French-speaking minority in Manitoba. French-speaking Manitobans must be treated as full citizens, and this has always been the stand of the federal Government.

The Manitoba Premier has shown himself willing to open a dialogue, and I can assure you that, both as concerns the English-speaking minority in Quebec and the French-speaking minority in Manitoba and elsewhere, the federal Government is there as a friend, as a supporter, and all our resources and potential will be used to promote the cause of our French-speaking or English-speaking minorities wherever they may be.

• (1200)

INQUIRY WHY COURT CHALLENGE PROGRAM NOT CONTINUED

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in that case, I wonder whether the Prime Minister could tell us why the Court Challenge Program has not been maintained, why minorities must show more patience and when the federal Government will re-establish this very essential program so that we may obtain from the federal Government the expertise, technical assistance and funds required to bring before the courts the cases which we believe must be defended?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that my friend may have misunderstood. There has been no change in the position of the federal Government. On the contrary! In view of the fact that we now have a ruling by the Supreme Court, we are willing to examine with the Manitoba authorities any action that might bring about quickly a fair and equitable settlement for Franco-Manitobans. We are willing to sit down at any time to bring justice to the French-speaking minority in Manitoba. I believe that it is a national duty for the federal Government to be open and generous with all its minorities, and this is—

[*English*]

Mr. Berger: A lot of hot air.

[*Translation*]

Mr. Mulroney: A Liberal Member objects to that. Such is the hypocritical position of the Liberal Party. You are opposed to French-speaking minorities. Such is the hypocrisy of the Liberal Party!

[*English*]

Mr. Speaker: Order, please. I have a feeling that the next few weeks will do everyone some good.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of three, presented by Hon. Members on Thursday, June 27, 1985 meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for York West (Mr. Marchi) and certain petitions presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) do not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

PRESENTATION OF SIXTH AND SEVENTH REPORTS OF STANDING COMMITTEE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I have the honour to present the sixth and seventh reports of the Standing Committee on Fisheries and—

Mr. Speaker: Order. Order, please.

Some Hon. Members: Order!

Mr. Speaker: Thank you.

Mr. Greenaway: Thank you, Mr. Speaker. I will try again. I have the honour to present the sixth and seventh reports of the Standing Committee on Fisheries and Forestry in both official languages.

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CANADIAN SPORTS POOL CORPORATION LOTO CANADA

TABLING OF ANNUAL REPORTS

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, pursuant to the provisions of Standing Order 46(4) I would like to table the annual reports of both the Canadian Sports Pool Corporation and Loto Canada in both official languages for referral to the Standing Committee on Health, Welfare and Social Affairs.

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[*Translation*]

EXTERNAL AFFAIRS

TABLING OF GOVERNMENT RESPONSE TO REPORT OF STANDING COMMITTEE

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I have the honour to table, pursuant to Standing Order 69(13), the global Government response to the Second Report of the Standing Committee of External Affairs and National Defence concerning the Report by the Canadian Emergency Coordinator/African Famine.

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PETITIONS

ACID RAIN

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have the honour to present a petition signed by nearly 500 people of the Cité des Jeunes Secondary School in Kapuskasing, in Northern Ontario, concerning the acid rain problem. They ask the various levels of government to work harder than ever before to solve the acid rain problem.

[*English*]

DEINDEXATION OF OLD AGE SECURITY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by a number of my constituents who call on the Government to stop the deindexation of old age pensions. I am sure they are happy the Government has listened to their advice.

Mr. Les Benjamin (Regina West): Mr. Speaker, as a further support and back-up for the Minister of Finance (Mr. Wilson), I have the duty to present a petition from 40 old age pensioners in Regina who ask that the full indexation of old age pensions for 1986 be restored and continued.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, on January 25 I was prepared to present this petition on behalf of my constituents from Fraser Valley East. They were concerned about possible financial hardships for pensioners. They requested that the Government reconsider its proposal. In light of the Minister of Finance's statement of yesterday, those concerns have been addressed.

Mr. Sergio Marchi (York West): Mr. Speaker, I have two petitions from the riding of York West. The first one is from 25 senior citizens living in the Stanwood Road area, and the second is from 125 petitioners from the Latin American Senior Citizens's Club in my riding. They advocate retention of full indexation of old age pensions. We are certainly pleased that the Government heard the message.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have also a number of petitions concerning the Old Age Security pensions, including one signed by 27 people from my own riding.

I have another petition signed by 34 residents of the fine village of Hammond in the Glengarry-Prescott-Russell riding.

I have another one from Saint-Albert, signed by 16 people. I invite you, Mr. Speaker, as well as all Hon. Members to visit these beautiful villages during the Summer months.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have two sets of petitions concerning the deindexation of old age pensions. The petitioners reside in Hamilton. I also have several from my own riding.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present what I suppose will be the final batch of signatures on petitions requesting the Government to do what it did yesterday. I take great pleasure in tabling these signatures and complimenting all senior citizens in my riding and elsewhere who helped in yesterday's victory.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in spite of the fact that deindexing was changed yesterday by the Government, I still think it is in order to present to the House a petition from residents of my riding who protest the deindexation proposal.

CHANGES TO UNEMPLOYMENT INSURANCE ACT

Mr. John R. Rodriguez (Nickel Belt): I also have a petition from the employees of the Canada Employment and Immigration Union from Manitoba and Newfoundland. They call upon the Government to reverse the changes it made to the Unemployment Insurance Act whereby severance pay would be used in calculating unemployment insurance benefits.

I have one other petition from residents of Castlegar, British Columbia, also protesting those changes to the Unemployment Insurance Act.

DESCHÊNES COMMISSION OF INQUIRY

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, I am pleased to present to the House today a petition on behalf of the many individuals who have written to my office, sent telegrams and made numerous phone calls, in order to voice their concern over the issue of the evidence presented by the Soviet Union being considered by the Deschênes Commission of Inquiry. Their concern is with regard to the very real possibility, based on past history, that the evidence the Soviet Government is likely to produce is likely to be fabricated to serve the purpose of destroying the credibility of individuals who have been active and vocal in their criticism of the Soviet system.

• (1210)

I have a second petition from a number of Canadians from Montreal who have requested the House not to admit Soviet evidence in the Canadian courts and suggest it would be tantamount to recognizing the legitimacy of the Soviet legal system which has imprisoned thousands of human rights activists on manufactured evidence.

I have a third petition which is also from Montreal, Mr. Speaker. The petitioners ask the commission to expand its mandate to include Soviet war criminals who perpetrated atrocities during World War II.

DEINDEXATION OF OLD AGE SECURITY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, as the co-chair person for the Task Force on Pensions, I have the honour to present petitions on behalf of Canadians across Canada. They come from Newfoundland, Grand Prairie, Alberta, and from Prince George. These petitions contain 200 signatures from Operation Solidarity representing unions across British Columbia. There are over 2,000 signatures from my riding of Vancouver East in addition to others submitted earlier. There are over 1,000 signatures from many municipalities in the Lower Mainland and the islands of British Columbia. I congratulate them all.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present seven petitions from throughout the Algoma constituency from people protesting the cut-backs in old age pensions. Their efforts have obviously been very instrumental in the change in the government policy. Those petitions come from Manitoulin Island, the north shore communities of Lake Huron, Blind River, Central Algoma, communities of Elliot Lake, Sault Ste. Marie and area, and Espanola and area.

As well, I have a petition with several dozen names from Medicine Hat, Brooks, and other communities in southern Alberta also protesting the cut-back in old age pensions. Obviously these petitions were very instrumental in changing the Government's position.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty today to present a series of petitions which support the decision of the Minister of Finance (Mr. Wilson) to reinstate indexing to OAS. These petitions come from the constituency of Prince Albert, Mackenzie, and The Battlefords-Meadow Lake.

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CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-246, an Act to amend the Canada Elections Act (leave of absence).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the reason for the introduction of this Bill is to allow any individual elected to the House of Commons to have a leave of absence from employment. That leave of absence would continue for as long as the individual continues to be re-elected to the House of Commons.

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

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CANADA PENSION PLAN

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-249, an Act to amend the Canada Pension Plan (survivor's pension).

Mr. Deputy Speaker: Shall the Hon. Member have the leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the purpose of this Bill is to correct a provision in the Canada Pension Plan Act which I think is highly discriminatory. It relates to age discrimination. The provision requires that the spouse of a person who is receiving the Canada Pension and dies must have reached the age of 35 before being able to collect the survivor's benefits. I want that age stipulation to be removed from the Bill in order that the spouse receive the death benefit irrespective of age.

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

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LOBBY REGISTRATION ACT

MEASURE TO ENACT

Hon. James A. McGrath (St. John's East) moved for leave to introduce Bill C-248, an Act to register lobbyists.

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

Some Hon. Members: Agreed.

Mr. McGrath: Mr. Speaker, this Bill flows naturally from the recommendations of the Special Committee on the Reform of the House of Commons. The Bill provides for the registration of lobbyists and a declaration by them stating in whose interests they are working. It also imposes a fine and a disqualification from lobbying for those convicted of evading the provisions of this Bill.

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

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COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties with respect to three particular matters. I will deal with them *seriatum*. I think you will find that there is unanimous consent of the House to receive a motion at this time and to accept it unanimously at this time without debate.

The first motion is with respect to the Committee on External Affairs and National Defence. It is: that the third report of the Standing Committee on External Affairs and National Defence, tabled on Thursday, June 27, 1985, be concurred in.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like the Government House Leader (Mr. Hnatyshyn) to put on the record of the House what the motion refers to. Does it refer to the interests of the committee in travelling to France?

Mr. Hnatyshyn: Yes.

Mr. Gray (Windsor West): I want the Government House Leader to confirm that there is some shortening of the period involved for the travel such that it would involve only five sitting days of the House. Was the motion put in those terms? I did not think the original motion was in those terms.

Mr. Hnatyshyn: Mr. Speaker, my colleague, the House Leader of the Official Opposition (Mr. Gray), is correct. The motion does not provide for the understanding that has been arrived at among the Parties. I will confirm now that, notwithstanding the report of the committee, the duration of the visit will not exceed five sitting days. This is the only method in which we can proceed at this point in time, the report having been tabled. As suggested, there was a clear and firm understanding among the Parties. That is quite satisfactory to us. We will allow the committee to travel to France at the request and invitation of its counterpart in France. It will arrange its affairs in order to deal with the business which must be dealt with while ensuring that its members are not away for more than five days. However, it may extend over a weekend. In that way they will be able to accommodate their agenda.

Mr. Speaker: Does the President of the Privy Council have unanimous consent to introduce his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

● (1220)

MULTICULTURALISM—ORDER OF REFERENCE OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): The next motion relates to the new standing committee. I think you will find unanimous consent to receive this motion and it will pass without debate. It is an amendment to the Standing Orders related to the Standing Committee on Multiculturalism:

That Standing Order 69(1) be amended by adding the following new sub-section:

"(u) Multiculturalism"

PERMANENT ORDER OF REFERENCE

That the permanent order of reference for the Standing Committee on Multiculturalism be as follows:

That the Standing Committee on Multiculturalism be empowered to encourage and monitor the implementation of the principles of the federal multiculturalism policy throughout the Government of Canada, and in particular,

(1) to encourage the departments and agencies of the federal government to reflect the multicultural/multiracial diversity of the nation; and

(2) to examine existing and new programs and policies of federal departments and agencies to encourage sensitivity to multicultural concerns and to preserve and enhance the multicultural/multiracial reality of our nation; and

That the Committee be authorized to select and initiate subjects for investigation within their jurisdiction and to prepare background papers, reports and research in this regard.

Hon. Herb Gray (Windsor West): Mr. Speaker, I just want to put on the record that we certainly agree to this motion to set up the Standing Committee on Multiculturalism. We will be very interested in participating actively in the committee. Our critic on multiculturalism, the Member for York West (Mr. Marchi), had spoken on our behalf in actively seeking the establishment of such a committee. Therefore, we are pleased to give unanimous consent at this time.

Mr. Althouse: Mr. Speaker, on behalf of the New Democratic Party, I concur. While the negotiations were difficult at times, we will accept this committee as proposed.

Motion agreed to.

JUSTICE AND LEGAL AFFAIRS—EXTENSION OF REPORTING DEADLINE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have a motion with respect to the subcommittee on Equality Rights of the Standing Committee on Justice and Legal Affairs which has also been the subject of consultation. I believe that you will find that this motion will also be received and passed unanimously without debate. It is as follows:

That pursuant to the Committee's order of reference dated Tuesday, February 26, 1985, the deadline for submitting the final report of the Standing Committee on Justice and Legal Affairs be extended to October 15, 1985.

Motion agreed to.

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—AUTHORIZATION TO TRAVEL FOR STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I have another motion specifically to empower the Standing Committee on External Affairs and National Defence to travel to France. Of course, the undertaking and understanding would apply to this motion. It reads:

That the Standing Committee on External Affairs and National Defence be empowered to travel to France during the month of September, 1985.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 323 and 339.

Order Paper Questions

[*Text*]

UNPRESCRIBED SHORT-STRAWED WHEAT VARIETIES

Question No. 323—**Mr. Althouse:**

1. Did the Minister of State (Canadian Wheat Board) set up a committee to examine the options for dealing with the unprescribed short-strawed wheat varieties and, if so (a) what criteria were used in the selection of the members (b) who are the members of the committee (c) what aspects of the industry are represented?

2. (a) Have any members of the committee grown the unprescribed varieties or sold them for seed purposes and, if so, which members (b) how many members have bought the production of such unprescribed varieties for use as feed or as an item of commerce?

3. Is the (a) importation (b) purchase for commercial use (c) sale of such unprescribed varieties legal?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): 1. Yes, the committee was made up of representatives of producer organizations, grain handling companies, exporting firms, the Canadian Wheat Board and the Canadian Grain Commission. Present, with the Minister of State (Canadian Wheat Board), for the announcement of the Government's response to the committee's findings were the Chief Commissioner, Canadian Wheat Board; the Chief Commissioner, the Canadian Grain Commission; and the Chief Executive Officer, Manitoba Pool Elevators; and a representative of the Western Canadian Wheat Growers Association.

2. Whether or not a member of the committee had grown or purchased unprescribed wheat varieties was not a consideration for participation on the committee.

3. It is illegal under the Canada Grain Act to import unprescribed varieties into Canada. However, once unprescribed varieties are present in Canada, it is legal to grow and market them.

TASK FORCE ON PROGRAM REVIEW

Question No. 339—**Mr. Foster:**

Is there a government task force on program review and, if so (a) what is the biographical background of each member of the Study Team on Native Programs (b) what are their qualifications (c) what is each member being paid?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Yes.

(a), (b) and (c):

Team Leader:	Mr. Jim Collinson Assistant Secretary Aboriginal Constitutional Affairs Federal-Provincial Relations Office
Public Sector Members:	Mr. Tom Clarke Director Financial Policy and Research Department of Indian Affairs and Northern Development
	Mr. Edwin Daniels Director Policy Co-ordinator and Band Government Division Department of Indian Affairs and Northern Development

Order Paper Questions

Mr. Glen Fields
A/Director General
Northern & Special Programs
Department of Regional Industrial Expansion

Ms. Judith Moses
Privy Council Officer
Machinery of Government
Privy Council Office

Public servants received no remuneration except those incurred while on travel status.

		Expenses as of May 3/85
Private Sector Members:	Mr. Peter Baird Conexus Research Group Inc. Ottawa, Ontario	9,671.50
	Mr. Patrick Brascoupe Vice-President Apikan Ltd. Ottawa, Ontario	7,400.00
	Mr. V. Glenn Sundstrom Business Consultant Calgary, Alberta	6,555.66

Members of the Study Team on Native Programs cover a wide range of related fields which includes experience in native affairs, northern development, environmental and conservation management, petroleum industry, etc.

The disclosure of specific personal information is governed by the Privacy Act.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 288 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 288 be deemed to have been made and Order for Return?

Some Hon. Members: Agreed.

[*Text*]

RAIL PASSENGER ACTION FORCE

Question No. 288—**Mr. Axworthy:**

1. As of March 1, 1985, what was the total cost of the Rail Passenger Action Force?

2. What are the projected final and budgeted costs of the force?

3. Who are the members of the force and what are their (a) positions (b) capabilities?

4. What financial and/or other terms were entered into with each member of the force?

5. Were such terms entered into by contract and, if so (a) were the contracts approved by Treasury Board (b) what are the terms of the contract, in each case in relation to (i) fees (ii) honoraria and/or per diems (iii) hospitality costs (iv) administrative and/or operating overhead costs (v) travel (c) who signed the contracts on behalf of the Crown (d) what are the running dates of each contract?

6. Has each member of the force travelled and, if so, by member and by trip (a) to what destination and for what purpose (b) at what cost (c) was he/she accompanied by departmental or ministerial staff and, if so, (i) by whom (ii) for what purpose (iii) at what cost (d) was the means of travel by VIA Rail and, if not, for what reason?

7. Are the costs of the force budgeted under (a) the Minister's office/Minister of State's office (b) the Deputy Minister/Associate Deputy Minister's office (c) an administration or other departmental budget and, if so, which one (d) a combination of the above and, if so, which combination (e) VIA Rail or any other Crown corporation and, if so, which one?

8. What are the costs in (a) person-years (b) other related operating costs expended by the Department of Transport to house and support the force?

9. What are the costs in (a) person-years (b) salaries (c) other related operating costs expended by (i) the Canadian Transport Commission (ii) VIA Rail (iii) Canadian National to support the force?

10. (a) How many square metres of space have been allocated to the force (b) what is the dollar value of this space for the duration of the force (c) what is the cost for any office modifications and/or new furnishings?

11. Is there a budget allocated to the force to cover professional and travel expenses to engage consultants and, if so (a) what is it (b) what amount has been (i) committed (ii) expended to date?

12. How many contracts have been let by the force to date and (a) to who (b) under what financial terms (c) for what purpose?

13. What are the dates and milestones outlined for the force?

14. On what date is the (a) next interim report expected (b) final report expected?

Return tabled.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO ADJOURN

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, you will be aware of the fact that an arrangement was entered into with respect to the business of the House. We had obtained our legislative objective yesterday evening. Indeed, this morning at approximately 1.30 a.m., Royal Assent was given to the Bills that we had dealt with. The understanding has been that the House would adjourn after Routine Proceedings today.

Before moving the appropriate motion, I want to extend to you, on behalf of all Members of the House of Commons, our thanks for your patience and diligence in pursuit of your responsibilities.

Also, as is the custom of the House when we adjourn for a recess, I want to extend our particular thanks to the officials at

the Table and to all employees of the House of Commons who serve us so well and very often do not receive sufficient and appropriate praise that they really deserve.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I also want to join in the glowing praise for all the pages who are gathered here now, ready to bolt through the door and flee the Hill. Summer vacation is here and the pages will be leaving this place. There is a sense of regret to see them leave because they have been exemplary and very diligent in performing their duties. They all deserve our heartfelt praise because they are an outstanding group. We wish them the very best in the future and look forward to seeing some of them back here, sitting in this chair or the one next to me.

Some Hon Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, I was interested to hear the Government House Leader say that he was willing to move a motion to adjourn the House forthwith because the Government had achieved its legislative objectives. I just want the record to show that the Bill amending the Immigration Appeal Board referred to by the Minister of Employment and Immigration (Miss MacDonald) during Question Period clearly was not one of them, therefore her remarks about the Liberals preventing the Bill from going forward were quite unwarranted. Also, groups working with the immigrant community have said that her Bill is deeply flawed.

Having said that, I want to associate myself with the Government House Leader in extending our thanks to the personnel of the House for their help and support. I also want to extend personal thanks to you, Mr. Speaker, for your efforts often in very difficult times. I want to extend particular thanks to the pages and wish them well for the future.

I want to say, as our Leader said in his first question, we hope that the summer will assist in the development of further wisdom and, in this case, I hope particularly it will be so for the Government because of its responsibilities. I repeat that I associate myself with the good wishes to all concerned and I hope we will do well over the next few months, come back here refreshed and ready to do our best for the people of this country.

Some Hon. Members: Hear, hear!

Mr. Les Benjamin (Regina West): Mr. Speaker, I too want to associate myself with the remarks made by the President of the Privy Council (Mr. Hnatyshyn) in extending our best wishes to the pages, except for the fact that they ate all of the sandwiches yesterday. You know what it's like trying to fill the hollow legs of young people! We will have to make bigger lunches next time.

On behalf of our Party, I also want to extend my compliments and thanks to the Chair and those at the Table. We know that nobody is perfect, but the Chair and those at the Table did very well—except in two instances of bad rulings on my amendments. In any event, we can argue about that this fall.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, that being said, I move:

That the House do now adjourn.

Mr. Speaker: Before I put the motion, may I simply wish everyone a happy summer. I think everyone here has earned it, particularly all our families who are looking forward to repairing relationships that often get battered in this life.

May I also thank all Members for their comments on behalf of the excellent work that is done by our Table Officers and officials of the House.

May I say one or two special words about some of the unsung heroes. None of you know what it is like to try to interpret a statement made under Standing Order 21 that goes at 250 words a minute. There was an article published about it recently, and I think I am going to say, therefore, a special word of praise to our interpreters who have an enormously difficult task.

Some Hon. Members: Hear, hear!

Mr. Speaker: To our security staff, our broadcasting staff—way up there—very special warm words. These are the people who help us—and the bus boys, says the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), our warmth and affection.

Finally, as you would expect, the Speaker has a special place in his or her heart for all the young men and women in black and white. It is a custom that I am honoured to continue to wish all our pages a happy summer and, a marvellous future. They have served us better than they know and maybe in some ways better than we deserve.

Some Hon. Members: Hear, hear!

Motion (Mr. Hnatyshyn) agreed to.

Mr. Speaker: The House, therefore stands adjourned.

The House adjourned at 12.31 p.m.